

CITY OF OAKLAND

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OFFICE OF THE CITY CLERK  
OAKLAND

**SUPPLEMENTAL AGENDA REPORT**

2013 JAN 31 PM 1:01

**TO:** DEANNA J. SANTANA  
CITY ADMINISTRATOR

**FROM:** Arturo M. Sanchez

**SUBJECT:** Master Fee Schedule  
Amendment for Annual Taxi  
Vehicle Permit Fee

**DATE:** January 24, 2013

City Administrator  
Approval

*Deanna J. Santana* *Arturo M. Sanchez*

Date

1/29/13

**COUNCIL DISTRICT:** City-Wide

**EXECUTIVE SUMMARY**

This report and the accompanying proposed amendments to The Master Fee Schedule (MPS) are submitted to provide the City Council with information related to the administration of Taxicab permits, staffing costs of oversight, and justification for fees. The attached ordinance modification would reduce existing fees, as previously considered by the Council, and would not reflect and recoup the actual costs incurred by the City in administering and enforcing Oakland's taxi ordinance.

**OUTCOME**

If the reduction of fees are implemented it will have a negative impact on the City's ability to adequately recover costs associated with the administration and regulation of the City's Taxi program and result in a General Fund subsidy to the for-profit taxi companies, if Council does not reduce administration/regulation accordingly. This policy decision is broader than a reduced fee, it must be accompanied by a discussion of reduced administration/regulation or a General Fund subsidy form an ongoing revenue source. A discussion the Council has not had.

**BACKGROUND/LEGISLATIVE HISTORY**

In 2008, staff presented Council with several ordinance modifications including but not limited to moving the administrative functions associated with taxi regulations out of the Oakland Police Department (OPD). The modifications were recommended with a goal of focusing police resources on enforcement and protection needs, rather than administrative oversight of Taxicab companies. The City Administrator's Office assumed the permitting function, and Public Works assumed the vehicle inspection function. OPD retained the spot inspection and enforcement functions. The fees associated with these functions were not changed at the time of transfer.

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Since that time, the City Administrators Office, the Public Works Department, and OPD have re-analyzed the actual cost of administering a permitted taxi program. Staff realized in 2010 that fee changes were needed to reflect actual costs, which have long been subsidized by the City. Prior to 2010 staff had not conducted a fee study to determine the rates charged by other jurisdictions and the amount of staff time dedicated to oversight. As a result, the fees for this service had not been re-assessed during that time. This report explains the basis for the changes to the MPS which occurred in 2011.

## ANALYSIS

### Adjustments to Fees to Reflect City's Actual Cost of Taxi Permit Administration/Regulation

Government Code section 53075.5 requires cities to "protect the public health, safety, and welfare by adopting an ordinance or resolution in regard to taxicab transportation service. The City resources required to administer such a program are significant. Currently the administration of taxi services includes OPD, City Administrator, and City Attorney staff.

The cost of these resources in 2011, which are detailed in Attachment A, total \$617,361.80. Also on Attachment A is a list of previously generated fees, \$176,822.00<sup>1</sup>, a shortfall of over \$440,539.80. Some of this shortfall was recovered by the proposed incremental fees in specific services, as outlined in the Cost Summary/Implications section of this report. Even with the significant increases the City still had a deficit of \$167,621.80 that it subsidized with General Fund based on 2011 figures. A major caveat to this figure is that all revenues can fluctuate from year to year, except for the medallions. These figures are based on actual permits issued and charged to the medallion holder.

2012 saw several significant budget items that impact the overall budgetary health of the City, most notably the loss of redevelopment. This along with other budgetary constraints, as Council Members know, has resulted in significant staffing decreases at OPD. One of the major staffing changes has been the loss of a full-time Traffic Unit. Pre-2012, a Traffic Unit Officer had been assigned to conduct Chapter 5.64 enforcement. Staff understands that due to the significant staffing constraints members of the traffic unit have been re-assigned to other Patrol and staffing assignments as necessary to respond to crimes throughout the City. However, the members are deployed to conduct traffic enforcement on a regular basis. When they are deployed as such the Officer who formerly conducted regular oversight is requested by Taxi Administration staff to conduct enforcement as possible. Additionally Problem Solving Officer's did receive training from that same officer to conduct Taxicab enforcement in the downtown area, whenever possible.

