

THE COUNCIL OF THE CITY OF NEW YORK

Hon. Corey Johnson
Speaker of the Council

Hon. Ydanis Rodriguez
Chair, Committee on Transportation



Report of the Finance Division on the
Fiscal 2020 Preliminary Plan and the
Fiscal 2019 Preliminary Mayor's Management Report for the
Taxi and Limousine Commission
March 14, 2018

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Taxi and Limousine Commission Overview

Taxi and Limousine Commission (TLC) ensures that New Yorkers and visitors to the City have access to taxicabs, car services, and commuter van services that are safe, efficient, sufficiently plentiful, and provide a good passenger experience. The Agency licenses and regulates all aspects of New York City's medallion yellow taxicabs, for-hire vehicles (community-based liveries, black cars, and high-volume cars), commuter vans, paratransit vehicles (ambulettes), certain luxury limousines and Green Taxis.

TLC's goals include:

- To establish and enforce professional and uniform standards of for-hire car service and to ensure public safety;
- To ensure that all licensed vehicles meet safety and emissions standards; and
- To ensure all vehicles operating as for-hire follow TLC rules and regulations, provide excellent customer service to licensees, and promote excellent customer services for passengers.

Powers and Duties. The Commission has the power and the duty to set and enforce rates of fare to be charged and collected. The Commission is also charged with, not later than the end of April of every odd-numbered year, holding a public hearing to assess the adequacy of the current fares and lease caps established under its Rules. Fare increases are meant to benefit drivers while lease cap increases are set to benefit fleet owners.

TLC Regulated Industries

Yellow Taxicab. There are approximately 13,587 medallions with the right to run a yellow taxi within one of the three categories below.

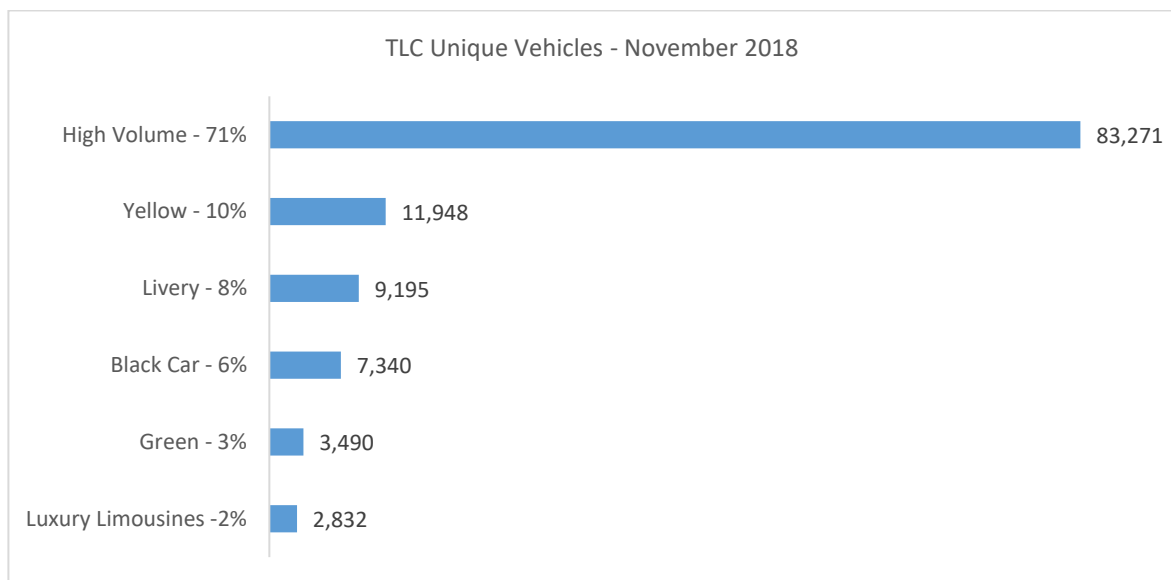
- **Fleets.** Fleets run garages that own and operate multiple taxis. Drivers lease taxis directly from fleets on a daily or weekly basis, with fees capped according to TLC regulations.
- **Driver-Owned Vehicles (DOV).** DOV drivers conditionally own their vehicles but lease medallions from agents who manage them for individual owners.
- **Individual Owner-Operators.** Individual Owner-Operators are drivers who own their vehicles and medallions.

Street Hail Livery (SHL). Street Hail Livery taxis (also known as Boro or Green taxis) were created as a new class of license in 2012 to provide legal, yellow-caliber taxi service to the boroughs outside of Manhattan Central Business District.

- SHLs are a hybrid service, providing both street-hail and prearranged for-hire vehicle service.
- There are currently 3,566 boro taxis.
- Up to 18,000 SHL permits are available in total.
- SHLs are not permitted to pick up passengers in Manhattan below East 96th Street or West 110th Street or to serve airport taxi queues.

