



New York City Council

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Hearing on the Mayor's Fiscal Year 2011 Preliminary Budget

Taxi and Limousine Commission

March 22, 2010

Committee on Transportation

Hon. James Vacca, Chair

Jonathan Rosenberg, Deputy Director, Finance Division
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Summary and Highlights

Taxi and Limousine Commission Financial Summary

Dollars in Thousands

	2008 Actual	2009 Actual	2010 Adopted	2010 Jan. Plan	2011 Jan. Plan	Difference 2010–2011
Personal Services	\$20,396	\$21,660	\$22,865	\$23,924	\$24,483	\$1,618
Other than Personal Services	7,366	7,214	6,978	7,575	6,739	(239)
TOTAL	\$27,762	\$28,874	\$29,843	\$31,499	\$31,222	\$1,379

The Taxi and Limousine Commission's (TLC) budget is funded entirely with City tax-levy funds. The TLC's Fiscal 2011 Preliminary Budget totals \$31.2 million, which is \$1.3 million more than the Agency's Fiscal 2010 Adopted Budget amount of \$29.8 million. The planned spending increase is primarily the result of a new need of \$1.1 million for 12 positions in the TLC's For-Hire Vehicle Inspection Unit to conduct New York State Department of motor vehicles (DMV) safety and emissions inspections. In addition, the Fiscal 2011 Preliminary Budget contains other actions including a Program to Eliminate the Gap (PEGs) action that will generate additional revenue through increased administrative enforcement and an adjustment for collective bargaining agreements.

Since the adoption of the Fiscal 2010 budget, specific actions affecting the TLC's budget include the following:

- **Increase Administrative Enforcement.** TLC anticipates an additional \$3.4 million in Fiscal 2011 from administrative summonses to licensees who violate new TLC rules and regulations passed in April 2009 (see p. 2).
- **For-Hire Vehicle Inspections.** TLC has budgeted an additional \$1.1 million in Fiscal 2011 and the outyears to conduct State DMV safety and emissions inspections (see p. 2).
- **TLC Security Contract Increase.** Due to an increase in security costs resulting from a prevailing wage rate determination, the TLC has a new need of \$127,000 in Fiscal 2010 and Fiscal 2011 and the outyears (see p. 2).
- **Collective Bargaining.** The Taxi and Limousine Commission will receive additional City funding of \$253,000 in Fiscal 2010 and Fiscal 2011 and the outyears for collective bargaining costs.

The Taxi and Limousine Commission

The Taxi and Limousine Commission (TLC) establishes and enforces professional and uniform standards of for-hire car service and ensures public safety. Currently, TLC licenses and regulates 13,237 medallion taxicabs, 39,164 for-hire vehicles, 2,320 paratransit vehicles, 341 commuter vans and 105,632 drivers. The Commission regulates 27 taximeter shops, 25 taxicab brokers and 69 taxicab agents and sets fares charged by medallion taxicabs.

Key Public Services Areas

- Ensure the quality and safety of for hire-hire vehicle transportation service through effective regulation and administration of rules, standards, and licensing requirements.

Critical Objectives

- Promote industry standards through an efficient licensing process.
- Improve compliance with rules and regulations through ongoing monitoring.
- Increase compliance with safety and emissions standards through timely inspections.
- Provide a fair and timely review and hearing process

SOURCE: Mayor's Management Report

Taxi and Limousine Commission Financial Summary

Dollars in Thousands

	2008 Actual	2009 Actual	2010 Adopted	2010 Jan. Plan	2011 Jan. Plan	*Difference 2010-2011
Budget by Units of Appropriation Area						
001 - Personal Services	\$20,396	\$21,660	\$22,865	\$23,924	\$24,483	\$1,618
002 - Other than Personal Services	7,366	7,214	6,978	7,575	6,739	(239)
TOTAL	\$27,762	\$28,874	\$29,843	\$31,499	\$31,222	\$1,379
Funding						
City Funds	\$27,762	\$28,875	\$29,843	\$31,499	\$31,222	\$1,379
TOTAL	\$27,762	\$28,875	\$29,843	\$31,499	\$31,222	\$1,379
Positions						
Fulltime Positions	370	378	404	416	416	12
TOTAL	370	378	404	416	416	12

Preliminary Performance Highlights

The following performance measures were reported in the Mayor's Management Report for DOT.

	FY 07	FY 08	FY 09	4-Month Actual FY 10	Target FY 10
Average days to receive a medallion driver's license	56.6	56.5	55.1	52.0	*
Average days to receive a for-hire vehicle driver's license	21.0	22.5	20.0	20.0	*
Car stop compliance rate (medallions & for-hire veh) (%)	46	56	63	38	*
Street hail summonses issued to for-hire vehicle drivers	1,260	1,560	991	206	*
Average time to close a consumer complaint - (days)					
Medallion	22.2	23.7	26.5	28.4	*
For-hire vehicle	47.3	23.8	28.2	28.2	*
Average age of open summonses (days)	60.0	64.0	73.5	154.7	*
Average time from a consumer's request for a hearing to the hearing close date (days)	N/A	47.0	58.0	60.0	*

Due to a higher failure rate among for-hire vehicles, overall car stop compliance rate decreased from 63 percent to 38 in the first four months of Fiscal 2010. The decrease is the result of new rules governing the for-hire vehicle industry that was recently implemented by the TLC. Rates are expected to improve over the coming year as the industry adapt to the new rules.

