

BRIAN SANDOVAL  
Governor

BRUCE BRESLOW  
Director



RONALD GROGAN  
Administrator

JENNIFER DeROSE  
Deputy Administrator

STAN OLSEN  
Chairman

Members  
DEAN COLLINS  
BRUCE AGUILERA, ESQ.  
JAMES E. CAMPOS  
ROGER C. THOMPSON, Ph.D

STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
TAXICAB AUTHORITY  
2090 E. Flamingo Road, Suite 200  
Las Vegas Nevada 89119  
Telephone (702) 668-4000 • Fax (702) 668-4001  
<http://taxi.state.nv.us>

## MINUTES OF THE OCTOBER 27, 2016 BOARD MEETING AND HEARING

### 1. Call to Order

*Chairman Stan Olsen called the meeting to order at 9:09 a.m. at the location of 2080 E. Flamingo Road, Suite 114, Las Vegas, Nevada 89119.*

#### **Present from the Nevada Taxicab Authority Board**

*Chairman Stan Olsen  
Member Dean Collins  
Member Bruce Aguilera  
Member James Campos  
Member Roger Thompson*

#### **Present from the Nevada Taxicab Authority**

*Administrator Ronald Grogan  
Deputy Administrator Jennifer DeRose  
Chief Ruben Aquino  
Attorney Janette Reyes-Speer  
Management Analyst II Annette Watson  
TAC Coordinator Linda Holtan  
Legal Secretary Amy McMahan*

#### **Present from the Attorney General's Office**

*Deputy Attorney General Sophia Long  
Deputy Attorney General Gary Mathews*

#### **Present from the Public**

*Bob McCullough, A Cab  
Jason Lather, Lucky  
Marilyn Moran, Western  
Jeffrey White, Sands Expo  
Jeremy Aguero, Applied Analysis  
Brent Bell, Whittlesea/Henderson  
Cheryl Knapp, Bell Transportation  
George Balaban, Desert Cab  
Desiree Dante, Lucky  
Michael Bailin, YCS  
Marc Gordon, YCS*

*Joel Willden, YCS*  
*Jaime Pino, Nellis*  
*John Hickman, Western Cab*  
*Dan Wade, Frias*  
*John Marushok, Frias*  
*Sam Moffitt, ITPEU*  
*Rich Frakes, Desert Cab*  
*Lee Hoves, H&H*  
*Joe Caia*  
*Mia Moore, Western Cab*  
*Andom Kahsay, ITPEU*  
*Jonathan Schwartz, YCS*  
*Micaela Ward, Frias*  
*John Mowbray, Frias*  
*Chris Anderson, DOA*  
*Athan Rebelos, Verifone*

**2. Pledge of Allegiance to the Flag**

*Member Campos led the Pledge of Allegiance to the Flag.*

**3. Compliance with Open Meeting Law**

*Administrator Ronald Grogan stated the meeting is in compliance with Open Meeting Law.*

**4. Public Comment**

*No comments.*

**5. Approval of the September 22, 2016 Board Meeting Minutes**

*All in favor – motion passes.*

**6. Discussion with Maria Soto, Traffic Manager for LVCVA, Regarding Recent Taxicab Service**

*Maria Soto was unable to attend the meeting but she did send a message stating she will email the industry relevant transportation information.*

**7. Discussion with Freddie Kirtley, Assistant Director, Landside Operations, McCarran International Airport, Regarding Recent Taxicab Service.**

*Chris Anderson appeared on behalf of McCarran International Airport and stated they continue to receive great service from all the cab companies. Mr. Anderson stated passenger traffic for the airport is up about 5% for the year. Mr. Anderson stated the airport's taxicab numbers are down about 4.5% which they attribute to the TNCs. Chairman Olsen asked if this has created any operational problems. Mr. Anderson responded the only operational problem is there are low wait times to get a cab. Mr. Anderson stated after the 1<sup>st</sup> of the year when travel is increased it will be a better indication of whether the low wait times will hold.*

**8. Discussion with Jeff White, Security Manager, Sands Expo, Regarding Recent Taxicab Service**

*Jeff White stated they had a great response from the taxicab industry in the month of October. Mr. White stated they expect about 70,000 attendees for the AAPEX show next week. He anticipates heavy taxicab usage.*



