

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 \$5,660,325, the major components of which are:
 - Vehicle Registration Fees - \$2,805,000
 - 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 - \$670,000

- Total program costs are \$5,897,228, the major components of which are:
 - Personnel Costs - \$3,532,901
 - Auto Expense - \$81,205
 - Dispatch Communication Fees - \$350,000 – 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 - \$198,216 – All operating profits are invested back into the Taxicab and Limousine Program.

Taxicab Operations		FY 2011 Actual	FY 2012 Forecast	FY 2013 Budget
Revenue - Medallion Cabs Assessments		1,925,498	2,000,000	2,355,000
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		60,467	697,327	650,000
Dispatch Fees		30,000	27,500	45,000
Miscellaneous Revenue		50,769	125,000	50,000
Total Gross Revenue		4,412,881	4,932,827	5,409,500
Collection Services			(1,000)	(1,000)
Net Revenue		4,412,881	4,931,827	5,408,500
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		347,605	411,963	919,554
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		(304,801)	(341,185)	191,782

Limousine Operations	FY 2010 Actual	FY 2011 Actual	FY 2013 Budget
Revenue - Assessments	413,101	181,524	300,000
Revenue - State Inspections	2,250	2,250	25,000
Revenue - Driver Training	23,760	39,820	76,325
Revenue - Fees	4,200	475	500
Revenue - Violation Appeal	3,462	2,100	4,000
Revenue - Fines & Violations	16,255	9,650	15,000
Administrative Surcharge	116,874	117,828	100,000
Revenue - Limo Transfers	0	25,200	20,000
Miscellaneous Revenue	25,775	13,768	10,000
Total Gross Revenue	605,677	392,615	550,825
Payroll Costs			
Payroll	168,877	199,938	203,502
Fringes	53,559	66,429	71,825
Pension	29,820	46,517	53,922
Post retirement benefits	11,058	9,347	10,964
Total Payroll Costs	263,314	322,231	340,213
Operating Expenses:	0		
Advertising	404	945	925
Auto Expense	1,044	2,466	3,600
Credit Card Fees	739	1,708	575
Criminal Record Check			2,500
Equipment	1,209	1,391	1,500
Insurance	40,926	16,845	30,000
Printing	2,641	(580)	2,500
Depreciation	11,846	13,143	13,200
Misc. Expenses	2,197	3,671	4,000
Office Expense	5,218	5,394	4,500
Professional Fees	40,914	35,517	25,000
Rent Expense	27,226	20,612	30,000
Repairs & Maintenance	(760)	1,793	2,500
Telephone	871	1,014	600
Uniforms	(97)	1,582	1,500
Utilities	5,416	6,935	3,000
Total Operating Expense	139,794	112,436	125,900
Total Expenses	403,108	434,667	466,113
Operating Profit	202,569	(42,052)	84,712
Other Income/Expenses			
Support	59,302	65,569	72,478
Fleet	5,743	5,876	5,800
Net Gain (Loss) from Operations	137,524	(113,497)	6,434

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
Manager, 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 & Limousine Division

Approved Fee Schedule for the Fiscal Year beginning July 1, 2012

The table below lists the fees or assessments for the Taxicab & limousine Division for the Fiscal Year beginning July 1, 2012. 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.

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*	\$1,500 / medallion payable in 2 installments if elected & approved
Annual Metered Limousine Fee	\$1,500 / vehicle payable in 2 installments if elected & approved
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	\$3,000 / certificate payable in 2 installments if elected & approved
Dispatcher Change in Colors and Markings Scheme	\$600
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	\$5,000 or 5% 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
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