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Report to the Committee on Finance and the Committee on Transportation on the
Fiscal 2020 Executive Plan

Taxi and Limousine Commission

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Taxi and Limousine Commission Overview

This report presents a review of the Taxi and Limousine Commission's (TLC) Fiscal 2020 Executive Budget. The section below presents an overview of the Commission's budget and how it has changed during the course of Fiscal 2019, followed by a review of the significant budget actions introduced in the Fiscal 2020 Executive Budget. Major issues related to the Commission's budget are then discussed. Appendix 1 reports the changes made to the Fiscal 2019 and Fiscal 2020 Budgets since Adoption of the Fiscal 2019 Budget. For additional information on the TLC's budget and its various programs, please refer to the Fiscal 2020 Preliminary Budget Report for TLC at: <https://council.nyc.gov/budget/wp-content/uploads/sites/54/2019/03/156-TLC-2020.pdf>

Below is a summary of key funding changes by program area and source when comparing TLC's Fiscal 2020 Executive Budget to its Fiscal 2019 Adopted Budget.

TLC Financial Summary						
<i>Dollars in Thousands</i>						
<i>Dollars in Thousands</i>	FY17	FY18	FY19	Executive Plan		*Difference
	Actual	Actual	Adopted	FY19	FY20	FY19-FY20
Spending						
Personal Services	\$34,990	\$34,963	\$38,047	\$36,591	\$39,209	\$1,162
Other Than Personal Services	10,788	10,771	14,468	14,501	12,443	(2,025)
TOTAL	\$45,778	\$45,735	\$52,514	\$51,093	\$51,652	(\$863)
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	31,576	34,138	1,031
Full-Time Salaried - Uniformed	0	14	0	0	0	0
Other Salaried & Unsalariad	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	\$36,591	\$39,209	\$1,162
Other Than Personal Services						
Contractual Services	\$4,071	\$4,056	\$3,887	\$5,853	\$3,387	(\$500)
Fixed & Misc. Charges	307	182	100	100	100	0
Other Services & Charges	4,615	4,775	8,169	6,289	6,912	(1,257)
Property & Equipment	757	753	562	610	339	(222)
Supplies & Materials	1,038	1,004	1,750	1,650	1,704	(46)
SUBTOTAL	\$10,788	\$10,771	\$14,468	\$14,501	\$12,443	(\$2,025)
TOTAL	\$45,778	\$45,735	\$52,514	\$51,093	\$51,652	(\$863)
Funding						
City Funds	\$45,778	\$45,735	\$52,514	\$51,093	\$51,652	(\$863)
TOTAL	\$45,778	\$45,735	\$52,514	\$51,093	\$51,652	(\$863)
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 Executive Budget.*

Overall Increases and Decreases to the TLC's Budget

- New Need increases the budget by \$350,000
- Other Adjustments decreases by a net of \$504,000
- Savings and PEGs decrease the Commission's budget by \$5.5 million

Changes by Funding Source

- **City Funds.** City tax-levy (CTL) funding decreased by \$863,000 when compared to the Fiscal 2019 Adopted Budget. This is due, in part, to a reduction in Green Grants Program funding.

New in the Executive Budget

TLC's Fiscal 2020 Executive Plan includes a new need of \$350,000 in Fiscal 2020. The Plan also includes net reductions in other adjustments totaling \$33,000 in Fiscal 2019 and \$504,000 in Fiscal 2020. In addition, the Executive Budget contains a savings program reduction of \$503,000 in Fiscal 2019 and \$5.5 million in Fiscal 2020. The following are the major financial plan actions for Fiscal 2020 included in the Executive Plan for the TLC.

New Needs

- **Local Law Compliance.** TLC's Executive Plan includes a new need of \$350,000 in Fiscal 2020, \$450,000 in Fiscal 2021, \$350,000 in Fiscal 2022, and \$450,000 in Fiscal 2023 for OTPS costs related to the creation of the Office of Inclusion, the new licenses for high-volume service vehicles, and the establishment of a minimum driver income. The majority of this funding will be used for public awareness campaigns.

Other Adjustments

- **Agency Phone Plan Review.** The Department of Information Technology and Telecommunication (DoITT) has reexamined TLC's phone service plan resulting in a re-estimated and right-sized inventory. As a result, the Fiscal 2020 Executive Plan includes OTPS savings of \$6,500 in Fiscal 2020 and in the outyears from costs associated with TLC's phone plan.
- **Commuting Vehicles.** As part of the Citywide Savings Program, the Administration set a target to reduce 25 percent of agency commuting vehicles, while converting one-eighth of commuting vehicles into the non-commuting vehicle fleet. As a result, the Fiscal 2020 Executive Plan includes a savings of \$28,000 in Fiscal 2020 and \$3,775 Fiscal 2021 and in the outyears from the conversion of commuting vehicles into non-commuting vehicle and the elimination of two commuting vehicles from its fleet.
- **Fleet Size.** Due to an Executive Order that calls for the reduction of agency fleets, the Fiscal 2020 Executive Plan includes savings of \$253,000 in Fiscal 2020, \$256,000 in Fiscal 2021 and \$6,000 in Fiscal 2022 and in the outyears from TLC's vehicle fleet. Currently, TLC estimates that 20 vehicles will be removed from its fleet in Fiscal 2020.
- **Heat, Lighting and Power.** Due to re-estimates, TLC anticipates an increase of \$33,500 in Fiscal 2019 for heat, light, and power costs.
- **Lease Adjustment.** The Fiscal 2020 Executive Plan includes baselined savings of \$206,000 beginning in Fiscal 2020 from a lease adjustment.
- **Vehicle Right-sizing.** The Fiscal 2020 Executive Plan includes savings of \$11,200 in Fiscal 2020, \$12,000 in Fiscal 2021 and \$1,500 in Fiscal 2022 and in the outyears from the removal of two SUV's from TLC's fleet and replacing them with more fuel efficient vehicles.