This change has resulted in a decrease of the total costs associated with oversight of Chapter 5.64 which were the genesis of the increase to Chapter 5.64 fees. Staff has now recalculated the costs of Taxi oversight. The cost of these resources in 2012, which are detailed in Attachment B, total

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<sup>1</sup> Est. = estimates based on 2011 calendar year numbers. Actual numbers vary from year to year.

\$454,789.40. Also on Attachment B is a list of fees generated in 2012, \$447,720.00, which resulted in a small shortfall of \$7069.40.

If the annual renewal fee of the vehicle permit is reduced to \$510 the City without a related reduction in services and regulation the City would need to subsidize the oversight of Taxicabs at a cost of \$143,602.40 per year. Staff would not recommend such a fee reduction. The bulk of costs to the City is for the overall administration of the state-mandated taxi administration process, which cannot be attributed to a specific permitting activity and for which there are currently, therefore, no specific permitting fees. This includes the City Administrator's daily handling of inquiries, requests, complaints and allegations of violations from citizens, drivers, City staff, the news media, and taxi companies, some of which result in hearings and/or legal actions. It also included the spot inspection and enforcement work of OPD's Taxi Detail officer, the goal of which is ensuring the ongoing safety and legality of taxi operations, and gypsy cab sting operations, the dual goals of which are protecting taxi customer safety and protecting the City's permitted taxis. Occasional, labor-intensive operations, such as waybill audits and revocation hearings conducted by the City Administrator's Office to enforce the cab utilization requirements of Oakland's ordinances also add significant costs that are not covered by current fees.

Because these general costs are incurred on behalf of the entire taxi regulatory program, they are proportionate to the number of taxi permits issued. The fairest way of recouping them, therefore, is to divide the total cost by the number of taxi permits and increase the annual permitting fee accordingly. Staff therefore recommended increasing the annual taxi permit fee to \$1,019. The fee prior to 2011 was \$25. This increase generated an additional \$272,918.00 in revenue. Although an increase of over \$1000 may at first appear shocking, the real problem is that fees have not been increased for a very long time, and there is no evidence that those fees ever reflected the actual costs of administering Oakland's taxi system—which resulted in a subsidy. Adoption of fees lower than the current \$1019 fee will result in the City's continuing subsidization of the taxi system at a time during that the City continues with its own multi-year budget shortfalls.

Subsidization can be appropriate in situations where the City is trying to encourage business activity or pilot new programs. In this industry, one example where a subsidy may make sense is a reduced annual fee for ramped vehicles to generate participation by the ADA community. In addition, ramped vehicles, capable of transporting passengers in wheelchairs, are more costly to purchase and maintain and because, by law, operators may not charge more for transporting passengers with disabilities, there is currently no incentive for taxi companies to operate ramped vehicles. If Council were to consider any subsidy staff would recommend following San Francisco's example of significantly discounting, and thereby subsidizing, the fees for ramped taxis.

A decision as to whether to subsidize a program would also be more appropriately considered during the budget process which is when the MPS is normally amended. This would afford the Council the opportunity to make decision to reduce fee, and thereby subsidize Taxi oversight, in

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light of other funding requests. Council may also wish to consider how the City would need to stabilize service if the fees are reduced. In other words what oversight work if, due to subsidization, the administration needs to reduce staff of the Taxi unit in order to not be operating at a deficit and draining general purposes funds that are used for other vital programs to the City.

#### Rate Comparison with other jurisdictions

Staff has taken the liberty of providing Council with a table detailing the rates charged by other jurisdictions for the same administrative services. It should be noted that these fees are the fees charged solely for the provision of the jurisdictions medallion.

