

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 2022 Preliminary Plan
for the

Taxi and Limousine Commission

March 9, 2020

Finance Division

John Basile, Senior Financial Analyst

Chima Obichere, Unit Head

Latonia McKinney, Director
Regina Poreda Ryan, Deputy Director

Nathan Toth, Deputy Director
Paul Scimone, Deputy Director

Table of Contents

Taxi and Limousine Commission Overview1

Fiscal 2021 Preliminary Budget Highlights1

Financial Plan Summary3

Headcount4

Contract Budget.....4

COVID-19 on the For-Hire Industry5

Miscellaneous Revenue6

Appendices9

 A: Budget Actions in the November and the Preliminary Plans9

 B: TLC Contract Budget9

 C: TLC Miscellaneous Revenue10

 D: TLC Regulated Industries10

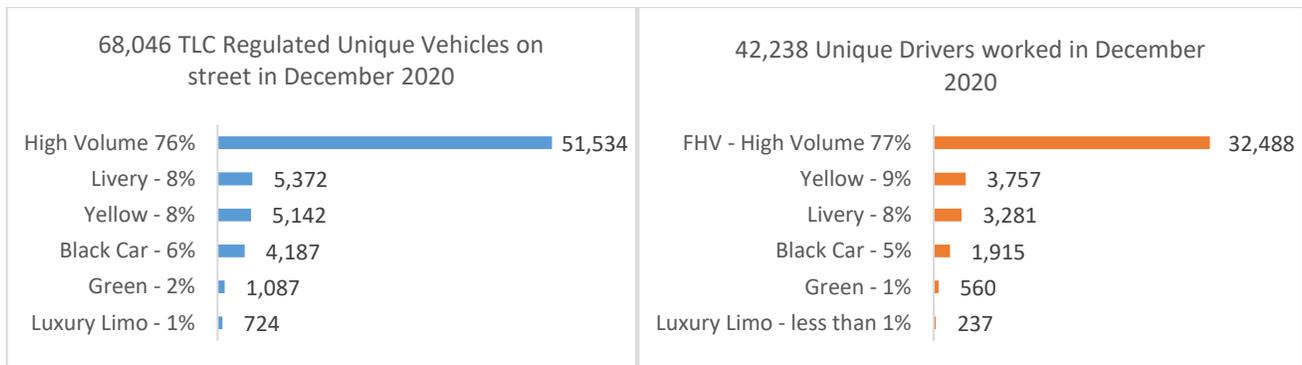
Taxi and Limousine Commission Overview

The 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:

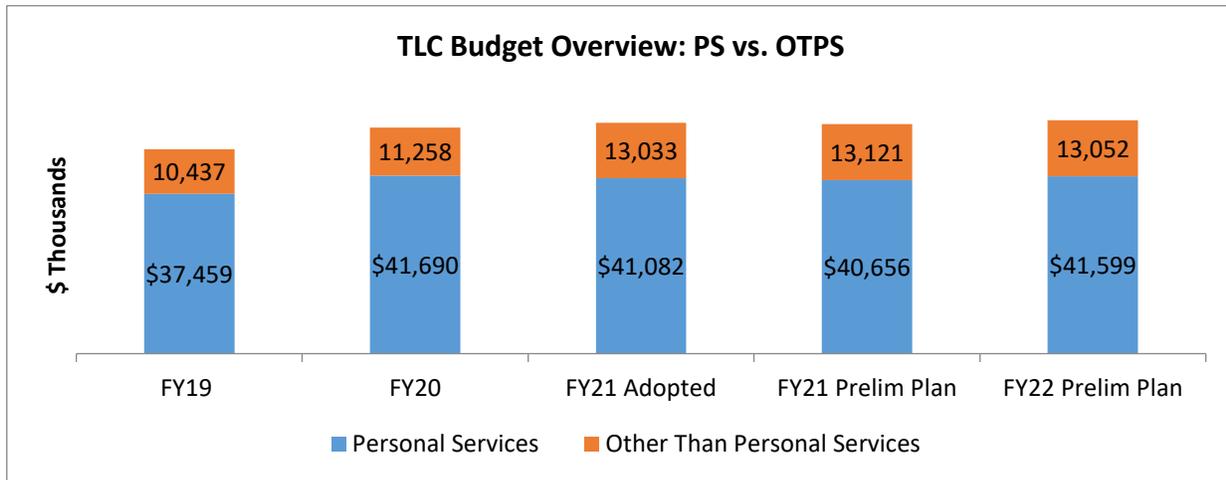
- To establish and enforce professional and uniform standards of for-hire car service and to ensure public safety;
- To ensure that all licensed vehicles meet safety and emissions standards; and
- To ensure all vehicles operating as for-hire follow TLC rules and regulations, provide excellent customer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



