

Philadelphia Parking Authority

Taxicab & Limousine Division

Fiscal Year Ending June 30, 2013 Budget

Hospitality Initiative Report

Fiscal Year 2013 Fee Schedule

Section One

Fiscal Year Ending June 30, 2013 Budget

FY 2013 Budget Highlights

The proposed budget for the Philadelphia Parking Authority Taxicab and Limousine Division for the fiscal year ending June 30, 2013, is submitted directly under 53 Pa. C.S. Sect. 5707 and is presented in two parts.

The restrictions on the use of the “Medallion Fund” require that the two components of the Division – taxicab and limousine industries – maintain separate financial records therefore, the budgets are presented separately. In addition, to provide perspective, each budget presentation includes the actual revenue and expenditures for Fiscal Year 2011, the forecast amounts for Fiscal Year 2012, and the proposed budget for Fiscal Year 2013.

The highlights below show the combined budget amounts for both the taxicab and limousine components of the Division. The detailed line items for each part can be found on the following pages.

- Total revenue is projected to be \$6,070,325, the major components of which are:
 - Vehicle Registration Fees - \$2,470,000
 - Parking Ticket Surcharge - \$1,100,000
 - Vehicle Inspection Fees - \$282,000
 - Violation Fines & Penalties - \$226,500
 - Driver Training & Certification Fees - \$421,325
 - Dispatch Communication Fees - \$325,000 - This is a pass through from the taxi owners to the system operator.
 - Medallion and Limousine Company Transfer Fees - \$1,100,000

- Total program costs are \$5,763,609, the major components of which are:
 - Personnel Costs - \$3,532,901
 - Auto Expense - \$84,230
 - Dispatch Communication Fees - \$325,000 – This is a pass through as noted above.
 - Professional fees including IT, legal, accounting, consulting, etc. - \$175,000
 - Rent - \$299,163
 - PPA Support including all administrative functions such as purchasing, human resources, finance, etc. - \$749,170

- Excess of Revenues over Expenses - \$306,716 – All operating profits are use to pay prior year deficits.

Taxicab Operations	FY 2011 Actual	FY 2012 Forecast	FY 2013 Budget
Revenue - Medallion Cabs Assessments	1,925,498	2,000,000	2,000,000
Revenue - Partial Rights Cabs Assessments	4,875	5,000	150,000
Revenue - State Inspections	270,632	200,000	257,000
Revenue - Driver Training	377,154	363,000	345,000
Revenue - Fees	25,275	25,000	25,000
Revenue - Violation Appeal	32,060	5,000	7,500
Revenue - Fines & Violations	192,763	150,000	200,000
Medallion Fund Transfer	0		
Administrative Surcharge	1,109,058	1,000,000	1,000,000
Dispatch Communication Fees	334,330	335,000	325,000
Medallion Transfers	630,467	697,327	1,100,000
Dispatch Fees	30,000	27,500	38,500
Miscellaneous Revenue	20,769	125,000	50,000
Total Gross Revenue	4,952,881	4,932,827	5,498,000
Collection Services		(1,000)	(1,000)
Net Revenue	4,952,881	4,931,827	5,497,000
Payroll Costs			
Payroll	1,582,784	1,786,225	1,832,704
Fringes	589,335	611,987	636,613
Pension	563,232	573,147	632,865
Post retirement benefits	70,650	86,196	90,506
Total Payroll Costs	2,806,001	3,057,555	3,192,688
Operating Expenses:			
Advertising	8,503	8,417	8,420
Auto Expense	15,768	22,248	22,250
Credit Card Fees	4,829	12,332	12,325
Equipment	5,532	1,782	2,000
Insurance	205,650	200,464	200,500
Printing	1,291	4,590	5,000
Depreciation	99,912	101,055	111,600
Misc. Expenses	16,722	14,141	15,000
Office Expense	42,379	41,886	40,000
Professional Fees	206,283	319,578	150,000
Rent Expense	230,723	269,163	269,163
Repairs & Maintenance	13,096	16,881	15,000
Telephone	3,425	5,186	5,000
Criminal Record Check	51,870	48,410	50,000
Uniforms	14,218	10,511	10,000
Dispatch Communication Fees	276,683	331,685	325,000
Utilities	62,391	53,980	55,000
Total Operating Expense	1,259,275	1,462,309	1,296,258
Total Expenses	4,065,276	4,519,864	4,488,946
Operating Profit	887,605	411,963	1,008,054
Other Income/Expenses			
Support	602,858	701,302	676,692
Fleet	51,143	53,538	52,580
Interest Income	1,595	1,692	1,500
Net Gain (Loss) from Operations	235,199	(341,185)	280,282