For-Hire Vehicles (FHVs)

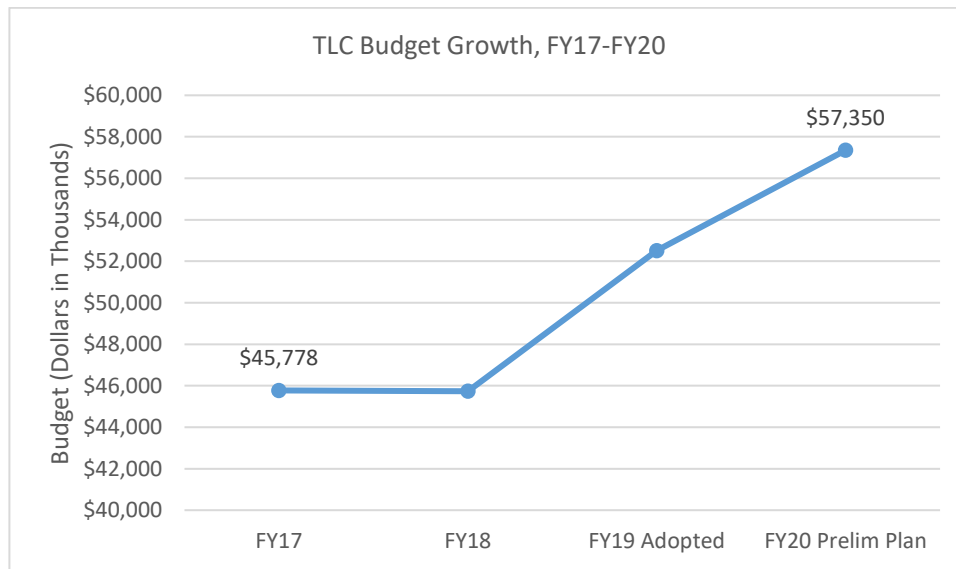
- **High-Volume.** In August 2018, City Council passed Local Law 149 which created a separate licensing category for FHV transportation services that dispatch more than 10,000 trips per day. These for-hire service providers were referred to in the legislation as High-Volume For-Hire Services. As of November 2018, there were 83,271 unique vehicles on the road. Currently, 80,000 drivers now drive for the four largest High-Volume FHV Companies in the City: Uber, Lyft, Gett/Juno, and Via. In total, these four companies account for 75 percent of all FHV trips.
- **Liveries (also known as Car Services or Community Cars).** Livery vehicles provide for-hire service by pre-arrangement. Currently, there are approximately 399 base stations located throughout the five boroughs and 10,515 vehicles. The vehicles must be affiliated with a base.
- **Black Cars.** Black Cars primarily provide service for corporate clients and set fares through contracts with clients. Currently, there are about 308 base stations citywide and 7,340 vehicles.
- **Luxury Limousines.** Vehicles in this group generally provide chartered services. Currently, there are about 4,143 vehicles and 149 bases.
- **Paratransit.** Paratransit vehicles provide healthcare related transportation services. There are about 333 vehicles and 49 paratransit bases citywide.
- **Commuter Vans.** Commuter Vans provide service for passengers along fixed routes. There are about 260 vehicles and 87 van authorizations presently.



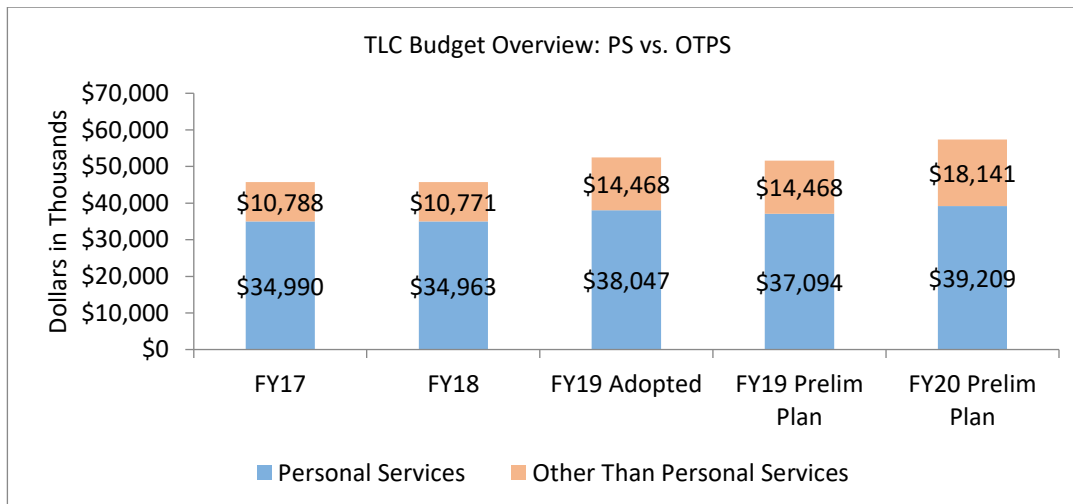
Fiscal 2020 Preliminary Budget Highlights

The Taxi and Limousine Commission's Fiscal 2020 Preliminary Budget totals \$57.4 million and is funded entirely with City tax-levy funds; this represents less than one percent of the City's total Budget of \$92.2 billion. TLC's budget for Fiscal 2020 is 9 percent higher than the Fiscal 2019 Adopted Budget and 25 percent more than the Fiscal 2017 amount. The differences in year-over-year spending

are primarily due to previously scheduled adjustments and takedowns of grant funding associated with the accessible portion of the SHL permits.



