

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
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Las Vegas Nevada 89119
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MINUTES OF THE JULY 21, 2016 BOARD MEETING AND HEARING

1. Call to Order

Chairman Stan Olsen called the meeting to order at 9:05 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

Absent from the Nevada Taxicab Authority Board

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

Rebecca Lee, NOMO
Laura Bucko, NOMO
John Hickman, Western Cab Company
John Marushok, Frias Cab Company
Jeff White, Sands Expo
Cheryl Knapp, Bell Transportation
John Mowbray, Frias
Desiree Dante, Lucky Cab Company
Jonathan Schwartz, YCS
Marc Gordon, YCS

James Cooper, Taxi Research Partners
Sandy Shaver, YCS
Eric Taylor, Howard Dudley Trust
Johnny Lais, L3 Insurance Advisors
Sam Moffitt, ITPEU
George Balaban, Desert Cab Company
Jim Eckstaedt, Frias
Krishna Kuist, Hyperion Advisors
Jaime Pino, Nellis
Chris Anderson, McCarran International Airport
Joel Willden, YCS
John Scott, Taxi Research Partners
T. Ruthie Jones, ITPEU
Jason Awad, Lucky

2. Pledge of Allegiance to the Flag

Chairman Stan Olsen 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

Rebecca Lee and Laura Bucko presented information about their company Nomo. Nomo is designed to help people who have lost their mobile device retrieve it by way of an online database. Ms. Bucko stated the concept came from her experience of losing her phone in a taxi. She expressed interest in implementing Nomo as a solution to the taxi industry's lost and found challenges with regard to mobile phones.

5. Approval of the June 23, 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 asking to express her thanks and gratitude for the great service the LVCVA received this past month.

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 have excellent service from the cab companies. Mr. Anderson also stated McCarran's numbers are down about 3% year to date and that June and July are their slow months. He stated they loaded about 325,000 cabs in June.

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

Jeff White stated Sands has not had a high demand for taxicabs this month but they are preparing for their busy season starting August and running through to February. Mr. White stated they are pleased with the service they receive.



9. Discussion and Possible Action Regarding the Application of Kelly Dudley-Johnson to Potentially Act As Trustee of the Dudley 2012 Family Trust Which Includes 10 Voting Shares and 990 Non-Voting Shares in Taxicab Operating Rights CPCT 399 (Nevada Star Cab Corporation), CPCT 712 (Nevada Checker Cab Corporation), and CPCT 439 (Nevada Yellow Cab Corporation). – FOR POSSIBLE ACTION

Eric Taylor appeared on behalf of Kelly Dudley-Johnson for the purpose of naming Ms. Dudley-Johnson a successor trustee to the Howard Dudley Trust. Sergeant Rivers appeared on behalf of the Nevada Taxicab Authority. Sergeant Rivers stated that based on the investigation he conducted Kelly Dudley-Johnson did meet the requirements set forth in NAC 706.543 and NAC 706.465. Member Aguilera motioned to approve, Member Collins seconds – all in favor – passes.

10. Discussion and Possible Action Regarding the Application of Scott Dudley to Potentially Act As Trustee of the Dudley 2012 Family Trust Which Includes 10 Voting Shares and 990 Non-Voting Shares in Taxicab Operating Rights CPCT 399 (Nevada Star Cab Corporation), CPCT 712 (Nevada Checker Cab Corporation), and CPCT 439 (Nevada Yellow Cab Corporation). – FOR POSSIBLE

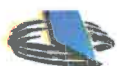
Eric Taylor appeared on behalf of Scott Dudley for the purpose of naming Mr. Dudley a successor trustee to the Howard Dudley Trust. Sergeant Rivers appeared on behalf of the Nevada Taxicab Authority. Sergeant Rivers stated that based on the investigation he conducted Scott Dudley did meet the requirements set forth in NAC 706.543 and NAC 706.465. Member Aguilera motioned to approve, Member Collins seconds – all in favor – passes.

11. 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 presented the background as to the proposed legislation and the foundation as to what it covers. Attorney Reyes-Speer explained that the proposed regulations arose from Senate Bill 376 passed by the Senate on April 7, 2015, passed by the Assembly May 20, 2015, approved by the Governor June 9, 2015, and codified into NRS chapter 706.

Attorney Reyes-Speer explained that the Taxicab Authority has conducted two workshops to gather information for the proposed regulations. The first workshop was held on December 18, 2015 and another on May 16, 2016. In addition to the workshops, comments have been open for receipt since November 24, 2015. The proposed legislation is a result of information gathered at these workshops from the industry, the taxicab drivers, and the public. The proposed legislation has been through several revisions by the Legislative Counsel Bureau. The first proposed regulations were sent to LCB in January 2016. A revision was requested in March 2016 and received back April 20, 2016. The proposed regulation presented today is the second revision requested in May 2016 and received from LCB June 10, 2016. Attorney Reyes-Speer explains that the proposed regulations have been revised several times and reflects a lot of the suggestions made by the industry, the taxicab drivers and the public.

