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Governor

BRUCE BRESLOW
Director



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Administrator

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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 FEBRUARY 23, 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 Groover 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 January 12, 2017 Board Meeting Minutes

All in favor – motion passes.

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

Ms. Soto stated the CES convention went extremely well. She stated CES leased space for taxis and they had the TNCs staged at a different location which assisted in the traffic flow. Ms. Soto expressed appreciation to YCS and Frias for their help with the MAGIC show. Ms. Soto explained they anticipate some traffic challenges during Con Expo as all the parking lots have been leased for exhibit space. Ms. Soto stated she is setting up a meeting with the industry to provide information on where the taxicab stands will be located during the Con Expo show.

Member Aguilera asked Ms. Soto if she has had any communication regarding the Riviera project. Ms. Soto stated everything is in the works but it is a little premature to set up transportation.

Chairman Olsen asked Ms. Soto if she has had any issues with the TNCs. Ms. Soto stated she has not.

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 stated there was a large transportation effort for the CES show. Mr. White stated wait times were no longer than five minutes during the show and up to 30 minutes at show breaks. Mr. White stated wait times were longer at show breaks because of the traffic congestion. Mr. White thanked the industry for the great service and YCS and Frias for their support. Mr. White stated the need for taxicabs has diminished noting a line forming only at show break with approximately 30 people waiting.

Chairman Olsen asked Mr. White if he has had any issues with TNCs. Mr. White stated he has not.

Member Campos asked Mr. White if the TNCs cause added congestion at Sands. Mr. White stated the TNCs do add to the congestion but they are not the cause of it. Member Campos asked about TNC staging areas on the property. Mr. White stated they do not have a staging area for TNCs. Mr. White stated the TNCs use the POV portion of their drive.

9. Reschedule March and August 2017 Board Meeting Dates

The Board Meeting dates were rescheduled to March 28, 2017 and August 17, 2017.

10. Discussion Regarding Industry Cooperation with Taxi Research Partners in Completing the Model

Administrator Grogan stated the industry is concerned with providing the data requested by Taxi Research Partners. Administrator Grogan stated he met with a representative from the Livery Operator's Association and believed they had come to an agreement.

Kimberly Rushton on behalf of the Livery Operator's Association stated members of the LOA believe the information requested by TRP is proprietary and will lead to information being released to the public that is anti-competitive and not in the best interest of the analysis that is being performed by TRP. Ms. Rushton stated she met with Administrator Grogan and expressed these concerns and the concern that the TA was providing specific financial information to TRP. Ms. Rushton stated the information provided by the industry to the TA is deemed confidential by regulation. Ms. Rushton stated an outside agency or individual needs a court order to obtain this information. Ms. Rushton stated the LOA respectfully requests that they not be required to provide the information, and that the TA does not provide the information, to TRP without a court order.

Administrator Grogan stated that by statute the industry is required to provide the TA with the information they need to properly regulate the industry. Administrator Grogan stated the information is being sought to provide the Board with a tool in which to help them make better determinations about rates, fees, and the number of medallions on the street. Administrator Grogan stated under regulation that data is deemed to be confidential to the extent it releases specific company information. Administrator Grogan stated the LOA had previously agreed to provide the information with the caveat that company information would be redacted and TRP would not know which company the information had come from.



Ms. Rushton stated pursuant to the agreement between TRP and the TA there is a specific provision under section 22 and 23 that mandates the information is confidential as related to the contractor but it doesn't exempt the TA from its obligation to keep the information confidential. Ms. Rushton further stated the information requested by TRP is not relevant to the model and is proprietary information. Ms. Rushton stated the information that is needed to complete the model is already in the public domain and can be gathered by TRP.

Administrator Grogan stated the reason the information is being requested from the industry is because the industry attacked the model presented by TRP as being outdated. Ms. Rushton stated the model looks at the allocation of taxis and the rates. Ms. Rushton stated the rates are based on objective factors such as the credit card fee, the fuel surcharge, regulatory activity, and other objective factors which can be gathered from public information. Ms. Rushton stated the basis of the regulation is to ensure that the industry is fully compliant with the Board in providing financial information so that the Board can determine the economic conditions of the industry and ensure that each operator maintains the 20 percent equity requirement.

Chairman Olsen asked Ms. Rushton if the industry is now okay with using the old data to create the model. Ms. Rushton stated she believes there is relevant and present information in the public domain that TRP can use to create the model. Ms. Rushton stated TRP is asking for gross net income and information specific to sundries costs that are not relevant to the model. Ms. Rushton asked that the model be used only to show how they got to where they are and what things they might want to consider in the future.