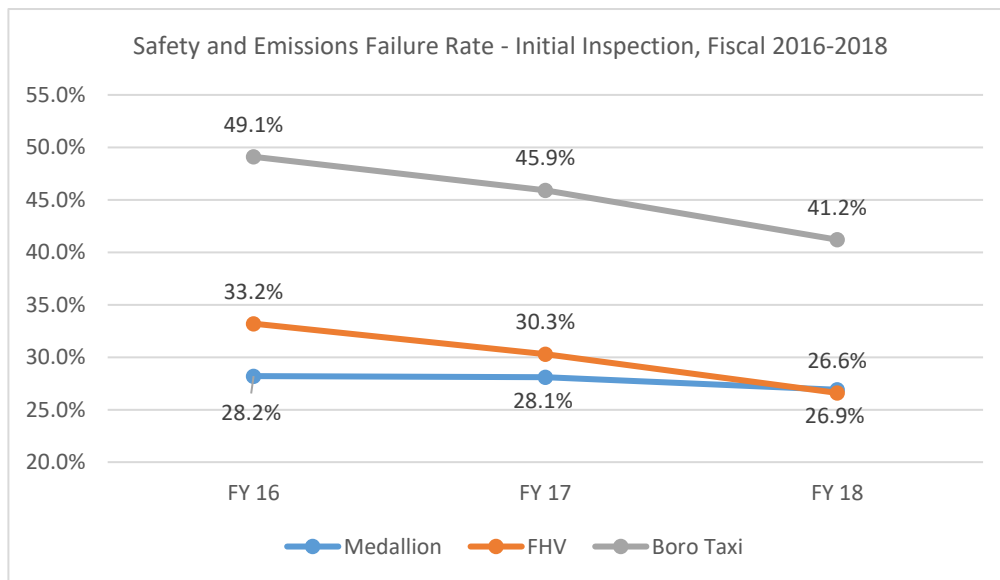
The Preliminary Budget includes \$39.2 million for Personal Services (PS) to support 618 full-time employees and \$18.1 million for Other Than Personal Services (OTPS) costs.