Limousine Operations	FY 2011 Actual	FY 2012 Forecast	FY 2013 Budget
Revenue - Assessments	181,524	320,000	320,000
Revenue - State Inspections	2,250	4,000	25,000
Revenue - Driver Training	39,820	90,000	76,325
Revenue - Fees	475	500	500
Revenue - Violation Appeal	2,100	4,000	4,000
Revenue - Fines & Violations	9,650	15,000	15,000
Administrative Surcharge	117,828	100,000	100,000
Revenue - Limo Transfers	25,200	20,000	20,000
Miscellaneous Revenue	13,768	10,122	10,000
Total Gross Revenue	392,615	563,622	570,825
Net Revenue	392,615	563,622	570,825
Payroll Costs			
Payroll	199,938	204,469	203,502
Fringes	66,429	72,966	71,825
Pension	46,517	48,834	53,922
Post retirement benefits	9,347	10,442	10,964
Total Payroll Costs	322,231	336,711	340,213
Operating Expenses:			
Advertising	945	924	925
Auto Expense	2,466	3,608	3,600
Credit Card Fees	1,708	560	575
Criminal Record Check		2,500	2,500
Equipment	1,391	1,235	1,500
Insurance	16,845	29,742	30,000
Printing	(580)	2,225	2,500
Depreciation	13,143	13,520	13,200
Misc. Expenses	3,671	3,888	4,000
Office Expense	5,394	4,562	4,500
Professional Fees	35,517	39,192	25,000
Rent Expense	20,612	29,795	30,000
Repairs & Maintenance	1,793	2,143	2,500
Telephone	1,014	557	600
Uniforms	1,582	1,054	1,500
Utilities	6,935	5,828	3,000
Total Operating Expense	112,436	141,333	125,900
Total Expenses	434,667	478,044	466,113
Operating Profit	(42,052)	85,578	104,712
Other Income/Expenses			
Support	65,569	73,260	72,478
Fleet	5,876	5,856	5,800
Net Gain (Loss) from Operations	(113,497)	6,462	26,434

Taxicab & Limousine Division

FY 2013 Budgeted Staff Positions

Title	Budgeted Positions
Director	1
Assistant to the Director	1
Manager, Administration & Adjudication	1
Deputy Manager, Administration & Adjudication	1
Deputy Director, Enforcement	1
Deputy Manager, Vehicle Inspections	1
Supervisor, Enforcement	2
Inspectors	10
Training Coordinator	1
Analyst	3
Processing Specialist	5
Administrative Law Judge	1
Court Reporter	1
Executive Assistant	1
Secretary	3
Lead Auto Mechanic	1
Auto Mechanic Helper	3
Security Officer	1
Total	38

Twenty positions are represented by AFSCME, District Council 47, and four positions are represented by AFSCME, District Council 33. Contracts for those represented positions have been extended since they expired in 2008. The budgeted amounts for personnel costs are based on the staffing levels above, and wage and benefit costs under the current Collective Bargaining Agreement. The conclusion of negotiations with AFSCME could impact these costs.

Section Two

Hospitality Initiative Report

Hospitality Initiative

Background

The Pennsylvania Public Utility Commission (“PUC”) accumulated millions of dollars through the sale of taxicab medallions in Philadelphia prior to 2005. The proceeds of those sales were deposited into the PUC’s “First Class City Taxicab Regulatory Fund” (the “PUC Fund”).

Pursuant to Section 23(2) of Act 94 of 2004, the PUC Fund was to be delivered to the Authority upon completion of the overall transfer of regulatory power between the PUC and the Authority.

Section 23 made \$2M from the PUC Fund available to the Authority **prior** to the date the Authority began to regulate taxicabs in Philadelphia. The General Assembly clearly observed a pressing need for rapid improvement to the condition of taxicabs in Philadelphia and made these funds available to the Authority earlier than the balance of the PUC Fund. This early allocation of funding was intended to precipitate consideration of consumer friendly enhancements to taxicab service, prior to the date the Authority actually started to regulate taxicabs in Philadelphia.

