

THE COUNCIL OF THE CITY OF NEW YORK

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Committee on Transportation



Hearing on the Fiscal Year 2013 Executive Budget

Taxi and Limousine Commission

May 23, 2012

Nathan Toth, Deputy Director
Chima Obichere, Unit Head

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Taxi and Limousine Commission Fiscal 2013 Budget 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 13,237 medallion taxicabs, 39,462 for-hire vehicles, 2,479 paratransit vehicles, 410 commuter vans and 109,644 drivers. The Commission regulates 29 taximeter shops, 26 taxicab brokers and 70 taxicab agents and sets fares charged by medallion taxicabs.

This report provides a review of the Commission's Executive Budget for Fiscal 2013 and discusses the changes introduced in the Executive Budget. Adjustments to the Fiscal 2013 Budget proposed in either the November 2011 Financial Plan or the Preliminary Fiscal 2013 Budget were reviewed at the Committee on Transportation's March 6, 2012 hearing and a summary of these changes is presented in Appendix 2 at the end of this report.

NYC Taxi and Limousine Commission Financial Summary

Dollars in Thousands

	2011 Actual	2012 Adopted	2012 Exec. Plan	2013 Exec. Plan	*Difference 2012 - 2013
Personal Services	\$23,310	\$28,877	\$23,584	\$30,952	\$2,075
Other Than Personal Services	6,867	9,481	11,855	33,894	24,413
TOTAL	\$30,177	\$38,358	\$35,439	\$64,846	\$26,488
Budget by Units of Appropriation					
001 - Personal Services	\$23,310	\$28,877	\$23,584	\$30,952	\$2,075
002 - Other than Personal Services	6867	9,481	11,855	33,894	24,413
TOTAL	\$30,177	\$38,358	\$35,439	\$64,846	\$26,488
Funding					
City Funds	\$30,177	\$38,358	\$35,439	\$64,846	\$26,488
TOTAL	\$30,177	\$38,358	\$35,439	\$64,846	\$26,488
Positions					
Full-Time Positions	386	524	535	578	54
TOTAL	386	524	535	578	54

**The difference of Fiscal 2012 Adopted compared to Fiscal 2013 Executive Plan funding.*

The Taxi and Limousine Commission's (TLC) budget is funded entirely with City tax-levy funds. The TLC's Fiscal 2013 Executive Budget totals \$64.8 million, which is a \$26.5 million more than the agency's Fiscal 2012 Adopted Budget of \$38.4 million. The planned spending increase is primarily due to costs associated with additional enforcement and the implementation of the newly authorized five-borough taxi bill (HAIL licenses) for livery cabs. The new licensing would allow 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.

The Commission's headcount of 578 positions for Fiscal 2013 reflects an increase of 54 positions from Fiscal 2012. Of the 54 positions, 21 positions are for additional enforcement, 18 positions are for increased inspections, three positions are for administrative summonses, and 12 positions are for the TLC's Five Borough Accessibility initiative.

Funding Overview

- ☑ The Fiscal 2013 Executive Budget reflects a net increase of \$26.5 million when compared to the Fiscal 2012 Adopted Budget for the TLC.

- ☑ **New Taxi Cab Medallion.** The City recently received the State's authorization to sell 2,000 additional yellow taxicab medallions and 18,000 inter-borough hail licenses (HAIL licenses) for livery cabs that would be allowed to pick up street hails in the five boroughs except at airports and in Manhattan south of East 96th Street and West 110th Street. In addition, the State's authorization also allows the Commission to issue up to 450 HAIL permits to existing for-hire vehicle base stations at a fee of \$3,000 for three years.

The 18,000 HAIL licenses are expected to be issued in three installments of 6,000 licenses. Of that amount, 20 percent or 200 HAIL licenses must be for accessible livery cabs. The City is required to provide financial assistance of up to \$15,000 each in grant funding to help individuals who purchased licenses restricted to accessible vehicles to retrofit or purchase a wheelchair-accessible vehicle. The total cost to the City is projected to be up to \$54 million.

- ☑ The Commission's Fiscal 2013 Executive Budget includes additional revenue of \$1 billion from the sale of taxi medallions and \$23.1 million in related PS and OTPS costs associated with the five borough taxi and accessibility program as proposed in the Preliminary Budget.

Fiscal 2013 Executive Budget Actions

The Fiscal 2013 Executive Plan increased the Commission's budget by \$4.6 million. This is due to additional new needs of \$1.7 million and other adjustments totaling \$2.9 million.

Budget Actions in the Executive Plan						
<i>Dollars in Thousands</i>						
	FY 2012			FY 2013		
	City	Non-City	Total	City	Non-City	Total
TLC Budget as of January 2012 Plan	\$40,432	\$0	\$40,432	\$60,268	\$0	\$60,268
New Needs						
Additional Enforcement	\$0	\$0	\$0	\$578	\$0	\$578
Administrative Summonses	0	0	0	164	0	164
Increased Inspections	0	0	0	970	0	970
TLC PS Surplus Reduction	(2,500)	0	(2,500)	0	0	0
TOTAL, New Needs	(\$2,500)	\$0	(\$2,500)	\$1,712	\$0	\$1,712
Other Adjustments						
Five-Borough Taxi Adjustment	(\$2,487)	\$0	(\$2,487)	\$2,487	\$0	\$2,487
Heat, Light and Power	(4)	0	(4)	(23)	0	(23)
Konica Minolta Fee Transfer to DCAS	(2)	0	(2)	0	0	0
Lease Adjustment	0	0	0	402	0	402
TOTAL, Other Adjustments	(\$2,493)	\$0	(\$2,493)	\$2,866	\$0	\$2,866
TOTAL, All Changes	(\$4,993)	\$0	(\$4,993)	\$4,578	\$0	\$4,578
TLC Budget as of the Executive 2013 Plan	\$35,439	\$0	\$35,439	\$64,846	\$0	\$64,846

Programs to Eliminate the Gap (PEGs)

Although the proposed Executive Budget contains no new PEGs for the Taxi and Limousine Commission, the Fiscal 2013 proposed budget reflects the impact of a previously imposed PEG.