Fiscal 2021 Preliminary Budget Highlights

The Taxi and Limousine Commission's Fiscal 2022 Preliminary Budget totals \$54.7 million and is funded entirely with City tax-levy funds; this represents less than one percent of the City's total Budget of \$92.3 billion. TLC's budget for Fiscal 2022 is one percent greater than the Fiscal 2021 Adopted Budget and 3.2 percent greater than the Fiscal 2020 amount.



TLC Budget Actions Since the Fiscal 2021 Adopted Budget

Since the Fiscal 2021 Adopted Budget, TLC has identified \$417,000 in new needs and a net reduction of \$19,000 in other adjustments. In addition, as part of the Citywide Savings program TLC has identified PEG savings of \$597,000 in Fiscal 2021 and \$1.4 million in Fiscal 2022. These savings are in addition to the November Plan’s headcount reduction of 11 positions, resulting from the current citywide hiring freeze. The PEG savings actions include the following:

- **Contract Delays.** The Fiscal 2022 Preliminary Plan includes savings of \$248,000 in Fiscal 2021 and \$88,000 in Fiscal 2022 from delayed contract spending;
- **FEMA Reimbursements.** Due to a funding swap for federal reimbursement of COVID-19 related overtime and cleaning costs, TLC anticipates a City tax-levy savings of \$245,000 in Fiscal 2021;
- **Green Grants Adjustment.** 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. Due to changes within the taxicab industry, including the emergence and popularity of app-based companies such as Uber and Lyft, as well as the COVID-19 pandemic, the number of applicants to the Green Grants program has significantly declined. As a result of the low utilization, TLC anticipates a savings of \$16,000 in Fiscal 2021 and \$1.3 million in Fiscal 2022;
- **Hiring and Attrition Management.** As a result of the City’s new hiring and attrition policy, TLC anticipates a savings of \$333,000 in Fiscal 2021.