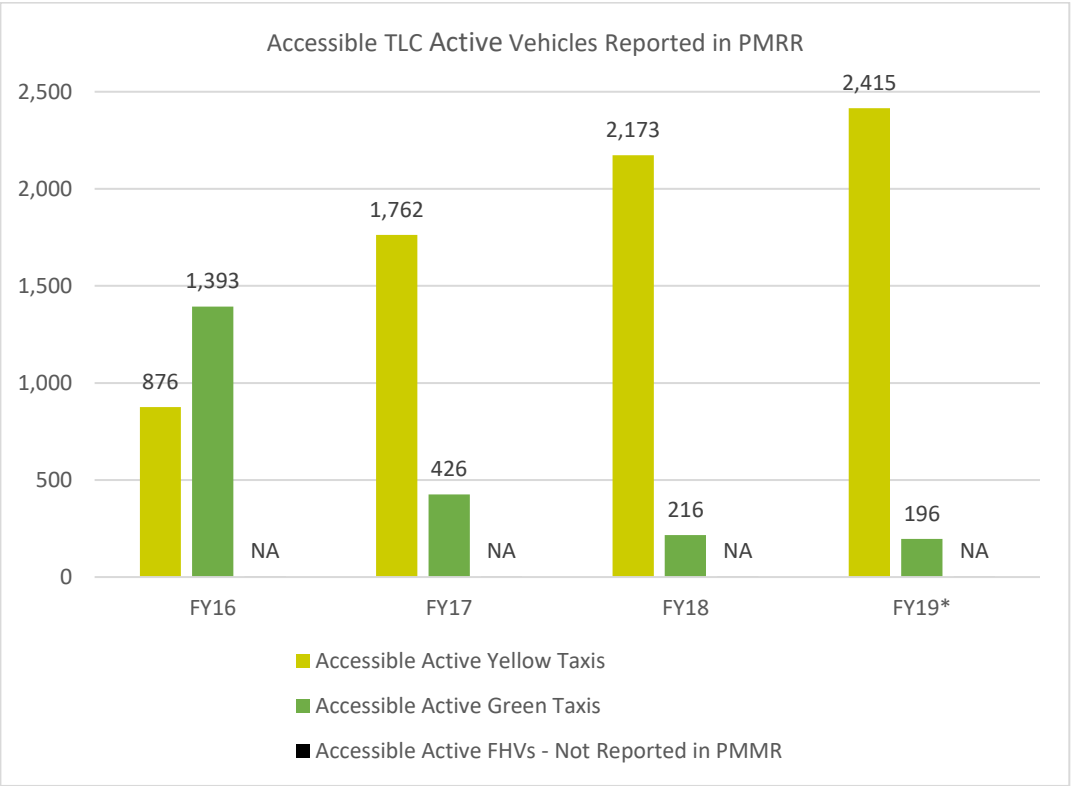
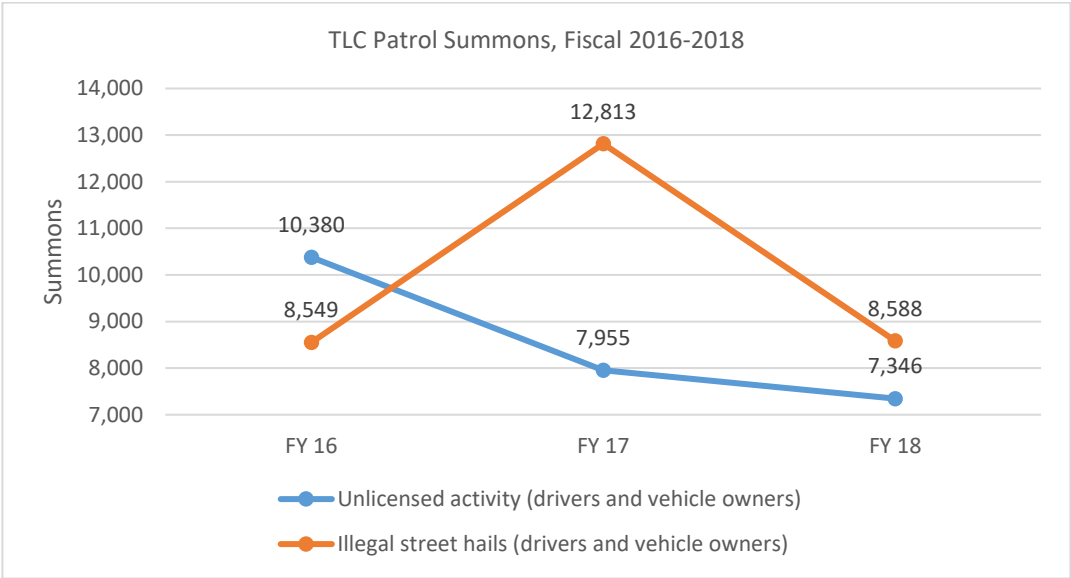


Highlights of TLC's Fiscal 2020 Preliminary Budget

- **Citywide Savings Program.** As part of the Citywide Savings Program, the Taxi and Limousine Commission anticipates savings of \$833,000 in Fiscal 2019, \$1.5 million in Fiscal 2020 and \$804,000 in the outyears. The savings highlights include the following.
 - **Hiring Delay.** Due to hiring delays, TLC anticipates savings of \$833,000 in Fiscal 2019 and \$694,000 in Fiscal 2020 from personal services costs.
 - **Vacancy Reductions.** Due to a headcount reduction of 72 positions, TLC anticipates City tax-levy savings of \$804,000 in Fiscal 2020 and in the outyears.

- Program to Eliminate the Gap (PEG).** In addition to the budget savings reflected in the Citywide Savings program, TLC will be required to identify an additional savings target of \$4.5 million by the release of the Fiscal 2020 Executive Financial Plan pursuant to the Administration's recently implemented Program to Eliminate the Gap (PEG). The \$4.5 million savings target represents about 7.8 percent of TLC's operating budget and about 0.8 percent of the Administration's total proposed PEG target of \$544.6 million across all City agencies.
- Miscellaneous Revenue.** The Fiscal 2020 Financial Plan forecast for the Taxi and Limousine Commission includes miscellaneous revenues totaling \$61.6 million in Fiscal 2020 of which, \$33.8 million is from taxi licenses. Since March of 2014, there have been no new taxi medallions sold, which was properly reflected in the Preliminary Plan. However, TLC projects \$2.5 million in revenue from hail licenses in Fiscal 2020, despite the fact that the Commission only generated \$699,000 in Fiscal 2018.
- Preliminary Mayor's Management Report (PMMR) Highlights.** Notable performance metrics reported by the Taxi and Limousine Commission in the Fiscal 2020 PMMR include the following:
 - Taxi safety and emission failure rates, which have decreased for Medallion Taxis, FHV's, and Boro Taxis;
 - Patrol summonses issued for illegal street hails is in decline;
 - Patrol summonses issued for unlicensed activity is in decline; and
 - Active medallion taxis that are accessible is on the rise while active accessible boro taxis is declining. The number of accessible FHV's was excluded from the PMMR.