They do not include inspection and other fees which are also assessed as a part of each jurisdictions annual renewal. Staff will not compare all other fees as the Council only sought to reduce the "medallion" fee of \$1019 which should be compared to the same fee of other jurisdictions. SFMTA charges a fee of \$1359.50 per permit holder renewals and an annual "color scheme" renewal of varying amounts based on numbers of medallions held by a company. The color scheme renewal would be equivalent to the "Fleet Management" permit fee we charge annually. While the permit holder fee would be the equivalent of our vehicle (medallion) permh fee.

San Jose charges \$2,696 annually per medallion. However, this fee is inclusive of the fleet management fee and other processing fees broken out by the City of Oakland. They are able to collapse all these fees because they restrict a "medallion" to one medallion per taxicab company. Staff would be happy to consider alternative fee structures, such as a higher fee based on the number of medallions held by a company (a variation of the SFMTA color scheme fee). Such a fee could have the City charge a higher per medallion fee to holders of medallions based on numbers of medallions held. Since the larger companies represent the bulk of the daily oversight required of Staff this would be an alternative method to making the program cost recovery but reflective of the service levels provided.

#### Inspection, missed inspection, and re-inspection fees

In 2011, as part of the budget process, staff also separated the City Administrator's component of the annual vehicle inspection fee from the Public Works component of the annual inspection fee, as the administrative and inspection revenues are allocated to different accounts. The fees for inspection and re-inspection in the MPS were modified to reflect the appropriate accounting for service. Since 2008 the safety of Oakland's taxi fleet was improved by the transfer of inspections to the trained mechanics of Public Works, who reported finding "under-the-covers", e.g. mechanical problems, that would not be obvious to OPD officers. However, initially, the City Administrator's Office received complaints from taxi companies that Public Works inspections were too rigorous and that companies did not know what to expect or how to prepare for the inspections.

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Public Works countered that many taxis were brought in for inspection without any preparation and with the intent of utilizing the Public Works mechanics as diagnosticians. As a compromise measure to the above feedback, a \$140 re-inspection fee was established in 2008, assessable after two failed inspections. In reality it was seldom, if ever, assessed, due to the difficulty for Public Works of tracking and reporting third and greater inspections to the City Administrator for billing.

Subsequently, Public Works has published all the items that will be inspected. Taxi companies have the list and can prepare for inspections. Complaints about Public Works inspections have ceased. However, the problems of lack of preparation and utilization of the Department as diagnosticians appeared to continue. During the fiscal year of July 2009 through June 2010, Public Works conducted 324 taxi inspections 173, or 53 percent, required additional inspections.

In 2010 Public Works had evaluated the actual cost of inspections, estimating the initial, forty-five minute inspection cost at \$178 and re-inspections at 25 minutes or \$99. Additionally, the City Administrator must schedule re-inspections, and it is estimated that 15 minutes is required, at a cost of \$15. A re-inspection fee of \$114 is therefore proposed for any inspection after the first inspection.

The Public Works mechanics who perform taxi inspections are also responsible for the maintenance of Oakland's police cars and other City vehicles. Taxi inspections are scheduled the week preceding the inspection to provide maximum productivity for Public Works in handling their multiple responsibilities. If a taxi is not ready for inspection at the time the company has scheduled, some companies do not notify either the City Administrator or Public Works. These no-shows result in unproductive time, rescheduling, and possibly overtime for the mechanics. Staff therefore proposed a fee of \$59 (one-quarter hour of Public Works Inspector time) for inspections that are not attended or cancelled at least 24 hours in advance. The goal of this fee was to improve notification of cancelled appointments, thereby providing Public Works with improved scheduling ability.

The MPS changes had the desired effect in that during the fiscal year of July 2011 through June 2012, Public Works conducted 305 taxi inspections, 31 of them or 10.2 percent, required additional inspections, a reduction of 35 percent in re-inspections.