Member Aguilera clarified with Administrator Grogan that the TA would redact company names and identifiers from the financial information before giving it to TRP. Administrator Grogan stated that was the proposal and he does not understand how that compromises confidential company information. Member Aguilera asked Ms. Rushton if that would solve the problem. Ms. Rushton stated it would not because she believes it would be easy to discern which company's financial data you were viewing based on the operations of the company. Ms. Rushton stated the information is confidential by law and requests the TA provide a court order instructing the industry to provide the data to TRP. Ms. Rushton stated the benefit to the Board would be minimal in comparison to the damage that could be caused to the industry.

Chairman Olsen asked Ms. Rushton how someone would identify the company from composite data. Ms. Rushton stated it can be based on the amount of vehicles. Ms. Rushton stated TRP is asking for financial information relating to gross fare revenue, advertising revenue, credit card fee, sundry revenue, office wages, driver wages, and mechanic wages. Ms. Rushton stated she believes this information is somewhat unreliable and not relevant to the model. Ms. Rushton stated there is no need to move forward with the model but if they choose to move forward the model can be completed using information that is already in the public domain.

Chairman Olsen stated TRP needs to obtain the data necessary to complete the model. Chairman Olsen stated he understands the industry's concern over requests for information that may not be needed but the information in the public domain is last year's data and the industry was opposed to TRP using that information for the model. Ms. Rushton stated the model should be a blueprint on how to analyze rates going forward and doesn't need to include specific information about how the operators operate now.



Administrator Grogan stated the essence of the model is to develop analysis that would allow the TA to evaluate what it costs the industry to produce a ride. The consultant is attempting to gather information so that he can quantify what it costs the industry to produce a ride. This will provide information to the Board on whether the cost to produce a ride has increased or decreased since the last bar was set. The industry stated the data was outdated and now their argument is to use the old data. Ms. Rushton stated the model should be based on objective factors and not the current financial data of the companies. Ms. Rushton stated the analysis to determine what it costs to produce a ride is already in the purview of the TA and that the TA should perform that analysis rather than using a third party.

Member Aguilera stated in previous discussions the industry made strong arguments that the model was flawed because the insurance premiums had gone up, which is a current expense. Member Aguilera stated he believes current information is needed for the model.

Member Thompson asked Ms. Rushton if the concern is whether the TA can safely provide the information to TRP without a risk of releasing confidential information. Ms. Rushton stated yes. Member Thompson stated the information has to go to the TA. Ms. Rushton agreed. Member Thompson stated it is up to the TA's Legal Department to ensure they are not releasing confidential information. Ms. Rushton stated the industry is required to provide financial information for the annual report and during an audit. Ms. Rushton stated that information is deemed confidential and may not be disclosed to outside agencies or individuals without a court order.

Ms. Rushton stated she believes the necessity of the model has been met in that it was in response to the executive audit whose two key factors have been addressed. Administrator Grogan stated the audit also addressed a lack of transparency with the Board in making decisions regarding rates and fees. Administrator Grogan stated the model is transparent and straight lined allowing the Board to determine how much it costs to produce a ride on a yearly basis. It will set a benchmark to begin the discussion by the Board on the rates and fees.

Member Groover asked Administrator Grogan if the information can be released. Administrator Grogan stated the industry challenged the TA's posting of composite data on its website that was provided in a Board Meeting. Administrator Grogan stated the TA researched the disclosure with the Attorney General's Office and in house counsel. The conclusion was the composite data does not violate the confidentiality of any company's financial information.

Member Groover asked Attorney General Gary Mathews if the information requested can be released to TRP. Attorney General Mathews stated if the requested information is being obtained per statute and regulation, TRP is an extension of the TA, then it is well within the confines to provide the information. Member Groover asked how the TA would handle public records requests for redacted company information. Administrator Grogan stated by statute he cannot release that information.

Member Campos asked Ms. Rushton where she sees a potential for compromise in providing the information necessary to complete the model. Ms. Rushton stated she recommends TRP develop a model, provide object standards that the TA should use going forward to analyze rates, and provide it to the Board so they can use it as a blueprint of the factors to look at when determining if a rate modification is needed. Administrator Grogan stated the industry does not want to produce the data and they are trying to justify not providing the data. Administrator Grogan stated he is asking the industry to tell him how the objective factors directly influence their industry. Administrator Grogan stated what he



is hearing is the industry does not support the model, does not want the model, and is suggesting to the Board that the Board back off and approve a watered down solution for transparency.

