

MINUTES

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM TAXICAB ADVISORY COMMITTEE (TAC)

December 8, 2021

1. Roll Call

Chair Elo-Rivera called the Taxicab Advisory Committee meeting to order at 10:02 a.m. A roll call sheet listing Taxicab Advisory Committee member attendance is attached.

2. Approval of Minutes

Akbar Majid moved to approve the minutes of the October 27, 2021, MTS Taxicab Advisory Committee meeting. Margo Tanguay seconded the motion, and the vote was 12 to 0 in favor with Guillermo Morquecho, Alfred Banks, Nasser Tehrani and Michael Trimble absent.

3. Public Comments

There were no Public Comments.

COMMITTEE DISCUSSION ITEMS

4. Fiscal Year (FY) 2022 Amended Budget (Gordon Meyer)

Gordon Meyer, MTS Operating Budget Supervisor presented on the FY 2022 Amended Budget. He outlined: For Hire Vehicle (FHV) administration background, FY 21 Actuals, reserve and analysis, FY 22 budget forecast; revenues, expenses, income, and reserves adjustment

Antonio Hueso asked about the general and administrative section of the presentation. He asked if the decrease was due to the position vacancy.

Mr. Meyer clarified that general and administrative section included facility rent costs. The reduction reflects the department's relocation.

Antonio Hueso cited a section of the materials and asked for staff to clarify if the general and administrative section only included facilities.

Mr. Meyer clarified that the general and administrative budget includes the non-revenue vehicle lease, and facility lease costs.

Antonio Hueso also asked about 916 permits and if that included both permits shelved and currently operating

Leonardo Fewell, MTS FHV Administration Manager acknowledged that the figure was a conservative estimate used for this budgetary projection based on the previous two years of non-renewed permits, along with all other permits that remain in operation in the database, including those surrendered.

David Tasem asked if the reserves target had to be met by next year or if it was required by city of San Diego guidelines.

Mr. Meyer acknowledged there was not a set target to calculate fees. He clarified that the reserve was an internal calculation created by MTS staff to achieve consistency and transparency.

Peter Zschiesche addressed the reserve concern and considered 50% a high rate. He asked if staff if they accounted for previous year trends in their projections.

Mr. Meyer agreed that the projection was high. He stated that the budget was drafted based on regulatory fees based on current market volatility. He continued to list historical data that supported the 50% calculation. He explained that due to the small nature of the budget, the agency would need to create a well enough reserve to account for flexibility.

Peter Zschiesche understood the explanation and thanked staff for the department's re-location and reduction in utility costs.

PUBLIC COMMENT

Chair Elo-Rivera validated the explanation of the regulatory fees to show transparency and understands the obstacles permit holders expressed.

PUBLIC COMMENT

Able Seifu provided a comment to the committee. Seifu was concerned about the regulatory fee and acknowledged the impact the fees burden drivers. They hoped the committee reduce the fee by at least 50%.

Henry Agoh who is a taxicab owner, ask for MTS to consider the 5% inflation rate to determine the regulatory fee and the change in the taxicab market during the pandemic and requested further reductions to regulatory fees. While Agoh understands the projection reasoning, he acknowledged that the cost is a heavy burden on permit holders

Action Taken

Informational item only. No action taken.

5. 2022 Fee Schedule (Leonardo Fewell)

Mr. Fewell, outlined the 2022 fee schedule.

Antonio Hueso asked whether the item would be voted on by the committee.

Mr. Fewell clarified that the item was only informational.

Chair Elo-Rivera asked staff to explain procedurally, how the change is determined.

Mr. Fewell clarified that fees are calculated annually based on permits that are expected to remain valid and using two to five-year-old historical data. He clarified that permit volumes fluctuate. The current regulatory fees consist of 50% reduction compared to the previous year based on anticipated renewal permits, and the decision of the MTS CEO to apply a one-time stimulus reduction to the regulatory fee. Future budgets and regulatory fees will be calculated based on the previously presented contingency reserve, along with the number of permits slated to be renewed for that fiscal year. He clarified that voluntary surrendered permits allow staff to create the forecast.