Attorney Reyes-Speer explains the lease regulations provide a structure and procedure for leasing taxicabs to independent contractors. The proposed lease regulations define which taxicab companies



may lease to independent contractors. The taxicab company must hold a Certificate of Public Convenience and Necessity and also be the registered owner of the taxicab or have the legal authority to lease it to independent contractors.

Attorney Reyes-Speer explains that the proposed lease regulations define who may become an independent contractor. They must hold a taxicab driver's permit and go through a background process.

Attorney Reyes-Speer explains that the proposed lease regulations also discuss lease templates and the requirements for approval by the Taxicab Authority. Section 5 discusses what must be in the lease agreements. The contents are minimum requirements. Attorney Reyes-Speer states that the Taxicab Authority wanted to give taxicab companies the flexibility to go beyond that and specify other requirements that are specific to their company. Section 6 discusses security deposits being at the discretion of the taxicab companies.

Attorney Reyes-Speer explains that a main issue is the manner in which the taxicab can be used. This is something that the Taxicab Authority believes is limited to what the purpose for the CPCN for a taxicab is for and that would be to operate a taxicab.

Attorney Reyes-Speer explains that the leasing regulations discuss the consequences to independent contractors and taxicab companies if there is any violation as to the NRS chapter 706 or the regulations under NAC chapter 706.

Attorney Reyes-Speer states the Taxicab Authority believes the proposed lease regulations are ready to be adopted as written though they acknowledge there remain a few concerns from the industry that she believes will be addressed today.

Member Aguilera asked Attorney Reyes-Speer if the taxicab companies will continue to carry insurance as well as the independent contractor carrying insurance on leased taxicabs. Attorney Reyes-Speer answered yes. Member Aguilera asked if the leased vehicle will have all the same markings as a vehicle operating as a taxicab. Attorney Reyes-Speer answered that her understanding is that they will have the same markings. Attorney Reyes-Speer advised it may be open to the taxicab companies to allow an independent contractor to advertise on the vehicles. Member Aguilera asked if the taxicab could be used by the independent contractor outside of work. Attorney Reyes-Speer answered that when the vehicle is in operation it is considered to be on-duty.

Chairman Stan Olsen called the interveners to step forward.

Attorney John Mowbray, General Manager John Marushok, and Jim Eckstaedt appeared on behalf of Frias.

Attorney Mowbray expressed that the rules and regulations of the Taxicab Authority have been vetted over time to provide for the safety of the riding public. Attorney Mowbray stated that to Member Aguilera's point, the concern of Frias is if the riding public will be able to distinguish between a lease taxicab and a taxicab in the employ of a taxicab company. Another concern of Frias is the ability to regulate and enforce the number of hours in which an independent contractor will drive the taxicab. Frias' concern is an inability to know whether independent contractor, who is also working as an employee of a taxicab company, is driving more than the allowed amount of time. Attorney Mowbray stated at this time Frias safeguards against this possibility by not allowing their employees to work as a driver anywhere else.



Attorney Mowbray stated Frias is also concerned about the blurred lines between independent contractor and employee within the proposed lease regulations. Attorney Mowbray cited an example in Section 27 referring to dress code. Attorney Mowbray stated when you become restrictive, no matter what you have on a piece of paper, it will be challenged. Frias suggested that that section is deleted and it become a part of the regulatory scheme and is enforced by the Taxicab Authority.

Attorney Mowbray stated Frias' biggest concern is Section 34 namely the ability of drivers to lease from a company for whom they are not employed. There is also concern about a TNC masquerading in a taxicab.

Member Aguilera spoke about the meters being used to track the amount of time the vehicle is being driven and where it is being driven. Mr. Marushok addressed this by stating that if an independent contractor is leasing from a company other than from whom they work it would not be possible to track their hours in that manner. Mr. Aguilera proposed the idea of writing it into the independent contractor's contract that they are not to lease or work for another company during the period of the lease agreement. Mr. Eckstaedt addressed this by explaining a situation where an independent contractor worked all night and then started his shift as an employee in the morning and got into an accident. It is Mr. Eckstaedt's understanding the liability will fall to the company.

Chairman Olsen spoke about the absence of a log in respect to taxi drivers as it is common practice for bus drivers, train operators, and pilots. There could be a requirement for drivers who also want to become independent contractors to maintain a log of the hours they are driving.

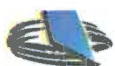
Mr. Marushok addressed that there is no requirement in the current proposed regulations that driver inform his employer if he becomes an independent contractor for another company.

