

THE COUNCIL OF THE CITY OF NEW YORK

Hon. Melissa Mark-Viverito
Speaker of the Council

Hon. Ydanis Rodriguez
Chair, Committee on Transportation



Report on the Fiscal 2017 Preliminary Budget and the Fiscal 2016 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 transportation service and ensures public safety. Currently, TLC licenses and regulates all aspects of New York City's medallion yellow taxicabs, for-hire vehicles (Borough Taxis, community-based liveries, and black cars), commuter vans, paratransit vehicles (ambulettes), and certain luxury limousines.

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.** 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 in 2012 to provide legal, yellow-caliber taxi service to the boroughs.

- ✓ Borough Taxis provide a dual service, picking up both street-hail and prearranged for-hire passengers.
- ✓ 18,000 Borough Taxi permits are being issued in three groups of 6,000. The first group of 6,000 has been sold and the second issuance is underway.
- ✓ Borough Taxis are not permitted to pick up passengers in Manhattan below East 96th Street or West 110th Street or to serve airport taxi queues.

Other For-Hire Vehicles (FHVs) include:

- ✓ **Liveries (also known as Car Services or Community Cars).** Provide pre-arranged for-hire service. Currently there are approximately 500 base stations located throughout the five boroughs and 25,000 vehicles. The vehicles must be affiliated with a base station.
- ✓ **Black Cars.** Provide service mostly to corporate clients, setting fares by contract. 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 to and from healthcare facilities. There are about 2,000 vehicles and over 200 paratransit providers citywide.

- ✓ **Commuter Vans.** Provide service for passengers along fixed routes. Currently, there are about 500 vehicles and 50 van authorizations.

This report provides a review of the Taxi and Limousine Commission's Preliminary Budget for Fiscal 2017. In the first section, the highlights of the \$71.8 million Fiscal 2017 expense budget are presented. The report then reviews initiatives included in the November and Preliminary Financial Plans and relevant sections of the Preliminary Mayor's Management Report for Fiscal 2016. Finally, appendices are included to highlight the Budget Actions in the November and Preliminary Plans.

Fiscal 2017 Preliminary Budget Highlights

The City's Preliminary Fiscal 2017 Budget is \$82.1 billion, \$3.6 billion more than the Fiscal 2016 Adopted Budget of \$78.5 billion. City funds (City tax and non-tax revenues) total \$59.9 billion, up \$2.9 billion from \$57 billion in the Adopted Budget.

The Taxi and Limousine Commission's Fiscal 2017 Preliminary Budget totals \$71.8 million, funded entirely with City tax-levy funds; this represents less than one-tenth of one percent of the City's total Budget. The TLC's Fiscal 2017 Preliminary Budget is \$2.9 million more than the Agency's Fiscal 2016 Adopted Budget of \$68.9 million.

TLC Expense Budget						
	2014	2015	2016	Preliminary Plan		*Difference
<i>Dollars in Thousands</i>	Actual	Actual	Adopted	2016	2017	2016 - 2017
Personal Services	\$28,825	\$33,084	\$38,888	\$38,842	\$39,605	\$717
Other Than Personal Services	17,569	19,362	29,978	29,726	32,237	2,259
TOTAL	\$46,394	\$52,446	\$68,866	\$68,568	\$71,842	\$2,976

**The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.*

The Preliminary Budget includes \$376,000 in new needs, mostly for personal services costs associated with increased services at the Commission's new facility in Long Island City (LIC), and \$289,000 in other adjustments, including \$81,000 for collective bargaining increases.

Specific actions affecting the TLC's budget since the adoption of the Fiscal 2016 budget include the following new needs:

- **TLC Space at LIC.** TLC has a new need of \$27,000 in Fiscal 2016 and \$205,000 in Fiscal 2017 for space costs at its Long Island City facility. (see p.4)
- **TLC Building Services at LIC.** TLC has a new need of \$45,000 in Fiscal 2016 and \$86,000 in Fiscal 2017 and in the outyears for building services costs at its LIC facility. (see p.4)
- **TLC Language Access Services.** TLC will receive an additional \$135,000 in Fiscal 2016 for costs associated with TLC's Language Access. (see p.4)

In addition to the above new needs, other key actions affecting the TLC's Preliminary Budget include:

- **Collective Bargaining.** The Fiscal 2017 Preliminary Plan includes \$81,000 in TLC's budget for collective bargaining costs in Fiscal 2017. (see p.5)
- **FHV Study Funds Take Down.** The Fiscal 2017 Preliminary Plan includes a funding reduction of \$572,000 in Fiscal 2016 and \$168,000 in Fiscal 2017 from TLC's budget. (see p.5)