Financial Plan Summary

TLC Financial Summary						
<i>Dollars in Thousands</i>						
	FY17	FY18	FY19	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY19	FY20	FY19-FY20
Spending						
Personal Services	\$34,990	\$34,963	\$38,047	\$37,094	\$39,209	\$1,162
Other Than Personal Services	10,788	10,771	14,468	14,468	18,141	3,673
TOTAL	\$45,778	\$45,735	\$52,514	\$51,562	\$57,350	\$4,836
Personal Services						
Additional Gross Pay	\$1,740	\$1,596	\$1,300	\$1,300	\$1,300	\$0
Full-Time Salaried - Civilian	29,526	29,665	33,107	32,079	34,138	1,031
Full-Time Salaried - Uniformed	0	14	0	0	0	0
Other Salaried & Unsalaries	2,417	2,263	2,077	2,153	2,208	131
Overtime - Civilian	1,079	1,171	1,213	1,213	1,213	0
P.S. Other	1	1	0	0	0	0
Amount to be Scheduled	0	0	204	204	204	0
Fridge Benefits	227	253	145	145	145	0
SUBTOTAL	\$34,990	\$34,963	\$38,047	\$37,095	\$39,209	\$1,162
Other Than Personal Services						
Contractual Services	\$4,071	\$4,056	\$3,887	\$5,853	\$3,212	(\$675)
Fixed & Misc. Charges	307	182	100	100	100	0
Other Services & Charges	4,615	4,775	8,169	6,059	12,519	4,350
Property & Equipment	757	753	562	568	562	1
Supplies & Materials	1,038	1,004	1,750	1,887	1,748	(2)
SUBTOTAL	\$10,788	\$10,771	\$14,468	\$14,468	\$18,141	\$3,673
TOTAL	\$45,778	\$45,735	\$52,514	\$51,562	\$57,350	\$4,836
Funding						
City Funds			\$52,514	\$51,562	\$57,350	\$4,836
Other Categorical			0	0	0	0
Capital- IFA			0	0	0	0
State			0	0	0	0
Federal - Community Development			0	0	0	0
Federal - Other			0	0	0	0
Intra City			0	0	0	0
TOTAL	\$45,778	\$45,735	\$52,514	\$51,562	\$57,350	\$4,836
Budgeted Headcount						
Full-Time Positions - Civilian	520	526	618	618	618	0
TOTAL	520	526	618	618	618	0

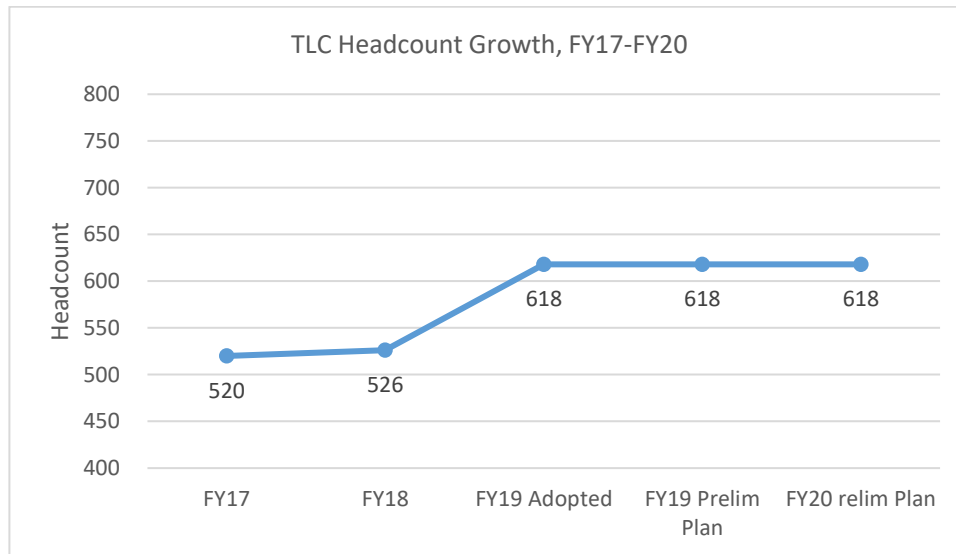
**The difference of Fiscal 2019 Adopted Budget compared to Fiscal 2020 Preliminary Budget.*

Significant Adjustments since the Fiscal 2019 Adopted Budget

- **Green Grant Adjustment.** The Fiscal 2020 Preliminary Plan includes an additional savings of \$1 million in Fiscal 2020 and Fiscal 2021 from Green Taxis Grant adjustment. This action is a clear indication the TLC is having difficulties in issuing additional SHL licenses.
- **Hiring Delay.** Due to a hiring delay, the Fiscal 2020 Preliminary Plan includes savings of \$1.6 million in Fiscal 2019 and \$1.4 million in Fiscal 2020 recognized since the November 2018 Plan.
- **TLC Collective Bargaining.** The Commission's Fiscal 2020 Preliminary Plan includes funding for collective bargaining agreements since the November 2018 Plan totaling \$621,000 in Fiscal 2019, \$1.1 million in Fiscal 2020 and \$1.2 million in Fiscal 2021 and in the outyears.

