

MARIN GENERAL SERVICES AUTHORITY

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MEMORANDUM

DATE: May 9, 2013
TO: MGSA Board of Directors
FROM: Paul Berlant, Executive Officer
SUBJECT: AGENDA ITEM E: Taxicab Regulation Program Update

Recommendation Accept this update regarding the Marin County Taxi Regulation Program and provide direction regarding changes to Taxi permit fees and professional services costs.

Inventory Update

There are currently 26 companies, an increase of four companies since the last report in March. The current vehicle count is 104, an increase of three. The driver count continues to rise with 205 drivers currently permitted, four more than March.

Taxicab Regulation Activity

Costs and Revenues: As Jeff Rawles and I have informed the Board in the past, late 2013 and 2014 will see the permit renewals of the original cohort of taxi companies. The original Company Permits were for five years, while Vehicle Permits are renewed annually and Driver Permits are good for five years. Under the current fee schedule (attached), once the original permits have expired, all Company Permits will be for a one year term. The Board adopted the current fee resolution in 2009 which incrementally increased company and vehicle permit fees between 2009 and 2011 in an effort to make the taxi regulation program self-sustaining, anticipating larger numbers of all categories of permits. The table below shows the growth in permits issued as of May of 2009, 2011, and 2013.

Permits	2009	2011	2013
Companies	12	15	26
Vehicles	79	76	104
Drivers	129	162	205

As we projected, permit fee revenues have reached the point where program costs are generally covered. As can be seen in the first table below, under the current fee schedule, revenues for a full year will approach \$140,000. As shown in the second table below, our expected costs, including inclusion of some of the overhead to run MGSA, and assuming

the litigation has ended, is expected to be approximately \$110,000, leading to the conclusion that we could consider reducing permit fees.

Under the current fee resolution the companies which first applied for their permits prior to November 2008 were charged a Company Permit fee of \$250 for a permit valid for five years and Vehicle Permit fees which started at \$300 and rose to \$700 per year (this cohort of companies is the group referred to above which will be applying for renewed permits). When these companies apply for a new permit, they will be charged \$1000 for a Company Permit valid for one year and \$1000 for a Vehicle Permit, as is the case for companies which first applied after November 2008.

An alternate rate of \$700 per vehicle for all companies (the same rate as is currently charged the companies applying after November 2008) will generate slightly less revenue, more in line with expected costs. See the third table below.

I recommend that between the May and July meetings Mr. Rawles and I prepare and return with a proposal to adjust fees to better reflect these expected costs. As in the past, emphasis will be to focus on Vehicle Permit fees to generate the bulk of the revenue.

Current Fee Revenues	Numbers	Rate	Total
Drivers	125	\$ 100	\$ 12,500
Vehicles	100	\$ 1,000	\$ 100,000
Companies	25	\$ 1,000	\$ 25,000
Total			\$ 137,500

Expenses	
Supplies/Services	\$ 7,000
Professional Services	\$ 70,000
Admin/Office	\$ 16,000
Legal	\$ 15,000
Total	\$ 108,000

Revised Revenues	Numbers	Rate	Total
Drivers	125	\$ 100	\$ 12,500
Vehicles	100	\$ 700	\$ 70,000
Companies	25	\$ 1,000	\$ 25,000
Total			\$ 107,500

Workload: In addition to greater revenue, the larger number of companies, drivers and vehicles has also increased the program workload. Mr. Rawles' time devoted to the taxi regulation program has increased from about one-half time position to close to a three-quarters time position. In addition to dealing with taxi companies and drivers, Mr. Rawles has also had to meet the requests of our auditor, initiating a second, new inventory system.

In 2012 we increased Mr. Rawles' hours to .58 FTE. At this time, I am recommending increasing Mr. Rawles' hours to .71 FTE at the same hourly rate, adding \$14,000 to the overall program cost. If the Board approves, I will return at the July meeting with an item to authorize me to execute an amendment to the contract we have with RGS for Mr. Rawles' services reflecting this change. I have included these potential added revenues and costs in the draft budget you will consider at this May Board meeting.

Recommendation

Provide direction regarding the taxi regulation permit fee structure and Mr. Rawles' hours.