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Agenda

SAN DIEGO METROPOLITAN TRANSIT SYSTEM TAXICAB ADVISORY COMMITTEE MEETING

January 15, 2020

10:00 a.m.

James R. Mills Building
Board Meeting Room
1255 Imperial Avenue, San Diego, CA 92101

To request an agenda in an alternative format or to request accommodations to facilitate meeting participation, please call the Clerk of the Board at least two working days prior to the meeting. Assistive Listening Devices (ALDs) are available from the Clerk of the Committee prior to the meeting and are to be returned at the end of the meeting.

	<u>ACTION RECOMMENDED</u>
1. <u>Roll Call</u>	
2. <u>Approval of Minutes</u> – December 2, 2019	Approve
3. <u>Non-Agenda Public Comment</u> The public may address the Committee regarding a matter <u>not</u> on the agenda. Each speaker has three minutes to speak. Give a completed <i>Request to Speak</i> form to the Clerk of the Committee.	
4. <u>Fiscal Year (FY) 2020 Amended Budget</u>	Informational
5. <u>2020 Maximum Rates of Fare</u>	Informational
6. <u>February 12, 2020 Deadline for Permits Held by Corporations and LLC's to Meet Council Policy 500-02 Screening Criteria Extended to January 1, 2021</u>	Informational
7. <u>Workshop on MTS For-Hire Vehicle Insurance Requirements</u>	Informational
8. <u>Revisions to Taxicab Advisory Committee Membership</u>	Informational
9. <u>Committee Member Communications</u> Brief comment on any taxicab related item not included in the Agenda.	Informational



10. Next Meeting: April 15, 2020

11. Adjournment

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
TAXICAB ADVISORY COMMITTEE
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101

DRAFT

December 2, 2019

[Clerk's note: Except where noted, public, staff and committee member comments are paraphrased].

1. Roll Call

Chairperson Ward called the Taxicab Advisory Committee (TAC) meeting to order at 2:06 pm. A roll call sheet listing Taxicab Advisory Committee member attendance is attached.

2. Approval of Meeting Minutes – September 11, 2019

Mr. Hueso moved for approval of the meeting minutes of the September 11, 2019 TAC Meeting, with a second by Mr. Palmeri. The vote was 10 to 0 in favor with Mr. Chasteen, Mr. Hilemon and Mr. Nichols absent.

3. Non-Agenda Public Comment

Mark McGee, Lease Driver - Mr. McGee spoke to address the current lack of taxi stands throughout Little Italy, greater San Diego and downtown areas. The areas of greatest need noted were Balboa Park, Broadway Pier and The Fish Market. He stated that this is not only a great need for the drivers themselves but for the public, particularly the disabled and elderly. There is also a great abuse of taxi stands by other non-taxi vehicles, especially on weekend evenings in the Gaslamp Area. He has pointed out the problem to San Diego Police Department and to MTS Inspectors and feels it has just fallen on deaf ears. In addition to Lyft, Uber, UPS and scooter charging vehicles, there are even downtown employees who use the spots for entire days while working.

4. Revisions to MTS Board Policy No. 34 "For-Hire Vehicle Services"

Mr. Fewell presented the proposed revisions to MTS Board Policy No. 34 and the proposed changes to the Rates of Fare Calculation Method. It is recommended that the current weighted average of fares calculation method for city/nonairport trips be replaced with the yearly change in the Annual All Urban Western Transportation CPI for the San Diego region. With this proposed change, there would no longer be two separate rates of fare calculations for city/nonairport trips and airport trips. Regardless of where the trip originated, the maximum rate of fare would be calculated based on the CPI. This method of calculation would allow the taxicab industry to better compete with TNC's and other for-hire transportation services. In addition to the annual recalculation of the Maximum Rate of Fare, the allowance of an additional 6% increase, beyond the established Maximum Rate of Fare, for Taxicabs equipped with Point of Sale (POS) equipment electronically connected to the taximeter and capable of printing, or electronically conveying, passenger payment receipts is also proposed. Mr. Fewell explained this revision is being proposed to incentivize the implementation of new technologies allowing for increased payment securities. The proposed rates of fare using the 2018 Annual CPI Rates are as follows; \$2.90 flag drop 1/10 of a mile, \$3.10 per mile and \$25.00 per-hour waiting time.

For those taxicabs utilizing POS equipment the proposed maximum rates of fare are as follows: \$3.10 flag drop 1/10 of a mile, \$3.30 per mile and \$27.00 per-hour waiting time.

Mr. Fewell noted that the Maximum Rates of Fare are calculated annually and presented at a noticed, public meeting of the TAC, with the rates becoming effective immediately; no approval by the TAC or MTS Board of Directors is necessary. The additional proposed revision to MTS Board Policy No. 34 is the update of MTS taxicab and for-hire vehicle regulated cities to reflect the inclusion of Chula Vista and National City. The proposed revisions were discussed at the November 18, 2019 Workshop on Regulatory Matters (WORM) Meeting.

Public Comment

Kamran Hamidi, SD Airport Dispatch/VIP Taxi-Mr. Hamidi like to thank the committee for the support of Agenda Item 4. He stated that currently anyone can complete a Statement of Rates of Fare with MTS to raise the rate to the maximum. The city rates and airport rates will now be aligned with the use of the CPI method and an additional 6% with POS technology. AB1069 allows drivers to charge up to the maximum rate but they may also charge a lower fare if desired.

Alum Zebu, Senate Cab-Mr. Zebu spoke in support of Agenda item 4. He likes the effort to update the technologies being used by taxi drivers.