- **Vacancy Reduction.** The November 2018 Plan includes savings of \$804,000 in Fiscal 2020 and in the outyears achieved through vacancy reductions and impacting 72 positions.

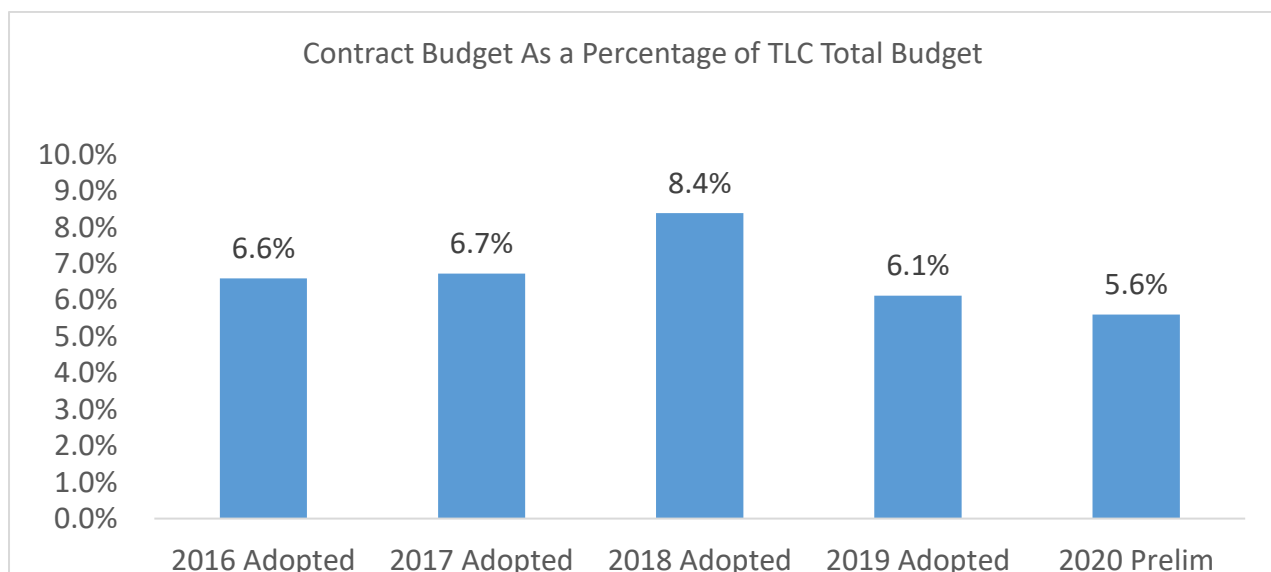
Headcount



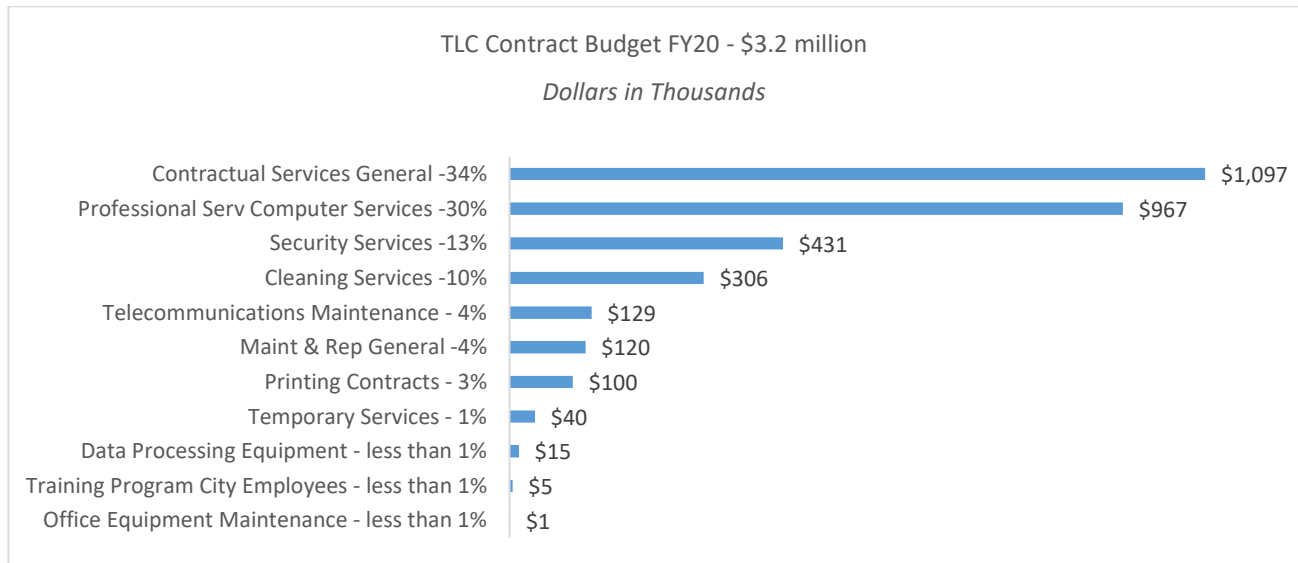
As illustrated by the chart above, the Taxi and Limousine Commission's Fiscal 2020 Preliminary Budget provides for 618 budgeted headcount positions, remaining unchanged from Fiscal 2019. As of December 2018, TLC has a headcount vacancy rate of 11 percent, the majority of which are for inspector positions. In December 2017, TLC had a headcount vacancy rate of 21 percent.