Chairman Olsen asked if the Taxicab Authority can regulate the use of a log book and the notification of a driver to his employer of his status as an independent contractor. Administrator Grogan stated that the Taxicab Authority can regulate those requirements. Administrator Grogan further commented that in the future automating this process can negate some of these concerns about the hours an individual is driving both as an independent contractor and an employee of a taxicab company.

Member Aguilera asked if there will be an additional permit for an independent contractor. Administrator Grogan explained that there will be one permit that will allow the driver to do both. Member Aguilera asked if the Taxicab Authority will have knowledge of the company the individual is employed with and the company or companies with whom the individual has a lease contract. Administrator Grogan explained that the Taxicab Authority will clearly know which company the individual is employed with and the lease agreements will show the company or companies with whom the individual has a lease contract.

Member Aguilera asked what the advantage is to the taxicab companies to lease their vehicles. Mr. Marushok answered Member Aguilera by explaining the advantage to the taxicab companies is to be competitive. Mr. Marushok further explained that Frias' primary concern is that they are not held accountable for policing the independent contractors to ensure they are not driving more than the 12 hours per day mandated by the regulations.

Mr. Marushok asked that the taxicab companies be allowed to have a template approved by the Taxicab Authority and to be able to fill in the blanks on the template and not provide every lease every time but rather have a few days to provide the signed lease agreement to the Taxicab Authority.



Mr. Mowbray asked that the Taxicab Authority remember the spirit in which the 12 hour a day driving rule was made to keep the citizens and riding public safe. Mr. Mowbray stressed that it would be very difficult with the current proposed regulations to know how many hours an independent contractor was driving.

Chairman Olsen questioned Mr. Mowbray on the importance of the dress code. Chairman Olsen stated that he has lived here his entire life and has seen drivers wearing a variety of clothing but not anything that would be considered a dress code. Mr. Eckstaedt answered Chairman Olsen explaining that Frias' dress code is that the drivers must wear a collared shirt. Mr. Eckstaedt further stated that the issue with the dress code is blurring the lines between employee and independent contractor. Mr. Eckstaedt asked that the dress code is a regulation by the Taxicab Authority and therefore is not the responsibility of the companies to enforce.

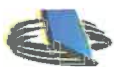
Member Collins asked Mr. Eckstaedt regarding his earlier comments on other cities that allow for lease taxicabs, if there was a particular city he could point to that had done a really great job with the regulations and implementing the regulations. Mr. Eckstaedt answered that he cannot because he has not surveyed other cities. Chairman Olsen asked if anyone in the audience could answer Member Collins question. Cheryl Knapp answered Cleveland. Jonathan Schwartz from Yellow Checker Star Transportation stated he believes he is the only person present who has operated a taxicab company that leased taxicabs. Mr. Schwartz stated he owned and operated Americab, the second largest cab company in Cleveland, for over 20 years. Mr. Schwartz stated the taxicab leasing regulations in Cleveland were much less restrictive. Member Aguilera asked how many employees versus independent contractors worked with Americab. Mr. Schwartz answered that they were all independent contractors and that Las Vegas is the only city in the country that he is aware of where drivers are employees. Mr. Schwartz stated everywhere else the drivers are independent contractors and leasing is the norm. Mr. Schwartz explained that the difference is, in Nevada the legislature wanted to hold the taxicab companies responsible for the drivers. Mr. Schwartz further stated this is why Las Vegas has the best safety and best maintained vehicles. Mr. Schwartz explained that this is all changed with the 2015 legislation allowing taxicab companies to lease. Mr. Schwartz stated that all other cities are allowed to employ drivers but do not for various reasons.

Member Aguilera asked Mr. Schwartz what is the typical term of a lease. Mr. Schwartz stated lease terms could be for days, weeks, or months; whatever the market will bear. Member Aguilera asked Mr. Schwartz how they monitored the maintenance of the vehicles on a monthly lease. Mr. Schwartz answered they required the vehicle to be inspected once a week.

James Cooper, Director Taxi Research Partners, stated that he has lists and comparative tables regarding lease regulations of 300 - 400 cities that he will be happy to make available to the Taxicab Authority Board.

Jonathan Schwartz suggested another workshop to go through everyone's concerns. Mr. Schwartz has concerns over section 3 of the regulations to clarify we are allowing leasing. Mr. Schwartz stated he also has an issue with section 10.3 regarding the cap of one half of the medallions to be used for leasing. He further stated he is concerned with the requirement of inspecting the vehicles daily. Mr. Schwartz stated he wishes to commend staff of the excellent start to the lease regulations but feels it needs to be fine tuned.

