

THE COUNCIL OF THE CITY OF NEW YORK



Hon. Melissa Mark-Viverito
Speaker of the Council

Hon. Ydanis Rodriguez
Chair, Committee on Transportation

Hearing on the Fiscal 2015 Preliminary Budget & the Fiscal 2014 Preliminary Mayor's Management Report

Taxi and Limousine Commission

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Taxi and Limousine Commission Overview

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 all aspects of New York City's medallion yellow taxicabs, for-hire vehicles (community-based liveries and black cars), commuter vans, paratransit vehicles (ambulettes), certain luxury limousines and most recently the City's new green taxis.

TLC- Regulated Industries

Yellow Taxis: There are approximately 13,437 medallions with the right to run a yellow taxi within one of the three categories below:

- ✓ **Fleets:** Run garages that own and operate many taxis. Drivers lease the taxi on a daily or weekly basis. The lease fee is capped according to TLC regulations.
- ✓ **Driver-Owned Vehicles (DOV):** Driver conditionally owns the car but leases the medallion from an agent who manages it for an owner.
- ✓ **Individual Owner-Operators:** Driver owns car and medallion and is required to drive at least 210 shifts per year.

Borough Taxis: Borough Taxis were created as a new class of license in 2012 to provide legal, yellow-caliber taxi service to the boroughs.

- ✓ Borough Taxis are a hybrid service, providing both street-hail and prearranged for-hire vehicle service.
- ✓ 18,000 Borough Taxi permits are being issued in three groups of 6,000. The first group of 6,000 has been sold, with the second issuance planned for June 2014.
- ✓ Borough Taxis are not permitted to pick up passengers in Manhattan below E 96th Street or W 110th Street or to serve airport taxi queues

Other For-Hire Vehicles (FHVs)

- ✓ **Liveries (also known as Car Services or Community Cars):** Provide for-hire service by pre-arrangement. Currently there are approximately 500 base stations located throughout the five boroughs and 25,000 vehicles. The vehicles must be affiliated with a base.
- ✓ **Black Cars:** Provide service mostly for corporate clients, setting fares by contracts with clients. There are about 80 base stations citywide and 10,000 vehicles.
- ✓ **Luxury Limousines:** Provide chartered service - currently there are about 7,000 vehicles and 200 companies.
- ✓ **Paratransit:** Provide transportation for healthcare facilities. There are about 2,000 vehicles and over 200 paratransit providers citywide.
- ✓ **Commuter Vans:** Provide service for passengers along fixed routes. There are about 500 vehicles and 50 van authorizations presently.

Fiscal 2015 Preliminary Plan Highlights

	2012	2013	2014	2014	2015	*Difference
<i>Dollars in Thousands</i>	Actual	Actual	Adopted	Prelim. Plan	Prelim. Plan	2014 - 2015
Personal Services	\$22,116	\$26,342	\$30,109	\$30,109	\$33,046	\$2,937
Other Than Personal Services	9,600	10,401	33,885	33,885	27,999	(5,886)
Agency Total	\$31,716	\$36,743	\$63,994	\$63,994	\$61,045	(\$2,949)

**The difference of Fiscal 2014 Adopted compared to Fiscal 2015 Preliminary Plan funding.*

The Taxi and Limousine Commission's (TLC) Fiscal 2015 budget is funded entirely with City tax-levy funds. The TLC's Fiscal 2015 Preliminary Budget totals \$61 million, which is \$2.9 million less than the Agency's Fiscal 2014 Adopted Budget of \$63.9 million. The decrease in spending is primarily due to the leveling-off in the initial OTPS spending for the five-borough taxi program - (HAIL licenses) for livery cabs. The licensing allows livery cabs to pick up street hails in the five boroughs except at airports and in Manhattan south of East 96th Street and West 110th Street.