Contract Budget

The New York City Charter mandates the preparation of a Contract Budget to identify expenditures for contractual services, which are defined as any technical, consultant or personnel service provided to the City by means of a contract. The Contract Budget is actually a subset of the OTPS portion of the City's Expense Budget. The Administration prepares a Contract Budget twice each fiscal year. The Citywide Fiscal 2020 Preliminary Contract Budget totals \$15.9 billion for procurement expenditures across all agencies.



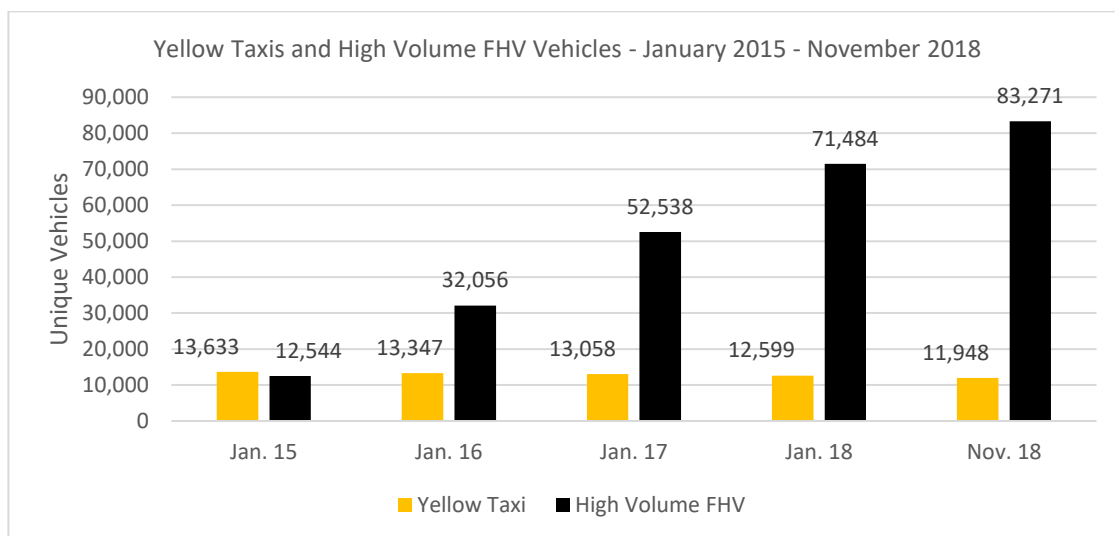
For the TLC, the Fiscal 2020 Contract Budget totals \$3.2 million for 31 contracts, accounting for 5.6 percent of the Commission's total budget. The total contract value in the Preliminary Plan remains unchanged since the Fiscal 2019 Adopted Budget. As indicated in the chart below, the majority of the TLC contract budget is allocated towards Contractual Services General at \$1.1 million (34 percent), followed by Professional Service – Computer Services at \$967,000 (30 percent), Security Services at \$431,000 (12 percent), and all other remaining contracts at \$717,000 (21 percent).



Miscellaneous Revenue

The Fiscal 2020 Preliminary Financial Plan forecast for the Taxi and Limousine Commission includes miscellaneous revenues totaling \$61.6 million in Fiscal 2020 of which, \$33.8 million is from taxi licenses.

Historically, TLC generated a significant amount of miscellaneous revenue from the sale of Taxi Medallions. However, due to the rapid growth of the High Volume FHV sector, there have been no new taxi medallions sold by TLC since March 2014. As such, the Fiscal 2019 Preliminary Budget does not anticipate any revenue from the sale of yellow taxi medallions.