Committee Member Comment

Mr. Tasem stated he is not in support of adding 6% for credit card machines. He doesn't think that an incentive should be given just to increase the rates, especially since credit cards are already required. Other businesses do not charge extra for use of a credit card and this is just the cost of doing business. Chair Ward said this item was already vetted at the WORM and the intent is to adopt national best practices, and the 6% is to allow some flexibility in offsetting costs. Mr. Banks said he is also not in agreement with the additional 6% charge. He thinks that there will be additional customer confusion and inconvenience. Mr. Fewell noted that it is optional to adopt the additional 6% charge, it is not mandatory. Chair Ward asked Mr. Banks for clarification on his stance on the CPI methodology; Mr. Banks noted that he is okay with a rate increase but not the additional allowance for 6%.

Mr. Nichols, San Diego County Regional Airport Authority stated that the San Diego Airport only has an airport trip fee but no other separate fees or charges. He said that he is hoping to align with whatever requirements MTS establishes. Mr. Palmeri said that the cab rates have been the same as the airport rates and wanted to know if it is, in fact, okay to have different rates. Mr. Nichols clarified that airport taxis have always been able to post, or charge, a lower rate than the maximum.

Mr. Hueso stated that a lot of time was spent on this issue but he feels that some members do still not understand. He asked for committee member clarification that all the proposed increases are options, not requirements. He feels that this has already been discussed at length and members should ask specific questions in order to move forward with a motion. Ms. Tanguay clarified that you did not used to be able to charge less than what was on the meter at the airport. Ms. Tanguay asked what would happen when passengers switch payment methods after providing service, how she would know which rate to charge. Chair Ward again clarified that the 6% is not a credit card surcharge and that the payment method doesn't determine the

rate. Ms. Cooney reiterated the 6% is not a transactional surcharge, if you have the required Point of Sale (POS) equipment, and have completed and filed a Statement of Rates of Fare with MTS Taxi Administration, you can then post and charge, the increased Maximum Rates of Fare, you **may** still charge **below** that rate if you so choose. Mr. Fewell stated that these changes were implemented for the benefit of the customer and to bring the taxi industry up to current standards.

Action Taken

Mr. Hueso moved for approval to forward a recommendation to the MTS Board of Directors to approve the proposed revisions to MTS Board Policy No. 34 "For-Hire Vehicle Services", with a second by Mr. Hussein. The vote was 11 to 1 in favor, with Mr. Tasem opposing, and Mr. Chasteen, Mr. Mayekawa, Mr. Majid and Mr. Morquecho absent.

5. Revisions to MTS Ordinance No.11

Mr. Fewell provided a verbal report of the proposed revisions to MTS Ordinance No. 11 as follows: Section 2.2(a): proposed revision to reflect the calculation of maximum rates of fare for both trips originating from the airport and city/non airport, Section 2.2(j): proposed revisions would expressly allow up front trip pricing for dispatch services in addition to permit holders and drivers as long as equal to, or less than, the maximum rates of fare. For purposes of passenger fare verification the revision would also require the taximeter flag to remain recording at the end of every trip and Section 2.3(h): to be revised to additionally allow the licensed lease driver operating the taxicab to be listed as the merchant of record associate with the POS device.

Action Taken

Mr. Hueso moved for approval to forward a recommendation to the MTS Board of Directors to approve the proposed revisions to MTS Ordinance No. 11 with a second by Mr. Palmeri. The vote was 12-0 in favor with Mr. Chasteen, Mr. Mayekawa, Mr. Majid and Mr. Morquecho absent.

6. Revisions to MTS Taxicab Administration Fee Schedule for 2020

Mr. Fewell provided a verbal report of the proposed 2020 Administrative Fee schedule as follows: Section 2.1: Proposed removal of the experience distinction and unification of the prorated fee of 100% for all applicants, regardless of years of experience, Section 2.2: the proposed language change clarifies that all additional permits, regardless of permit type, are charged at the same fee as taxicabs, Section 3: the proposed addition of fee charge for Replacement certificates for completion of Drivers Training, Section 4.5: the proposed reduction of dispatch service change fee from \$100.00 to \$50.00, Section 4.6: the proposed reduction of rate of fare filing per company fee from \$100.00 to \$50.00 and Section 4.9: the proposed reduction of the fee when adding, deleting or changing stockholder from \$250.00 to \$100.00

He noted that the Administrative Regulatory Fee will remain at \$600.00 for the year 2020. He stated that the Taxicab Administration mid-year budget will be presented at the January 2020 TAC meeting.

Chair Ward said he hopes that the Fee Schedule changes will provide some additional relief to permit holders and operators. Mr. Banks asked if there had been any progress towards making

credit card, or online, payments. Mr. Fewell reported that MTS IT Department is still exploring possible payment options and he will provide progress updates as available.

Action Taken

None. Informational Only.

7. 2020 Taxicab Advisory Committee Meeting Schedule

The 2020 TAC Meeting Schedule was proposed as follows: Wednesday, January 15, 2020, Wednesday April 15, 2020, Wednesday, July 15, 2019, Wednesday, October 14, 2020 and a tentative of Wednesday, December 16, 2020.

Ms. Tanguay noted some meeting dates may be difficult for member attendance due to tax deadlines. Ms. Cooney said that she hopes that with a year advance notice members will be able to plan ahead.

Action Taken

None. Informational Only.

8. 2020 Regulatory Bi-Annual Payment Dates

Mr. Fewell provided the 2020 Regulatory Fee Bi-Annual Payment Dates as follows; January 13, 2020 and June 8, 2020. This option was provided for those permit holders who would like to split their Annual Regulatory Fee's in two equal payments. All Annual Fees are due by June 8, 2020.