Member Thompson asked Administrator Grogan if the industry is refusing to provide the requested data to the TA. Administrator Grogan stated they are refusing to provide the information to the consultant who is an agent of the TA. Ms. Rushton stated the industry does have a statutory obligation to provide the requested data to the Board. Chairman Olsen asked if the data is required annually or on demand or both. Ms. Rushton stated it is required annually for the annual reports and during an audit. Member Thompson stated the TA should be able to get any information they request and do what they need to do with that information as long as it is legal.

Chairman Olsen stated he wants an action item for decision by the Board on the next agenda regarding this matter. Chairman Olsen stated he sees two possible decisions either to require the data be provided by the industry or instruct the TA to use the old data. Chairman Olsen asked the Board if they agree with that recommendation. Member Campos asked if it is possible to create a hybrid of those options. Chairman Olsen stated it is possible and they will discuss it at the next meeting before making a decision. Administrator Grogan stated he will seek to get an AG's Opinion on whether releasing information to a consultant employed by the TA violates regulation. Chairman Olsen asked when the contract with TRP expires. Administrator Grogan answered May 31. Administrator Grogan stated in May, as part of their annual report, the industry will be providing the information requested by TRP but it will not give the consultant enough time to analyze the data.

11. Discussion to Clarify Action Items the Board Has Given to the Industry Regarding Long Hauling

John Marushok, Frias Transportation, stated members of the industry including Frias, YCS, Bell, Desert, and Western, got together and discussed solutions for long haul violations. Mr. Marushok stated as a group they ran a metered route study to determine what alternative routes could be used by a driver and not be considered long hauling. Mr. Marushok stated they ran 300 routes and will present the data to the Board at the next Board Meeting.

Member Groover asked if they planned to offer alternative route options to their passengers. Cheryl Knapp, Bell Transportation, stated they studied parallel routes. Mr. Marushok stated they set out to determine routes that exist today that were not available when the laws and regulations were created. Mr. Marushok stated these routes include utilizing parallel streets such as Frank Sinatra and Koval. Member Groover asked what the current law requires. Cheryl Knapp stated it requires the most direct route be taken. Member Groover stated that does not account for traffic and waiting times. Ms. Knapp stated it does not take into account that Las Vegas Boulevard on a Friday night is a significantly longer trip and higher fare than using Frank Sinatra. Mr. Marushok stated during their presentation they will provide information on rate, time, and mileage differences.

Member Thompson asked what the industry's path forward will be to curb long hauling. Mr. Marushok stated some of the challenges of long hauling is updating regulation and exploring parallel routes.

Administrator Grogan stated alternative routes are allowed today as long as they are approved by the passenger. Administrator Grogan stated he did not approve the alternate routes presented by the industry because they increased the cost to the passenger. Administrator Grogan stated he is not going to approve any route that increases the cost to the passenger without their consent.



Administrator Grogan stated in an effort to make it easier for the industry to search the long haul database the TA will be identifying the cab company the driver works for at the time the citation is issued. The current format is sorted by permit number and makes it easy to identify the number of citations adjudicated by driver. Cheryl Knapp stated the industry asked for the asterisk to identify egregious violations. Ms. Knapp stated the industry would like to be able to tell the difference between a driver whose fare was a mile over, as opposed to a driver whose fare was several miles over, the direct route mileage. Ms. Knapp stated the industry would like to get the most egregious offenders out of the industry immediately. Administrator Grogan stated the long haul database currently provides the information the industry needs and the biggest indicator of egregious is repeat offenses. Ms. Knapp stated the industry is committed to not hiring a driver who has received three long haul citations.

Chairman Olsen stated long hauling has been going on for too long and it is time for the Board to take action. Chairman Olsen requested the industry and the Taxicab Authority have a plan ready for the next Board meeting at which time the Board will vote. Chairman Olsen stated there will need to be NRS changes so they need to move quickly while the legislature is in session.

Member Groover asked Administrator Grogan if a driver goes 1/10 of a mile over the direct route is it considered to be long hauling. Administrator Grogan answered by statute that is long hauling. Member Groover stated he believes that to be a problem.

12. Staff Report

a. Administrator's Report

Administrator Grogan stated Trip Sheet Magazine took the document presented to the Board by Jonathan Schwartz during the January Board Meeting, which presented alternative statute language and alternative routes, and printed it in their February edition as being approved by the Board. Administrator Grogan stated there have been drivers using this article as a defense to their long haul citations. Administrator Grogan stated the TA has written a letter to Trip Sheet Magazine regarding the validity of their article.

