



Finance Division The Council of the City of New York

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Report to the Committees on Finance and Transportation
on the Fiscal Year 2016 Executive Budget for the

Taxi and Limousine Commission

June 1, 2015

Executive Budget Summary

- **Expense Budget:** The Taxi and Limousine Commission's (TLC or the Commission) Fiscal 2016 Executive Budget totals \$68.3 million.
- **Expense Budget Overview:** The Fiscal 2016 Executive Budget is \$6.7 million less than TLC's Fiscal 2015 Adopted Budget of approximately \$75 million. The decrease is reflective of the impact of the rollout of the City's Boro Taxis program that no longer applies in Fiscal 2016.
 - The TLC's budget is funded entirely with City tax-levy funds.
 - TLC's total headcount for Fiscal 2016 is 700 positions, an increase of 67 positions when compared to the Fiscal 2015 Adopted Budget.
 - 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 2016 Executive Budget includes no revenue from the sale of taxi medallions in Fiscal 2016.
- **Fiscal 2016 Executive Budget Changes:** The Commission's Fiscal 2016 Executive Budget makes no programmatic changes. However, it includes \$50,000 in new needs for space costs and a net of \$205,000 in other adjustments related to collective bargaining costs, lease adjustments and heat, light and power adjustments.

TLC Overview

This report presents a review of TLC's Fiscal 2016 Executive Budget. The section below presents an overview of the agency's budget and how it has changed during the course of Fiscal 2015, followed by a review of the significant budget actions introduced in the Fiscal 2016 Executive Budget. Major issues related to the Commission's budget are then discussed. Appendices 1 and 2 report the changes made to the Fiscal 2015 and Fiscal 2016 Budgets since Adoption of the Fiscal 2015 Budget. For additional information on the Commission's budget and its various programs, please refer to the Fiscal 2016 Preliminary Budget Report for the Taxi and Limousine Commission at: www.council.nyc.gov/ (use link to page with prelim reports)

TLC Financial Summary						
	2013	2014	2015	Executive Plan		*Difference
<i>Dollars in Thousands</i>	Actual	Actual	Adopted	2015	2016	2015 - 2016
Budget by Units of Appropriation						
001 - Personal Services	\$22,116	\$28,825	\$34,351	\$35,736	\$38,775	\$4,424
002 - Other than Personal Services	9,600	17,569	40,644	41,223	29,519	(11,125)
TOTAL	\$31,716	\$46,394	\$74,995	\$76,959	\$68,294	(\$6,701)
Funding						
City Funds	\$31,716	\$46,394	\$74,995	\$76,959	\$68,294	(\$6,701)
TOTAL	\$31,716	\$46,394	\$74,995	\$76,959	\$68,294	(\$6,701)
Positions						
Full-Time Positions	475	524	633	668	700	67
TOTAL	475	524	633	668	700	67

*The difference of Fiscal 2015 Adopted Budget compared to Fiscal 2016 Executive Budget.

The City's Fiscal 2016 Executive Budget totals \$78.3 billion, \$3.3 billion more than the Fiscal 2015 Adopted Budget of \$75 billion. City funds (City tax-levy and non-tax revenues) total \$56.8 billion, compared to the Fiscal 2015 Adopted Budget amount of \$54.8 billion. For the Taxi and Limousine Commission, the Fiscal 2016 Executive Budget totals \$68.3 million (all City funds).

The Commission's Fiscal 2016 Executive Budget of \$68.3 million is \$6.7 million less than its Fiscal 2015 Adopted Budget of approximately \$75 million. The \$6.7 million decrease is primarily due to a decline in the Other Than Personal Services (OTPS) budget of \$11.1 million. The majority of the decrease is associated with the rollout of the City's Boro Taxis program that no longer applies in Fiscal 2016. The proposed budget is \$254,000 more than the Commission's Fiscal 2016 Preliminary Budget.

At the time of Adoption for Fiscal 2015, TLC's projected Fiscal 2016 Budget of \$62.8 million was \$12.2 million less than the Fiscal 2015 Adopted Budget of \$75 million. TLC's projected headcount of 633 for Fiscal 2016 is the same as the Fiscal 2015 Adopted Budget headcount.