Mr. Hussein would like to thank MTS for the continued advocacy of the drivers who before felt they could not speak, and now they are represented at the TAC. Mr. Hussein wanted to know if there was the option to pay ½ and then wait until December to make the additional payment. Mr. Tasem wanted to clarify if they don't make a payment by January, you may still pay by the final deadline. He asked what happens if someone doesn't pay by the deadline and turns in their medallion at that time. He said that essentially a person would be able to operate for six months of the year without any payment and maybe some payment before June should be required. Mr. Mr. Fewell clarified that making two payments option was not available before and is being presented as a way to help permit holders to split their payments. Currently, even without this option, a permit holder may operate without payment up to the payment due date and then return their medallion. He said just as with the current regulation, any Annual permit fees that are not paid in their entirety by June 8, 2020 will result in the permit being voided. Mr. Palmeri expressed that MTS at times does things in the interest of helping permit holders and the industry argues just for the sake of argument and perhaps they should just be thankful.

Action Taken

None. Informational Only.

9. Insurance Company Minimum Rating Standards

Mr. Fewell said that it was agreed upon in July 10, 2019 to review the insurance company minimum rating and financial size categories. The matter was to be examined by the City of San Diego in order to present the information to MTS Risk Management Department and the feasibility of removing the rating categories. Mr. Fewell stated that he would follow up the Risk Management Department and report back to the Committee at the January 15, 2020 meeting.

Public Comment

Abebe Antallo, Lease Driver/UTWSD-Mr. Antallo compared the current insurance situation to his time as a student in Russia when then President Regan said to Mr. Gorbachev “break down this wall” and the nation was united. He asked, Mr. Ward to “please break this insurance”. He said he pays \$300.00 per month for insurance and he thinks that the ratings should go away to allow for more competition and insurance costs to come down. He said he has been speaking about this for matter for over four years and nothing has happened. He said that they are being exploited and keep being told that it needs to be reviewed by Risk Management. He said other states are paying much less and he doesn’t understand why.

Feyissa B, Permit Holder-He said that the business is going down and that the Taxi Administration is supposed to review the policies impacting them. He said the insurance is a large burden on the business now, he has surrendered one medallion and if things continue the way they do he will surrender the other. He said insurance is one of the largest costs for them and if MTS is really concerned about the business they will help the struggling drivers and their families. He said allowing for lower rating on insurance will help this. He said that there are travelers that prefer taxis over TNC’s but if business does not improve they will not survive.

Kamran Hamidi, SD Airport Dispatch/VIP Taxi-He said two years ago Kenn Nelson responded to the insurance crisis and an ad hoc was created and that may need to happen again He said many will be left rushing to get insurance in April if we don’t plan ahead. He said that Mr. Palmeri shared that today is his last meeting and would like to thank him for his industry contributions.

Committee Member Comment

Mr. Hussein said that a lot of people have had insurance issues and that many good drivers have been lost due to just one accident. He said asked to have the rating to be removed back in January 2019. He said that we cannot continue waiting and that we should move to have the rating removed now.

10. Additional Committee Member Comment

Ms. Tanguay thanked and wished Mr. Palmeri well as his last day as a TAC Member. Mr. Fewell thanked Mr. Palmeri for all his shared experienced. Mr. Palmeri mentioned that he and Mr. Hussein are now on the same page and that there is a shared interest in helping the industry and that the industry is nothing without the drivers. He thanked Chair Ward for his participation as it is not a rewarding job being on the committee. He additionally thanks Ms. Cooney and Mr. Fewell for their help and having an open door policy. He may be leaving the committee but still plans on being an active member in helping the industry and drivers in any way he can. Chair

Ward thanked Mr. Palmeri, San Diego Traverlars Aid Society on behalf on MTS and presented with a plaque of recognition.

11. Next Meeting – January 15, 2020 at 10:00 am.

12. Adjournment

The meeting was adjourned at 3:12 pm.

Accepted:

Filed by:

Chris Ward
Chair of Taxicab Advisory Committee

Jamila Larkins, Clerk of the Committee
MTS Taxicab Administration

Attachments: Roll Call Sheet
Kamran Hamidi handout

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

MEETING OF (DATE): December 2, 2019

CALL TO ORDER (TIME): 2:06pm

ADJOURN: 3:12pm

COMMITTEE MEMBER		(Alternate)		ORGANIZATION	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
Christopher Ward	<input checked="" type="checkbox"/>			MTS Board of Directors/SD City Council	2:00 pm	3:12 pm
George Abraham	<input checked="" type="checkbox"/>			Taxicab Owner/Eritrean Cab Co.	2:00 pm	3:12 pm
Alfred Banks	<input checked="" type="checkbox"/>			Taxicab Lease Driver	2:00 pm	3:12 pm
Ryan Chasteen	<input type="checkbox"/>			Hotel Industry		
Brian Hilemon	<input checked="" type="checkbox"/>			San Diego Tourism Authority	2:00 pm	3:12 pm
Antonio Hueso	<input checked="" type="checkbox"/>			USA Cab, LTD	2:05 pm	3:12 pm
Mikail Hussein	<input checked="" type="checkbox"/>	Abebe Antallo	<input type="checkbox"/>	United Taxi Workers Federation San Diego	2:00 pm	3:12 pm
Daryl Mayekawa	<input type="checkbox"/>			San Diego Convention Center		
Akbar Majid	<input type="checkbox"/>			Taxicab Owner/SDYC Holdings, LLC		
Guillermo Morquecho	<input type="checkbox"/>			Taxicab Lease Driver		
Houshang Nahavandian	<input checked="" type="checkbox"/>			Taxicab Owner/ESM Corporation	2:00 pm	3:12 pm
Marc Nichols	<input checked="" type="checkbox"/>	Michael Anderson	<input type="checkbox"/>	San Diego County Regional Airport Authority	2:00 pm	3:12 pm
Tony Palmeri	<input checked="" type="checkbox"/>	Michel Anderson	<input type="checkbox"/>	San Diego Travelers Aid Society	2:00 pm	3:12 pm
Margo Tanguay	<input checked="" type="checkbox"/>			Taxicab Lease Driver	2:00 pm	3:12 pm
David Tasem	<input checked="" type="checkbox"/>			Taxicab Lease Driver	2:12 pm	3:12 pm
Nasser Tehrani	<input checked="" type="checkbox"/>			Taxicab Owner/N.A.T. Cab Co.	2:00 pm	3:12 pm
Garret Cooper	<input checked="" type="checkbox"/>			San Diego Department of Agriculture, Weights and Measures	2:00pm	3:12 pm
Edna Rains	<input type="checkbox"/>			San Diego County Sheriff's Department Licensing Division		
Sharon Cooney non-voting	<input checked="" type="checkbox"/>			MTS Chief of Staff	2:03pm	3:12 pm
Leonardo Fewell non-voting	<input checked="" type="checkbox"/>			MTS Taxicab Administration Manager	2:00pm	3:12 pm
Paul Jablonski non-voting	<input type="checkbox"/>			MTS Chief Executive Officer		
Samantha Leslie non-voting	<input checked="" type="checkbox"/>			MTS Staff Attorney/Regulatory Compliance	2:00pm	3:12 pm