Financial Summary

TLC Financial Summary						
<i>Dollars in Thousands</i>						
	2014	2015	2016	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2016	2017	2016 - 2017
Spending						
Personal Services	\$28,825	\$33,084	\$38,888	\$38,842	\$39,605	\$717
Other Than Personal Services	17,569	19,362	29,978	29,726	32,237	2,259
TOTAL	\$46,394	\$52,446	\$68,866	\$68,568	\$71,842	\$2,976
Funding						
City Funds	\$46,394	\$52,446	\$68,866	\$68,568	\$71,842	\$2,976
TOTAL	\$46,394	\$52,446	\$68,866	\$68,568	\$71,842	\$2,976
Budgeted Headcount						
Full-Time Positions	524	543	701	701	701	0
TOTAL	524	543	701	701	701	0

**The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.*

Fiscal 2017 Preliminary Plan Actions

- TLC Space at LIC.** The Fiscal 2017 Preliminary Plan includes \$27,000 in Fiscal 2016 and \$205,000 in Fiscal 2017 and in the outyears for space costs at the TLC's licensing facility in the historic Falchi Building, located at 31-00 47th Avenue, Long Island City. The new facility features an increased number of counter windows and additional electronic fingerprinting stations. TLC has relocated its licensing and adjudication facility from 32-02 Queens Blvd to 31-00 47th Ave. The move occurred because its previous facility was not adequate to successfully manage the many licensing customers and TLC hearings. TLC has seen a 202 percent growth in licensing applicants since 2013, and the original space did not have enough capacity to meet this new demand or seat all the needed associated staff. The new licensing space will allow for the growth in the licensing and TLC hearings and the additional staff associated with this growth.
- TLC Building Services at LIC.** The Fiscal 2017 Preliminary Plan includes additional funding of \$45,000 in Fiscal 2016 and \$86,000 in Fiscal 2017 and in the outyears for costs associated with additional funding of increased services at TLC's LIC facility, including janitorial services that will be contracted out.
- TLC Language Access Services.** TLC will receive additional funding of \$135,000 in Fiscal 2016 and \$85,000 in Fiscal 2017 and in the outyears to provide language access services to licensees who have limited-English proficiency (LEP) at in-person locations, telephonically, electronically, and via written correspondence. The LEP languages covered by the agency are Spanish, Russian, Chinese, Bengali, Arabic and Urdu.

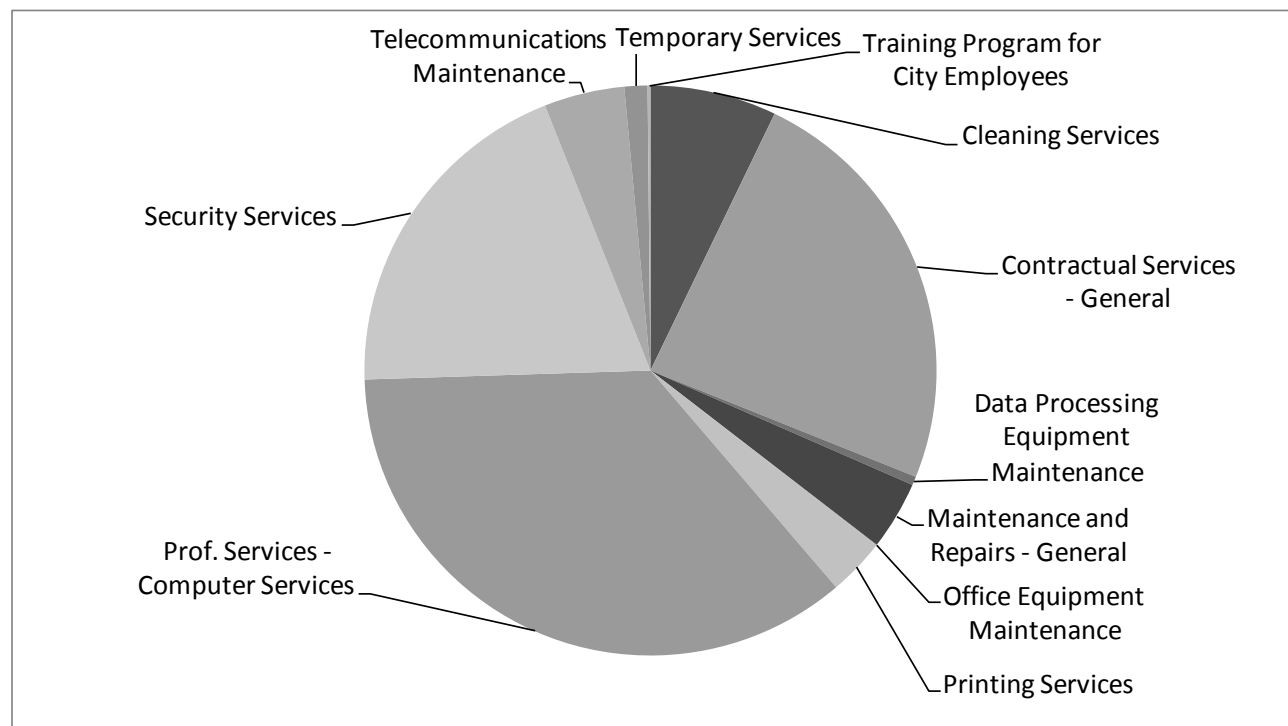
In addition to the above new needs, other key actions affecting the TLC's Preliminary Plan include:

