



New York City Council

Christine C. Quinn, Speaker

Finance Division

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**Hearing on the Mayor's Fiscal Year 2012 Preliminary Budget &
the Fiscal Year 2011 Preliminary Mayor's Management Report**

Taxi and Limousine Commission

March 11, 2011

Committee on Transportation

Hon. James Vacca, Chair

Andy Grossman, Deputy Director, Finance Division

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Summary and Highlights

Taxi and Limousine Commission Financial Summary

Dollars in Thousands

	2009 Actual	2010 Actual	2011 Adopted	2011 Feb. Plan	2012 Feb. Plan	Difference 2011–2012
Personal Services	\$21,660	\$23,386	\$24,324	\$24,244	\$25,016	\$692
Other Than Personal Services	7,215	6,712	6,936	7,216	7,158	222
TOTAL	\$28,875	\$30,098	\$31,260	\$31,460	\$32,174	\$914

**Difference refers to the variance between the Fiscal 2011 Adopted Budget and the Projected Fiscal 2012 Budget.*

The Taxi and Limousine Commission's (TLC) budget is funded entirely with City tax-levy funds. The TLC's Fiscal 2012 Preliminary Budget totals \$32.2 million, which is approximately \$1 million more than the Agency's Fiscal 2011 Adopted Budget amount of \$31.3 million. The planned spending increase is primarily the result of increased costs associated with the Commission's new revenue initiatives. The Fiscal 2012 Preliminary Budget includes Programs to Eliminate the Gap (PEGs) that will generate additional revenue through increased fees for medallion inspection, drivers' licensing, and the introduction of a new for-hire vehicle inspection fee.

Since the adoption of the Fiscal 2011 budget, specific actions affecting the TLC's budget include the following:

- **Driver License Fee Increase.** TLC anticipates an additional \$703,000 in Fiscal 2011 and \$1.7 million in Fiscal 2012 and the outyears from increased licensing fees (see p. 3).
- **Medallion Inspection Fee Increase.** TLC expects to collect additional revenue of \$625,000 in Fiscal 2011 and \$1.6 million in Fiscal 2012 and the outyears from increased medallion inspection fees (see p. 3).
- **New For-Hire Vehicle Inspection Fees.** TLC anticipates increased revenue of \$700,000 in Fiscal 2011 and \$1.1 million in Fiscal 2012 and the outyears from a new for-hire vehicle inspection fee (see p. 4).
- **Continuation of Contract Services.** The Taxi and Limousine Commission will receive additional City funding of \$200,000 in Fiscal 2011 only for contracted services costs (see p. 4).

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, 37,131 for-hire vehicles, 2,337 paratransit vehicles, 373 commuter vans and 106,484 drivers. The Commission regulates 29 taximeter shops, 25 taxicab brokers and 68 taxicab agents and sets fares charged by medallion taxicabs.

Key Public Services Areas

- Ensure the quality and safety of for-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

	2009 Actual	2010 Actual	2011 Adopted	2011 Feb. Plan	2012 Feb. Plan	*Difference 2011–2012
Budget by Units of Appropriation						
001 - Personal Services	\$21,660	\$23,386	\$24,324	\$24,244	\$25,016	\$692
002 - Other than Personal Services	7,215	6,712	6,936	7,216	7,158	222
TOTAL	\$28,875	\$30,098	\$31,260	\$31,460	\$32,174	\$914
Funding						
City Funds	\$28,875	\$30,098	\$31,260	\$31,460	\$32,174	\$914
TOTAL	\$28,875	\$30,098	\$31,260	\$31,460	\$32,174	\$914
Positions						
Full-Time Positions	378	375	414	414	414	0
TOTAL	378	375	414	414	414	0

Preliminary Performance Highlights

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

	FY 08	FY 09	FY 10	4-Month Actual FY 11	4-Month Actual FY 10	Target FY 12
Average days to receive a medallion driver's license	56.5	55.1	53.4	55.8	52.0	*
Average days to receive a for-hire vehicle driver's license	22.5	20.0	19.9	20.0	20.0	*
Car stop compliance rate (medallions & for-hire veh.) (%)	46	36	52	37	65	*
Street hail summonses to non-medallion veh. drivers	1,560	991	1,323	1,198	206	*
Medallion enforcement: Operation Refusal compliance rate (%)	88	94	96	N/A	95	*
Average time to close a consumer complaint - (days)						
Medallion	23.7	26.5	34.1	31.0	28.4	*
For-hire vehicle	23.8	28.2	31.3	27.9	28.2	*
Average age of open summonses (days)	N/A	N/A	80	85	N/A	*
Average time from a consumer's request for a hearing to the hearing close date (days)	47.0	58.0	56.0	80.0	60.0	*

Due to increased enforcement, in the first four months of Fiscal 2011 street hail summonses issued to for-hire vehicle drivers increased by more than 480 percent.

Due to the more targeted nature of car stops made by the Commission, the overall car stop compliance rate decreased from 65 percent to 37 percent in the first four months of Fiscal 2011 as compared with the same period in Fiscal 2010.