PEG Associated Savings

Citywide Savings Program. In conjunction with the Fiscal 2020 Executive Plan, the Office of Management and Budget (OMB) released a Citywide Savings Program that outlined a plan to reduce City spending by \$916 million in Fiscal 2019 and Fiscal 2020 combined. To develop the program, OMB asked all agencies to identify efficiencies, alternative funding sources and programmatic changes, including PEGs that would yield budgetary savings. TLC was required to identify \$4.5 million in savings between Fiscal 2019 and Fiscal 2020 and it has identified savings totaling \$503,000 in Fiscal 2019 and \$5.5 million in Fiscal 2020.

- **Hiring Delay.** Due to a delay in filling vacant positions, the Fiscal 2020 Executive Plan anticipates a savings of \$503,000 in Fiscal 2019 only. Currently TLC has a vacancy rate of 15 percent, representing 90 positions, the majority of which are for traffic enforcement positions. However, due to a cadet class of 60, TLC anticipates a reduction in its vacancy rate beginning in Fiscal 2020.
- **Reallocate Funding for Grant Program.** Due to lower than anticipated demand for Accessible Street Hail Licenses (ASHL), the Fiscal 2020 Executive Plan reallocated \$5.5 million of the program's Fiscal 2020 budget. Additional information regarding the Green Grants program is outlined in the "Budget Issues" section below.

Budget Issues

Green Grants Program Restructuring. The Green Grants program currently awards \$30,000 to Green Taxi drivers (also known as Boro Taxis) to help them purchase vehicles that are wheelchair accessible or to retrofit their vehicles to become wheelchair accessible vehicles (WAVs). As currently structured, eligible participants receive an upfront grant of \$14,000 to help offset the cost of conversion to a WAV and \$4,000 annually, thereafter, until the \$30,000 cap is reached.

Due to changes within the taxicab industry, including the emergence and popularity of app-based companies such as Uber and Lyft, the number of applicants to the Green Grants program has significantly declined. In Fiscal 2016, 209 grants were awarded; in Fiscal 2017, 81 grants were awarded; in Fiscal 2018, 12 grants were awarded; and in Fiscal 2019, year-to-date, only seven grants have been awarded. As a result of this change in demand, TLC plans on restructuring its Green Grants program in Fiscal 2020 to eliminate the \$30,000 cap and allow program participants to collect \$4,000 annually. TLC currently anticipates that in this new structure, it will award 15 Green Grants annually, beginning in Fiscal 2020. Moreover, TLC hopes that the restructuring will encourage current and former Green Grant participants to keep their vehicles active.

Miscellaneous Revenue. For Fiscal 2020, TLC projects to collect \$61.6 million, an increase of \$4.2 million when compared to the Fiscal 2019 Adopted Budget of \$57.4 million. The seven percent increase is primarily due to a projected increase in revenue from Taxi Licenses.

TLC Miscellaneous Revenue Budget Overview						
<i>Dollars in Thousands</i>						
Revenue Sources	FY17	FY18	FY19	Executive Plan		*Difference
	Actual	Actual	Adopted	FY19	FY20	FY19-FY20
Taxi Licenses	\$71,015	\$58,428	\$33,520	\$55,764	\$37,920	\$4,400
Hail Licenses	3,019	699	2,530	230	2,530	0
High Volume Licenses	0	0	0	1,500	0	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	0	0	0
TOTAL	\$100,737	\$82,877	\$57,350	\$78,794	\$61,550	\$4,200

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

Appendix 1: Fiscal 2020 Budget Actions since Fiscal 2019 Adoption

<i>Dollars in Thousands</i>	FY 2019			FY 2020		
	City	Non-City	Total	City	Non-City	Total
TLC's Budget as of the Fiscal 2019 Adopted Budget	\$52,215	\$0	\$52,515	\$59,542	\$0	
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		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 Prelim./November Plan 2020	(\$952)	\$0	(\$952)	(\$2,192)	\$0	(\$2,192)
TLC's Budget as of the Fiscal 2020 Preliminary Plan	\$51,563	\$0	\$51,563	\$57,350	\$0	\$57,350
New Needs - Exec. 2020						
Local Law Compliance	\$0	\$0	\$0	\$350	\$0	\$350
Subtotal, New Needs	\$0	\$0	\$0	\$350	\$0	\$350
Other Adjustments - Exec. 2020						
Agency Phone Plan Review	\$0	\$0	\$0	(\$6)	\$0	(\$6)
Commuting Vehicles	0	0	0	(28)	0	(28)
Fleet Size	0	0	0	(253)	0	(253)
Heat, Lighting and Power	33	0	33	1	0	1
Lease Adjustment	0	0	0	(206)	0	(206)
Vehicle Right-sizing	0	0	0	(11)	0	(11)
Subtotal, Other Adjustments	\$33	\$0	\$33	(\$504)	\$0	(\$504)
Savings Program - Exec. 2020						
Hiring Delay	(\$503)	\$0	(\$503)	\$0	\$0	\$0
Reallocate Funding for Grant Program	0	0	0	(5,544)	0	(5,544)
Subtotal, Savings Program	(\$503)	\$0	(\$503)	(\$5,544)	\$0	(\$5,544)
TOTAL, All Changes - Exec. 2020	(\$470)	\$0	(\$470)	(\$5,698)	\$0	(\$5,698)
TLC's Budget as of the Fiscal 2020 Executive Plan	\$51,093	\$0	\$51,093	\$51,652	\$0	\$51,652