CLERK OF THE TAC:

TAXICAB ADMINISTRATION MANAGER:



Kauran Akundi
handout 12/22/19

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Agenda Item No. 5

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM TAXICAB ADVISORY COMMITTEE

June 21, 2018

SUBJECT:

ADOPTION OF TAXICAB RATES OF FARE-AIRPORT/CITIES

RECOMMENDATION:

That the Taxicab Advisory Committee:

1. Forward a recommendation to the MTS Board of Directors to maintain the current 2017 rates of fare for both Airport Originated Trips and Non-Airport Originated Trips for the remainder of 2018. As of January 1, 2019, AB 1069 will go into effect, which will affect rate policies.

Budget Impact:

None.

DISCUSSION:

Annually, the MTS Taxicab Administration recalculates both the maximum allowable City rates of fare and the airport taxicab rates of fare.

In accordance with *MTS Ordinance No. 11, Section 2.2 (b)*, which states, "Taxicab trips from the San Diego International Airport shall be at a uniform rate of fare," *MTS Policies and Procedures No. 34 (Attachment A), Section 34.5.1*, provides that, "Airport rates shall be adjusted ... in accordance with the change in the Annual All Urban Western Transportation Consumer San Diego Price Index" (Attachment B).

For rates of fare for taxicab trips that do not originate at the San Diego International Airport, *MTS Ordinance No. 11, Section 2.2*, and *Policies and Procedures No. 34, Section 34.4*, provide for all MTS taxicab permit holders to file rates of fare that do not



exceed 20 percent above the average rates on file for all taxicab vehicles, except for trips originating at the San Diego International Airport, and provided that they are consistent with the rates of their dispatch service.

Both City rates and airport taxicab rates of fare are to be calculated annually. The last time airport rates of fare were calculated was in June 2017. Therefore, staff has recalculated the rates of fare for 2018.

Results of staff's calculations of rates of fare for the San Diego International Airport as follows:

	<u>Current Rates</u>	<u>Proposed 2018 Rates</u>
METHOD # 1. AIRPORT ANNUAL CPI METHOD (SINCE 1990)	\$ 2.80 flag drop 1/10 of a mile \$ 3.00 per mile \$ 24.00 per-hour waiting time	\$ 2.70 flag drop 1/14 of a mile \$ 2.90 per mile \$ 23.00 per-hour waiting time

Maximum rates of fare for trips not originating at the airport are as follows:

	<u>Current Rates</u>	<u>Proposed 2018 Rates</u>
METHOD # 2. CITY WEIGHTED AVERAGE METHOD	\$ 3.40 flag drop 1/12 of a mile \$ 3.60 per mile \$ 29.00 per-hour waiting time	\$ 3.40 flag drop 1/12 of a mile \$ 3.60 per mile \$ 29.00 per-hour waiting time

CURRENT CITY MAXIMUM RATES AS OF DECEMBER 2, 2019



Kenneth E. Nelson
Taxicab Administration Manager

Key Staff Contact: Kenneth E. Nelson, 619.595.7034, Kenneth.Nelson@sdmts.com

Attachments: A. MTS Policy 34
B. Annual All Urban Western Transportation Consumer San Diego Price Index
C. 2017-2018 San Diego Airport Rates of Fare/Maximum Allowable City Rates

AB 1069 LAW
EFFECTIVE JANUARY 1, 2019

NEW MAXIMUM RATE POLICY:
USE ANNUAL CONSUMER PRICE INDEX METHOD #1 FOR BOTH THE AIRPORT AND THE CITY



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Agenda Item No. 4

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM TAXICAB ADVISORY COMMITTEE

January 15, 2020

SUBJECT:

FISCAL YEAR (FY) 2020 AMENDED BUDGET

INFORMATIONAL ITEM

Budget Impact

None.

DISCUSSION:

FY 2020 Amended Budget

Revenues. Taxicab Administration receives operating revenue from annual regulatory fees and other processing fees. The total budgeted operating revenue is \$981,000, a decrease of \$120,000 from the FY20 original budget. The decrease in operating revenue is primarily due to a reduction in projected annual regulatory fee revenue. The original budget assumed 1450 active permit holders but this number was reduced to 1273 for the FY20 amended budget based on prior year actual experience and current active permit volumes. Other processing fees, which includes application fees, driver class fees, and other fees, are projected to be \$218,000, a reduction of \$13,000 from the original budget. This reduction was based on current year trends where these revenues have been slightly lower than anticipated.

