

BRIAN SANDOVAL
Governor

BRUCE BRESLOW
Director



RONALD GROGAN
Administrator

JENNIFER DeROSE
Deputy Administrator

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
TAXICAB AUTHORITY

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STAN OLSEN
Chairman

Members
BRUCE AGUILERA, ESQ.
JAMES E. CAMPOS
ROGER C. THOMPSON, Ph.D
RICHARD DAVID GROOVER

MINUTES OF THE JANUARY 12, 2017 BOARD MEETING AND HEARING

1. Call to Order

Chairman Stan Olsen called the meeting to order at 9:02 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 Bruce Aguilera

Member James Campos

Member Roger Thompson

Member Richard David Groover

2. Pledge of Allegiance to the Flag

Member Aguilera 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

Jonathan Schwartz, YCS, stated efforts being made to stop long hauling include the long haul database maintained by the Taxicab Authority on their website, the signs that are posted at the airport providing approximate fares to popular destinations, and the signs posted in taxicabs outlining the long route statute. Mr. Schwartz stated taxicab companies refund charges to passengers who complain of long hauling. Mr. Schwartz stated he believes more can be done to eliminate long hauling and he proposed language to be adopted regarding long route regulations. Mr. Schwartz stated they want to get repeat offenders out of the industry. To that end Mr. Schwartz recommends fining the taxicab company when their drivers commit three or more long hauls in three years. Mr. Schwartz further proposed there be a set of alternative routes to major destinations that don't cost much more and will not be considered long routes in an effort to better serve the riding public.

John Marushok, Frias, stated most of the industry worked together and is in support of Mr. Schwartz's proposals regarding long hauling.

Chairman Olsen stated the board will review the proposed language regarding long haul regulations but cannot make a decision until it has been properly noticed on a public meeting agenda. Chairman Olsen further stated in his opinion long hauling is a criminal act and they have to do something about it.

Chairman Olsen welcomed Richard David Groover to the Taxicab Authority Board.

Desiree Dante, Lucky Cab, stated Jason Awad spoke with Administrator Grogan regarding new technology that will help combat long hauling. Ms. Dante stated Mr. Awad hopes to come before the board within the next 60 days with a demonstration on the new technology. Chairman Olsen stated the board hopes to discuss long hauling at the next board meeting and would like an update at that time.

Administrator Grogan stated he did speak with Mr. Awad regarding the new technology. Administrator Grogan stated the technology Mr. Awad is working with is almost a direct overlay of the NRS statute on long hauling which dictates developing a system which allows the passenger to choose their route.

5. Approval of the December 8, 2016 Board Meeting Minutes

All in favor – motion passes.

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

Ms. Soto was not present for the meeting.

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

Ms. Kirtley was not present for the meeting.

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

Mr. White was not present for the meeting.

9. Discussion 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.

10. Discussion 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.

11. Discussion 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.

Items 9, 10, and 11 were discussed together.

Member Aguilera commented on an article in the Las Vegas Review Journal regarding an experiment where one person took a bus, one person took a taxicab, one person took an Uber, and one person took a Lyft. The article stated that the taxicab ride cost more but it was quicker. Member Aguilera stated consumers take notice of price and the taxicab ride cost more. Member Aguilera stated he is not suggesting they change the rates but it is important to remain mindful of the cost to the public.

Member Thompson stated the rates are tied to the fees in regard to a portion of the credit card fees being used to cover general operating expenses. Member Thompson stated general operation expenses are more justly covered by the rates. Member Thompson stated he believes raising the rate \$0.01 per 12th of a mile will cover the portion of the credit card fee that is being used to fund general operations.



John Hickman, Western Cab, stated they are not requesting any change in rates or medallions. Mr. Hickman stated Western Cab requests that the credit card fee remain the same. Mr. Hickman stated they agree that \$2.60 is an accurate figure to represent the amount it costs to process credit card transactions. Mr. Hickman would like to add that part of the 40 cent difference is reasonable profit that they should be allowed to have on their investment. Mr. Hickman stated he agrees on moving to a table that does not include California for the fuel surcharge and recommends adjusting the fuel surcharge trigger to \$3.11.