Appendices

A: Budget Actions in the November and the Preliminary Plans

<i>Dollars in Thousands</i>	FY 2019			FY 2020		
	City	Non-City	Total	City	Non-City	Total
TLC Budget as of the Adopted 2019 Budget	\$52,515	\$0	\$52,515	\$59,542	\$0	\$59,542
Other Adjustments - Prelim 2020						
Green Grant Adjustment	\$0	\$0	\$0	(\$1,000)	\$0	(\$1,000)
Hiring Delay	(741)	0	(741)	(761)	0	(761)
TLC Collective Bargaining	183	0	183	315	0	315
Other Adjustments - November Plan 2019						
Collective Bargaining	438	0	438	751	0	751
Hiring Delay	(833)	0	(833)	(694)	0	(694)
Vacancy Reduction	0	0	\$0	(804)	0	(804)
TOTAL, All Changes	(\$952)	\$0	(\$952)	(\$2,192)	\$0	(\$2,192)
TLC Budget as of the Preliminary 2020 Budget	\$51,563	\$0	\$51,562	\$57,350	\$0	\$57,350

B: TLC Contract Budget

TLC FY19 Preliminary Contract Budget				
<i>Dollars in Thousands</i>				
Category	FY19 Adopted	Number of Contracts	FY20 Preliminary	Number of Contracts
Contractual Services General	\$1,097	14	\$1,097	14
Telecommunications Maint	129	2	129	2
Maint & Rep General	120	2	120	2
Office Equipment Maintenance	1	1	1	1
Data Processing Equipment	15	1	15	1
Printing Contracts	100	3	100	3
Security Services	431	2	431	2
Temporary Services	40	3	40	3
Cleaning Services	306	1	306	1
Training Prgm City Employees	5	1	5	1
Professional Serv Computer Services	967	1	967	1
TOTAL	\$3,212	31	\$3,212	31

C: TLC Miscellaneous Revenue

TLC Miscellaneous Revenue Budget Overview						
<i>Dollars in Thousands</i>						
Revenue Sources	FY17 Actual	FY18 Actual	FY19 Adopted	Preliminary Plan		*Difference FY19-FY20
				FY19	FY20	
Taxi Licenses	\$71,015	\$58,428	\$33,520	\$33,520	\$37,920	\$4,400
Hail Licenses	3,019	699	2,530	2,530	2,530	0
Taxi Inspection & TLC Fees	11,481	9,452	9,700	9,700	9,500	(200)
STIP/Settlement Fines	15,222	14,297	11,600	11,600	11,600	0
Sale of Taxi Medallions	0	0	0	107,000	0	0
TOTAL	\$100,737	\$82,877	\$57,350	\$164,350	\$61,550	\$4,200

*The difference of Fiscal 2019 Adopted Budget compared to Fiscal 2020 Preliminary Budget.

D: Mayor's Management Report Critical Performance Measures

TLC Performance Indicators	Actual			Target		4-Month Actual	
	FY16	FY17	FY18	FY19	FY20	FY18	FY19
Medallion safety and emissions failure rate - Initial inspection (%)	28.2%	28.1%	26.9%	35.0%	35.0%	26.3%	29.7%
-Re-inspection (%)	6.5%	6.6%	7.1%	*	*	7.9%	9.0%
FHV safety and emissions failure rate - Initial inspection (%)	33.2%	30.3%	26.6%	35.0%	35.0%	26.8%	25.1%
- Re-inspection (%)	12.5%	10.1%	7.9%	*	*	8.1%	8.8%
Boro Taxi safety and emissions failure rate- Initial inspection (%)	49.1%	45.9%	41.2%	45.0%	45.0%	43.2%	41.9%
-Re-inspection (%)	12.4%	10.4%	11.8%	*	*	11.4%	12.5%
Patrol summonses issued for illegal street hails (drivers and vehicle owners)	8,549	12,813	8,588	*	*	1,936	3,101
Patrol summonses issued for unlicensed activity (drivers and vehicle owners)	10,380	7,955	7,346	*	*	2,430	2,476
Average wait time at Long Island City licensing facility (hours:minutes)	0:25	0:19	0:13	0:25	0:25	0:13	0:20
Average time to conduct a safety and emissions inspection of a medallion taxi (hours:minutes)	0:48	0:58	1:09	1:00	1:00	1:02	1:08
Average time to conduct a safety and emissions inspection of a FHV (hours:minutes)	0:49	1:09	1:22	1:00	1:00	1:15	1:28
Average time to conduct a safety and emissions inspection of a Boro Taxi (hours:minutes)	0:51	1:11	1:26	1:00	1:00	1:22	1:46
Average time to close a consumer complaint (calendar days): TLC driver	34.7	24.6	43.7	50	50	32.3	67.2
Medallion vehicles	13,587	13,587	13,587	*	*	13,587	13,587
For-hire vehicles	78,814	99,928	113,222	*	*	105,434	118,363
<i>Boro Taxis</i>	7,237	6,313	4,505	*	*	5,984	4,442
Active medallion taxis that are accessible	876	1,762	2,173	*	*	1,936	2,415
Active Boro Taxis that are accessible	1,393	426	216	*	*	332	196
Accessible dispatch median wait time, citywide (minutes:seconds)	NA	NA	NA	*	*	NA	13:25
Accessible dispatch trips fulfilled as a percent of requested trips (%)	89.4%	91.2%	83.9%	*	*	85.2%	82.3%
Active medallion vehicles with hearing induction loops	1,410	2,205	2,597	*	*	2,395	2,741