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 amended budget, resulting in zero projected usage of contingency reserve.



Expenses. Total operating expenses are projected to be \$982,000, a decrease of \$119,000 from the FY20 original budget.

Personnel Costs are projected to be \$696,000, a decrease of \$96,000 from the FY20 original budget. This is due to the consolidation of the Taxicab Administration Manager and Regulatory Enforcement Supervisor Positions as well as the reduction of one Regulatory Inspector. The net impact was a reduction in the headcount from 11 to 9 positions.

Outside Services are projected to decrease by \$5,000, primarily due to anticipated reduction in facility and equipment repair costs as well as reduction in uniform purchases due to lower headcount.

Materials and Supplies costs are projected to decrease by \$2,000.

Energy costs are projected to decrease by \$2,000.

Risk Management costs are expected to increase \$1,000.

General and Administrative costs are expected to decrease by \$5,000, primarily due to reduction in anticipated office supplies expenses.

Vehicle Lease costs are projected to increase by \$1,000.

Overhead allocation charges are projected to decrease by \$12,000 as a result of reducing the headcount from 11 to 9 positions.

Contingency Reserves. The audited FY19 year-end contingency reserve balance was \$229,000. The FY20 amended budget proposes zero usage of contingency reserves, resulting in a projection of \$229,000 for the yearend FY20 contingency reserve balance.

/s/Leonardo Fewell

Leonardo Fewell

Taxicab Administration Manager

Key Staff Contact: Leonardo Fewell, 619.235.2643, Leonardo.Fewell@sdmts.com

Attachment: A. FY 2020 Power Point Presentation Slides
B. Summary report of the FY 2020 budget
C. Detailed report of the FY 2020 budget
D. Contingency reserve balance report
E. Comparison of YTD FY 2020 budget to actual through November 2019

Metropolitan Transit System Taxicab Administration Fiscal Year 2020 Amended Budget

**Taxicab Advisory Committee
January 15, 2020**



SAN DIEGO METROPOLITAN TRANSIT SYSTEM TAXICAB ADMINISTRATION

	<u>FY19 ACTUAL</u>	<u>FY20 ORIGINAL</u>	<u>FY20 AMENDED</u>	<u>\$ VARIANCE</u>	<u>% VARIANCE</u>
Annual Regulatory Fees	\$ 743,200	\$ 870,000	\$ 763,800	\$ (106,200)	-12.2%
Processing/Other Fees	245,660	231,000	218,000	(13,000)	-5.6%
Contingency Reserves	88,474	0	0	0	
Total Operating Revenue	\$ 1,077,334	\$ 1,101,000	\$ 981,800	\$ (119,200)	-10.8%

Annual Regulatory Fees – renewal fee unchanged from \$600. Original budget assumed 1450 active permits. Reducing by 177 permits to 1273 based on current permit data.

Processing/Other Fees – reducing \$13,000 based on current run rate for application revenue and driver class revenue

Contingency Reserves – projecting balanced budget



SAN DIEGO METROPOLITAN TRANSIT SYSTEM TAXICAB ADMINISTRATION

	<u>FY19 ACTUAL</u>	<u>FY20 ORIGINAL</u>	<u>FY20 AMENDED</u>	<u>\$ VARIANCE</u>	<u>% VARIANCE</u>
Personnel Costs	\$ 792,098	\$ 792,058	\$ 695,882	\$ (96,176)	-12.1%
Outside Services	76,671	71,250	66,250	(5,000)	-7.0%
Materials & Supplies	347	2,000	500	(1,500)	-75.0%
Energy	18,637	18,500	16,500	(2,000)	-10.8%
Risk	7,910	8,000	8,500	500	6.3%
General & Administration	125,395	135,920	132,420	(3,500)	-2.6%
Overhead Allocation	56,276	73,272	61,748	(11,524)	-15.7%
Total Costs	\$ 1,077,334	\$ 1,101,000	\$ 981,800	\$ (119,200)	-10.8%
Total Revenues Less Exps	\$ -	\$ -	\$ -	\$ -	

Personnel Costs/Overhead Allocation: Headcount reduced from 11 to 9 with consolidation of Taxicab Administration Manager and Regulatory Enforcement Supervisor positions as well as leaving one Regulatory Inspector position unfilled

Outside Services: Reducing budget for facility/equipment repairs based on YTD experience; reducing uniform purchases budget due to reduced headcount



**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
TAXICAB ADMINISTRATION
RESERVES ANALYSIS**

Fiscal Year 2018 (Audited)

Contributions / (Usage)	(242,883)
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Contingency Balance - FY 2018 (Audited)	<u>307,250</u>
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Fiscal Year 2019 (Audited)

Contributions / (Usage)	(77,952)
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Contingency Balance - FY 2019 (Audited)	229,298
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Fiscal Year 2020 (Projected)

Contributions / (Usage)	-
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Contingency Balance - FY 2020 (Projected)	229,298
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**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
TAXICAB ADMINISTRATION
RESERVES ANALYSIS**

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Operating Revenues	\$ 988,860	\$ 981,800	\$ 981,800	\$ 981,800	\$ 981,800
Operating Expenses*	<u>1,077,334</u>	<u>981,800</u>	<u>1,001,436</u>	<u>1,021,465</u>	<u>1,041,894</u>
Net Operating Income (Loss)	\$ (88,474)	\$ (0)	\$ (19,636)	\$ (39,665)	\$ (60,094)
 Contingency Reserve - Begining Balance	 <u>\$ 307,250</u>	 <u>\$ 229,298</u>	 <u>\$ 229,298</u>	 <u>\$ 209,662</u>	 <u>\$ 169,997</u>
 Contingency Reserve - Ending Balance	 \$ 229,298	 \$ 229,298	 \$ 209,662	 \$ 169,997	 \$ 109,903