This project is referred to as the Hospitality Initiative in Section 23, a term continued by the Authority to this date. The Authority, in consultation with stakeholders in Philadelphia, determined that the Hospitality Initiative should be an updated and uniform taxicab meter technology (the “Meter System”). The Meter System replaced the disparate and outdated meters previously used in Philadelphia and provided several modern consumer friendly conveniences. The Meter System provides GPS based navigation assistance for drivers, a panic button for driver safety, rear seat credit card payment options and advances data management and regulatory enforcement capabilities. In 2006, the Meter System was purchased and installed in every medallion taxicab with money from this initiative and has succeeded in purpose of being a significant enhancement to consumer friendly taxicab service.

Because the Authority did not use the \$2M identified in Section 23 before December 31, 2005, it was never independently transferred to the Authority and was never segregated into a separate account from the PUC’s Fund until all of the money in the PUC Fund passed to the Authority’s Taxicab Account, created pursuant to Act 94. 53 Pa.C.S. § 5708 (a). Funds in the Authority’s Taxicab Account may only be used in furtherance of taxicab concerns and as provided in the Act. Section 23 of the Act did not provide a spending cap on a Hospitality Initiative; it simply made a portion of the PUC Fund that was later transferred to the Authority available to the Authority early.

It is important to note that the Authority’s Fiscal Year 2005 Budget and Fee Schedule were submitted in March 2005 to the General Assembly for review as provided in Act 94. 53 Pa.C.S. § 5707 (a). The 2005 Budget included an update on the Authority’s implementation of the Hospitality Initiative and provided that the response to the Authority’s Request for Proposals placed the cost of the Meter System at between \$3M and \$4M. Therefore, the Authority’s 2005 Budget requested that a total of \$3.5M be made available for the Meter System, which was anticipated to be encumbered within 9 months of the date the Authority assumed regulatory control in Philadelphia from the PUC, April 10, 2005. The 2005 Budget was deemed approved on or about April 14, 2005. The Authority’s Fiscal Year 2007 Budget requested an additional \$560,000 to implement the Meter System.

The Meter System has been installed in all medallion taxicabs and in the facilities of each dispatcher for over 6 years. Given the cutting edge technological nature of the Meter System it experienced relatively few problems upon installation and has functioned properly for several years. Members of the traveling public have embraced the credit card payment options, automatic availability of receipts, and rear seat payment options. The Meter System is a powerful regulatory tool as well, permitting the Authority to track taxicab routes, which discourages rate gouging and enables the Authority to find items left behind in taxicabs by passengers. The Meter System also has an emergency distress button to assist drivers and has a function that requires each driver to swipe his or her Authority issued driver identification card to enable the system; this function deters the operation of taxicabs by uncertified persons.

Subsequent to the initiation of the Meter System in Philadelphia, several other major cities, including New York, Boston, Chicago and Las Vegas have implemented substantially similar systems.

Future of the Hospitality Initiative

The Authority anticipates that the Hospitality Initiative will end in the coming Fiscal Year, specifically on or before June 1, 2013.

Challenges to the Authority's regulatory power in 2009 through this year delayed the Authority's plans to close out the Meter System contract. Because the Authority's new regulations were made effective through publication in the *Pennsylvania Bulletin* on December 3, 2011, we believe the regulatory stability necessary close out this agreement now exists. 41 Pa. B. 6499. To that end, the Authority's Board has authorized an amendment to the Meter System contract that will require the Authority's contractor to install brand new meters in all medallion taxicabs in the next several months at no cost to taxicab owners.

The contractor has agreed to the terms of the amendment in consideration of the payment of the balance due on the original contract (\$850,000). The Authority will not require additional funds to implement this amendment. Additionally, a second modern meter system is in a preliminary test phase in Philadelphia. It is anticipated that the meter system of this new provider will become an approved meter system on or before June 1, 2013. From that point forward medallion owners will be free to select their own meter system providers, at their own cost, provided the taxicab meter has been approved by the Authority.

As with any technology, many improvements to taxicab meter systems have been made since 2005. This final phase of the Hospitality Initiative will result in the overall modernization of the taxicab meter systems in all medallion taxicabs and bring new service enhancements for both drivers, passengers and the Authority and additional revenue potential generated by small screen TV type advertisements.