9. **Discussion Lease Regulations, LCB File No. R003-16** – The purpose of the rulemaking adoption hearing is to receive comments from all interested persons regarding the adoption of certain regulations to Chapter 706 of Nevada Administrative Code for the purposes of implementing Senate Bill No. 376, chapter 447, Statutes of Nevada 2015, at page 2595. The proposal has been designated as File No. R003-16 by the Nevada Legislative Counsel Bureau. Please see the Notice of Intent to Act Upon a Regulation and Notice of Hearing for the Adoption of Regulations (attached and incorporated herein by reference) for further details regarding this item. – **FOR POSSIBLE ACTION**

*Attorney Janette Reyes-Speer appeared on behalf of the Nevada Taxicab Authority. Attorney Reyes-Speer explained that the proposed lease regulations arose from Senate Bill 376 passed during the 2015 legislative session, approved by the Governor June 9, 2015, and codified into NRS chapter 706.*

*Attorney Reyes-Speer explained that the Taxicab Authority has conducted three formal workshops to gather information for the proposed regulations. These workshops were held December 18, 2015, May 16, 2016, and September 22, 2016. At the last workshop legislative intent, industry concerns, administrative responses, and a discussion were covered. Today, the Taxicab Authority is looking to possibly adopt the proposed lease regulations.*

*Member Aguilera asked if the proposed lease regulations conform to the regulations in Northern Nevada. Attorney Reyes-Speer responded that they are very similar. Chairman Olsen asked if in adopting the proposed regulations they are following the guidelines and directions of the legislature. Attorney Reyes-Speer answered yes.*

*Chairman Olsen asked the interveners to approach. Yellow, Checker, Star declined to comment. John Hickman for Western Cab also declined to comment.*

*John Marushok, Frias, voiced concern over Section 34. Mr. Marushok stated the Mission Statement of the Nevada Taxicab Authority is to provide for the safety, comfort, and convenience of the taxi riding public through the regulation of the taxicab industry. Mr. Marushok stated the word safety is used 53 times in NAC 706 and 59 times in NRS 706. Mr. Marushok stated that Section 2B of NRS 706.88181 states the Taxicab Authority is required to adopt regulations as are necessary to provide for the minimum safety standards. Mr. Marushok stated that during the September workshop Attorney Reyes-Speer gave a presentation which included a slide that stated the Taxicab Authority shall adopt such regulations as are necessary to carry out the provisions of NRS 706.88396 and to ensure that the taxicab business remains safe, adequate, and reliable. Mr. Marushok stated all of these items are in regards to safety. Mr. Marushok stated the taxicab companies cannot allow drivers to work more than 12 consecutive hours without rest and cannot allow drivers to work more than 16 hours under any circumstances within 24 consecutive hours. Mr. Marushok stated that Section 34 does not provide for a method of accountability required by the Taxicab Authority to monitor the hours an independent contractor drives. Mr. Marushok stated the section has not been amended to require the log book suggested by the Board or any alternative. Mr. Marushok stated Frias recommends that employee drivers be only allowed to lease from their employer; independent contractors should be allowed to lease from only one company within one calendar day; and each independent contractor should be required to maintain a log book. Mr. Marushok believes Section 34 does not allow for taxicab companies to comply with requirements for monitoring driver hours. Mr. Marushok further stated Section 34 does not hold true to the Taxicab Authority Mission Statement or to 706. Mr. Marushok, on*



*behalf of Frias, requests the Board does not approve adoption of these proposed regulations as they are written and to take into consideration the recommendations set forth by Frias.*

*Member Thompson stated he is under the impression that not all taxicabs have the Triad system in place. Mr. Marushok stated that is correct; that Frias does not use the Triad system. Member Thompson asked Mr. Marushok if the system used by Frias can track the amount of usage on a leased taxicab. Mr. Marushok stated their tracking system tracks every minute their drivers are on the road and there is a daily reconciliation of those hours. The concern is if one of Frias' drivers worked as an independent contractor for another taxicab company. In that case, Frias would not be able to track those hours. Member Thompson asked if there is a way to track that scenario in some macro sense. Mr. Marushok stated only if every single company's dispatch and metering system was available to view. Member Thompson stated he could see possibility for dishonesty in log books. Mr. Marushok stated he agrees but is surprised that even that minimal requirement is not being used in the lease regulations. Member Thompson asked who has the ultimate responsibility if a driver or independent contractor fails to comply with regulations on the amount of hours they can drive. Attorney Reyes-Speer stated when it comes down to responsibilities or liabilities nothing releases any of the parties from their obligations. Member Thompson stated it seems to him the only recourse Frias would have would be to not lease their cabs. Mr. Marushok agreed based on the regulations as written.*