- **Collective Bargaining.** The Fiscal 2017 Preliminary Plan includes \$66,817 in Fiscal 2016, \$81,000 in Fiscal 2017, \$101,000 in Fiscal 2018 and in the outyears for collective bargaining costs.
- **TLC FHV Study Funds Take Down.** The Fiscal 2017 Preliminary Plan reflects a funding reduction of \$572,000 in Fiscal 2016 and \$168,000 in Fiscal 2017 from the TLC's budget. The funding was to be used to study the impact of For-Hire Vehicle industry growth. However, the study was later conducted by an outside entity. Therefore, the funding is no longer needed. The study has been finished and was released by the Mayor's Office of Operations in January 2016.

Contract Budget

TLC Fiscal 2017 Preliminary Contract Budget				
<i>Dollars in Thousands</i>				
Category	Fiscal 2016 Adopted	Number of Contracts	Fiscal 2017 Preliminary	Number of Contracts
Cleaning Services	\$220,000	1	\$220,000	1
Contractual Services - General	819,516	14	736,812	14
Data Processing Equipment Maintenance	15,000	1	15,000	1
Maintenance and Repairs - General	120,000	2	120,000	2
Office Equipment Maintenance	1,000	1	1,000	1
Printing Services	100,000	3	100,000	3
Prof. Services - Computer Services	1,100,000	1	1,100,000	1
Security Services	600,000	2	600,000	2
Telecommunications Maintenance	140,000	2	140,000	2
Temporary Services	40,000	3	40,000	3
Training Program for City Employees	5,000	1	5,000	1
TOTAL	\$3,160,516	31	\$3,077,812	31

The City’s Contract Budget, as proposed, totals \$13.17 billion in Fiscal 2017, a decrease of \$76 million or 0.5 percent when compared to the Fiscal 2016 Adopted Budget of \$13.24 billion. For TLC, the contract budget for Fiscal 2017 is approximately \$3.1 million, including one contract valued at \$1.1 million for computer services. Of that amount, \$840,000 is for the maintenance of Automated Inspection System at the TLC’s Woodside facility.



Revenue

TLC Miscellaneous Revenue Budget Overview						
<i>Dollars in Thousands</i>						
Revenue Sources	2014	2015	2016	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2016	2017	2016 - 2017
Taxi Licenses	\$38,667	\$42,864	\$31,335	\$31,335	\$31,335	\$0
Hail Licenses	7,495	6,274	27,630	27,630	3,620	(24,010)
Taxi Inspection & TLC Fees	12,317	9,699	10,217	10,217	10,217	0
STIP/Settlement Fines	15,450	15,342	8,118	8,118	8,245	127
Sale of Taxi Medallions	337,712	20,875	0	0	0	0
Tow Bonds	183	83	69	69	69	0
TOTAL	\$411,824	\$95,137	\$77,369	\$77,369	\$53,486	(\$23,883)

**The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.*

For Fiscal 2017 the TLC is projected to collect \$53.5 million from various miscellaneous revenue sources, a decrease of \$23.9 million when compared to the Fiscal 2016 Adopted Budget amount of \$77.4 million. The decrease is primarily due to a projected drop in the issuance of Street Hail Licenses (SHL or Hail licenses). In December 2011, the City received State authorization to issue 18,000 Street Hail licenses to serve areas outside of 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. Within days, the Commission sold out the first 6,000 Hail licenses available for issuance in the first year, with 20 percent committed for use with wheelchairs. The second 6,000 H licenses become available for sale in June of 2014. Although, it was reported at the time that the waiting list for the permits had already surpassed 6,000, the sale of Hail licenses has not gone as well as planned. This may be due to the requirement that for every block of 1,000 Street Hail licenses, 20 percent or 200 Street Hail licenses for accessible livery cabs must be sold first.

Of the projected Fiscal 2017 revenue amount, \$34.9 million will come from medallions and for-hire vehicles licensing; \$10.2 million will come from charges for taxi inspections and TLC transfer fees; \$8.2 million will come from settlement fines.

