

# The Council of the City of New York

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Report on the Fiscal Year 2015 Executive Budget for the

## **TAXI AND LIMOUSINE COMMISSION**

May 15, 2014

### **Executive Budget Highlights**

- The Taxi and Limousine Commission's (TLC) Fiscal 2015 proposed Expense Budget totals approximately \$63 million, a net decrease of \$1 million when compared to the Fiscal 2014 Adopted Budget of \$64 million. This decrease is due to the impact of one-time grant funding of \$1.5 million for the borough taxi program that was rolled into Fiscal 2014 and \$300,000 for an environmental impact study relating to taxi medallion sales. These expenses were not included in Fiscal 2015 which accounts for the net decrease in total funding from Fiscal 2014 to Fiscal 2015. The TLC's budget is funded entirely with City tax-levy funds.
- The proposed Fiscal 2015 budget includes new needs of \$1.7 million, including \$1.1 million for the Vision Zero program.
- Based on the State's authorizing legislation, the City can issue another 6,000 Street Hail Livery (SHL) permits next month, bringing total borough taxi permits issued to 12,000, with 20 percent committed for use with wheelchairs.
- To implement the Five-Borough Taxi Plan, the City is required to provide financial assistance of up to \$15,000 per grant to help individuals who purchased licenses restricted to accessible vehicles to retrofit or purchase a wheelchair-accessible vehicle. The total cost to the City, when fully implemented, for 3,600 vehicles is projected to be approximately \$54 million.
- The Fiscal 2015 Executive Budget includes additional revenue of \$595 million from the sale of taxi medallions and \$18 million from the issuance of SHL permits by the TLC in Fiscal 2015.

## Taxi and Limousine Commission Overview

This report provides an overview of the Taxi and Limousine Commission's Fiscal 2015 Budget and a review of the significant initiatives included in the Executive Budget for Fiscal 2015. Appendix 2 report the changes made to the Fiscal 2014 and Fiscal 2015 Budgets since the adoption of the Fiscal 2014 Budget. For additional information on the TLC's Budget and its various programs, please refer to the "Taxi and Limousine Commission's Preliminary Hearing Budget Report" available at: [www.council.nyc.gov](http://www.council.nyc.gov)

<b>Taxi and Limousine Commission Financial Summary</b>						
	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>FY14 as of FY15</b>	<b>FY15</b>	<b>*Change</b>
<i>Dollars in Thousands</i>	<b>Actual</b>	<b>Actual</b>	<b>Adopted</b>	<b>Exec. Budget</b>	<b>Exec. Budget</b>	<b>2014 - 2015</b>
<b>Budget by Units of Appropriation</b>						
001 - Personal Services	\$22,116	\$26,342	\$30,109	\$29,704	\$34,351	\$4,242
002 - Other than Personal Services	9,600	10,401	33,885	35,653	28,644	(5,241)
<b>TOTAL</b>	<b>\$31,716</b>	<b>\$36,743</b>	<b>\$63,994</b>	<b>\$65,357</b>	<b>\$62,995</b>	<b>(\$999)</b>
<b>Funding</b>						
City Funds	\$31,716	\$36,458	\$63,994	\$65,357	\$62,995	(\$999)
Federal - Other	-	285	-	-	-	-
<b>TOTAL</b>	<b>\$31,716</b>	<b>\$36,743</b>	<b>\$63,994</b>	<b>\$65,357</b>	<b>\$62,995</b>	<b>(\$999)</b>
<b>Positions</b>						
Full-Time Positions	<b>435</b>	<b>569</b>	<b>594</b>	<b>598</b>	633	39
<b>TOTAL</b>	<b>435</b>	<b>569</b>	<b>594</b>	<b>598</b>	<b>633</b>	<b>39</b>

*\*Change from Fiscal 2014 Adopted Budget to Fiscal 2015 Executive Budget.*

The Taxi and Limousine Commission's Fiscal 2015 Executive Budget totals approximately \$63 million, \$1 million less than the agency's Fiscal 2014 Adopted Budget of \$64 million. The difference in planned spending is primarily due to the costs associated with the implementation of the Five-Borough Taxi Plan, which is funded at a higher level in Fiscal 2014 compared to Fiscal 2015. The taxi program allows permitted livery cabs to pick up street hails in the five boroughs except at airports and in Manhattan south of East 96<sup>th</sup> Street and West 110<sup>th</sup> Street.

The Commission's headcount for Fiscal 2015 is 633, an increase of 39 positions from the Fiscal 2014 Adopted Budget. The additional positions are related to the accessibility component of the five boroughs taxi initiative and the Vision Zero program.

## New in the Executive Budget

- **Licensing Efficiency.** The Executive Budget includes an additional \$690,000 in Fiscal 2015 and \$590,000 in Fiscal 2016, decreasing to \$540,000 in Fiscal 2017 and the in the outyears for nine positions and related OTPS costs to help TLC absorb the increases in licensing applications resulting from the implementation of the borough taxi program.
- **TLC Component of Vision Zero.** The Executive Budget includes new funding of \$1.1 million and 15 positions in Fiscal 2015 and in the outyears for the implementation of TLC's component of the City's Vision Zero program.