*Attorney Reyes-Speer stated the taxicab companies cannot absolutely shield themselves from liability nor is there anything in any field or realm that allows for absolute shielding from liability. Attorney Reyes-Speer stated that under NRS 706.88396(3), as it pertains to liability and the taxicab company's ability to ensure that the independent contractors comply with statutes and regulations, the companies can limit their liability to an extent if the companies can show they have exercised due diligence in determining an independent contractor's on-duty hours as well as any other pertinent information. Attorney Reyes-Speer stated it will be up to the company whether they want to lease to their current employees or to independent contractors outside of the company. Attorney Reyes-Speer stated administration wants companies to determine what works best for them and not further limit them within Section 34. Mr. Marushok stated he can choose to lease only to his drivers but he cannot keep his drivers from leasing from other companies. Chairman Olsen stated commercial pilots, train drivers, truck drivers, and bus drivers all use a log. If the driver or pilot cheats on it they are in risk of losing their license and the same could apply here so it would work. Member Aguilera asked if the independent contractor will be required to fill out an application in which the applicant will disclose if they have additional current employment. Member Aguilera also suggested an acknowledgement during the permit process that the driver is only able to work a certain number of hours. Mr. Marushok stated after consulting with attorneys, Frias has concluded there is a risk factor with the lease regulations as written. Mr. Marushok stated in cases where the independent contractors use the taxicab outside the terms in the lease agreement they may be able to go after the independent contractor's insurance. Member Aguilera stated to that point will the taxicab companies be requiring the independent contractors to carry their own insurance on the vehicle. Mr. Marushok stated under current statute Frias would be responsible for the insuring the vehicle.*

*Member Collins stated he can see the advantages of leasing from the driver's standpoint but asked Mr. Marushok what are the advantages to the taxicab companies. Mr. Marushok stated there are not really advantages to leasing with the way the lease regulations are written. Mr. Marushok stated the advantages he sees are possibly getting more medallions on the road and possibly sharing the driver pool. Member Collins stated he sees a host of potential liability concerns down the road if the*



*regulations are not crafted the right way. Mr. Marushok stated Nevada statutes mandate the Taxicab Authority to write leasing regulations. Mr. Marushok stated Frias does not have a problem with 99.9% of the regulations as they are written because they understand the restrictions of the Taxicab Authority in writing these regulations. Mr. Marushok stated however he believes Section 34 can be changed. Mr. Marushok believes Section 34 is contrary to the safety of the riding public and the Taxicab Authority's mission to provide for that safety. Member Collins asked Mr. Marushok if Section 34 was amended to include some of his suggestions would he be in support of adopting the lease regulations. Mr. Marushok stated he would.*

*Member Aguilera asked if there have been any incidents in Northern Nevada related to independent contractors exceeding statutory requirements in regards to the amount of hours they drive. Attorney Reyes-Speer stated she is not aware of any incidents. Member Aguilera commented on learning that leasing is the "norm" in the rest of the country, and asked if there was any information gathered on the way leasing is done in other cities. Member Campos addressed that he had asked for that information during the last Board meeting and was any such information gathered. Mr. Marushok stated the number of taxicabs in Northern Nevada is equal to about one of Frias' taxicab companies and there is not a lot of enforcement on those taxicabs. Mr. Marushok further stated in regards to 706 we are the most heavily regulated taxicab industry in the country. Attorney Reyes-Speer stated in regards to liability the independent contractors will also be individually held to the regulations. Section 5(3) explains consequences for independent contractors that do not comply with regulations.*

*Chairman Olsen stated the Taxicab Authority has to implement leasing regulations but the taxicab companies are not required to use it. Administrator Grogan stated Section 34 was written in response to the taxicab companies' desire to lease to drivers other than their own employees to increase the size of their driver pool. Administrator Grogan stated there is no way currently to track the number of hours a person drives. Section 34 is a "trade-off" in response to some of the industry wanting the flexibility to lease to drivers from other companies. Administrator Grogan stated he supports some of what Mr. Marushok has been saying in terms of exposure and concern. But to some extent, companies have this exposure today because companies may not know if a current driver simultaneously works as a truck driver during his or her off-time. Administrator Grogan suggested possibly using an affirmative statement in the lease contract where independent contractors state their on-duty hours are not in violation of Nevada statute.*

*Member Aguilera asked if the cab companies are aware if their drivers also work for TNCs. Mr. Marushok stated as a policy they do not knowingly allow their drivers to work as a TNC. Mr. Marushok stated some of their drivers possibly have part time jobs but they are not responsible for industries outside of 706.*