*Expense growth assumed at 2% per year for FY21 through FY23



**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
TAXICAB ADMINISTRATION (761)
OPERATING BUDGET - CONSOLIDATED
FISCAL YEAR 2020**

Att. B, AI 4, 1/15/20

	ACTUAL FY19	ORIGINAL BUDGET FY20	AMENDED BUDGET FY20	\$ CHANGE AMENDED/ ORIGINAL	% CHANGE AMENDED/ ORIGINAL
OPERATING REVENUE					
PASSENGER REVENUE	-	-	-	-	-
ADVERTISING REVENUE	-	-	-	-	-
CONTRACT SERVICE REVENUE	-	-	-	-	-
OTHER INCOME	988,860	1,101,000	981,800	(119,200)	-10.8%
TOTAL OPERATING REVENUES	988,860	1,101,000	981,800	(119,200)	-10.8%
NON OPERATING REVENUE					
SUBSIDY REVENUE	-	-	-	-	-
RESERVE REVENUE	88,474	-	-	-	-
OTHER INCOME	-	-	-	-	-
TOTAL NON OPERATING REVENUE	88,474	-	-	-	-
TOTAL COMBINED REVENUES	1,077,334	1,101,000	981,800	(119,200)	-10.8%
OPERATING EXPENSES					
LABOR EXPENSES	544,677	565,363	470,185	(95,178)	-16.8%
FRINGE EXPENSES	247,421	226,695	225,696	(999)	-0.4%
TOTAL PERSONNEL EXPENSES	792,098	792,058	695,882	(96,176)	-12.1%
SECURITY EXPENSES	-	-	-	-	-
REPAIR/MAINTENANCE SERVICES	5,104	7,000	5,000	(2,000)	-28.6%
ENGINE AND TRANSMISSION REBUILD	-	-	-	-	-
OTHER OUTSIDE SERVICES	71,568	64,250	61,250	(3,000)	-4.7%
PURCHASED TRANSPORTATION	-	-	-	-	-
TOTAL OUTSIDE SERVICES	76,671	71,250	66,250	(5,000)	-7.0%
LUBRICANTS	-	-	-	-	-
TIRES	-	-	-	-	-
OTHER MATERIALS AND SUPPLIES	347	2,000	500	(1,500)	-75.0%
TOTAL MATERIALS AND SUPPLIES	347	2,000	500	(1,500)	-75.0%
DIESEL FUEL/GASOLINE	5,557	6,000	5,000	(1,000)	-16.7%
CNG	-	-	-	-	-
TRACTION POWER	-	-	-	-	-
UTILITIES	13,080	12,500	11,500	(1,000)	-8.0%
TOTAL ENERGY	18,637	18,500	16,500	(2,000)	-10.8%
RISK MANAGEMENT	7,910	8,000	8,500	500	6.3%
GENERAL AND ADMINISTRATIVE	102,260	110,920	106,420	(4,500)	-4.1%
DEBT SERVICE	-	-	-	-	-
VEHICLE / FACILITY LEASE	23,135	25,000	26,000	1,000	4.0%
TOTAL OPERATING EXPENSES	1,021,058	1,027,728	920,052	(107,676)	-10.5%
NET OPERATING SUBSIDY	(32,198)	73,272	61,748	(11,524)	15.7%
OVERHEAD ALLOCATION	(56,276)	(73,272)	(61,748)	11,524	-15.7%
ADJUSTED NET OPERATING SUBSIDY	(88,474)	-	(0)	(0)	-
TOTAL REVENUES LESS TOTAL EXPENSES	(0)	-	(0)	(0)	-

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
TAXICAB ADMINISTRATION (761)
OPERATING BUDGET - DETAIL
FISCAL YEAR 2020**