John Marushok, Frias, stated the credit card fee has been vetted multiple times by the Taxicab Authority Board as well as the State. Mr. Marushok stated through Assembly Bill 351 and 706.88355 it is absolutely legal to charge the credit card fee and without limitation to the costs. Mr. Marushok stated the fee meets transparency in how it is applied and through the notices on the door and inside the taxicabs informing the passenger of the fee. Mr. Marushok stated the fee is assessed fairly as it is only charged to those who want to pay by card. Mr. Marushok added inflating the rate would unfairly charge passengers who pay by cash. Mr. Marushok stated the fee is customary in the taxicab industry as well as many other industries. Mr. Marushok stated he believes the 3 dollar fee is a fair amount when compared to what other businesses and industries charge for the same service. Mr. Marushok stated industry costs have increased by millions while their revenue has decreased by millions and it is important that the industry and the Taxicab Authority Board work together to ensure the safety of the riding public and further technological advancements. Mr. Marushok stated in order to remain competitive with the TNCs the industry cannot afford to lose any more of their revenue stream.

Member Aguilera stated after reviewing the legislative history, Mr. Marushok is correct in that there was a lot of discussion over several meetings regarding the credit card fee. Member Aguilera stated there was no real issue over whether taxicab companies could charge a fee. Member Aguilera stated he has learned through speaking with drivers that there are not complaints about the credit card fee and it is transparent. Member Aguilera stated he believes the public accepts the credit card fee. Member Aguilera asked if there is a way to charge two different rates on the meter one for passengers that pay cash and one for passengers who pay with credit card. Mr. Marushok stated he believes it could be possible with the soft meters. Chairman Olsen asked Mr. Marushok if his system would allow for two different rates. Mr. Marushok stated it does not currently allow for two rates.

Member Thompson stated he is in agreement with Mr. Marushok's comments on the credit card fee. Member Thompson stated he is uncomfortable charging different rates for different people. Member Thompson stated he is uncomfortable with the 40 cents going to general operating expenses. Member Thompson stated there is a sticker shock to the credit card fee and it affects the driver's tips. Member Thompson stated \$2.60 is not a lot less than \$3 but could perhaps change the public perception of the fee. Member Thompson stated he agrees there should be a credit card fee but it should be reflective of the cost to process the credit card transaction. Mr. Marushok stated though some individual drivers may have different experiences the overall statistics show an increase in tips through credit card payment.

Mr. Marushok stated Frias requests no change in the credit card fee, they agree with Taxi Research Partners' recommendation of using Pad 5 without California for the fuel surcharge, and request the trigger be moved down from \$3.25 to \$3.11. Mr. Marushok stated they have no need to request further medallions at this time.



Chairman Olsen stated he is almost of the opinion to recall the extra medallions that aren't being used however he will not move on that at this time.

Brent Bell, Whittlesea Blue Cab Henderson Taxi, commented on the article in the Las Vegas Review Journal that Member Aguilera discussed earlier in the meeting. Mr. Bell stated he is pleased with the article and he was not surprised the taxicab industry came out 6 dollars more expensive. Mr. Bell stated the taxicab industry have expenses that TNCs do not have such as employees, health insurance, and vehicle insurance that covers the passengers of the taxicab. Mr. Bell stated there is no doubt that taxicabs are more expensive but you get what you pay for.

Mr. Bell stated his companies along with Frias and YCS have just responded to an RFI for the RTC to start possibly providing some service for the RTC Paratransit. Mr. Bell stated RTC has to cut costs and the taxicab industry is stepping up and working with the RTC to try to find a cheaper way to provide Paratransit services. Mr. Bell stated part of the RFI was the RTC requesting the taxicab industry provide Paratransit services at the rate TNCs charge. Mr. Bell stated with the taxicab industry's expenses there is no possible way they can accommodate that request.

Mr. Bell stated they are not requesting a change in rates. Mr. Bell stated they are not requesting more medallions and while he understands where the Chairman is coming from in regards to recalling the medallions that are not being used, those extra medallions allow the industry to be competitive on weekends and when more taxicabs are needed. Mr. Bell stated they are working on their hiring processes so they can get more medallions on the road. Mr. Bell stated they are working on being competitive which includes installing the new DT5 meter. Mr. Bell stated the DT5 meter will allow them to accept several different apps including Curb and Yahoo. Mr. Bell stated they need their current revenue to compete and he urges the board to leave things the way they are.