### COST SUMMARY/IMPLICATIONS

The 2011 modifications to the MFS were designed to recover actual costs for time spent by City Administrator staff administering Chapter 5.64. Prior to 2011 fees had not been sufficient to cover the actual time spent reviewing, accepting, monitoring, problem solving, and providing general oversight of the Taxicab ordinance. These modifications are intended to improve the fiscal health of the Special business Permit Division by bringing it to a cost recovery model. The following are the proposed changes:

Vehicle Permit (Medallion) Fee

Any reduction in the fee assessed per medallion has a direct impact on the City's General Fund. The City Administrator would be required to assess whether current service levels would remain since that would require allocating funds from the General Fund to pay for staffing levels to remain the same. Since the City has a deficit, as illustrated in the Five year forecast, Council would need to determine what service to eliminate to provide a public subsidy to for profit taxi companies. Such a decision would result in a subsidy to the oversight of Chapter 5.64. Council must consider their decision on the MFS changes in this light, especially since 2012 will likely have the Council weighing multiple funding requests for general purpose fund expenditures for programs that do not have the opportunity to be cost recovery in nature. The oversight of Chapter 5.64 does not need to be subsidized, and does not need to train general purpose funds. However, the decision to subsidize is ultimately a policy and budget decision to be made by the Council.

Inspection fee increase

The previous cost for the annual inspection was \$350. Public Works had determined in 2011 that the actual cost of the inspection was \$178. Any reduction in this fee would cause the inspection to be subsidized by the City.

Taxi re-inspection fee

Prior to 2011 the re-inspection fee of \$140 was assessable only after two failed inspections. Public Works had determined the actual cost of a re-inspection was \$114. The inspection data for the 2012 reveals a total of 58 re-inspections.

The hope had been that charging for all re-inspections will encourage taxi companies to better prepare for inspections and thereby reduce the number of re-inspections required. To date the figures reflect that the changes are having the desired effect.

Penalty fee for failure to attend or cancel a scheduled inspection appointment

Prior to 2011 there were between 15 and 24 taxi inspections cancelled without notice to Public Works annually. In 2012 there were 2 taxi inspections cancelled without 24-hour notice to Public Works. The penalty has eliminated a significant number of cancellations. Without this fee there is no incentive for companies to not cancel their inspection appointments with notice. Public Works has only a finite number of inspection slots and if the slot was not taken by a taxi it could be used to work on vehicles from other departments, such as OPD.

Alternative for Moving Forward

The Council may wish to consider this reduction in the context of the City's long range fiscal planning and policy. The Councilmembers are proposing a fee reduction at a time when the

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City's Five-year Budget forecasts a continued structural deficit in the General Fund and the City is in the process of budget development with the MFS amendments being a part of the process for the Fiscal Year 13-15 Council Budget consideration.

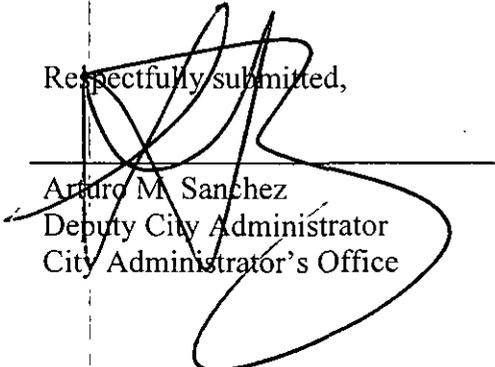
Choosing to subsidize a for-profit program at this time is not consistent with past practices. The City has begun to make strides towards fiscally sound and appropriate policies and structures; this proposed reduction would not be compatible with such sound fiscal practices.