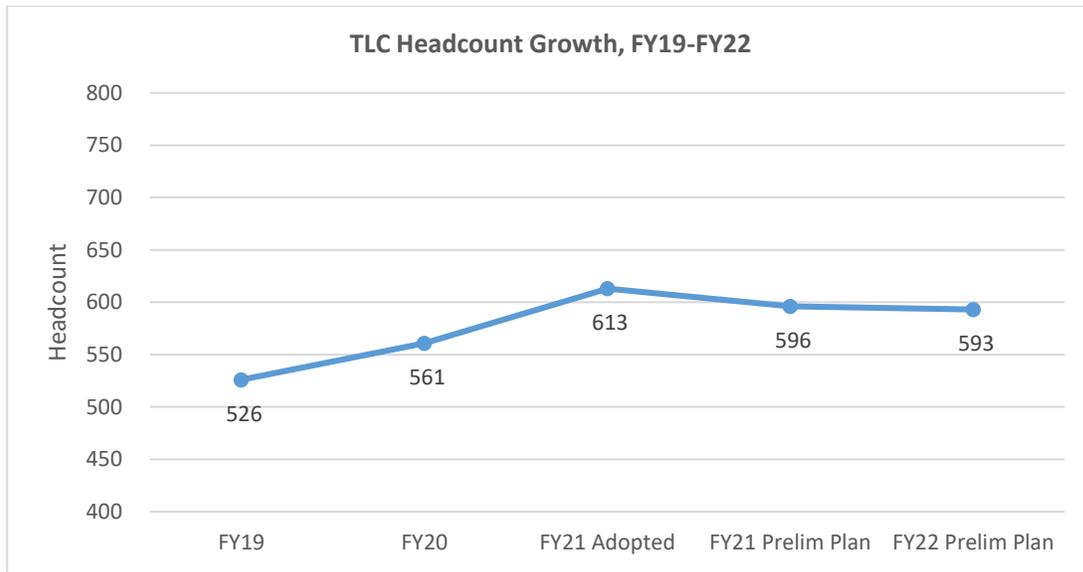
Financial Plan Summary

TLC Financial Summary						
<i>Dollars in Thousands</i>						
	FY19	FY20	FY21	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY21	FY22	FY21-FY22
Spending						
Personal Services	\$37,459	\$41,690	\$41,082	\$40,656	\$41,599	\$517
Other Than Personal Services	10,437	11,258	13,033	13,121	13,052	19
TOTAL	\$47,897	\$52,948	\$54,115	\$53,777	\$54,651	\$536
Personal Services						
Additional Gross Pay	\$2,203	\$2,231	\$1,300	\$1,300	\$1,300	\$0
Full-Time Salaried - Civilian	31,027	35,436	36,391	35,966	36,908	517
Full-Time Salaried - Uniformed	1	0	0	0	0	0
Other Salaried & Unsalari ed	2,361	2,391	2,234	2,234	2,235	0
Overtime - Civilian	1,521	1,214	807	807	807	0
P.S. Other	1	1	0	0	0	0
Amount to be Scheduled	0	0	204	204	204	0
Fridge Benefits	345	417	145	145	145	0
SUBTOTAL	\$37,459	\$41,690	\$41,082	\$40,656	\$41,599	\$517
Other Than Personal Services						
Contractual Services	\$3,503	\$3,327	\$3,302	\$4,025	\$3,375	\$73
Fixed & Misc. Charges	72	126	100	0	100	0
Other Services & Charges	5,481	6,092	7,860	7,661	7,360	(500)
Property & Equipment	383	378	339	501	489	150
Supplies & Materials	998	1,335	1,432	933	1,728	296
SUBTOTAL	\$10,437	\$11,258	\$13,033	\$13,121	\$13,052	\$19
TOTAL	\$47,897	\$52,948	\$54,115	\$53,777	\$54,651	\$536
Funding						
City Funds	\$0	\$0	\$54,115	\$53,532	\$54,651	\$536
Federal - Other			0	245,159	0	0
TOTAL	\$47,897	\$52,948	\$54,115	\$53,777	\$54,651	\$536
Budgeted Headcount						
Full-Time Positions - Civilian	561	584	589	557	578	(11)
TOTAL	561	584	589	557	578	(11)

**The difference of Fiscal 2021 Adopted Budget compared to Fiscal 2022 Executive Budget.*

The Commission's budget is organized into two units of appropriation, Personal Services (PS) and Other Than Personal Services (OTPS). The Preliminary Budget includes \$41.6 million for Personal Services (PS) to support a budgeted headcount of 578 positions and \$13.1 million for Other Than Personal Services (OTPS) costs in Fiscal 2022.