Member Campos asked Mr. Bell for clarification on vehicle insurance. Mr. Bell stated if the TNC ride is done through the app there is \$1 million of insurance provided through the TNC. Mr. Bell stated in the event of a bad accident \$1 million does not go far. Mr. Bell stated if a person gets into a TNC off app and pays cash there is zero coverage. Mr. Bell stated even the driver's personal insurance will not cover the passenger because it disallows any type of commercial work. Mr. Bell stated this happens thousands of times per day especially during the busy times when drivers are working for themselves. Mr. Bell stated his cab companies have \$3 million of coverage. Mr. Bell stated insurance is an important part of making the customers feel safe.

Member Aguilera asked Mr. Bell if all his medallions were out during CES. Cheryl Knapp stated they did not have all their medallions out but they had every available driver working. Chairman Olsen asked if there was discussion regarding a certain number of medallions to be used for handicap accessible vehicles during the last medallion allocation. Cheryl Knapp stated one out of every ten medallions issued are to be used as a handicap accessible vehicle. Chairman Olsen asked Mr. Bell if his company has followed those provisions. Mr. Bell stated they have. Chairman Olsen asked Mr. Bell if he is aware of TNC vehicles that provide rides for disabled passengers. Mr. Bell stated there are no TNC vehicles that provide rides for disabled passengers. Mr. Bell further stated the handicap accessible vehicles cost about 35 percent more than the standard taxicab and additionally they have to train their drivers to work with disabled passengers. Mr. Bell stated it truly is not a level playing field when you consider the added expenses incurred by a taxicab company. Chairman Olsen asked Mr. Bell if he recalled any discussion at the legislature regarding TNCs and handicap accessibility. Mr. Bell stated he



did make comments in his testimony before the legislature that he believes the TNCs are in violation of the ADA. Mr. Bell further stated there was not much discussion on handicap accessibility outside of his comments. Member Aguilera commented that he does not believe there were any rates established for TNCs that would provide handicap accessible service. Mr. Bell stated the TNCs position has been to find a taxicab company to handle calls for handicap accessible service.

Jonathan Schwartz stated he wishes to echo Frias' comments and add that YCS supports PAD 5 minus California with regard to the fuel surcharge and \$3.11 as the trigger point. Mr. Schwartz stated that according to NRS fares need to be uniform and so they cannot charge different rates to different customers.

Mr. Schwartz stated the Livery Operator's Association secured disability rights experts who testified during the legislative session. Mr. Schwartz stated the testimony of the experts was that allowing one transportation provider to deny service to the disabled community emboldens other transportation providers to do the same. Mr. Schwartz stated there were legislators that were legitimately concerned with this outcome but nothing came of it. Mr. Schwartz stated he believes TNCs are in violation of the ADA. Mr. Schwartz stated YCS is dedicated to serving the disabled community so much so that they incentivize their drivers by paying them more when they provide this service.

Chairman Olsen commended YCS on their dedication to providing service to the disabled community and for incentivizing their drivers to provide such service.

Member Aguilera asked about the policy of the industry in regards to service animals. Mr. Schwartz stated the animals ride in the car with the passengers.

Member Aguilera asked how the industry came to the figure of \$3.11 for the fuel surcharge. Mr. Schwartz stated that came out of research provided by Jeremy Aguero.

Member Groover asked if the rate goes up when gas prices are \$3.11 or if it goes to review at that point. Mr. Schwartz deferred specifics to Administrator Grogan but answered that it does go to review. Administrator Grogan stated there is agreement as to a fuel surcharge but there is not an agreement yet as to the trigger point. Administrator Grogan stated he has information forthcoming that he would like to present to the board before a decision is made on this matter. Chairman Olsen agreed it is best to wait on a decision regarding the fuel surcharge trigger.

Ruthie Jones, ITPEU, stated the union agrees that no changes should be made to the rates and agrees that the industry faces overhead that TNCs do not face. Ms. Jones stated she agrees with the idea that some of the medallions should be recalled. Ms. Jones stated the \$3 credit card fee impacts the driver's tips. Ms. Jones stated the drivers should share in the credit card fee or the fee should be removed. Ms. Jones asked that California be excluded from the fuel surcharge.

