

San Diego Metropolitan Transit System
Taxicab Advisory Committee Meeting
Workshop on Regulatory Matters

May 22, 2019

10:00 a.m.

MTS Taxicab Administration Building
1501 National Avenue, San Diego, CA 92113

1. Roll Call

Kenneth Nelson, Taxicab Administration Manager, called the WORM meeting to order at 10:12 a.m. A roll call sheet listing WORM member attendance is attached.

2. Approval of Meeting Minutes – February 13, 2019

Mr. Tasem moved for approval of the February 13, 2019 meeting minutes, Ms. Tanguay seconded the motion, and the vote was 7 to 0 in favor with Mr. Nichols, Mr. Weldegiorgis and Mr. Palmeri absent.

3. Non-Agenda Public Comment

There were no non-agenda public comments.

4. Management and Committee Member Communications

a. Regulatory Fee Payment Deadline Extension to June 10, 2019

Mr. Nelson reported that MTS Taxicab Administration staff has received multiple requests from permit holders, Mikail Hussein of the United Taxi Workers Federation (UTWF) and Chairperson Ward for an extension deadlines for the once a year vehicle regulatory fee. The 2019 deadline was extended to June 10, 2019; Mr. Nelson explained that an additional extension beyond June 10, 2019 would not be possible due to the close of the 18-19 FY. The memo distributed to permit holders and Radio Services was included with the original packet. Mr. Nelson reported that the number of permits paid for to date was approximately 1020.

b. Taxicab Advisory Committee (TAC) Election Results.

Mr. Nelson gave a verbal report regarding the TAC elections. MTS Taxicab Administration Staff, the MTS Internal Auditor, and the vote validation subcommittee (comprised of current Taxicab Advisory Committee members Margo Tanguay, Alfred Banks, Akbar Majid, and David Tasem) met on May 21, 2019 to confirm the validity of the ballots and count the votes.

For the category of Lease Driver the nominees with the highest number of votes elected to the TAC were Alfred Banks, Guillermo Morquecho, Margo Tanguay and David Tasem with one vacancy remaining. Mr. Nelson did note that lease driver voter participation was extremely low.

For Permit Holder Category A nominees Akbar Majid and Nasser Tehrani were elected, for Permit Holder Category B nominee Houshang Nahavandian was elected with two vacancies remaining.

Mr. Nelson said that it is likely, due to the current number of vacancies, the structure of the TAC will need to be reviewed to ensure meeting a quorum for both the WORM and the TAC.

Both Mr. Hueso and Mr. Abraham both reported extenuating circumstances preventing their nomination/votes and expressed their continued interest in being TAC Members.

No action required, informational only.

5. MTS Taxicab Administration Fiscal Year (FY) 2020 Proposed Budget

Gordon Meyer, MTS Operating Budget Supervisor, attending the meeting and reviewed the FY 2020 Proposed Budget, the original materials were provided with the meeting packet. A summary of the budget information is listed below:

Revenues. Taxicab Administration receives operating revenue from annual regulatory fees and other processing fees. The total budgeted operating revenue is \$1,101,000, an increase of \$158,000 from the FY19 amended budget. This increase is based on projected increases in permit volumes, resulting in higher annual regulatory fee and processing fee revenues. Annual regulatory fees are remaining at \$600 per permit.

The Taxicab Administration budget requires full cost recovery. When expenses exceed revenues, funds from the contingency reserves are used to balance the budget. Projected expenses are equal to projected revenues in the proposed FY20 budget, resulting in zero projected usage of contingency reserve. This is a decrease of \$162,000 from the FY19 amended budget.

Both Mr. Nelson and Mr. Meyer shared their concerns regarding the reserve funds and plan on having additional meetings to review further.

Expenses Total operating expenses are projected to be \$1,028,000, a decrease of \$21,000 from the FY19 amended budget.

Personnel Costs are projected to be \$792,000, a decrease of \$2,000 from the FY19 amended budget.

Mr. Nelson noted that staffing is at an all-time low and it is possible that any positions that become vacant through attrition may not be refilled.

Outside Services are projected to decrease by \$24,000, primarily due to a one-time scheduling software implementation being completed in FY19 with no additional expenditures required in FY20.

Materials and Supplies costs are projected to increase by \$1,000.

Energy costs are projected to decrease by \$3,000.

Risk Management costs are expected to remain unchanged from the FY19 amended budget.

General and Administrative costs are expected to increase by \$5,000.

Vehicle Lease costs are projected to increase by \$2,000.

Overhead allocation charges are projected to increase by \$17,000 to \$73,000.

Contingency Reserves. The audited FY18 yearend contingency reserve balance was \$307,000. The FY19 amended budget proposes a usage of \$162,000 in contingency reserves, resulting in a projection of \$145,000 for the yearend FY19 contingency reserve balance. The FY20 proposed budget projects zero usage of contingency reserves, resulting in the FY20 contingency reserve balance being projected to remain at \$145,000.

Mr. Hueso asked if the reserve funds were interest bearing, Mr. Meyer said he believes they are at 2% in a pooled County or State Fund.

Mr. Seifu asked for clarification of permit fee's increasing, Mr. Nelson replied that although there are no plans to raise the fees this will ultimately be dependent on the number of permits retained (at least 1400 needed) and reserve balances. Mr. Hueso asked if the worker's compensation/liability expenses would be reduced, Mr. Meyer said he would need to do further research. Mr. Hueso relayed that many permit holders think "pounding the drum" will effectively reduce fees due to lack of understanding of a cost recovery budget.

Mr. Abraham said he hopes that MTS will explore additional avenues for revenue as a means of helping sustain the industry as increased permit fees may result in a lower retention rate.

The committee briefly discussed the current state of affairs with ride share companies (such as Lyft and Uber) and with the reality that there are so many unknowns that is not currently possible to determine the continue impact on the Taxicab Industry.

Action Taken

Although the original agenda recommended approval of this item Mr. Meyers said no action is required as the budget was already pending approval by the Executive Board.

8. Next Meeting: TBD

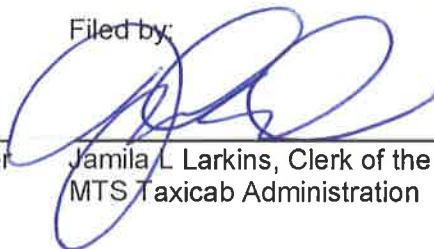
9. Adjournment: The meeting was adjourned at 11:03 a.m.

Accepted:



Kenneth Nelson, Taxicab Administration Manager
MTS Taxicab Administration

Filed by:



Jamila L Larkins, Clerk of the Committee
MTS Taxicab Administration

Attachment: Roll Call Sheet