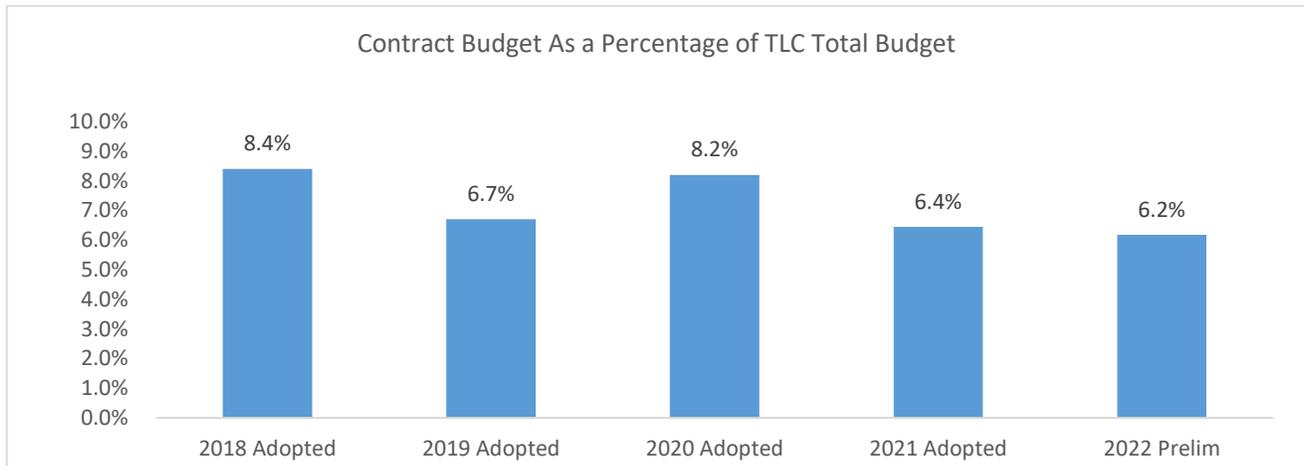
Headcount



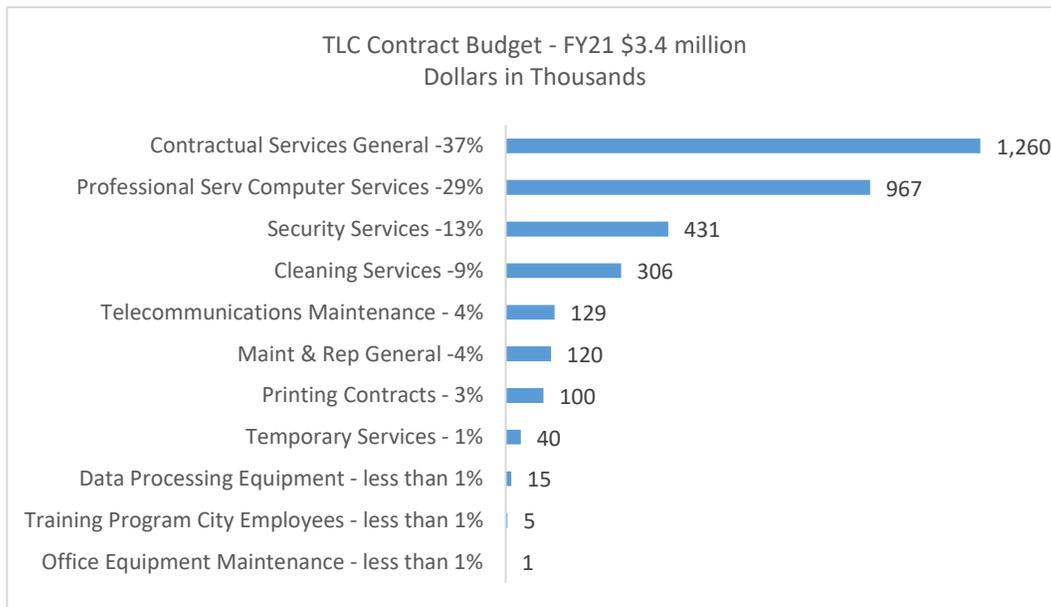
As illustrated by the chart above, the Taxi and Limousine Commission’s Fiscal 2022 Preliminary Budget provides for 593 budgeted headcount positions, a slight decrease from Fiscal 2021. TLC has a headcount vacancy rate of 2.3 percent, the majority of which are for Emissions Enforcement positions, in line with the citywide average of two percent. Overall, this is a significant improvement from recent years. As of December 2018, TLC had a headcount vacancy rate of 11 percent, the majority of which were 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 2022 Preliminary Contract Budget totals \$17 billion for procurement expenditures across all agencies.