In the first four months of Fiscal 2011, the average time between receipt of a consumer complaint and the close of hearing on the complaint increased from 60 days to 80 days. This is due, in part, to the introduction of a new software program which required testing.

Fiscal 2012 Budget Actions

PEG Program

As part of the Citywide PEG Program, TLC was required to come up with cost savings in its Fiscal 2012 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 2012 Preliminary Budget includes additional revenue of \$2 million in Fiscal 2011 and \$4.5 million in Fiscal 2012 and the outyears.

- **Driver License Fee Increase.** The Taxi and Limousine Commission will generate additional revenue of \$700,000 in Fiscal 2011 and \$1.7 million in Fiscal 2012 and the outyears by increasing medallion, for-hire vehicle, paratransit and commuter van drivers' licensing fees from \$60 to \$84. The increased revenue is offset by \$689,000 in related OTPS costs in Fiscal 2012 and the outyears.
- **Medallion Inspection Fee Increase.** By increasing the fee for the initial inspection of medallion vehicles from \$50 to \$90, the Taxi and Limousine Commission anticipates increased revenue of

\$625,000 in Fiscal 2011 and \$1.6 million, offset by \$478,000 in related expenses in Fiscal 2012 and the outyears.

- **New For-Hire Vehicle Inspection Fees.** The Taxi and Limousine Commission anticipates additional revenue of \$700,000 in Fiscal 2011 and \$1.1 million in Fiscal 2012 and the outyears from the implementation of a new \$38 fee for the visual inspection of for-hire vehicles. The additional revenue is offset by \$291,000 in Fiscal 2012 and the outyears in related OTPS costs.
- **Continuation of Contract Services.** The Taxi and Limousine Commission will receive additional City funding of \$200,000 in Fiscal 2011 only for costs related to contracted services.

Revenue Summary

The Fiscal 2012 Revenue Budget for the Commission is projected to be \$42.4 million, an increase of 6.7 percent or \$2.7 million when compared to the Fiscal 2011 Adopted Budget amount of \$39.8 million. The Commission anticipates additional revenues to be derived from increased drivers' license fees, increased initial medallion vehicle inspection fees, and the implementation of a new fee for visual inspections of for-hire vehicles. Of the projected Fiscal 2012 revenue amount, \$29.3 million will come from medallions and for-hire vehicles licensing, permit and franchise fees; \$7.6 million will come from charges for taxi inspections and transfer fees; and \$5.5 million will come from taxi fines and forfeitures.

AGENCY REVENUE OVERVIEW

Agency Revenue Sources	Fiscal 2011 Adopted Budget	Fiscal 2011 Modified as of 2/17/2011	Fiscal 2012 Preliminary Budget
License, Permit & Franchises	\$27,600,000	\$27,600,000	\$29,334,000
Charges for Services	\$4,877,000	\$4,877,000	\$7,598,000
Fines and Forfeitures	\$7,300,000	\$7,300,000	\$5,500,000
TOTAL	\$39,777,000	\$39,777,000	\$42,432,000

Fiscal 2012 Preliminary Contracts Budget

Category	Number	Budgeted	Pct of TLC Total	Pct of City Total	Pct. Change from 2011 ADP
Contractual Services General	2	\$68,000	4.2%	0.0%	0.0%
Telecommunications Maintenance	2	32,000	2.0%	0.1%	0.0%
Maint & Repair, General	10	25,000	1.5%	0.0%	0.0%
Office Equipment Maintenance	1	20,000	1.2%	0.1%	0.0%
Data Processing Equipment	1	80,000	4.9%	0.1%	0.0%
Printing Contracts	1	65,000	4.0%	0.2%	-9.7%
Security Services	4	379,174	23.4%	0.4%	0.0%
Temporary Services	2	103,000	6.4%	0.3%	-20.8%
Cleaning Services	3	88,156	5.4%	0.4%	0.0%
Training Programs for City Employees	2	1,000	0.1%	0.0%	0.0%
Professional Services: Computer Services	4	759,738	46.9%	0.6%	0.0%
Preliminary Budget	32	\$1,621,068	100.0%	0.1%	-2.1%

Appendix A: Budget Actions in the November and February Plans

<i>Dollars in thousands</i>	FY 2011			FY 2012		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as of June 2010 Plan	\$31,260	\$0	\$31,260	\$30,716	\$0	\$30,716
Program to Eliminate the Gap (PEGs)						
Drivers' License Fee Increase	\$0	\$0	\$0	\$689	\$0	\$689
Medallion Inspection Fee Increase	0	0	0	478	0	478
New For-Hire Vehicle Inspection Fee	0	0	0	291	0	291
Total, PEGs	\$0	\$0	\$0	\$1,458	\$0	\$1,458
New Needs						
Total, New Needs	\$0	\$0	\$0	\$0	\$0	\$0
Other Adjustments						
Continuation of contract services	200	0	200	0	0	0
Total, Other Adjustments	\$200	\$0	\$200	\$0	\$0	\$0
Agency Budget as of January 2011 Plan	\$31,460	\$0	\$31,460	\$32,174	\$0	\$32,174