Antonio Hueso asked about clarification on the \$10 reduction from the \$30 training fee.

Mr. Fewell clarified that both fees were separate from each other. He clarified that the \$30 driver training fee remains in the fee schedule to compensate for staff time. The \$10 fee is only applicable to drivers who wish to receive a printed copy of the electronic version certificate. These will now be sent to them at no charge.

David Tasem asked if the 50% regulatory fee discount could be applied over the course of two years, 25% for 2022 and the remaining 25% for 2023. He said that a 50% discount over the course of two years would allow future permit applications. He expressed hesitancy to use \$160,000 from the reserve pool since it could deplete the reserve.

Mr. Fewell cited the previous presentation by Gordon Meyer and clarified that the 50% reserve target would allow FHV Administration to remain solvent through 2024. Adopting any other percentage would affect the operational budget for the department. He reassured the committee that staff's best recommendation continues to be the 50% contingency rate to guarantee operations through 2024 while ensuring stable regulatory fees. He clarified that the Regulatory Fee revenue determines the regulatory fee for the following year.

David Tasem continued to be concerned about the depletion of the reserve funds and reiterated his preference to split the regulatory fee deduction over the next two years.

Mr. Fewell clarified that a 25% reduction was considered by staff however, other factors are considered, such as permit attrition and number of permits kept or added. He emphasized that a 50% rate would allow for operations to continue undisturbed.

David Tasem raised concerns to the chair that this one-time fee reduction would create an expectation for permit holders that that rate would continue to decrease and expressed concerns that the agency would lose more permit holders

Chair Elo-Rivera acknowledged the concerns and acknowledged staff's diligence in determining the regulatory fee.

Alfred Banks asked if the agency had enough funding to continue service the following year. He also asked about installment options to pay for regulatory fees if permit holders are not working. He asked if the agency would stop mandating driver training in 2022 for new permit holders.

Mr. Fewell confirmed the current budget projections allow for continued operations through 2024. He clarified that the department would not accommodate extensions as FHV Administration operates on a cost recovery basis that requires regulatory fee payments in full before the fiscal year. He acknowledged that permit late fee replaces the Permit Reinstatement Fee. He continued to explain that the intention was to provide a clear final deadline for permit holders. He clarified that driver training experienced drivers were not required to retake training. Only new drivers would need to take the mandatory training, as well as those that allow their Sheriff's ID to expire.

George Abraham asked about the license elimination for permit holders with more than one permit.

Action Taken

Informational item only. No action taken.

6. Proposed Ordinance No. 11 Revisions (Leonardo Fewell)

Mr Fewell, presented on the proposed Ordinance 11 revisions. He provided details on: Proposed Ordinance No. 11 Revisions; "light branding" markings (front windshield, side windows), glass only decal markings (rear/front windshields), traditional marking scheme (optional), optional minimum markings scheme, and staff's recommendations.

Akbar Majid was pleased by the various marking options and acknowledged it would be easier for the taxi industry to recruit from the transportation network companies (TNC) pool with the flexibility being offered.

Antonio Hueso asked about whether the magnetic top light could be used in the new version.

Mr. Fewell noted that this option could apply so long as the top lights are functional and abide by Ordinance requirements.

Margo Tanguay was concerned that the removal of the top sign use could lead to increased flat rating. She was in favor of the marking recommendation and requested the marking be on both sides of the cab.

David Tasem was concerned about light emitting diode (LED) taxi lights in lieu of top signs. He asked that language be edited in the Ordinance to reflect yellow LED taxi signage requirements within the vehicles to comply with local law enforcement.

Mr. Fewell clarified that his remark would not be a revision to the ordinance but is part of the inspection process. He then listed the various acceptable colors.

David Tasem asked for clarification since he was unaware that red colored lights were an acceptable color.

Mr. Fewell cited the information came directly from San Diego Harbor Police and specified the appropriate placement of the LED taxi lights. He thanked David Tasem for bringing up the issue to the attention of the agency.