Administrator Grogan stated he would like to sit down with the industry and simplify the model for audits in a financial workshop.

b. Chief Investigator's Report

Chief Aquino stated recently there was an inquiry into the TA's process for background checks on their peace officers. Chief Aquino stated Nevada POST sets guidelines for the background checks of peace officers. Chief Aquino stated the TA is fully compliant with POST requirements and employs a dedicated background investigator to perform the necessary background checks.

Chief Aquino addressed the policies and safeguards for police contact after a peace officer is employed. Chief Aquino stated his investigators are run for police contact on a yearly basis and every five years they go through a full national background check.

c. Stats for January 2017

Administrator Grogan stated industry stats are available on the website.



d. Future Agenda Items

Future agenda items will include further discussion on long hauling, industry cooperation with the TA on the TRP model, discussion on changes to the design of taxicabs including changes to the location where rates are posted, discussion on Taxicab Authority inspections of minor taxicab accidents, and a legislative report from the industry and the Taxicab Authority.

13. Report of Legal Counsel

Deputy Attorney General Sophia Long had nothing to report.

14. Failures to Appeal: Citation Appeals

William Demick Jr. TA# 112508 appeared for his appeal.

Deputy Attorney General Mathews presented the facts for the appeal. Mr. Demick Jr. failed to appear for his scheduled arraignment on November 15, 2016 at 1:00 p.m. Mr. Demick Jr. stated on his appeal paperwork that the reason for his appeal is that he was not on duty at the time of the citation. DAG Mathews stated Mr. Demick Jr. has not shown good cause for his failure to appeal.

Mr. Demick Jr. stated he had to appear in municipal court on the same day as his TA court citation.

Chairman Olsen asked Mr. Demick Jr. why he did not reschedule one of the court cases. Mr. Demick Jr. stated his lawyer told him that he would only be at municipal court for an hour. Mr. Demick Jr. stated he did not know who to call.

Member Groover asked Mr. Demick Jr. if he brought proof with him that he was in another court. Mr. Demick Jr. stated he did not.

Legal Secretary Amy McMahon stated when she spoke with Mr. Demick Jr. to inform him of his appeal date before the Board, Mr. Demick Jr. informed her that the reason he failed to appear for his arraignment was because he forgot about it.

Mr. Demick Jr. stated he forgot about his arraignment at the Taxicab Authority because he was in municipal court until 3:00 p.m.

Deputy Attorney General Long informed the Board they can make one of two motions. The Board can either uphold the Hearing Officer's judgment of failure to appeal or they send it back to be heard by the Hearing Officer. DAG Long stated the standard to send it back to be heard by the Hearing Officer is good cause.

Member Aguilera stated he believes Mr. Demick Jr. has shown good cause due to his concurrent court case with municipal court. Member Aguilera motioned to send Mr. Demick Jr.'s case back to the Taxicab Authority Administrative Court to be heard. Member Groover seconded the motion. None opposed – motion passed.



15. Public Comment

Mr. Kahsay, ITPEU, stated the union is against long hauling. Mr. Kahsay stated the driver pays the citation, is issued the suspension, and pays for the customer refund but the industry does not share in the consequences. Mr. Kahsay stated he believes holding the industry equally accountable will stop the long hauling. Mr. Kahsay stated parallel routes should not be considered long hauling.

Sam Moffitt, ITPEU, stated the reason the industry does not add the \$3 credit card fee to the meter is because they would have to share it with the drivers. Mr. Moffitt stated the drivers are suffering financially. Mr. Moffitt stated the credit card fee and the fuel surcharge increase the cost of the ride and reduce the number of trips. Mr. Moffitt stated he started working as a cab driver 21 years ago and at that time you could make a decent living but there are empty cabs sitting in the lot now because drivers cannot make a decent living driving a taxicab anymore.

16. Adjournment

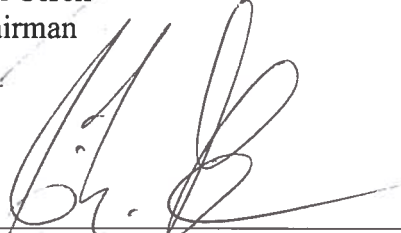
All in favor of adjournment – motion passes.

Approved by:



Stan Olsen
Chairman

3/28/17
Date



Ronald Grogan
Taxicab Authority Administrator

3/28/17
Date