Cheryl Knapp, Bell Transportation, also wants to commend staff but agrees it needs more work. Ms. Knapp stated there are so many areas they are not allowed to tread if the leased drivers are going to be



independent contractors and that some of those things are in the lease regulations causing concerns for the taxicab companies. Ms. Knapp also voiced concerns about the regulation that an independent contractor is considered to be on duty while the taxicab is in operation. Ms. Knapp stated she loves the idea of drivers being required to keep a log to track their hours.

Member Aguilera asked Ms. Knapp if the regulations for leasing in Reno are comparable to the proposed Clark County lease regulations. Ms. Knapp answered that it seems there was a copy and pasting of the Reno regulations to Clark County and that those regulations were a place to start but are outdated and there are many differences between Clark County and Reno.

Jason Awad, Lucky Cab Company, stated he does not believe the proposed lease regulations are ready to be put in place and enforced. He is in agreement to have another workshop. Mr. Awad mentioned a technology that will allow a TA permit to be scanned and will show a log of the driver's hours as something that can be looked at.

George Balaban, Desert Cab, stated that if the lease regulations are going to be an asset to the taxicab companies and make it easier for them to compete the regulations need to be written right. Mr. Balaban raised concerns over the reporting requirements of the lease regulations. Mr. Balaban stated he has no issue with the requirement to keep records but rather the time frames on reporting lost medallions and early lease terminations. Mr. Balaban also raised concerns about the line between employee and independent contractor.

Chairman Olsen asked Administrator Grogan what the deadline is for the proposed lease regulations. Administrator Grogan answered that there is no deadline; the deadline is the industry's deadline. Administrator Grogan further stated he supports the idea of having another workshop and wishes to start by getting a clear idea of the legislature's intent.

Member Collins suggested that along with the workshops it might be beneficial to conduct a couple of case studies from cities that have lease regulations that are successful. Member Aguilera stated he would like the lease regulations to address the safety of the riding public in regards to whether the passenger will know if the taxicab driver is an employee or an independent contractor and where the liability will fall if something happens to the passenger.

Jaime Pino, Nellis Cab Company, requests that the amount each company charges to lease their cabs be a set rate the same for everyone.

- 12. 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

Discussion regarding the lease regulations ended with the agreement to conduct another workshop.

13. Staff Report

a. Administrator's Report

Administrator Grogan thanked the industry in working together to write the regulations and their patience with the staff shortages. Administrator Grogan also thanked his staff for their hard work. Administrator Grogan stated he is looking forward to another workshop and to getting it right.



b. Chief Investigator's Report

Chief Aquino thanked his enforcement staff for keeping the peace, regulating, and enforcing 706 while being understaffed and facing the difficulties present to uniformed officers today.

Chief Aquino addressed staff shortages and stated there are five individuals starting the background process, two of which are P.O.S.T. certified. Chief Aquino further stated the Taxicab Authority hopes to send two individuals to the P.O.S.T. academy in August creating a true regulatory enforcement officer.

Chief Aquino stated there have been five impounds in July. He further stated the Taxicab Authority set up a hotline for reporting gypsy activity and that every phone call will be returned.

Chairman Olsen asked of the five impounds how many were TNC related. Chief Aquino answered that they are all related in one way or another. They are either current TNC drivers, past TNC drivers, or they applied to be TNC drivers and could not pass the background investigation.

Chief Aquino also addressed the recent uptick of advertisements on craigslist for Pokemon Go activity.

c. Stats for June 2016

Annette Watson on behalf of the Nevada Taxicab Authority was present to answer any questions or concerns regarding the monthly stats. Ms. Watson stated that last month's statistics were an anomaly due to May 2015 being a record month. Ms. Watson stated June's statistics are a more accurate representation of what the industry is facing.

Member Aguilera mentioned that if leasing is utilized by the taxicab companies the Taxicab Authority should consider keeping statistics on the leased taxicabs as well as the employee driven taxicabs for comparison.

d. Future Agenda Items

Administrator Grogan stated future agenda items will include discussion regarding leasing regulations.

14. Report of Legal Counsel

Deputy Attorney General Sophia Long had nothing to report.

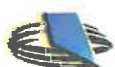
Member Aguilera asked DAG Long if there is an issue with the board members attending the leasing workshops. DAG Long answered that there is no issue as long as it is properly noticed.

15. Public Comment

No comments.

16. Adjournment

All in favor of adjournment – motion passes.



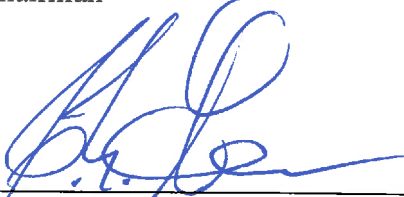
Approved by:



Stan Olsen
Chairman

8-23-16

Date



Ronald Grogan
Taxicab Authority Administrator

8.15.16

Date

