

MARIN GENERAL SERVICES AUTHORITY

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MEMORANDUM

DATE: July 12, 2012
TO: MGSA Board of Directors
FROM: Paul Berlant, Executive Officer
SUBJECT: AGENDA ITEM: F: Taxicab Regulation Program Update

Recommendation Accept this update regarding the Marin County Taxi Regulation Program and permit fee revenues and authorize the Executive Officer to increase hours for and compensation to the Taxi Regulation Program Administrator.

Inventory Update There are currently 20 permitted companies using 22 brand names and 95 permitted vehicles. The current driver list totals 172. All of these figures are the same as we reported in May, except for drivers, which went up from 160.

2012 and 2013 Permit Activities As you may recall, we started the process of actively requiring company, vehicle, and driver permits in the spring of 2008. At that time, the former Taxi Regulation Program Administrator, Deborah Creech and I got the process started and then Jeff Rawles came on as Ms. Creech departed. I had the two overlap for some time as Mr. Rawles got up to speed with the program and as we processed the original group of permits.

There are approximately 60 drivers still operating from the original group permitted in 2008. The driver permits are issued for a period of five years. Thus, those 60 original drivers will all need to renew their permits during 2013. Per our Regulations and fee resolution (Resolution 2009-10), company permits for which applications were made before November 13, 2008 are issued for five years, while those issued after that date are good for one year. Of the total 20 companies operating today, ten are from the original group.

As stipulated in Resolution 2009-10, the "old" company permit fee was \$250 for the five years. The companies which have come into the program subsequent to the adoption of the fee resolution have paid \$1000 for each of their one-year permits. The ten original companies will also now have to pay \$1000 for a one-year permit.

Permit Fees The goal of our fee structure is to achieve program cost recovery. The 2012-13 budget shows estimated revenue and costs to be \$80,000 each. Except for \$1000

allocated to Executive Officer's time this fiscal year, we have only allocated direct costs to the program. As Mr. Rawles and I refined our projections of the number of renewals and new permits, we have also done a new projection of fee revenues. The attached table shows estimated revenues based on our best estimate of new permit applications and renewals for all three types of permits for the next six years. The reason to go out to 2018-19 is to take into account the five-year interval of driver permit renewals. Additional revenue can be expected during the renewal years for the original cohort of drivers.

As you will see from the table, revenues are expected to be slightly higher for 2012-13, possibly substantially higher during the five-year driver renewal year (2013-14), and greater than the current year in the intervening years (but less than 2013-14). As noted above, to date we have only allocated direct program costs to the analysis. It is certainly fair to consider additional indirect costs, such as more of the Executive Officer's time, the Administrative Associate's time, and rent to the analysis of actual program costs. The attached table shows that if only 10% of these other staff members' time and rent is allocated to program cost, the total still would exceed revenue during 2012-13, but not subsequent years. A more thorough fee and cost analysis may be warranted after we have experienced the driver permit renewal process and company permit fees are allowed to equalize in 2013-14.

Staff Time and Cost In addition to the revenue estimates, Mr. Rawles and I have tried to estimate the impact of the renewals on workload. Based on the 20-24 hours per week currently devoted to the program and the expectation of additional time needed to prepare and undertake the driver and company renewal process, we believe additional time and cost is warranted. I am requesting the authority to increase our contract with RGS for Mr. Rawles' services by \$3500, from its current \$64,158 (\$12,000 for AVAP and \$52,158 for taxi regulation). Note, fees paid to RGS for their administrative and insurance costs are paid from these figures. The last time Mr. Rawles' compensation was changed was July 2010 after having been with us two years.

Attachments

Resolution 2009-10, MCTRP Fees

Taxi Permit Fee Revenue Projection 2012-13 through 2018-19

Draft Resolution, Regarding RGS Agreement