Staff plans to return to the Council in March with revisions to Chapter 5.64, "Taxicabs", which would include:

1. Establishing Criteria, as Required by State Law, to Investigate Unpermitted Taxicab Operations;
2. Correct Conflicting Provisions Regarding Use of Credit Cards;
3. Removal of Dispatch Service Requirement for Companies with Fewer than Five Taxis;
4. Add Option of Electronic Waybills for Documenting Taxi Usage;
5. Establish a Fleet of Ramped Taxis for Transporting Passengers With Disabilities and a Ratio of Such Taxis to Oakland's Regular Taxis;
6. Authorize the City Administrator to Promulgate Standards of Comportment for Drivers and to Provide for Permit Suspension, Revocation, and Non-renewal on the Basis of Violations;
7. Add references to OMC Chapters 1.08 and 1.16 regarding administrative abatement of violations and penalties; and
8. Eliminate Expired Sections of OMC Chapter 5.64.

For questions regarding this report, please contact Arturo M. Sanchez, Deputy City Administrator at (510) 238-7542.

Respectfully submitted,

  
Arturo M. Sanchez  
Deputy City Administrator  
City Administrator's Office

Attachments -- (3)

Exhibit A -- 2011 Cost Revenue analysis  
Exhibit B -- 2012 Cost Revenue analysis  
Exhibit C -- Comparison with other jurisdictions

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## TAXI PERMIT ADMINISTRATION/REGULATION

EXHIBIT A

SOURCE OF FUNDS

<u>Fee Description</u>	<u>Units.<sup>1</sup></u>	<u>Pre-2011 Unit \$ Fee</u>	<u>Pre -2011 Revenue</u>	<u>Current Unit \$</u>	<u>Current Revenue<sup>2</sup></u>
Fleet Management Permits	71 Fleets,	\$150.00/fleet	\$10,650.00	\$184.00	\$13,064.00
Vehicle Permit (medallion)	303 Vehicles	\$25.00/vehicle	\$7,575.00 <sup>3</sup>	\$1,019.00	\$266,978.00 <sup>4</sup>
Replacement Permit (medallion)	0	\$0.00	\$0.00	\$ 45.00	\$ 0.00
Driver Permit Renewals	278 Drivers/est.	\$75.00/driver	\$20,850.00	\$85.00	\$23,630.00 <sup>2</sup>
New Driver Permits	59 Drivers/est	\$75.00/driver	\$4,425.00	\$110.00	\$6,490.00 <sup>2</sup>
Replacement Drivers Permit	3	\$20.00/driver	\$ 60.00	\$20.00/driver	\$60.00 <sup>2</sup>
Add/Transfer Drivers Permit	166	\$20.00/driver	\$ 3,320.00	\$20.00/driver	\$3,320.00 <sup>2</sup>
Annual Inspection - Regular	305 Vehicles <sup>5</sup>	\$175.00/vehicle <sup>6</sup>	\$53,375.00	\$175.00	\$53,375.00
Inspection Fee – PWA	305 Vehicles	\$175.00 <sup>7</sup>	\$53,375.00	\$178.00	\$54,290.00
Re-inspection Fee – PWA	19	\$0.00	\$ 0.00	\$114.00	\$2,166 <sup>2</sup>
Missed Inspection Fee	0	\$0.00	\$ 0.00	\$59.00	\$0.00
Permit (medallion) Transfers	4 Transfers/est.	\$2,500/transfer	\$10,000.00	\$2,500.00	\$10,000.00 <sup>2</sup>
<hr/>					
Transfer Vehicle Operating Permit (sticker)	61	\$125.00	\$7,625.00	\$125.00	\$7,625.00 <sup>2</sup>
Taxi Stand Fee	303	\$7.00	\$2121.00 <sup>8</sup>	\$7.00	\$2121.00
Replacement Vehicle (spare)	0	\$100.00	\$0.00	\$100.00	\$0.00
Lapsed Permits	13 Permits/est	\$117.00/permh	\$1,521.00	\$117.00	\$1,521.00 <sup>2</sup>
Additional decals	77 Decals/est	\$25.00/decals	\$1,925.00	\$25.00	\$1,925.00 <sup>2</sup>

<sup>1</sup> Est. = estimates based on 2011 calendar year numbers. Actual numbers vary from year to year.