- ☑ **Additional Taxi Enforcement.** The Taxi and Limousine Commission will generate additional revenue of \$2.7 million in Fiscal 2013 and in the outyears by increasing the enforcement of its administrative rules in addition to improvements in passenger generated case convictions. The increased revenue is offset by \$60,000 in Fiscal 2013 and in the outyears for one additional enforcement position.

New Needs

- ☑ **Additional Enforcement.** The Fiscal 2013 Executive Plan includes \$578,000 in Fiscal 2013 and \$1.1 million in Fiscal 2014 and in the outyears for 20 positions and related OTPS costs for additional taxi enforcement.
- ☑ **Administrative Summonses.** The Fiscal 2013 Executive Plan includes a new need of \$164,000 in Fiscal 2013 and in the outyears for administrative summonses. The funding will provide for three staff positions and related OTPS costs.
- ☑ **Increased Inspections.** The Fiscal 2013 Executive Plan includes \$970,000 in Fiscal 2013, \$2 million in Fiscal 2014 and \$2.6 million in Fiscal 2015 and in the outyears for PS and OTPS costs associated with increased inspection services. The funds will provide for 18 additional inspectors in Fiscal 2013, 30 inspectors in Fiscal 2014 and 41 inspectors in Fiscal 2015 and the outyears.

Other Adjustments

- ☑ **Five-Boro Taxi Adjustment.** This action represents a roll of \$2.5 million from Fiscal 2012 to Fiscal 2013 for the Five Borough Taxi initiative.
- ☑ **Heat, Light and Power.** Due to re-estimates, the Commission anticipates a decrease of \$4,000 in Fiscal 2012 and \$23,000 in Fiscal 2013 and in the outyears in heat, light and power costs.
- ☑ **Lease Adjustment.** Due to re-estimates, the Commission anticipates an increase of \$402,000 in Fiscal 2013 and in the outyears in lease costs.

Revenue Summary

The Fiscal 2013 Revenue Budget for the Commission is projected to be \$1.1 billion, an increase of 96 percent or \$1 billion when compared to the Fiscal 2012 Adopted Budget of \$43.1 million. The Commission anticipates additional revenue from driver's license fees, medallion vehicle inspection fees, the sale of taxi medallions and visual inspection fees from for-hire vehicles. Of the projected Fiscal 2013 revenue, \$43.3 million will come from medallions and for-hire vehicles licensing, permit and franchise fees; \$9.1 million will come from charges for taxi inspections and transfer fees; and \$1.1 billion in miscellaneous revenue will come from the sale of taxi medallions.

AGENCY REVENUE OVERVIEW

TLC's Revenue Overview

Dollars in Thousands

Agency Revenue Sources	Fiscal 2012 Adopted Budget	Fiscal 2012 Modified	Fiscal 2013 Executive Budget
License, Permit & Franchises	\$35,534	\$35,534	\$43,284
Charges for Services	7,598	7,598	9,123
Miscellaneous	-	-	1,000,069
Total	\$43,132	\$43,132	\$1,052,476

Appendix 1: Budget Actions in the November, February & Executive Plans

<i>Dollars in Thousands</i>	FY 2012			FY 2013		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as of June 2011 Plan	\$38,358	\$0	\$38,358	\$37,117	\$0	\$37,117
Program to Eliminate the Gap (PEGs)						
Additional Taxi Enforcement	\$30	\$0	\$30	\$60	\$0	\$60
TOTAL, PEGs	\$30	\$0	\$30	\$60	\$0	\$60
New Needs						
TLC Five Borough Accessibility	\$2,043	\$0	\$2,043	\$23,090	\$0	\$23,090
Additional Enforcement	0	0	0	578	0	578
Administrative Summonses	0	0	0	164	0	164
Increased Inspections	0	0	0	970	0	970
TLC PS Surplus Reduction	(2,500)	0	(2,500)	0	0	0
TOTAL, New Needs	(\$457)	\$0	(\$457)	\$24,802	\$0	\$24,802
Other Adjustments						
Collective Bargaining	\$1	\$0	\$1	\$1	\$0	\$1
Five-Borough Taxi Adjustment	(2,487)	0	(2,487)	2,487	0	2,487
Heat, Light and Power	(4)	0	(4)	(23)	0	(23)
Konica Minolta Fee Transfer to DCAS	(2)	0	(2)	0	0	0
Lease Adjustment	0	0	0	402	0	402
TOTAL, Other Adjustments	(\$2,492)	\$0	(\$2,492)	\$2,867	\$0	\$2,867
TOTAL, All Changes	(\$2,919)	\$0	(\$2,919)	\$27,729	\$0	\$27,729
Agency Budget as of the Executive 2013 Plan	\$35,439	\$0	\$35,439	\$64,846	\$0	\$64,846