Since the adoption of the Fiscal 2015 Budget, several initiatives have impacted both the Commission's budget and headcount for Fiscal 2015 and Fiscal 2016. For Fiscal 2015 these include \$1.2 million in new needs, \$802,000 in other adjustments, and a headcount change of 35 positions. For Fiscal 2016 these include \$4.3 million in new needs, \$1.1 million in other adjustments, and a headcount change of 67 positions. Combined, these changes reconcile the TLC to its current budget of \$76.9 million for Fiscal 2015 and \$68.3 million for Fiscal 2016.

Headcount changes are reconciled to 668 positions in Fiscal 2015 and 700 in Fiscal 2016. (See Appendix 2 for a list of all budget actions since adoption.)

The Commission's Fiscal 2016 Executive Budget reflects a \$6.7 million decrease from Fiscal 2015 to 2016 or an \$8.7 million decrease when compared to the current Fiscal 2015 budget. The decrease is, in part, the result of reduced spending for the Boro Taxi initiative. For Fiscal 2015, the changes introduced in the Executive Budget include \$162,000 in other adjustments and no headcount change. For Fiscal 2016, the changes include \$50,000 in savings from the Citywide Savings Program, \$50,000 in new needs and \$255,000 in other adjustments with no change in headcount. The agency's overall headcount reflects an increase of 67 positions from Fiscal 2015 to 2016. (See Appendix 1 for a list of all Executive budget changes.)

New in the Executive Budget

The Fiscal 2016 Executive Budget for the TLC reflects a decrease of \$6.7 million when compared to the Fiscal 2015 Adopted Budget. The Fiscal 2016 Executive Budget includes \$50,000 in new needs in Fiscal 2016 and \$100,000 in Fiscal 2017 and in the outyears. The Fiscal 2016 Executive Budget also includes efficiency measures proposed by the TLC that totals \$50,000 in Fiscal 2016 and growing to \$111,000 by Fiscal 2019.

- **Additional Space LIC.** The Fiscal 2016 Executive Budget includes \$50,000 in Fiscal 2016 and \$100,000 in Fiscal 2017 and in the outyears for costs associated with providing additional space for the TLC in Long Island City (LIC).
- **Lease Adjustment.** The Fiscal 2016 Executive Budget includes additional funding of \$76,000 in Fiscal 2016 and in the outyears for lease cost adjustments.
- **Collective Bargaining.** The Fiscal 2016 Executive Budget for the TLC includes \$178,000 in Fiscal 2015, \$197,000 in Fiscal 2016, \$292,000 in Fiscal 2017, and \$335,000 in Fiscal 2018 and in the outyears for costs associated with collective bargaining agreements.
- **Citywide Savings Program.** Along with the Fiscal 2016 Executive Budget, the Office of Management and Budget (OMB) released a Citywide Savings Program that outlines plans to reduce City spending by \$589 million in Fiscal 2015 and \$465.5 million in Fiscal 2016. To develop the program, OMB asked all agencies to identify efficiencies, alternative funding sources and programmatic changes that would yield budgetary savings without reducing service levels. TLC has proposed savings totaling \$50,000 in Fiscal 2015 and \$106,000 in Fiscal 2106. TLC's savings plan includes:
 - **Elimination of Plastic Vehicle License Cards.** Beginning in Fiscal 2017, TLC anticipates generating savings of \$56,000 in Fiscal 2017, \$58,000 in Fiscal 2018, and \$61,000 in Fiscal 2019 and in the outyears from replacing plastic inspection cards with sticker decals. The savings is associated with the costs of printing and mailing plastic cards.
 - **TLC – DCAS Security Guard Contract Savings.** TLC anticipates annual savings of \$50,000 beginning in Fiscal 2016 from a re-bid of the TLC security guard contract by the Department of Citywide Administrative Services (DCAS).

TLC Budget Issues

Taxi Medallion Revenue

TLC Miscellaneous Revenue Budget Overview						
Revenue Sources	2013	2014	2015	Executive Plan		*Difference
<i>Dollars in Thousands</i>	Actual	Actual	Adopted	2015	2016	2015 - 2016
Taxi Licenses	\$33,727	\$38,667	\$31,004	\$31,437	\$31,335	\$331
Hail Licenses	261	7,495	18,000	18,000	27,630	9,630
Taxi Inspection & TLC Fees	7,689	12,317	10,217	10,217	10,217	0
STIP/Settlement Fines	11,492	15,450	5,979	13,000	8,118	2,139
Sale of Taxi Medallions	0	337,712	553,000	21,000	0	(553,000)
Tow Bonds	122	183	69	69	69	0
TOTAL	\$53,291	\$411,824	\$618,269	\$93,723	\$77,369	(\$540,900)