<sup>2</sup> Assumes that 2011-2012 numbers of permits/units remain the same

<sup>3</sup> Amount based on only 303 vehicles out in service 2011 RFP will result in 11 additional vehicles on road. New 11 will be charged original issuance fee of \$2585/permit. Both Original issuance (\$2585) and application fee (\$1745) were not included in analysis because they are not annual fees. Council has not added permits in 20 years and cannot account for these one-time non-recurrent revenues in annual budgeting process.

<sup>4</sup> 2011 Revenue for vehicle permits will be \$266,978 based on 262 medallions. 41 Temporary permits are not subject to the new proposed annual renewal fee.

<sup>5</sup> Only 303 medallions actually operating in 2011 with 2 spare vehicles

<sup>6</sup> City Administrator's cost of administrative portion of the inspection

<sup>7</sup> Total of 175 + 175 = Old inspection fee charge of \$350, 2 spare vehicles are included

<sup>8</sup> Amount based on only 303 vehicles out in service 2011. RFP will result in 11 additional vehicles on road.

## 2011 SOURCE AND USE (Continued)

## TAXI PERMIT ADMINISTRATION/REGULATION

## EXHIBIT A

<u>Fee Description</u>	<u>Units</u>	<u>Pre-2011 Unit \$ Fee</u>	<u>Pre -2011Revenue</u>	<u>Current Unit \$</u>	<u>Current Revenue</u>
Amendment to Permit Record					
a.1 - 10 Permits	87	\$0.00 <sup>9</sup>	\$0.00	\$25.00 ea.	\$2175.00
b.11+ Permits	4	\$0.00	\$0.00	\$250.00	\$1000.00
<u>Annual total revenues</u>			\$176,822.00		\$449,740.00
<u>Use of Funds</u>				<u>Hourly Costs</u>	<u>Total Cost</u>
One full-time Administrative Analyst			(37.5 hrs/wk, 52 wks/yr)	\$61.33/hr	\$119,593.50
One full-time Police Officer			(40 hrs/wk, 52 wks/yr)	\$81.00/hr	\$168,480.00
30 percent of the time of Deputy City Administrator			(37.5 hrs/wk, 52 wks/yr)	\$165.51/hr	\$96,823.35
20 percent of the time of a Police Sergeant			(40 hrs/wk, 52 wks/yr)	\$93.45/hr	\$38,875.20
30 percent of the time of an Administrative Assistant			(37.5 hrs/wk, 52 wks/yr)	\$53.99/hr	\$31,584.15
20 percent of one Deputy City Attorney time			(37.5 hrs/wk/ 52 wks/yr)	\$190.00/hr	\$74,100.00
PWA Staff Inspections Costs			(324 Vehicles 2011) <sup>10</sup>	(Actual 2011)	\$56,456.00
72 hours per year to conduct gypsy cab stings and targeted enforcement actions					
four additional police officers,				\$81.00/hr	\$23,328.00
one sergeant				\$93.45/hr	\$ 6,728.40
and three patrol cars \$6.45/hr					\$ 1,393.20
<u>2011 total Staff costs</u> <sup>11</sup>					\$617,361.80
Annual deficit: Costs – Revenues (pre -2011 revenue increase)			(\$617,361.80 - \$176,822.00)		(\$440,539.80)
Revenue increase w/ proposed fees			(\$449,740.00 - \$176,822.00)		\$272,918.00
Annual deficit w/ proposed fees			(\$617,361.80 - \$449,740.00)		(\$167,621.80) <sup>12</sup>

<sup>9</sup> The city did not charge for reconciliation work. Reconciliation means the process of reviewing and verifying that the vehicles in a fleet has current valid dmv registration, are insured, and have parking citation clearance. This fee was developed to cover actual costs associated with conducting the fleet package work and was not recovered in prior years. It was merely assumed covered by \$25 fee which was used to cover both the medallion and the work.