Although the Fiscal 2015 Preliminary Budget includes no new actions for the Taxi and Limousine Commission, specific actions affecting the TLC's budget since the adoption of the Fiscal 2014 budget include the following:

- **Licensing Staff and Security.** The November Financial Plan includes \$580,000 annually for licensing staff and security. (see p. 3)
- **PS Differential Funding.** The addition of \$580,000 to TLC's budget personal services differential funding. (see p. 3)
- **Taxi Medallion Sale EIS.** The addition of \$178,000 in Fiscal 2014 only for environmental impact study. (see p. 3)

Taxi and Limousine Commission Financial Summary

<i>Dollars in Thousands</i>	2012	2013	2014	2014	2015	*Difference
	Actual	Actual	Adopted	Prelim. Plan	Prelim. Plan	2014 - 2015
Budget by Units of Appropriation						
001 - Personal Services	\$22,116	\$26,342	\$30,109	\$30,109	\$33,046	\$2,937
002 - Other than Personal Services	9,600	10,401	33,885	33,885	27,999	(5,886)
TOTAL	\$31,716	\$36,743	\$63,994	\$63,994	\$61,045	(\$2,949)
Funding						
City Funds	\$31,716	\$36,458	\$63,994	\$63,994	\$61,045	(\$2,949)
Federal - Other	-	285	-	-	-	-
TOTAL	\$31,716	\$36,743	\$63,994	\$63,994	\$61,045	(\$2,949)
Positions						
Full-Time Positions	435	569	594	594	609	15
TOTAL	435	569	594	594	609	15

**The difference of Fiscal 2014 Adopted compared to Fiscal 2015 Preliminary Plan funding.*

Fiscal 2015 Budget Actions

New Needs

The November Financial Plan includes three new needs actions for the Taxi and Limousine Commission. These actions are:

- **Licensing Staff and Security.** The November Financial Plan includes \$580,000 in Fiscal 2014 and in Fiscal 2015 and the outyears for four licensing staff positions and security.
- **PS Differential Funding.** The November Plan includes a new need of \$580,000 in TLC's budget for personal services costs in Fiscal 2014 and in Fiscal 2015 and in the outyears.
- **Taxi Medallion Sale EIS.** Due to a need for an Environmental Impact Statement required before the City could commence the sale of new taxi medallions, the November Plan includes \$178,000 in Fiscal 2014 only for costs associated with the taxi medallion sale environmental impact study.

Revenue Summary

The Fiscal 2015 Revenue Budget for the Commission is projected to be \$545.6 million, an increase of more than \$124 million when compared to the Fiscal 2014 planned amount of \$420.9 million. The Commission anticipates additional fee revenue from taxi inspections in addition to Hail licenses in Fiscal 2015 and in the outyears. Of the projected Fiscal 2015 revenue amount, \$48.3 million will come from medallions and for-hire vehicles licensing; \$10.2 million will come from charges for taxi inspections and TLC transfer fees; \$5.9 million will come from fines and forfeitures and \$481 million will come from the sale of additional taxi medallions.

Taxi & Limousine Commission Revenue Overview

Dollars in Thousands

Revenue Sources	Actual		Planned			
	2012	2013	2014	2015	2016	2017
Taxi Licenses	\$32,328	\$33,727	\$30,314	\$30,314	\$30,314	\$30,314
Hail Licenses	0	261	7,386	18,000	27,630	27,720
Taxi Inspection & TLC Fees	9,710	7,689	9,629	10,217	10,217	10,217
Settlement Fines/Forfeitures	0	0	9,500	5,979	5,624	5,412
Sale of Taxi Medallions	0	0	364,000	481,000	360,000	400,000
Tow Bonds	75	122	69	69	69	69
TOTAL	\$42,113	\$41,799	\$420,898	\$545,579	\$433,854	\$473,732

New Taxi Cab Medallion Highlights

In December 2011, the Governor signed into law legislation allowing the City to issue 18,000 Street Hail Licenses to serve areas outside central Manhattan and to sell 2,000 additional yellow medallions. After a series of court challenges, the City won and began issuing Street Hail Licenses in June 2013. All 6,000 Street Hail Livery (SHL) permits available for issuance in the first year have been sold with 20 percent committed for use with wheelchairs. The first SHL began serving both street-hail and call-ahead passengers in Northern Manhattan, Brooklyn, Queens, the Bronx and Staten Island.