**The difference of Fiscal 2015 Adopted Budget compared to Fiscal 2016 Executive Budget.*

For Fiscal 2016 the TLC projects to collect \$77.4 million from various miscellaneous revenue sources, a decrease of \$540.9 million when compared to the Fiscal 2015 Adopted Budget amount of \$618.3 million. This decrease is primarily due to a reduction in revenue forecast of \$553 million in Fiscal 2016 from the sale of taxi medallions. Similarly, the revenue projections for Fiscal 2017 through Fiscal 2019 were also reduced. Although explanations for the reductions remain vague, it is likely that the continued decline in the price of taxi medallions is due to the arrival of Uber and other such app operators. Recently, the TLC has promulgated rules in an attempt to ensure that operators using these applications are subject to the same rules that the yellow medallion operators are. However, it is unclear at this time if these efforts can reverse the trend of declining yellow medallion prices.

Appendix 1: TLC Fiscal 2016 Executive Budget Actions

<i>Dollars in Thousands</i>	Fiscal 2015			Fiscal 2016		
	City	Non-City	Total	City	Non-City	Total
TLC Budget as of the Fiscal 2016 Preliminary Plan	\$76,797	\$0	\$76,797	\$68,039	\$0	\$68,039
New Needs						
Additional Space LIC	\$0	\$0	\$0	\$50	\$0	\$50
Subtotal New Needs	\$0	\$0	\$0	\$50	\$0	\$50
Other Adjustments						
Elimination of Plastic Vehicle License Cards*	\$0	\$0	\$0	\$0	\$0	\$0
Heat, Light and Power	(16)	0	(16)	(18)	0	(18)
Lease Adjustment	0	0	0	76	0	76
TLC-DCAS Security Guard Contract Savings*	0	0	0	(50)	0	(50)
Collective Bargaining	178	0	178	197	0	197
Subtotal Other Adjustments	\$162	\$0	\$162	\$205	\$0	\$205
TOTAL All Changes	\$162	\$0	\$162	\$255	\$0	\$255
TLC Budget as of the Fiscal 2016 Executive Plan	\$76,959	\$0	\$76,959	\$68,294	\$0	\$68,294
*These "Other Adjustments" are included in the Citywide Savings Program.						

Appendix 2: TLC Budget Actions since Fiscal 2015 Adoption

<i>Dollars in Thousands</i>	Fiscal 2015			Fiscal 2016		
	City	Non-City	Total	City	Non-City	Total
TLC Budget as of the Fiscal 2015 Adopted Plan	\$74,995	\$0	\$74,995	\$62,844	\$0	\$62,844
New Needs						
Application Processing Improvements	\$433	\$0	\$433	\$527	\$0	\$527
Prosecution in the Courtroom	318	0	318	620	0	620
Taxi & SHL Improvement Fund	242	0	242	472	0	472
Vision Zero Enforcement Red Light Camera	144	0	144	279	0	279
Accessibility and App Audit Team	0	0	0	523	0	523
Additional LIC Licensing Space	0	0	0	100	0	100
FHV Data Team	0	0	0	294	0	294
LaGuardia Airport Squad	0	0	0	1,231	0	1,231
Small Business First	25	0	25	18	0	18
TLC Moving Costs	0	0	0	200	0	200
Additional Space LIC	0	0	0	50	0	50
Subtotal New Needs	\$1,162	\$0	\$1,162	\$4,313	\$0	\$4,313
Other Adjustments						
PS Adjustments	\$209	\$0	\$209	\$268	\$0	\$268
Collective Bargaining	609	0	609	862	0	862
Elimination of Plastic Vehicle License Cards*	0	0	0	0	0	0
Heat, Light and Power	(16)	0	(16)	(18)	0	(18)
Lease Adjustment	0	0	0	76	0	76
TLC-DCAS Security Guard Contract Savings*	0	0	0	(50)	0	(50)
Subtotal Other Adjustments	\$802	\$0	\$802	\$1,137	\$0	\$1,137
TOTAL All Changes	\$1,964	\$0	\$1,964	\$5,450	\$0	\$5,450
TLC Budget as of the Fiscal 2016 Executive Plan	\$76,959	\$0	\$76,959	\$68,294	\$0	\$68,294
* These "Other Adjustments" are included in the Citywide Savings Program.						