	ACTUAL FY19	ORIGINAL BUDGET FY20	AMENDED BUDGET FY20	\$ CHANGE AMENDED/ ORIGINAL	\$ CHANGE AMENDED/ ORIGINAL
OPERATING REVENUE					
OTHER INCOME					
425100 TAXI VEHICLE ANNUAL REGULATORY FEES	846,600	870,000	763,800	(106,200)	-12.2%
425160 TAXI REGULATORY FEE WRITE-OFF	(103,400)	-	-	-	-
425200 TAXI PROCESSING FEES	213,744	200,000	190,000	(10,000)	-5.0%
425900 OTHER INCOME	31,915	31,000	28,000	(3,000)	-9.7%
TOTAL OTHER INCOME	988,860	1,101,000	981,800	(119,200)	-10.8%
TOTAL OPERATING REVENUES	988,860	1,101,000	981,800	(119,200)	-10.8%
NON OPERATING REVENUE					
491100 CONTINGENCY RESERVES	88,474	-	-	-	-
TOTAL NON OPERATING REVENUE	88,474	-	-	-	-
TOTAL COMBINED REVENUES	1,077,334	1,101,000	981,800	(119,200)	(0)
OPERATING EXPENSES					
LABOR EXPENSES					
502010 ADMINISTRATIVE WAGES REGULAR	544,677	564,363	469,185	(95,178)	-16.9%
502020 ADMINISTRATIVE WAGES OVERTIME	-	1,000	1,000	-	0.0%
507010 TEMP HELP	-	-	-	-	-
TOTAL LABOR EXPENSES	544,677	565,363	470,185	(95,178)	-16.8%
FRINGE EXPENSES					
521100 FICA	46,698	50,000	40,485	(9,515)	-19.0%
523100 HEALTH & WELFARE - MGMT	136,600	105,513	115,302	9,789	9.3%
523120 HEALTH & WELFARE - MGMT DEDUCTIONS	(22,970)	(18,000)	(16,131)	1,869	-10.4%
524200 VACATION - REGULAR CASH BASIS	44,163	38,200	31,689	(6,511)	-17.0%
524220 VACATION PAYOFF	6,037	5,000	15,000	10,000	200.0%
524300 HOLIDAY	30,330	35,382	29,351	(6,031)	-17.0%
524900 OTHER PAID ABSENCE	405	500	500	-	0.0%
525100 WORKERS COMP - DISABILITY PAYMENTS	-	-	-	-	-
525150 WORKERS COMP - MEDICAL PAYMENTS	1,451	-	-	-	-
525250 WORKERS COMP - APPLICANT LEGAL	-	-	-	-	-
525300 WORKER COMP - RECOVERIES	(10,531)	-	-	-	-
525500 WORKERS COMP - LEGAL FEES	-	-	-	-	-
525600 WORKERS COMP OUTSIDE SERVICES	-	-	-	-	-
526100 CLOTHING ALLOWANCE	3,600	3,600	3,000	(600)	-16.7%
526300 OTHER FRINGE BENEFITS	11,638	6,500	6,500	-	0.0%
TOTAL FRINGE EXPENSES	247,421	226,695	225,696	(999)	-0.4%
TOTAL PERSONNEL EXPENSES	792,098	792,058	695,882	(96,176)	-12.1%
OUTSIDE SERVICES EXPENSES					
REPAIR/MAINTENANCE SERVICES					
536200 NON REV VEHICLE MAINTENANCE SERVICES	3,614	3,000	3,000	-	0.0%
536300 FACILITY MAINTENANCE REPAIR SVC	-	1,000	-	(1,000)	-100.0%
536500 EQUIP MAINTENANCE REPAIR SVC	1,490	3,000	2,000	(1,000)	-33.3%
TOTAL REPAIR/MAINTENANCE SERVICES	5,104	7,000	5,000	(2,000)	-28.6%
OTHER OUTSIDE SERVICES					
571110 GENERAL LEGAL EXPENSES	-	-	-	-	-
571180 MANAGEMENT TRAINING	131	250	250	-	0.0%
571190 MAINTENANCE TRAINING	70	-	-	-	-
571200 OPERATOR TRAINING	8,640	15,000	15,000	-	0.0%
571210 GENERAL SERVICE AGREEMENTS	1,635	-	-	-	-
571230 PUBLIC NOTICES	-	-	-	-	-
571240 OTHER PRINTING SERVICES	3,855	5,000	5,000	-	0.0%
571250 GENERAL OUTSIDE SERVICES	55,907	40,000	40,000	-	0.0%
571280 UNIFORM PURCHASES	1,330	4,000	1,000	(3,000)	-75.0%
TOTAL OTHER OUTSIDE SERVICES	71,568	64,250	61,250	(3,000)	-4.7%
TOTAL OUTSIDE SERVICES	76,671	71,250	66,250	(5,000)	-7.0%

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
TAXICAB ADMINISTRATION (761)
OPERATING BUDGET - DETAIL
FISCAL YEAR 2020**

	ACTUAL FY19	ORIGINAL BUDGET FY20	AMENDED BUDGET FY20	\$ CHANGE AMENDED/ ORIGINAL	\$ CHANGE AMENDED/ ORIGINAL
MATERIALS AND SUPPLIES					
OTHER MATERIALS AND SUPPLIES					
545300 MAINTENANCE SUPPLIES (NON REV VEHICLES)	-	1,000	-	(1,000)	-100.0%
545400 MAINTENANCE SUPPLIES (FACILITIES)	27	1,000	500	(500)	-50.0%
545500 EQUIPMENT MAINTENANCE SUPPLIES	195	-	-	-	-
545700 SAFETY AND MAINTENANCE SUPPLIES	124	-	-	-	-
TOTAL OTHER MATERIALS AND SUPPLIES	347	2,000	500	(1,500)	-75.0%
TOTAL MATERIALS AND SUPPLIES	347	2,000	500	(1,500)	-75.0%
ENERGY					
DIESEL FUEL					
541100 DIESEL FUEL	0	-	-	-	-
541200 GASOLINE	5,557	6,000	5,000	(1,000)	-16.7%
541300 FUEL TAXES	-	-	-	-	-
TOTAL DIESEL FUEL	5,557	6,000	5,000	(1,000)	-16.7%
UTILITIES					
552100 FACILITY ELECTRIC	12,244	11,000	11,000	-	0.0%
553100 GAS	-	-	-	-	-
554100 WATER	-	-	-	-	-
555100 TELEPHONE	836	1,500	500	(1,000)	-66.7%
TOTAL UTILITIES	13,080	12,500	11,500	(1,000)	-8.0%
TOTAL ENERGY	18,637	18,500	16,500	(2,000)	-10.8%
RISK MANAGEMENT					
562210 PREMIUM WORKMAN'S COMP EXCESS	7,910	8,000	8,500	500	6.3%
TOTAL RISK MANAGEMENT	7,910	8,000	8,500	500	6.3%
GENERAL AND ADMINISTRATIVE					
575120 RENT	94,420	94,420	94,420	-	0.0%
575130 OFFICE SUPPLIES	1,391	7,000	3,000	(4,000)	-57.1%
575150 NON CAPITAL FURNITURE/OFFICE EQUIPMENT	-	-	-	-	-
575170 NON MAINTENANCE GENERAL SUPPLIES	-	-	-	-	-
575180 LICENSES AND PERMITS	-	-	-	-	-
575220 DUES AND SUBSCRIPTIONS.	939	1,000	1,000	-	0.0%
575230 TRAVEL AND MEETINGS	2,472	5,000	4,000	(1,000)	-20.0%
575270 POSTAGE	3,038	2,500	3,000	500	20.0%
579900 OTHER MISC.	-	1,000	1,000	-	0.0%
TOTAL GENERAL AND ADMINISTRATIVE	102,260	110,920	106,420	(4,500)	-4.1%
VEHICLE / FACILITY LEASE					
596150 NON REVENUE VEHICLE LEASE COSTS	23,135	25,000	26,000	1,000	4.0%
TOTAL VEHICLE / FACILITY LEASE	23,135	25,000	26,000	1,000	4.0%
TOTAL OPERATING EXPENSES	1,021,058	1,027,728	920,052	(107,676)	-10.5%
NET OPERATING SUBSIDY	(32,198)	73,272	61,748	(11,524)	-15.7%
OVERHEAD ALLOCATION					
597151 OVERHEAD ALLOCATION	(56,276)	(73,272)	(61,748)	11,524	-15.7%
TOTAL OVERHEAD ALLOCATION	(56,276)	(73,272)	(61,748)	11,524	-15.7%
ADJUSTED NET OPERATING SUBSIDY	(88,474)	-	(0)	(0)	-
TOTAL REVENUES LESS TOTAL EXPENSES	-	-	-	-	-