In the first four months of Fiscal 2010, the average age of open summonses increased from 73.5 days in Fiscal 2009 to 154.7 days. This is due, in part, to the expanded use of computer-generated summonses as an enforcement tool for certain administrative violation by the TLC. This action has resulted to an increase in caseload within the Commission.

Fiscal 2011 Budget Actions

PEG Program

As part of the Citywide PEG Program, TLC was required to come up with cost savings in its Fiscal 2011 expense budget. As a result of the agency's revenue generating ability, TLC was able to meet its PEG target through the implementation of additional fees. The agency's Fiscal 2011 Preliminary Budget includes additional revenue of \$1.8 million in Fiscal 2010 and \$3.4 million in Fiscal 2011.

- Increase Administrative Enforcement.** The Taxi and Limousine Commission will generate additional revenue of \$1.8 million in Fiscal 2010 and \$3.4 million in Fiscal 2011 through the issuance of administrative summonses to licensees who violate new TLC rules and regulations passed in April 2009. The revenue generated through this initiative is offset by \$420,000 in Fiscal 2010 and \$544,000 in Fiscal 2011 for related PS and OTPS costs.

New Needs and Other Adjustments

- **For-Hire Vehicle Inspections.** The TLC has a new need of \$793,000 in Fiscal 2010 and \$1.1 million in Fiscal 2011 and the outyears for 12 positions in the Commission's For-Hire Vehicle Inspection Unit to conduct State DMV safety and emissions inspections.
- **TLC Security Contract Increase.** Due to an increase in security costs resulting from a prevailing wage rate determination, the TLC has a new need of \$127,000 in Fiscal 2010 and Fiscal 2011 and the outyears for costs associated with its security contract with Allied Barton for armed and unarmed guards. Similar to other agencies, TLC's security contract with Allied Barton is managed by the Department of Citywide Administrative Services (DCAS).
- **Collective Bargaining.** The Taxi and Limousine Commission will receive additional City funding of \$253,000 in Fiscal 2010 and Fiscal 2011 and the outyears for collective bargaining costs.

Revenue Summary

The Fiscal 2011 Revenue Budget for the Commission is projected to be \$41.6 million, an increase of 10.7 percent or \$4 million when compared to the Fiscal 2010 Adopted Budget amount of \$37.6 million. The Commission anticipates additional revenues to be derived from increased enforcement of new TLC's rules and regulations and possibly from conducting State DMV safety and emissions inspections for for-hire vehicles. Of the projected Fiscal 2011 revenue amount, \$27.6 million will come from medallions and for-hire vehicles licensing fees, \$4.1 million will come from taxi inspections and transfer fees, and \$9.9 million will come from taxi fines and forfeitures.

AGENCY REVENUE OVERVIEW

Agency Revenue Sources	Fiscal 2010 Adopted Budget	Fiscal 2010 Modified as of 1/28/2010	Fiscal 2011 Preliminary Budget
License, Permit & Franchises	\$27,600,000	\$27,600,000	\$27,600,000
Charges for Services	\$3,460,000	\$3,460,000	\$4,100,000
Fines and Forfeitures	\$6,500,000	\$6,500,000	\$9,900,000
TOTAL	\$37,560,000	\$37,560,000	\$41,600,000

Appendix A: Budget Actions in the November and January Plans

<i>Dollars in thousands</i>	FY 2010			FY 2011		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as of June 2009 Plan	\$29,844	\$0	\$29,844	\$29,157	\$0	\$29,157
Program to Eliminate the Gap (PEGs)						
Increased Administrative Enforcement	(\$1,864)	\$0	(\$1,864)	(\$3,400)	\$0	(\$3,400)
Total, PEGs	(\$1,864)	\$0	(\$1,864)	(\$3,400)	\$0	(\$3,400)
New Needs						
Increased Administrative Enforcement	\$420	\$0	\$420	\$544	\$0	\$544
For Hire Vehicle Inspections	793	0	793	1140	0	1,140
TLC Security Contract Increase	127	0	127	127	0	127
Total, New Needs	\$1,340	\$0	\$1,340	\$1,811	\$0	\$1,811
Other Adjustments						
Collective Bargaining	\$253	\$0	\$253	\$253	\$0	\$253
Lease Adjustment	63	0	63	0	0	0
Adjustment for Revenue PEG	1,864	0	1,864	3,400	0	3,400
Total, Other Adjustments	\$2,180	\$0	\$2,180	\$3,653	\$0	\$3,653
Agency Budget as of January 2010 Plan	\$31,500	\$0	\$31,500	\$31,221	\$0	\$31,221