Alfred Banks claimed the lack of jurisdiction of San Diego Harbor Police has on taxi regulations and that former Taxicab Administrators had already approved colors for LED taxi lights.

Action Taken

Akbar Majid moved to forward a recommendation to the MTS Board of Directors to approve the proposed revisions to MTS Ordinance No. 11 Antonio Hueso seconded the motion, and the vote was 12 to 0 in favor with Nasser Tehrani and Guillermo Morquecho absent.

7. For-Hire Vehicle Administration Operations Update (Leonardo Fewell)

Mr. Fewell, presented on For-Hire Vehicle Administration Operations Update. Mr. Fewell discussed the following topics: current insurance providers, County of San Diego non-emergency medical regulations, inspections of taxicab meters, airport flat rate feasibility research update, vehicle registration, and that the 2022 TAC meeting schedule is still to be determined.

PUBLIC COMMENT

Able Seifu stated airport taxicab drivers are unhappy with the amount of money they are making due to long waits at the holding lot. Seifu suggested having a flat rate fee for a trip within short distance from the airport, within a 10 mile radius, similarly to that of Uber and Lyft and cited various Cities in the country that adopted the model.

Henry Agoh supported the model for a flat rate fee for airport as it would refuse fare refusals. Agoh claimed that this proposal would alleviate driver financial concerns and explained that

many cities and airports have implemented flat rates. He also asked that 5% inflation rate be considered when determining a future flat rate.

William Palosi, supported an Airport flat rate. Palosi spoke about the driver wait time and gas price costs that hurt driver success.

Peter Zschesche thanked staff for their involvement in taxicab insurance issue.

Antonio Hueso praised staff. He cautioned the committee about the two-tier customer base of consumers and was concerned about enforcement tools for a flat rate system. Without a platform to automatically create consistency, passengers may experience inconsistent fares due to driver subjectivity. He was concerned about the decrease in ride demand with this implementation.

Akbar Majid thanked staff for their helpfulness. He noted that this change could allow the insurance underwriters to recategorize taxicabs and potentially lower premiums. He agreed that flat rate implementation would need to be thoughtful, he cited Las Vegas's methodology to have different inbound and outbound fees.

David Tasem proposed a dollar extra charge during the transition phase to begin cost recovery compensation to the driver. He cited a similar practice done in 2008 by the industry to accommodate for increased gas prices.

Marc Nichols clarified that the Airport Authority does not have jurisdiction to set rate or fares in the County of San Diego. He clarified that the Airport can charge a trip fee along with an administrative fee. He continued that all fees are set forth by MTS. On occasion, a driver may negotiate a rate with a customer so long as the meter rate is less than or equal to the meter rate. He clarified that the Airport does not allow fare refusals in their taxi line, however if MTS works with the industry for negotiated or flat rates, the Airport would accommodate the change.

Alfred Banks was concerned that the flat rate fee would become problematic because the meters do not have the setting to accommodate a flat rate option.

Margo Tanguay thanked staff for their assistance and acknowledged the longer waits at the airport. She stated some drivers are currently overcharging by charging unauthorized flat rates.

Action Taken

Informational item only. No action taken.

8. Topics for Next Taxicab Advisory Committee Meeting (Leonardo Fewell)

Mr. Fewell presented on topics for next Taxicab Advisory Committee Meeting and feedback for additional topics requested.

Margo Tanguay noted that cab shortages cause alternative cabs to provide service which causes problems within the industry.

Chair Elo-Rivera encouraged the Committee to list future goals for the committee to allow staff to properly plan and research.

Action Taken

Informational item only. No action taken.

9. Committee Member Communications and Other Business

There was no Committee Member Communications and Other Business discussion.

Alfred Banks asked that maximum and minimum rate discussion be postponed after the February TAC meeting.

Mr. Fewell clarified that the CPI is published by the Department of Labor during the last week of January. Once the report is available, the maximum rate of fare will be calculated and communicated to the industry.

Alfred Banks acknowledged the difference in meter rates and asked how a minimum and maximum rate would be enforced.