Sam Moffitt, ITPEU, stated he believes the reason there are medallions sitting in the yard is because it is no longer possible to make a decent living being a taxicab driver. Mr. Moffitt stated the credit card fee and fuel surcharge have a definite impact on the driver's wages. Mr. Moffitt urged the board to consider both the drivers and the companies in their decision regarding rates, fees, and medallions.



Member Aguilera asked if a decision has been made in Northern Nevada regarding the credit card fee. Mr. Bell stated Whittlesea Checker Taxi in Reno was charging the \$3 credit card fee based on what was being charged in Las Vegas. There was no tariff for the credit card fee through the NTA and the NTA started an investigation. Mr. Bell stated at this time the credit card fee has not been resolved so they are currently charging a fee based the contract amount with the credit card processing vendor.

Chairman Olsen opened discussion with the board stating he would agree with letting medallions and rates stand as they are for now. Chairman Olsen stated on the issue of the fuel surcharge he would agree with waiting to make a decision and urges the industry and administration to work together on this matter. Chairman Olsen stated on the issue of credit cards he would agree on letting it stand for now awaiting decisions from the legislature.

Member Campos stated he agrees with Chairman Olsen's comments regarding rates, medallions, credit card fees, and the fuel surcharge. Member Aguilera stated he also agrees with letting the rates, medallions and credit card fees stand until after the legislature meets as it does not make sense to make changes now that can be altered again shortly by the legislature.

Member Thompson asked what the current rate is per mile. Administrator Grogan answered \$2.76 per mile or \$.23 per 1/12 of a mile. Member Thompson stated if the \$3 credit card fee is not a big red flag to the legislature then he agrees to let it stand for the time being. Member Thompson asked if they do not make adjustments to the credit card fee will it slow other progresses they want to make in the legislature. Chairman Olsen stated he does not believe the \$3 credit card fee is a red flag with the legislature but it may be with the media. Chairman Olsen stated the industry did a good job of showing where the \$3 credit card fee goes and what their expenses are in regards to the credit card fee. Chairman Olsen stated it is clear the industry is suffering financially. Chairman Olsen stated there is a clear difference in the rules and regulations facing TNCs and the taxicab industry. Chairman Olsen stated according the staff they don't receive many complaints regarding the \$3 credit card fee. Chairman Olsen stated the complaints the Taxicab Authority does receive are regarding long hauling and that is a much bigger issue. Member Thompson agreed long hauling is a bigger issue.

Member Thompson stated he still has some discomfort but he agrees with the proposed decision for today. Chairman Olsen agreed he also has some discomfort. Member Thompson stated the board wants a healthy taxicab industry, fares that are happy, and the population of Nevada to be well served. Chairman Olsen stated the bottom line is the safety and convenience of the community and also tourism and how they are being treated. Chairman Olsen stated things they are looking to consider in the future are the driver's dress code and the industry's request to post the rates and fees inside the vehicle to allow the industry to compete more visually with cleaner looking vehicles.

Member Groover stated he believes the \$3 credit card fee is a fair fee. Member Groover stated he travels a lot and he expects to pay these kinds of fees.

Administrator Grogan stated after the last meeting he asked the staff to go through the complaints for the first four months of 2016. Administrator Grogan stated there were 23 complaints on the credit card fee to which most of the complaints express surprise in the amount of the fee and not that there was a fee. Administrator Grogan stated he has the full year of stats for 2016 and there is significant loss of revenue to the taxicab industry. Administrator Grogan stated the credit card revenue is significant and it is hard to add that to the loss the industry already faces. Administrator Grogan stated this revenue is not



easily made up especially when considering there is a price delta between the industry and TNCs. Administrator Grogan stated he agrees with Mr. Bell the TNCs have an almost non-existent regulatory cost while the taxicab industry's regulatory costs are significant. Administrator Grogan stated he too has discomfort but it is not derailing discomfort. Administrator Grogan stated they need to have more dialogues such as they've had deliberating this issue with more transparency. Administrator Grogan stated this meeting is a result of an audit from last year and the single biggest issue in the audit was the transparency of the board in its decision making. Administrator Grogan asked the board to add to their motion an order to direct the industry to work with the Taxicab Authority Administration and with Taxi Research Partners to finish the model. Administrator Grogan stated the industry applauded the notion of the work and the model itself but questioned the veracity and accuracy of the data. Administrator Grogan stated the purpose of the model is not take decision making away from the board but rather to provide valuable information and insight into the financial health of the industry.