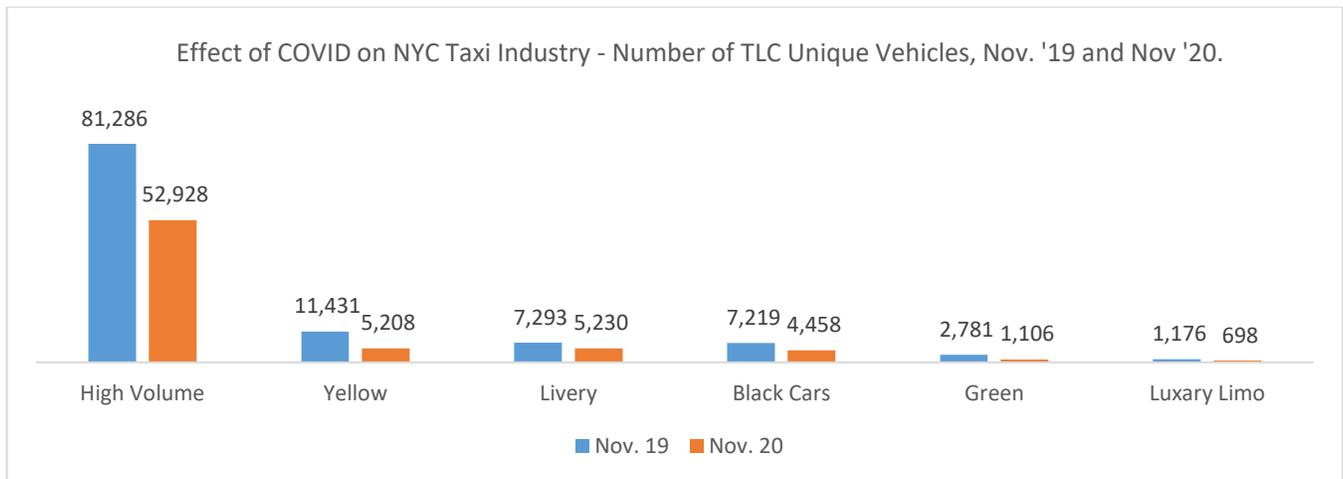
For the TLC, the Fiscal 2022 Contract Budget totals \$3.4 million for 31 contracts, accounting for 6.2 percent of the Commission’s total budget. The total contract value in the Preliminary Plan is \$111,000 less than the Fiscal 2021 Adopted Budget. This is due to reductions to Contractual Services General contract amounts for Fiscal 2022. As indicated in the chart below, the majority of TLC contract budget is allocated to Contractual Services General at \$1.3 million (37 percent), followed by Professional Service – Computer Services at \$967,000 (29 percent), Security Services at \$431,000 (13 percent), and all other remaining contracts at \$717,000 (21 percent).



COVID-19 on the For-Hire Industry

Overall, the COVID-19 pandemic has greatly reduced the number of active unique vehicles across all TLC regulated industries. High Volume FHV’s saw a reduction of 35 percent as of November 2020 when compared to November 2019. Yellow and Green taxis declined by 54 and 60 percent, respectively. Livery vehicles, Black Cars, and Luxury Limos declined by 28 percent, 38 percent, and 41 percent, respectively. In addition, as of December 2020, there were 42,238 unique drivers working

in TLC regulated vehicles, a decline of 66 percent when compared to the 124,763 unique drivers in December 2019.