- **Heat, Light and Power.** Due to re-estimates, the Commission anticipates an increase of \$25,000 in Fiscal 2014 and \$7,000 in Fiscal 2015 and in the outyears in heat, light and power costs.
- **Lease Adjustment.** Due to re-estimates, the Commission anticipates an increase of \$116,000 in Fiscal 2015 and in the outyears in lease costs.

## Major TLC Issues

### New Taxi Cab Medallion

In December 2011, the Governor signed into law legislation allowing the City 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. The first 6,000 Street Hail Livery (SHL) permits available for issuance in the first year have been sold with 20 percent committed for use with wheelchairs. Next month, the second 6,000 SHL permits will become available for sale. It has been reported that the waiting list for the permits has already surpassed 6,000. However, it is unclear when the Commission will issue these permits, which will bring the number of borough taxi permits issued to 12,000.

On November 14, 2013, the TLC began to auction the first 400 of the 2,000 authorized yellow medallions with the auction of 100 lots of yellow medallions or a total of 200 medallions. Subsequently, on February 26, 2014 the Commission successfully auctioned another 168 new medallions with the highest winning bid price of \$965,000 and a lowest winning bid price of \$805,201. Another auction for 32 mini fleet medallions took place on March 25, 2014. These transactions, when fully closed, will bring the number of the City's medallion taxicabs to 13,637, and the number of taxicabs accessible to wheelchair users to 633.

Since only 400 medallions can be sold prior to the City receiving an approved Disability Accessibility Plan (DAP) from the State, any subsequent sale beyond the 400 already auctioned would need State approval.

### Vision Zero Initiatives

On February 28, 2014 the Mayor released the City's Vision Zero report as a first step to begin to address the number of death and injuries on City streets. The report laid out the City's action plan to reduce traffic fatalities and calls for a Vision Zero Task Force, with five City agencies, including the Taxi and Limousine Commission, assigned to implement the report's 63 recommendations addressing enforcement, engineering, and education. Because Vision Zero requires that the TLC do more to make the streets safer for all users by improving policies that affect taxis and other for-hire vehicles, the Executive Budget includes additional funding for TLC's component of the Vision Zero program.

## Appendix 1: TLC Budget Actions since Fiscal 2014 Adoption

<i>Dollars in Thousands</i>	FY 2014			FY 2015		
	City	Non-City	Total	City	Non-City	Total
<b>TLC Budget as of the Adopted 2014 Plan</b>	<b>\$64,000</b>	<b>\$0</b>	<b>\$64,000</b>	<b>\$59,885</b>	<b>\$0</b>	<b>\$59,885</b>
<b>New Needs</b>						
Licensing Staff	\$580	\$0	<b>\$580</b>	\$580	\$0	<b>\$580</b>
PS Differential Funding	580	0	<b>580</b>	580	0	<b>580</b>
Taxi Medallion Sale EIS	172	0	<b>172</b>	0	0	<b>0</b>
Licensing Efficiency	0	0	<b>0</b>	690	0	<b>690</b>
TLC Component of Vision Zero	0	0	<b>0</b>	1136	0	<b>1,136</b>
<b>Subtotal New Needs</b>	<b>\$1,332</b>	<b>\$0</b>	<b>\$1,332</b>	<b>\$2,986</b>	<b>\$0</b>	<b>\$2,986</b>
<b>Other Adjustments</b>						
Heat, Light and Power	\$25	\$0	<b>\$25</b>	\$7	\$0	<b>\$7</b>
Lease Adjustment	0	0	<b>0</b>	116	0	<b>116</b>
<b>Subtotal Other Adjustments</b>	<b>\$25</b>	<b>\$0</b>	<b>\$25</b>	<b>\$123</b>	<b>\$0</b>	<b>\$123</b>
<b>TOTAL All Changes</b>	<b>\$1,357</b>	<b>\$0</b>	<b>\$1,357</b>	<b>\$3,109</b>	<b>\$0</b>	<b>\$3,109</b>
<b>TLC Budget as of the Executive 2015 Plan</b>	<b>\$65,357</b>	<b>\$0</b>	<b>\$65,357</b>	<b>\$62,994</b>	<b>\$0</b>	<b>\$62,994</b>

## Appendix 2: TLC 2014 – 2018 Revenue Projection

### Taxi and Limousine Commission Revenue Overview

*Dollars in Thousands*

Revenue Sources	Actual		Planned				
	2012	2013	2014	2015	2016	2017	2018
<b>Taxi Licenses</b>	\$32,328	\$33,727	\$34,090	\$31,004	\$30,904	\$30,904	\$30,854
<b>Hail Licenses</b>	0	261	7,386	18,000	27,630	27,720	27,000
<b>Taxi Inspection &amp; TLC Fees</b>	9,710	7,689	9,629	10,217	10,217	10,217	10,217
<b>STIP/Settlement Fines</b>	0	0	15,000	5,979	5,624	5,412	5,080
<b>Sale of Taxi Medallions</b>	0	0	295,000	595,000	360,000	400,000	0
<b>Tow Bonds</b>	75	122	230	69	69	69	69
<b>TOTAL</b>	\$42,113	\$41,799	\$361,335	\$660,269	\$434,444	\$474,322	\$73,220