<sup>10</sup> Includes both inspections and re-inspections

<sup>11</sup> Assumes 2011 Staffing Costs

<sup>12</sup> Number assumes all units remain the same and no fluctuation down in units. Temporary permits are not subject to new fees. So until 41 temporary permits are resolved totals will be minus 41 eligible vehicles.

## TAXI PERMIT ADMINISTRATION/REGULATION

EXHIBIT B

SOURCE OF FUNDS

<u>Fee Description</u>	<u>Units.<sup>1</sup></u>	<u>Unit Fee w/reduction</u>	<u>Reduced Revenue</u>	<u>Unit \$ Pre-reduction</u>	<u>Cost Recovery<sup>2</sup></u>
Fleet Management Permits	72 Fleets,	\$184.00/fleet	\$13,248.00	\$184.00	\$13,248.00
Vehicle Permit (medallion)	303 Vehicles <sup>3</sup>	\$510/vehicle	\$133,620 <sup>4</sup>	\$1,019.00	\$266,978.00 <sup>4</sup>
Replacement Permit (medallion)	0	\$45.00	\$0.00	\$ 45.00	\$ 0.00
Driver Permit Renewals	268 Drivers/est <sup>2</sup>	\$85.00/driver	\$ 22,780.00	\$85.00	\$22,780.00 <sup>2</sup>
New Driver Permits	95 Drivers/est <sup>2</sup>	\$110.00	\$ 10,450.00	\$110.00	\$10,450.00 <sup>2</sup>
Replacement Drivers Permit	1	\$20.00/driver	\$ 20.00	\$20.00/driver	\$20.00 <sup>2</sup>
Add/Transfer Drivers Permit	141	\$20.00/driver	\$2820.00	\$20.00/driver	\$2820.00 <sup>2</sup>
Annual Inspection - Regular	305 Vehicles <sup>5</sup>	\$175.00/vehicle <sup>6</sup>	\$53,375.00	\$175.00	\$53,375.00
Inspection Fee – PWA	305 Vehicles	\$178.00 <sup>7</sup>	\$54,290.00	\$178.00	\$54,290.00
Re-inspection Fee – PWA	31	\$114.00	\$ 3,534.00	\$114.00	\$3,534.00 <sup>2</sup>
Missed Inspection Fee	2	\$59.00	\$118.00	\$59.00	\$118.00
Permit (medallion)Transfers	2 Transfers/est.	\$2,500/transfer	\$5,000.00	\$2,500.00	\$5,000.00 <sup>2</sup>
Transfer Vehicle Operating- Permit (sticker)	52	\$125.00	\$6,500.00	\$125.00	\$6,500.00 <sup>2</sup>
Taxi Stand Fee	303	\$7.00	\$2121.00 <sup>8</sup>	\$7.00	\$2121.00
Replacement Vehicle (spare)	0	\$100.00	\$0.00	\$100.00	\$0.00
Lapsed Permits	8 Permits/est	\$117.00/permit	\$936.00	\$117.00	\$936.00 <sup>2</sup>
Additional decals	95 Decals/est	\$25.00/decals	\$2375.00	\$25.00	\$2375.00 <sup>2</sup>

<sup>1</sup> Est. = estimates based on 2012 calendar year numbers. Actual numbers vary from year to year.

<sup>2</sup> Assumes that 2012-2013 numbers of permits/units remain the same

<sup>3</sup> Amount based on only 303 vehicles out in service. Both Original issuance (\$2585) and application fee (\$1745) were not included in analysis because they are not annual fees. Council has not added permits in 20 years and cannot account for these one-time non-recurrent revenues in annual budgeting process.

<sup>4</sup> 2012 Revenue for vehicle permits is \$266,978 based on 262 medallions. Temporary permits are not subject to the new proposed annual renewal fee.