- On November 14, 2013, the TLC auctioned 100 lots of yellow medallions or a total of 200 medallions. The anticipated revenue from that sale, when fully closed, will be approximately \$230 million. Subsequently, on February 26, 2014 the Commission successfully auctioned another 168 new medallions with the highest winning bid price of \$965,000 and a lowest winning bid price of \$805,201. These transactions, when fully closed, will bring the number of the City's medallion taxicabs to 13,605, and the number of taxicabs accessible to wheelchair users to 601. Another auction for 32 mini fleet medallions is planned for March 25, 2014.
- Since only 400 medallions can be sold prior to receiving an approved Disability Accessibility Plan (DAP) from the State, any subsequent sale beyond the 400 would be subject to the City receiving approval for its DAP.

Increased Enforcement

To ensure the smooth implementation of SHL service, TLC is shifting more resources to enforce against illegal street hails in neighborhoods served by SHLs.

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

Performance Indicators	Actual			Target		4-Month Actual	
	FY11	FY12	FY13	FY14	FY15	FY13	FY14
Medallion patrol summonses issued - Total	5,192	3,574	7,240	*	*	2,480	1,675
Administrative summonses issued to medallions	3,760	15,460	14,877	*	*	2,873	2,106
FHV patrol summonses issued	27,726	41,254	32,633	*	*	13,326	13,353
* - Summonses issued for illegal street hails and unlicensed activity	N/A	20,547	17,258	*	*	6,381	6,624
Administrative summonses issued to FHVs	3,721	3,945	5,861	*	*	2,801	1,450
Violations admitted to or upheld at the Taxi and Limousine Tribunal at the Office of Administrative Trials and Hearings (%)	N/A	N/A	83.0%	*	*	N/A	83.2%
Medallion enforcement: Operation Refusal compliance rate (%)	N/A	83.5%	86.8%	*	*	82.6%	84.3%
Medallion and FHV vehicles with active insurance (%)	89.4%	90.4%	85.9%	*	*	88.9%	79.6%

During the first four months of Fiscal 2014, the TLC continued to focus its enforcement efforts on illegal street hails and unlicensed activity. This resulted in the issuance of 6,624 summonses to drivers and the seizure of 3,479 vehicles, according to the Commission. As noted in the Preliminary Mayor's Management Report (PMMR), vehicle seizures are an important enforcement tool and have been on the rise since TLC expanded storage capacity last year. Patrol summonses issued to medallions decreased by almost one-third to 1,675 as TLC focused its enforcement resources on FHV patrol in line with the launch of the Borough Taxi program.

Appendix A

Budget Actions in the November and Preliminary Plans

<i>Dollars in Thousands</i>	FY 2014			FY 2015		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as of the Adopted 2014 Plan	\$64,000	\$0	\$64,000	\$59,885	\$0	\$59,885
New Needs						
Licensing Staff	\$580	\$0	\$580	\$580	\$0	\$580
PS Differential Funding	580	0	580	580	0	580
Taxi Medallion Sale EIS	172	0	172	0	0	0
TOTAL, New Needs	\$1,332	\$0	\$1,332	\$1,160	\$0	\$1,160
Other Adjustments						
	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL, Other Adjustments	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL, All Changes	\$1,332	\$0	\$1,332	\$1,160	\$0	\$1,160
Agency Budget as of the Preliminary 2015 Plan	\$65,332	\$0	\$65,332	\$61,045	\$0	\$61,045