*Administrator Grogan stated the issue with Section 34 is a result of providing the industry the flexibility they asked for in increasing the driver pool. Administrator Grogan stated at this time there is not a good way to manage these concerns. Administrator Grogan stated a real time data system might help with tracking and enforcing the hours but it would not prevent a situation where a person drives as a truck driver and then drives as an independent contractor.*

*Sam Moffitt, ITPEU, stated he agrees with the concern of independent contractors driving more than they are permitted to by statute. Mr. Moffitt questioned the length of time a lease driver can hold onto the taxicab. Attorney Reyes-Speer stated the length of the lease is not limited by the Taxicab Authority.*



*Attorney Reyes-Speer stated Section 5.1(f)(4)(II) states the independent contractor shall return the taxicab to the certificate holder not less than one time per day. Attorney Reyes-Speer further clarified that in a previous workshop it was decided that the taxicab does not have to be brought to a specific location but rather allows a company to meet the driver and inspect the vehicle at any location. Mr. Moffitt voiced concern over an independent contractor riding off the meter. Chairman Olsen stated NRS is clear the meter must be engaged if there is a passenger in the vehicle. Chairman Olsen stated there will need to be legislative work to correct these concerns. Chairman Olsen stated the regulations need to be adopted within the next three months. Chairman Olsen stated he urges the taxicab companies and the labor organization to get together and go up to the legislature together to correct the NRSs.*

*Mr. Moffitt asked if there will be any regulation as to the price of leasing a taxicab. Attorney Reyes-Speer stated it will be up to the companies to determine consideration. Mr. Moffitt asked if the driver of a leased taxicab will be covered by personal injury insurance by the company. Mr. Marushok stated as of now the companies are required to cover the same insurance at the same levels as if the independent contractor were their employee. Mr. Moffitt asked about income taxes for independent contractors and if that will be enforced in any way by the Taxicab Authority. Chairman Olsen stated that will not be enforced by the Taxicab Authority but rather is a responsibility under the IRS.*

*Member Aguilera stated if the regulations are passed today they can be changed at a later time. Particularly, after any changes are made at the legislature. Member Aguilera suggests adopting the regulations as they are and amending the regulations later if needed.*

*Member Collins asked what will happen if the regulations are not passed. Chairman Olsen stated that would be up to the legislature. Chairman Olsen recommended adopting the regulations as they stand. Chairman Olsen stated the bulk of the concerns come from the NRS and need to be addressed at the legislature. Attorney Reyes-Speer addressed the timeline if any changes were made to the lease regulations. As Mr. Marushok stated earlier he agreed with 99.9% of the regulations, Attorney Reyes-Speer believed the regulations were ready to be adopted. Attorney Reyes-Speer recommended adopting the regulations as they stand.*

*Administrator Grogan stated he believes amendments to the leasing regulation will set back adoption by several months. Administrator Grogan stated allowing leasing to commence in Clark County is a good idea. He further stated that we may learn how to improve regulations by implementing leasing within Clark County. In this way, there can be data to evaluate how leasing works in this climate.*

*Member Aguilera asked Chief Aquino how leasing would affect enforcement. Chief Aquino stated there will be a growing and learning period with the enforcement officers. Chief Aquino stated he believes the drivers keeping a log would be a very important component to this type of enforcement. It would provide a guideline to how many hours the independent contractors had been driving. Chief Aquino stated there is going to be some issues but they are prepared to correct those issues as they arise.*

*Member Collins stated it makes sense to adopt the regulations and that the taxicab companies will be able to address some of their concerns within their lease agreements. Member Collins agrees that changes can be made down the road if needed.*



*Chairman Olsen stated he believes the leasing statutes within NRS Chapter 706 will require a lot of work. Chairman Olsen stated he believes the legislature will be able to correct a lot of the problems and concerns given some time.*

**10. Lease Regulations, LCB File No. R003-16 – Discussion and potential adoption of certain regulations as more fully described in Agenda Item 11 listed above and the Notice of Intent to Act Upon a Regulation and Notice of Hearing for the Adoption of Regulations (attached and incorporated herein by reference). – FOR POSSIBLE ACTION**

*Member Thompson made a motion to adopt the proposed lease regulations. Member Aguilera seconded the motion. All in favor – motion passes.*

**11. Discussion and Possible Decision Regarding Annual Review of Rates - Pursuant to NRS 706.8824(6) – The Taxicab Authority shall review annually: (a) The existing allocation of taxicabs; and (b) The rates, charges or fares of the certificate holders in its jurisdiction. – FOR POSSIBLE ACTION**

*This item has been tabled until the November meeting when the consultant’s report will be available.*

