

Philadelphia Parking Authority

Taxicab & Limousine Division

Fiscal Year Ending June 30, 2014 Budget

Hospitality Initiative Report

Fiscal Year 2014 Fee Schedule

Section One

Fiscal Year Ending June 30, 2014 Budget

FY 2014 Budget Highlights

The proposed budget for the Philadelphia Parking Authority Taxicab and Limousine Division for the fiscal year ending June 30, 2014, 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 2012, the forecast amounts for Fiscal Year 2013, and the proposed budget for Fiscal Year 2014.

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 \$5,934,620, the major components of which are:
 - Vehicle Registration Fees - \$2,500,000
 - Parking Ticket Surcharge - \$1,200,000
 - Vehicle Inspection Fees - \$251,500
 - Violation Fines & Penalties - \$247,000
 - Driver Training & Certification Fees - \$450,000
 - Medallion and Limousine Company Transfer Fees - \$1,036,000

- Total program costs are \$5,874,399, the major components of which are:
 - Personnel Costs - \$3,799,837
 - Auto Expense - \$95,140
 - Professional fees including IT, legal, accounting, consulting, etc. - \$375,000
 - Rent - \$255,617
 - PPA Support including all administrative functions such as purchasing, human resources, finance, etc. - \$756,720

- Excess of Revenues over Expenses - \$59,221 – All operating profits are invested back into Taxicab and Limousine operations.

Taxicab Branch

	FY 2012 Actual	FY 2013 Forecast	FY 2014 Budget
Revenue - Medallion Cabs Assessments	1,936,965	2,000,000	2,000,000
Revenue - Partial Rights Cabs Assessments	6,375	150,000	140,000
Revenue - State Inspections	232,290	250,000	250,000
Revenue - Driver Training	311,467	345,000	375,000
Revenue - Fees	54,400	65,004	26,000
Revenue - Violation Appeal	9,427	30,000	25,000
Revenue - Fines & Violations	188,041	180,000	200,000
Medallion Fund Transfer	609,970	14,829	
Administrative Surcharge	1,034,267	1,100,000	1,100,000
Medallion Transfers	485,053	675,000	1,000,000
Dispatch Fees		32,500	38,500
Interest Income	2,313	1,700	2,620
Miscellaneous Revenue	256,007	200,000	175,000
Total Gross Revenue	5,456,004	5,369,033	5,332,120
Collection Services		(1,000)	(1,000)
Net Revenue	5,456,004	5,368,033	5,331,120
Payroll Costs			
Payroll	1,775,141	1,832,704	1,888,841
Fringes	624,831	636,613	663,200
Pension	697,949	632,865	778,476
Post retirement benefits	84,997	90,506	119,022
Total Payroll Costs	3,182,918	3,192,688	3,449,539
Operating Expenses:			
Advertising	5,890	2,801	2,800
Auto Expense	71,406	74,834	79,335
Credit Card Fees	1,138	36,073	36,000
Equipment	14,525	22,871	23,000
Insurance	126,087	145,796	145,750
Printing	4,155	5,700	5,700
Depreciation	99,428	102,775	103,800
Misc. Expenses	19,096	1,200	1,200
Office Expense	45,994	75,280	75,280
Professional Fees	468,301	343,884	350,000
Rent Expense	230,328	205,297	215,000
Real Estate Tax	63,979	13,117	13,117
Repairs & Maintenance	19,157	15,515	15,500
Telephone	3,590	6,575	6,575
Criminal Record Check	49,360	51,400	51,000
Uniforms	17,943	14,500	15,000
Utilities	51,710	54,884	50,000
Total Operating Expense	1,620,673	1,498,653	1,189,057
Total Expenses	4,803,591	4,691,341	4,638,596
Operating Profit	652,413	676,692	712,524
Other Income/Expenses			
Support	652,413	676,692	690,072
Net Gain (Loss) from Operations	0	0	2,452