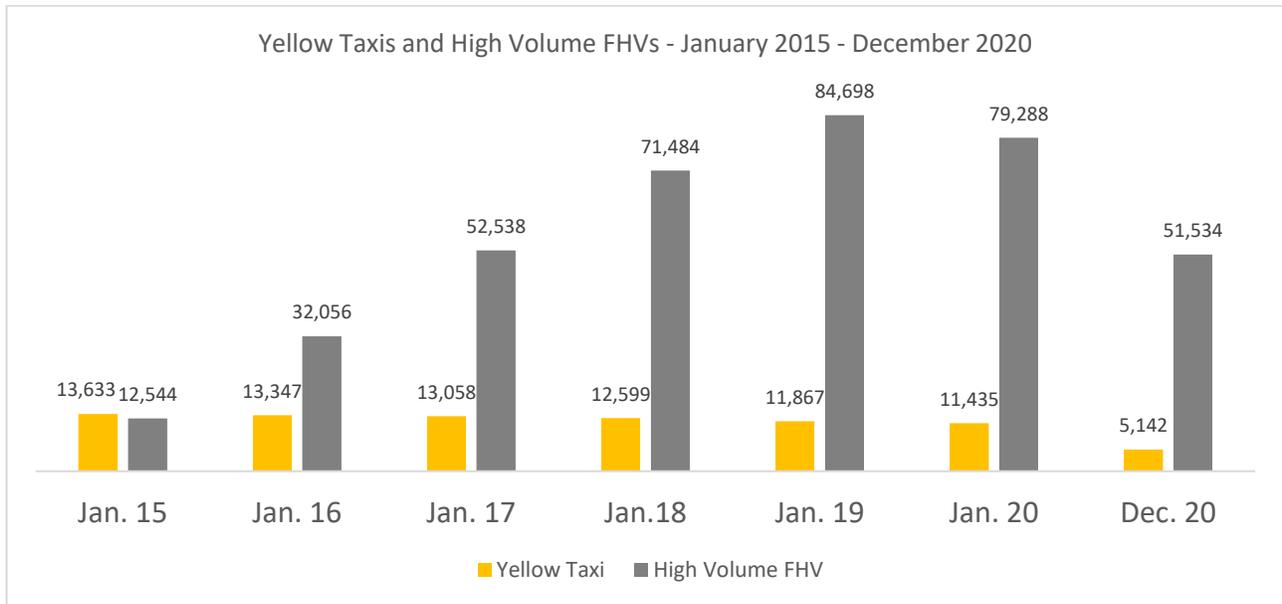


Miscellaneous Revenue

The Fiscal 2022 Financial Plan forecast for the Taxi and Limousine Commission includes miscellaneous revenues totaling \$48.6 million in Fiscal 2022 of which, \$33 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 \$2.4 million in revenue from hail licenses in Fiscal 2022, despite the fact that the Commission only generated \$102,000 in Fiscal 2019, \$132,000 in Fiscal 2020, and anticipates only \$30,000 in Fiscal 2021.

Historically, TLC generated a significant amount of its 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 2021 Preliminary Budget does not anticipate any revenue from the sale of yellow taxi medallions.

As can be seen in the chart below, COVID-19 has greatly impacted the taxicab industry in the City, resulting in a significant decline in the number of active High-Volume FHV and Yellow taxi vehicles on the road. The number of unique High Volume FHV’s has declined 35 percent between January 2020 and December 2020, while the number of active unique medallion vehicles has declined 55 percent over the same period. In addition to the severe economic and personal effects of pandemic on taxi drivers, this decline may also impact TLC’s miscellaneous revenue moving forward.



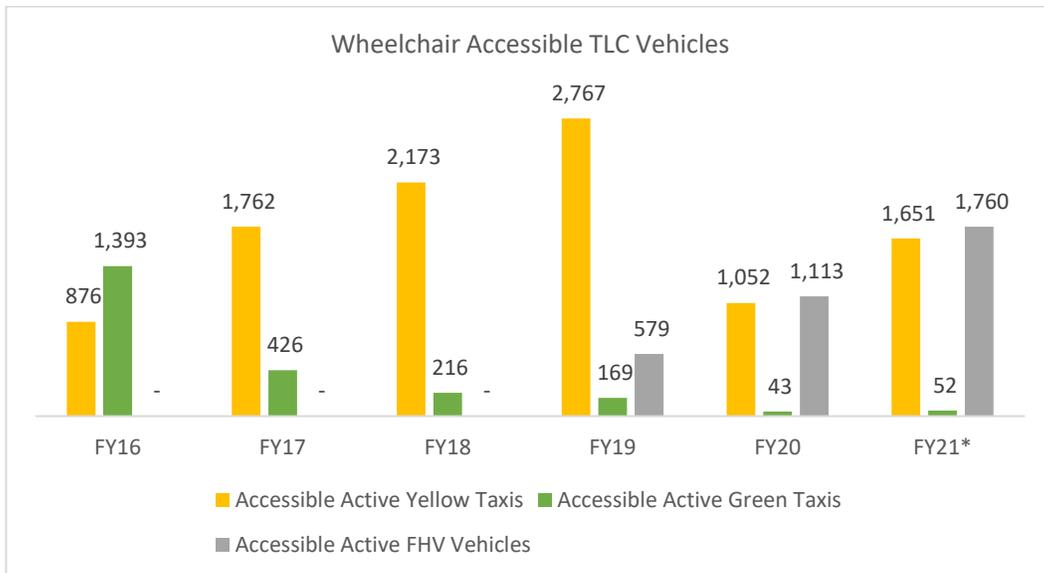
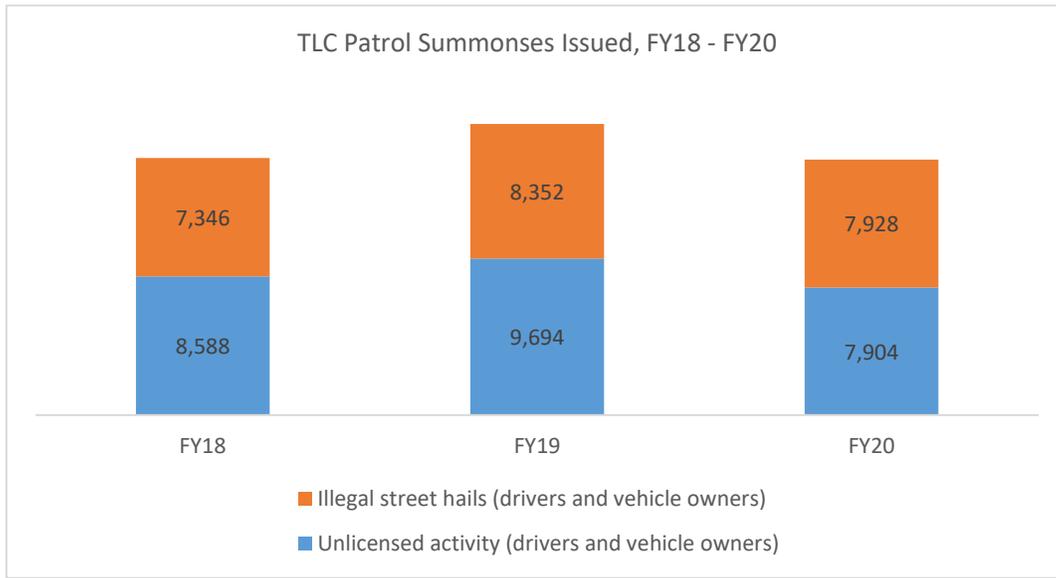
Preliminary Mayor’s Management Report (PMMR) Highlights.