**12. Discussion and Possible Decision Regarding Annual Review of Medallions - Pursuant to NRS 706.8824(6) – The Taxicab Authority shall review annually: (a) The existing allocation of taxicabs; and (b) The rates, charges or fares of the certificate holders in its jurisdiction. – FOR POSSIBLE ACTION**

*This item has been tabled until the November meeting when the consultant’s report will be available.*

**13. Discussion and Possible Decision Regarding Annual Review of Fees – Pursuant to NRS 706.8824(6) – The Taxicab Authority shall review annually: (a) The existing allocation of taxicabs; and (b) The rates, charges or fares of the certificate holders in its jurisdiction. – FOR POSSIBLE ACTION**

*This item has been tabled until the November meeting when the consultant’s report will be available.*

**14. Staff Report**

**a. Administrator’s Report**

*Administrator Grogan stated the Taxicab Authority continues to see incidences of high flagging. Administrator Grogan asked for the industry’s help in eliminating high flagging as an issue. Administrator Grogan stated in a few instances the driver stated the taxicab company told the driver to drive the taxicab with a broken meter.*

*Administrator Grogan stated the Taxicab Authority has important business to conduct during the next seven to eight months through the legislative session. He stated one effect of this will include not having a staff member at the Board meetings to answer questions related to the monthly statistics. Administrator Grogan invited anyone with questions to ask during the administrative report.*

*Administrator Grogan asked that anyone participating in the Curb launch to put their stickers on the lower right hand corner of the windshield as far down as they can put it with the sticker still being visible. Administrator Grogan stated there will be no violation if the sticker is within a 6x6 inch box located in the lower right hand corner.*

*Chairman Olsen complimented those participating in the Curb app.*



**b. Chief Investigator’s Report**

*Chief Aquino stated he received a phone call from a vendor who was looking into other types of transportation beyond TNCs. The vendor had knowledge that TNCs were not as vetted as taxicab drivers and was interested in finding other means of transportation in Southern Nevada. Chief Aquino stated that among other information he informed the vendor about the Curb app. Chief Aquino stated the vendor was very excited about the app.*

*Chief Aquino stated there are challenges with response times to crashes based upon limited resources. Last month there were 1191 vehicle damages reports written, 512 of which were accidents. Chief Aquino invited everyone to his roundtable November 18<sup>th</sup> at 10:00 a.m. to discuss efficient ways to deal with those crashes.*

*Chairman Olsen asked how much time it takes to respond to an accident. Chief Aquino stated some drivers wait two to two and a half hours. Chief Aquino stated he is making a big push for quicker response times.*

*Administrator Grogan stated this has been a long standing problem. Some ideas already implemented include having drivers involved in bumper taps come to the Taxicab Authority for inspection and release. Administrator Grogan is also interested in the idea of having an insurance type application that captures pictures and gathers information of a taxicab accident. This app would allow taxicabs to be released back onto the roads, and the Taxicab Authority to inspect the damage, if any, at a later date.*

**c. Stats for September 2016**

**d. Future Agenda Items**

*Administrator Grogan stated future agenda items will include the tabled discussion regarding rates, fees, and medallions. Administrator Grogan stated the consultant’s report will be posted to the website so that everyone can see it before the next board meeting.*

**15. Report of Legal Counsel**

*Deputy Attorney General Sophia Long had nothing to report.*

**16. Public Comment**

*Chairman Olsen announced Member Collins retirement and resignation from the Taxicab Authority Board. Chairman Olsen thanked Member Collins for his service and wished him well in retirement. Member Collins stated the taxicab companies run a good ship and he wanted to highlight a personal experience with Ace Cab Driver Michael Kidane. Member Collins stated Michael was talkative, professional, and just a great ambassador to the city. Member Collins commended the taxicab companies, drivers, and Taxicab Authority staff on their great work with the industry.*

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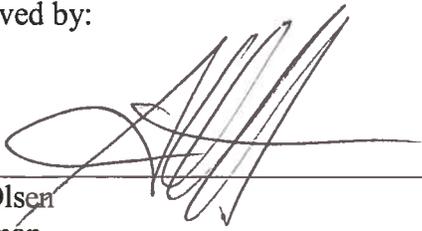
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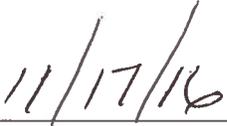


**17. Adjournment**

*All in favor of adjournment – motion passes.*

Approved by:

  
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Stan Olsen  
Chairman

  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Ronald Grogan  
Taxicab Authority Administrator

  
\_\_\_\_\_  
Date