Section Three

Fiscal Year Ending June 30, 2013 Fee Schedule

**THE PHILADELPHIA PARKING AUTHORITY
TAXICAB AND LIMOUSINE DIVISION
PROPOSED FEE SCHEDULE FOR THE FISCAL YEAR
BEGINNING JULY 1, 2012**

The table below lists all fees for the Taxicab & Limousine Division for the Fiscal Year 2013. The Authority may also charge for goods such as postings in taxicabs, training material and incidental services such as copying, computer access and record checks.

All fees are non refundable.

Fee Description	Fee
Annual Medallion Assessment Fee for all Medallion Taxicabs Except That The First 30 Wheelchair Accessible Vehicles to Register pay "zero". This is only for FY 2013*	\$1,275 / medallion payable in 2 installments if elected & approved
Annual Metered or Mileage Based Tariff Limousine Fee - 1-15	\$700 for first 15 vehicles
Annual Metered or Mileage Based Tariff Limousine Fee - 16-30	\$650 for second 15 vehicles
Annual Metered or Mileage Based Tariff Limousine Fee - 31 or more	\$600 for all additional vehicles
Annual Assessment Fee for Partial Rights Cabs	\$1,500 / vehicle payable in 2 installments if elected & approved
Annual Fee for Limousines - All Classes 1 - 15	\$350 for the first 15 vehicles
Annual Fee for Limousines - All Classes 16 - 30	\$325 for the second 15 vehicles
Annual Fee for Limousines - All Classes 31 or more	\$300 for all additional vehicles
Limousine Stickers Pro-rated 1/1/13 to 3/31/13 50% Discount	\$175, \$162.50, \$150
Limousine Stickers Pro-rated 4/1/13 to 6/30/13 75% Discount	\$87.50, \$81.25, \$75.00
Limousine Replacement Registration Sticker	\$30
Limousine Daily Passes for Temporary Vehicles	\$30 / vehicle / day
Remote Carrier Registration Fee per Vehicle per Year	\$15
Large Vehicle Registration Fee – Per Company – One Time Fee	\$15
Annual Assessment Fee for Dispatcher	\$2,750 / certificate payable in 2 installments if elected & approved
Dispatcher Change in Colors and Markings Scheme	\$500
Annual Renewal Fee for Single Driver Certificate	\$80
Annual Renewal Fee for Dual Driver Certificate	\$160
Duplicate Certificate Replacement	\$25
New Driver Certification with Classroom Training Required for Taxicab Driver Certification	\$130
New Driver Certification without Classroom Training (For Limousine Drivers Only)	\$100
Dual Certification	\$230
Individual Medallion or CPC Ownership Transfer Fee	\$2,000 or 3% of purchase price, whichever is greater
Annual Medallion Broker Registration Fee	\$1,200
Application for new Dispatch Service – Fee	\$15,000
Application for new Limousine Certificate – Fee	\$12,000
Additional Limousine Rights at time of Initial Application	\$3,000
Additional Limousine Rights after Initial Rights Granted by Board	\$6,000
New Limousine Certificate Application Protest Fee	\$2,500
Petition Filing fee for Regulation Waivers and Non-Waiver Petitions	\$200

Fee Description	Fee
New Car & Replacement Vehicle Transfers	\$200
PA State and TLD Semi Annual Inspections Under 210,000 miles	\$75
PA State and TLD Semi Annual Inspections, 210,000 Miles and Above	\$100
Inspection Fee for Green & Accessible Vehicles Under 200,000 Miles	\$50
Inspection Fee for Green & Accessible Vehicles, 200,000 Miles & Above	\$75
Emission Waiver	\$100
Re-Inspection Fee at 3rd Inspection after 2 Failures	\$125
Re-Scheduling Fee	\$100
Offsite Limousine Inspection per Vehicle (twice standard fee)	\$150
Medallion Return after Sheriff Levy	\$200
Administrative Hearing Fee (due if found liable)	\$75
Cab Replacement Postings (each)	\$10 (each posting)
PennDOT Processing Fees (above PennDOT costs)	\$20
Communication Fee Associated with Hospitality Initiative (VTS Vehicles Only)	\$18 per month
Bounced Check Fee	\$200
Voluntary Suspension of Individual Medallion or CPC	\$50