The section below outlines the effectiveness of key performance indicators from Fiscal 2018 to Fiscal 2020 and during the first four months of Fiscal 2021 across major programmatic areas at TLC. For additional information on the Commission’s performance and effectiveness across its various programs, please refer to the Fiscal 2021 Preliminary Mayor’s Management Report (PMMR) for TLC at: <https://www1.nyc.gov/assets/operations/downloads/pdf/pmmr2021/hpd.pdf>

Notable performance metrics reported by the Taxi and Limousine Commission in the Fiscal 2020 PMMR include the following:

- In the first four months of 2021, there were 3,463 active wheelchair accessible vehicles (WAVs) in the City, a decline of 14 percent when compared to the same period last year, but up from the 2,208 reported at the end of Fiscal 2020. This decline was driven by a 46 percent reduction in accessible medallion vehicles and a 65 percent reduction in Boro taxis, but was offset by a 106 percent increase in accessible FHVs.
- Patrol summonses issued for both illegal street hails and unlicensed activity decreased by 18 and five percent, respectively. This was due to an extension in TLC Enforcement duties to provide support to the City’s emergency work related to the COVID-19 pandemic. TLC Enforcement has been focused on PPE distribution to drivers, coordination of food delivery services with the Office of Emergency Management, and work with the Sheriff’s Department, including distribution of COVID-19 educational material to the public at bridge and tunnel crossings. This focus temporarily diverted enforcement efforts away from illegal street hails and unlicensed operations in the first four months of Fiscal 2021. As TLC Enforcement resumes normal activities, the Commission anticipates an increase in the number of summonses issued for these violations.
- As a result of the reduced demand of for-hire transportation brought about by the COVID-19 pandemic, the number of complaints received from the public decreased by 69 percent in the first four months of Fiscal 2021 when compared to the previous year. This reduction in complaint allowed TLC to reduce the number of days the Commission

took to close a case to 25.3 days, an 18 percent decrease from Fiscal 2020 and significantly better than TLC’s goal of 50 days to close a complaint.



Note: TLC did not begin reporting the number of accessible FHV's until FY19, therefore there is no data between FY16-FY18.