Member Thompson made the motion to keep rates, fees, and medallions as they are for now. Member Thompson further motioned to include Administrator Grogan's request for the industry to work with the Taxicab Authority Administration and Taxi Research Partners in completing the model. Member Groover seconded the motion.

Chairman Olsen asked for any further discussion. There was no further discussion. All in favor – motion passes.

12. Staff Report

a. Administrator's Report

Administrator Grogan stated the revenue information for the month of December will be posted later today. Administrator Grogan stated in the next year they are asking the industry to provide information specific to the credit card fee which includes volume and dollars.

Administrator Grogan stated in two previous board meetings he has asked the industry to look into and correct any wires from the top hats being wrapped around airbags. Administrator stated on January 7th there was an accident with a vehicle in which the airbags did not completely deploy because there were wires wrapped around the airbag. Administrator Grogan stated he has instructed his vehicle inspectors to check the top hat wiring when they are inspecting vehicles and he encourages the industry to take serious steps in correcting this issue and inspecting their own vehicles.

Chairman Olsen added that should the issue with the airbags not be addressed he will shut down the company for the safety of the riding public.

Administrator Grogan commended his staff on all their hard work and extended his gratitude for the same.

b. Chief Investigator's Report

Chief Aquino stated during the National Finals Rodeo there were investigators patrolling the area as well as undercover investigators in the taxi line. Chief Aquino stated the undercover investigators were successful in apprehending one gypsy from the taxi cab line in which the gypsy solicited the investigators for \$120 one way from the Thomas and Mack to the



Treasure Island Casino. Chief Aquino stated Chief Bradford from the NTA also had investigators out during NFR in a concerted effort to detect uncertificated carriers.

Chief Aquino stated in 2016 the gypsy long haul team impounded 37 uncertificated vehicles of which 20 percent were TNC drivers. Chief Aquino stated only one of the impounded gypsy vehicles came out of California. The rest were local.

Chief Aquino stated he started investigating gypsies in 2005. Chief Aquino stated they used to see soccer moms and real estate agents as gypsies and now they are seeing felons. Three of the vehicles impounded in 2016 were stolen. Chief Aquino stated in one instance the trunk of the vehicle was full of U.S. Mail and so the U. S. Postal Inspectors got involved.

Chief Aquino stated they are now recruiting year round for enforcement investigators.

Chief Aquino stated background checks for the drivers are imperative to the safety of the riding public. Chief Aquino stated the background investigative stats include 72 denials of applications and 62 warrants on both current and new applicants. Chief Aquino stated the warrants range from misdemeanor to felonies. Chief Aquino stated the Taxicab Authority continues to aggressively vet drivers to ensure the industry has the best drivers in their employ.

Chief Aquino addressed a situation where homemade taximeter cheating device was discovered. Chief Aquino invited the industry to stay after the meeting for a demonstration of the device.

c. Stats for December 2016

Chief Aquino stated for the month of December 2016 there were 1411 generated events, 245 violations written, 60 long haul citations issued, 265 violations resolved through the court, and 476 vehicle inspections performed.

Administrator Grogan stated industry stats will be posted to the website later today.

d. Future Agenda Items

Administrator Grogan stated he has commissioned a task force to look into allowing the industry to do their own driver training course. Administrator Grogan stated he will contact the industry for further discussion on this matter.

13. Report of Legal Counsel

Deputy Attorney General Gary Mathews had nothing to report.

14. Public Comment

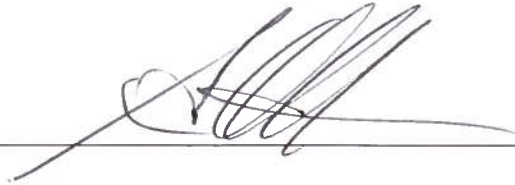
John Marushok welcomed new Board Member Groover.

15. Adjournment

All in favor of adjournment – motion passes.



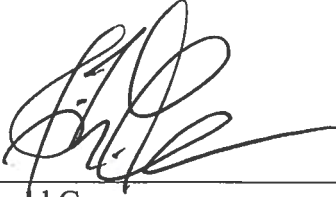
Approved by:



2/23/17

Stan Olsen
Chairman

Date



2/13/2017

Ronald Grogan
Taxicab Authority Administrator

Date