Mr. Fewell clarified that only the Maximum rate of fare is to be enforced but permit holders are welcome to charge less at their discretion.

Chair Elo-Rivera acknowledged importance of having folks who are directly impacted by these decisions be part of the conversation. He thanked staff for their hard work.

10. Next Meeting Date

The next Taxicab Advisory Committee meeting is to be determined.

11. Adjournment

Chair Elo-Rivera adjourned the meeting at 12:00 p.m.

/S/ Sean Elo-Rivera

Chairperson

San Diego Metropolitan Transit System

Attachment: Roll Call Sheet

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
TAXICAB ADVISORY COMMITTEE (TAC) MEETING
ROLL CALL

MEETING OF (DATE): December 8, 2021 CALL TO ORDER (TIME): 10:02am

ADJOURN: 12:00pm

COMMITTEE MEMBER	(Alternate)		ORGANIZATION	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
Voting Committee Members					
Sean Elo-Rivera (Chair)	<input checked="" type="checkbox"/> None	<input type="checkbox"/>	MTS Board of Directors/ SD City Council	10:02am	12:00pm
Akbar Majid	<input checked="" type="checkbox"/> None	<input type="checkbox"/>	Taxicab Owner/SDYC Holdings, LLC	10:02am	12:00pm
Alfred Banks	<input checked="" type="checkbox"/> None	<input type="checkbox"/>	Taxicab Lease Driver	10:26am	12:00pm
Antonio Hueso	<input checked="" type="checkbox"/> None	<input type="checkbox"/>	USA Cab, LTD	10:02am	12:00pm
Brian Hilemon	<input checked="" type="checkbox"/> None	<input type="checkbox"/>	San Diego Tourism Authority	10:02am	10:46pm
Daryl Mayekawa	<input checked="" type="checkbox"/> None	<input type="checkbox"/>	San Diego Convention Center	10:02am	12:00pm
David Tasem	<input checked="" type="checkbox"/> None	<input type="checkbox"/>	Taxicab Lease Driver	10:02am	12:00pm
George Abraham	<input checked="" type="checkbox"/> Daniel Fesshaye	<input type="checkbox"/>	Taxicab Owner/Eritrean Cab Co.	10:02am	12:00pm
Guillermo Morquecho	<input checked="" type="checkbox"/> None	<input type="checkbox"/>	Taxicab Lease Driver	11:22am	12:00pm
Hamid Amini	<input checked="" type="checkbox"/> None	<input type="checkbox"/>	Jazzy Cab	10:02am	12:00pm
Marc Nichols	<input checked="" type="checkbox"/> Michael Anderson	<input type="checkbox"/>	San Diego County Regional Airport Authority	10:02am	12:00pm
Margo Tanguay	<input checked="" type="checkbox"/> None	<input type="checkbox"/>	Taxicab Lease Driver	10:02am	12:00pm
Michael Trimble	<input checked="" type="checkbox"/> None	<input type="checkbox"/>	San Diego Gaslamp Quarter Association	10:10am	12:00pm
Mikail Hussein	<input type="checkbox"/> Peter Zschiesche	<input checked="" type="checkbox"/>	United Taxi Workers Federation San Diego	10:02am	12:00pm
Nancy Gudiño	<input checked="" type="checkbox"/> None	<input type="checkbox"/>	Cross Border X-Press	10:02am	12:00pm
Nasser Tehrani	<input type="checkbox"/> Kamran Hamidi	<input type="checkbox"/>	Taxicab Owner/N.A.T. Cab Co	-	-
Non – Voting Committee Members					
Austin Shepherd	<input checked="" type="checkbox"/> None	<input type="checkbox"/>	San Diego Department of Agriculture, Weights and Measures	10:02am	12:00pm
Edna Rains	<input checked="" type="checkbox"/> None	<input type="checkbox"/>	San Diego County Sheriff's Department Licensing Division	10:07am	10:46am

CLERK OF THE TAC: /S/Dalia Gonzalez For-Hire Vehicle
Administration Manager: /S/Leonardo Fewell