Appendices

A: Budget Actions in the November and the Preliminary Plans

Dollars in Thousands	FY21			FY22		
	City	Non-City	Total	City	Non-City	Total
TLC Budget as of the Adopted FY21 Budget	\$54,115,393	\$0	\$54,115,393	\$55,688,000	\$0	\$55,688,000
New Needs						
College Point Operating Cost	\$417	\$0	\$417	\$495	\$0	\$495
Driver Resource Center Space	0	0	0	150	0	150
Subtotal, New Needs	\$417	\$0	\$417	\$645	\$0	\$645
Other Adjustments						
Citywide Discretionary Hiring Freeze	(\$36)	\$0	(\$36)	\$0	\$0	\$0
Citywide Wireless Services - Nov Plan	0	0	0	(30)	0	(30)
IT Contract Savings	(11)	0	(11)	0	0	0
Mangerial Five-Day Furlough	(93)	0	(93)	0	0	0
Vehicle Purchase Freeze	0	0	0	(278)	0	(278)
Citywide Wireless Services - Prelim Plan	(20)	0	(20)	0	0	0
Subtotal, Other Adjustments	(\$159)	\$0	(\$159)	(\$308)	\$0	(\$308)
Program to Eliminate GAP (PEGs)						
Contract Delays	(\$248)	\$0	(\$248)	(\$88)	\$0	(\$88)
FEMA Reimbursements	(245)	245	0	0	0	0
Green Grants Adjustment	(16)	0	0	(1,266)	0	(1,266)
Hiring and Attrition Management	(333)	0	0	0	0	0
Subtotal, PEGs	(\$842)	\$245	(\$597)	(\$1,354)	\$0	(\$1,354)
TOTAL, All Changes	(\$584)	\$245	(\$338)	(\$1,017)	\$0	(\$1,017)
TLC Budget as of the Preliminary FY21 Budget	\$53,532	\$245	\$53,777	\$54,671	\$0	\$54,671

B: TLC Contract Budget

TLC FY21 Preliminary Contract Budget				
<i>Dollars in Thousands</i>				
Category	FY21 Adopted	Number of Contracts	FY22 Preliminary	Number of Contracts
Contractual Services General	\$1,371	14	\$1,260	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	\$3,486	31	\$3,375	31

C: TLC Miscellaneous Revenue

TLC Miscellaneous Revenue Budget Overview						
<i>Dollars in Thousands</i>						
Revenue Sources	FY19	FY20	FY21	Preliminary Plan		*Difference
	Actual	Actual	Adopted	FY21	FY22	FY21-FY22
Taxi Licenses	\$54,052	\$48,953	\$33,020	\$33,020	\$33,020	0
Hail Licenses	102	132	30	2,530	2,400	0
High Volume Licenses	0	0	0	0	1,500	1,500
Taxi Inspection & TLC Fees	9,564	8,270	9,500	9,500	9,500	(200)
STIP/Settlement Fines	14,265	10,375	6,000	11,600	11,600	0
Sale of Taxi Medallions	0	0	0	107,000	0	0
TOTAL	\$77,983	\$67,730	\$56,720	\$48,550	\$58,020	\$1,300

**The difference of Fiscal 2021 Adopted compared to Fiscal 2022 Preliminary Budget.*

D: TLC Regulated Industries

Yellow Taxis. There are approximately 13,587 medallions with the right to run a yellow taxi within one of the three categories below. As of January 2020, there were a 4,625 unique yellow taxis on the road and 3,256 unique drivers on the road.

- **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. There are currently 2,683 licensed boro taxis. However, as of January 2020, there were 991 unique green taxis on the road and 491 unique drivers.

- SHLs are a hybrid service, providing both street-hail and prearranged for-hire vehicle service.
- Up to 18,000 SHLs permits are available in total, per State authorization.
- 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 January 2020, there were 47,592 unique High-Volume vehicles on the road and 47,622 unique drivers on the road. The three largest High-Volume FHV companies in the city are Uber, Lyft, and Via. In August 2019, the Commission voted to extend by one year its cap on the issuance of FHV licenses as part of a package of rules aimed to reducing congestion.

- **Liveries (also known as Car Services or Community Cars).** Livery vehicles provide for-hire service by pre-arrangement. Currently, there are approximately 340 base stations located throughout the five boroughs and 6,565 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. According to TLC, there are about 472 base stations citywide and 91,173 vehicles.
- **Luxury Limousines.** Vehicles in this group generally provide chartered services. Currently, there are about 1,866 vehicles and 116 bases.
- **Paratransit.** Paratransit vehicles provide healthcare related transportation services. There are about 141 vehicles and 68 paratransit bases citywide.
- **Commuter Vans.** Commuter Vans provide service for passengers along fixed routes. There are about 68 vehicles and 43 van authorizations presently.