The City's plan to sale additional yellow taxi medallions continues to be delayed. However, despite the delay, the anticipated revenue from the 2,000 medallions that were authorized by the State remains unchanged. In the Fiscal 2017 Preliminary Plan, \$107 million anticipated from the sale of medallions in Fiscal 2017 has been pushed out into Fiscal 2018. Similarly, the revenue projections for Fiscal 2018 through Fiscal 2020 were also pushed out. On November 14, 2013, the TLC began to auction the first batch of the 2,000 authorized yellow medallions with the auction of 200 medallions, another 168 medallions was auctioned on February 26, 2014 that was followed by the auction of 32 mini fleet medallions on March 25, 2014, bringing the total number auctioned to 400 medallions. Since the March 2014 auction, no new medallions have been sold.

Performance Measures

Performance Indicators	Actual			Target		4-Month Actual	
	FY13	FY14	FY15	FY16	FY17	FY16	FY17
Active medallion taxis that are accessible	NA	553	572	*	*	573	571
Active Boro Taxis that are accessible	NA	492	1,240	*	*	926	1,339
Medallion safety and emissions inspections conducted	51,786	52,046	51,769	*	*	17,141	17,201
For-hire vehicle (FHV) safety and emissions inspections conducted at TLC facility	39,634	40,498	47,176	*	*	13,995	15,618
Boro Taxi safety and emissions inspections conducted	NA	11,202	20,024	*	*	5,745	6,975
Medallion patrol summonses issued	7,240	7,676	12,141	*	*	4,712	4,939
FHV patrol summonses issued	32,633	41,939	49,531	*	*	14,593	17,695
★ Average wait time at Long Island City licensing facility (hours: minutes)	0:14	0:28	0:16	0:25	0:25	0:14	0:22
★ Average time to close a consumer complaint (calendar days): Medallion	47	52	43.8	50	50	59.3	42.4
Medallion driver complaints received	18,109	17,409	15,967	*	*	5,574	6,941
★ Average time to close a consumer complaint (calendar days): FHV	56.1	55	46.3	50	50	58.1	36.5
FHV driver complaints received	3,002	2,666	3,290	*	*	1,068	1,661

★ Critical Indicator "NA" - means Not Available in this report * No Target

Source: Fiscal 2016 Preliminary Mayor's Management Report

According to the Preliminary Mayor's Management Report (PMMR), the expansion of services for passengers with disabilities is continuing. The number of accessible Boro Taxis increased by more than 44 percent during the first four months of Fiscal 2016, from 926 to 1,339. The number of accessible medallion taxis held steady at 571 but is expected to increase this year as unrestricted medallion owners begin placing accessible vehicles into service as required by the Commission's rules.

During the first four months of Fiscal 2016, TLC conducted a total of 39,794 safety and emissions inspections — 17,201 medallions, 15,618 FHVs and 6,975 Boro Taxis — an eight percent increase when compared to the same period last year. The increase is primarily driven by the overall growth of the FHV industry, which added more than 16,500 vehicles from a year ago.

During the first four months of Fiscal 2016, TLC issued 22,634 total enforcement patrol summonses to medallion and FHV drivers, an increase of 17 percent. Also, during the same period, due to the number of visits at TLC's walk-in licensing facility, average wait times increased from 14 minutes to 22 minutes. According to the TLC, the higher volume of visits is largely due to a 60 percent increase in new driver license applications.

During the first four months of Fiscal 2016, TLC received 24.5 percent more medallion complaints and FHV complaints increased by 55.5 percent. On average, the time to close medallion complaints improved by 17 days to 42.4 days and for FHV complaints, it improved by 21 days to 36.5 days.

Appendix: Budget Actions in the November and the Preliminary Plans

<i>Dollars in Thousands</i>	FY 2016			FY 2017		
	City	Non-City	Total	City	Non-City	Total
TLC Budget as of the Adopted 2016 Budget	\$68,866	\$0	\$68,866	\$71,552	\$0	\$71,552
New Needs						
TLC Space at LIC	\$27	\$0	\$27	\$205	\$0	\$205
TLC Building Services at LIC	45	0	45	86	0	86
TLC Language Access Services	135	0	135	85	0	85
Subtotal, New Needs	\$207	\$0	\$207	\$376	\$0	\$376
Other Adjustments						
TLC Collective Bargaining OSA	\$57	\$0	\$57	\$69	\$0	\$69
CBU 147 Maintenance Work CBA	10	0	10	12	0	12
TLC FHV study funds take down	(572)	0	(572)	(168)	0	(168)
Subtotal, Other Adjustments	(\$505)	\$0	(\$505)	(\$87)	\$0	(\$87)
TOTAL, All Changes	(\$298)	\$0	(\$298)	\$289	\$0	\$289
TLC Budget as of the Preliminary 2017 Budget	\$68,568	\$0	\$68,568	\$71,842	\$0	\$71,842

-Numbers may not total due to rounding