Limousine Operations

	FY 2012 Actual	FY 2013 Forecast	FY 2014 Budget
Revenue - Assessments	308,491	463,135	360,000
Revenue - State Inspections	150	9,730	1,500
Revenue - Driver Training	87,140	83,179	75,000
Revenue - Fees		12,019	3,000
Revenue - Violation Appeal	800	1,755	2,000
Revenue - Fines & Violations	14,115	20,943	20,000
Administrative Surcharge	119,114	107,643	100,000
Revenue - Limo Transfers	34,000	17,111	36,000
Miscellaneous Revenue	3,030	5,204	5,000
Total Gross Revenue	566,840	720,719	602,500
Net Revenue	566,840	720,719	602,500
Payroll Costs			
Payroll	197,238	202,509	211,939
Fringes	69,426	72,672	77,981
Pension	77,550	44,975	46,829
Post retirement benefits	9,444	12,758	13,549
Total Payroll Costs	353,658	332,914	350,298
Operating Expenses:			
Advertising	655	308	300
Auto Expense	7,538	15,417	15,805
Credit Card Fees	5	191	200
Criminal Record Check		830	830
Equipment	1,614	3,445	3,500
Insurance	10,589	16,510	16,500
Printing	462	2,608	2,600
Depreciation	10,034	11,802	14,200
Misc. Expenses	2,122	3,054	3,000
Office Expense	5,110	8,719	9,000
Professional Fees	30,309	24,743	25,000
Rent Expense	25,592	26,109	26,000
Real Estate Tax	19,471	1,464	1,500
Repairs & Maintenance	2,129	1,817	2,000
Telephone	399	720	750
Uniforms	1,994	1,548	1,600
Utilities	5,746	6,046	6,000
Total Operating Expense	123,769	125,331	128,785
Total Expenses	477,427	458,245	479,083
Operating Profit	89,413	262,474	123,417
Other Income/Expenses			
Support	64,968	59,609	66,648
Net Gain (Loss) from Operations	24,445	202,865	56,769

Taxicab & Limousine Division

FY 2014 Budgeted Staff Positions

Title	Budgeted Positions
Director	1
Deputy Director	1
Assistant to the Director	1
Manager, Administration	1
Manager, Training	1
Deputy Manager, Vehicle Inspections	1
Supervisor, Administration	1
Supervisor, Enforcement	2
Inspectors	10
Training Coordinator	1
Wheelchair Accessible Vehicle Coordinator	1
Processing Coordinator	1
Analyst	2
Processing Specialist	5
Administrative Law Judge	1
Court Reporter	1
Executive Assistant	1
Secretary	4
Lead Auto Mechanic	1
Auto Mechanic Helper	3
Security Officer	1
Intern	1
Total	42

Nineteen 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 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 to 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 systems in all medallion taxicabs by June 1, 2013 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 drivers, passengers and the Authority and additional revenue potential generated by small screen TV type advertisements.

Section Three

Fiscal Year Ending June 30, 2014 Fee Schedule

**THE PHILADELPHIA PARKING AUTHORITY
TAXICAB AND LIMOUSINE DIVISION
PROPOSED FEE SCHEDULE FOR THE FISCAL YEAR
BEGINNING JULY 1, 2013**

The table below lists all fees for the Taxicab & Limousine Division for the Fiscal Year 2014. 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 Taxicabs	\$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	\$1,275 / 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
Non-metered Limousine Stickers Pro-rated 1/1/14 to 3/31/14 50% Discount	\$175, \$162.50, \$150
Non-metered Limousine Stickers Pro-rated 4/1/14 to 6/30/14 75% Discount	\$87.50, \$81.25, \$75.00
Limousine Replacement Registration Sticker	\$30
Remote Carrier Registration Fee per Vehicle per Year	\$15
Annual Assessment Fee for Dispatcher	\$2,750
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 Driver 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 Certificate-- 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
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
Bounced Check Fee	\$200
Voluntary Suspension of Individual Medallion or CPC	\$50