Appendix B

Taxi & Limousine Commission Contract Budget

Category	Number	Budgeted	Pct of TLC Total	Pct of City Total
Contractual Services General	2	\$1,611,000	50.9%	0.3%
Telecommunications Maintenance	2	32,000	1.0%	0.1%
Maint & Repair, General	10	25,000	0.8%	0.0%
Office Equipment Maintenance	1	20,000	0.6%	0.1%
Data Processing Equipment	1	80,000	2.5%	0.0%
Printing Contracts	1	65,000	2.1%	0.2%
Security Services	4	379,174	12.0%	0.4%
Temporary Services	2	103,000	3.3%	0.3%
Cleaning Services	3	88,156	2.8%	0.4%
Training Programs for City Employees	2	1,000	0.0%	0.0%
Professional Services: Computer Services	4	759,738	24.0%	0.7%
2015 Preliminary Budget	32	\$3,164,068	100%	0.2%

Appendix C:

Fiscal 2014 Mayor's Management Report Performance Measures

Performance Indicators	Actual			Target		4-Month Actual	
	FY11	FY12	FY13	FY14	FY15	FY13	FY14
Medallion safety and emissions inspections conducted	53,362	51,582	51,786	*	*	16,957	17,226
*Medallion safety and emissions failure rate - Initial inspection (%)	38.40%	33.50%	32.70%	35.00%	35.00%	31.80%	31.20%
- Re-inspection (%)	9.7%	9.10%	8.10%	*	*	8.40%	8.00%
Medallion summonses issued for non-inspection	1,929	1,815	1,675	*	*	595	508
Medallion safety and emissions inspections completed on time (%)	94.40%	95.90%	94.90%	*	*	95.30%	96.40%
For-hire vehicle (FHV) safety and emissions inspections conducted at TLC facility	38,929	37,373	39,634	*	*	11,387	13,746
*FHV safety and emissions failure rate - Initial inspection (%)	49.40%	45.50%	44.90%	45.00%	45.00%	46.90%	41.40%
- Re-Inspection (%)	17.8%	15.60%	15.10%	*	*	15.90%	15.20%
FHV safety and emissions inspections completed on time (%)	97.70%	99.90%	99.80%	*	*	99.70%	100.00%
Medallion patrol summonses issued - Total	5,192	3,574	7,240	*	*	2,480	1,675
Administrative summonses issued to medallions	3,760	15,460	14,877	*	*	2,873	2,106
FHV patrol summonses issued	27,726	41,254	32,633	*	*	13,326	13,353
* - Summonses issued for illegal street hails and unlicensed activity	N/A	20,547	17,258	*	*	6,381	6,624
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Violations admitted to or upheld at the Taxi and Limousine Tribunal at the Office of Administrative Trials and Hearings (%)	N/A	N/A	83.00%	*	*	N/A	83.20%
Medallion enforcement: Operation Refusal compliance rate (%)	N/A	83.50%	86.80%	*	*	82.60%	84.30%
Medallion and FHV vehicles with active insurance (%)	89.40%	90.40%	85.90%	*	*	88.90%	79.60%
*Average wait time at Long Island City licensing facility (hours:minutes)	0:18	0:23	0:14	0:25	0:25	0:15	0:21
Medallion driver's licenses issued	26,949	27,816	28,057	*	*	9,707	10,390
FHV driver's licenses issued	33,010	33,374	34,229	*	*	11,317	12,975
Average days to receive a medallion driver's license from initial application	55.2	50.9	49.6	*	*	48	50
Average days to receive a FHV driver's license from initial application	16.5	21.5	19.9	*	*	16	37.1
*Average time to conduct a safety and emissions inspection of a medallion taxi (hours:minutes)	1:11	1:18	0:55	1:00	1:00	0:50	0:52
*Average time to conduct a safety and emissions inspection of a FHV (hours:minutes)	0:57	1:22	0:56	1:00	1:00	1:00	0:49
*Average time to close a consumer complaint (calendar days): Medallion	44	38	47	55	55	32	61
Medallion driver complaints received	20,686	19,161	18,109	*	*	6,662	5,762
*Average time to close a consumer complaint (calendar days): FHV	44.3	54.4	56.1	55	55	32.3	71
FHV driver complaints received	2,562	2,761	3,002	*	*	973	884