<sup>5</sup> Only 303 medallions (includes 41 temporary) associated with 305 vehicles with 2 spare vehicles

<sup>6</sup> City Administrator's cost of administrative portion of the inspection

<sup>7</sup> Total of 175 + 178 = inspection fee charge of \$353, 2 spare vehicles are included

<sup>8</sup> Amount based on only 303 vehicles out in service 2012.

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## 2012 SOURCE AND USE (continued)

## TAXI PERMIT ADMINISTRATION/REGULATION

EXHIBIT B

<u>Fee Description</u>	<u>Units</u>	<u>Unit Fee w/reduction</u>	<u>Reduced Revenue</u>	<u>Unit \$ Pre-reduction</u>	<u>Cost Recovery</u>
Amendment to Permit Record					
a.1 - 10 Permits	87	\$0.00 <sup>9</sup>	\$0.00	\$25.00 ea.	\$2175.00
b.11+ Permits	4	\$0.00	<u>\$0.00</u>	\$250.00	<u>\$1000.00</u>
<u>Annual total revenues</u>			\$311,187.00		\$447,720.00
<u>Use of Funds</u>					
One full-time Administrative Analyst			(37.5 hrs/wk, 52 wks/yr)	\$61.33/hr	\$119,593.50
20 percent Police Officer			(40 hrs/wk, 52 wks/yr)	\$81.00/hr	\$33,696.00
5 percent of the time of a Police Sergeant			(40 hrs/wk, 52 wks/yr)	\$93.45/hr	\$9,718.80
30 percent of the time of Deputy City Administrator			(37.5 hrs/wk, 52 wks/yr)	\$165.51/hr	\$96,823.35
30 percent of the time of an Administrative Assistant			(37.5 hrs/wk, 52 wks/yr)	\$53.99/hr	\$31,584.15
20 percent of one Deputy City Attorney time			(37.5 hrs/wk/ 52 wks/yr)	\$190.00/hr	\$74,100.00
PWA Staff Inspections Costs			(336 Vehicles 2012) <sup>10</sup>	(Actuals 2012)	\$57,824.00
72 hours per year to conduct gypsy cab stings and targeted enforcement actions					
four additional police officers,				\$81.00/hr	\$23,328.00
one sergeant				\$93.45/hr	\$6,728.40
and three patrol cars \$6.45/hr					<u>\$1,393.20</u>
<u>2012 total costs</u> <sup>11</sup>					\$454,789.40
Current annual deficit: Costs - Revenues			(\$454,789.40 - \$447,720.00)		(\$7069.40) <sup>12</sup>
Annual deficit w/ reduced fees			(\$454,789.40 - \$311,187.00)		(\$143,602.40)

<sup>9</sup> The city did not charge for reconciliation work. Reconciliation means the process of reviewing and verifying that the vehicles in a fleet has current valid dmv registration, are insured, and have parking citation clearance. This fee was developed to cover actual costs associated with conducting the fleet package work and was not recovered in prior years. It was merely assumed covered by \$25 fee which was used to cover both the medallion and the work.

<sup>10</sup> Includes both inspections and re-inspections

<sup>11</sup> Assumes same 2012 Staffing Costs

<sup>12</sup> Number assumes all units remain the same and no fluctuation down in units. Additionally Temporary permits are not subject to new fees. So until 41 temporary permits are resolved totals will be minus 41 eligible vehicles.

## EXHIBIT C

Taxi Fee Schedule of Other Cities				
	Renewal Fee per company	Renewal fee per medallion	No. of cabs	
Los Angeles		\$1,270	2361	
San Francisco	Color scheme renew (1-5) \$1431.50	\$1,359.50	1500	
	6-15 medallions - \$2101.5			
	16-49 medallions - \$4363			
	50-149 medallions - \$6543			
San Jose		\$2,696.00	613	Fee is per cab co. 1 cab per co
Long Beach		\$465.31	150-175	
Fresno		\$225	90	
Berkeley	\$350	\$75	125	
Emeryville	\$206.00	\$48.00	150	