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
TAXICAB ADMINISTRATION
RESERVES ANALYSIS**

Fiscal Year 2018 (Audited)

Contributions / (Usage)	(242,883)
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Contingency Balance - FY 2018 (Audited)	<u>307,250</u>
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Fiscal Year 2019 (Audited)

Contributions / (Usage)	(77,952)
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Contingency Balance - FY 2019 (Audited)	229,298
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Fiscal Year 2020 (Projected)

Contributions / (Usage)	-
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Contingency Balance - FY 2020 (Projected)	229,298
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SAN DIEGO METROPOLITAN TRANSIT SYSTEM									
Taxicab									
COMPARISON TO BUDGET - FISCAL YEAR 2020									
NOVEMBER 30, 2019									
YTD									
ACTUALBUDGETVARIANCEVAR. %									
Passenger revenue:									
Passenger Pass Fares			-	-	-	-			
Passenger Cash Fares			-	-	-	-			
Passenger Prop A Fares			-	-	-	-			
Passenger UPASS Fares			-	-	-	-			
Total Passenger Revenue			\$ -	\$ -	\$ -	-			
Other Revenue:									
Advertising Revenue			-	-	-	-			
Other Income			87,394	97,215	(9,822)	-10.1%			
Contracted Service Revenue			-	-	-	-			
Other Income - Subsidy			-	-	-	-			
Total Other Revenue			87,394	97,215	(9,822)	-10.1%			
Total Operating Revenue			87,394	97,215	(9,822)	-10.1%			
Personnel Costs:									
Wages			214,166	236,340	22,174	9.4%			
FICA			19,712	20,901	1,189	5.7%			
Pension			-	-	-	-			
Health & Welfare			37,537	34,086	(3,451)	-10.1%			
Paid Absences			39,831	30,487	(9,344)	-30.6%			
Workman's Compensation Costs			-	-	-	-			
Other Fringe Expenses			5,038	4,273	(765)	-17.9%			
Cost Recovery			-	-	-	-			
Pass Thru			-	-	-	-			
Total Personnel Costs			316,284	326,087	9,803	3.0%			
Outside Services:									
Purchased Transportation			-	-	-	-			
General Legal Expenses			-	-	-	-			
Auditing			-	-	-	-			
Professional Services			-	-	-	-			
EE Maintenance			-	-	-	-			
Training			-	1,603	1,603	-			
Security			-	-	-	-			
Repair/Maintenance Services			1,011	2,927	1,916	65.5%			
General Service Agreements			1,256	-	(1,256)	-			
Schedules			-	-	-	-			
Other - Outside Services			-	-	-	-			
Other			10,786	14,923	4,137	27.7%			
Engine and Transmission Rebuild			-	-	-	-			
Total Outside Services			13,053	19,453	6,400	32.9%			
Materials and Supplies:									
Lubricants			-	-	-	-			
Tires			-	-	-	-			
Other Materials and Supplies			-	838	838	-			
Total Materials and Supplies			-	838	838	-			
Energy:									
Diesel			-	-	-	-			
CNG			-	-	-	-			
Traction Power			-	-	-	-			
Utilities			4,823	5,227	404	7.7%			
Gas			1,896	2,484	588	23.7%			
Fuel Taxes			-	-	-	-			
Total Energy			6,720	7,711	991	12.9%			
Risk Management:									
Claims			-	-	-	-			
Insurance Premiums			8,471	8,000	(471)	-5.9%			
Legal			-	-	-	-			
Professional Services (TPAs)			-	-	-	-			
Miscellaneous Services and Other			-	-	-	-			
Total Risk Management			8,471	8,000	(471)	-5.9%			
General & Administrative:									
General and Administrative			41,612	44,401	2,789	6.3%			
Total General & Administrative			41,612	44,401	2,789	6.3%			
Debt Service:									
Debt Service			-	-	-	-			
Total Debt Service			-	-	-	-			
Vehicle/Facility Leases:									
Vehicle/Facility Lease			9,640	10,415	776	7.4%			
Total Vehicle/Facility leases			9,640	10,415	776	7.4%			
Total Operating Expenses			426,329	447,455	21,126	4.7%			
Operating income (loss)			(338,935)	(350,240)	11,305	-3.2%			



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Agenda Item No. 5

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM TAXICAB ADVISORY COMMITTEE

January 15, 2020

SUBJECT:

2020 MAXIMUM RATES OF FARE

INFORMATIONAL ITEM

Budget Impact

None.

DISCUSSION:

MTS Board Policy No. 34 (For Hire Vehicle Services) requires that the maximum rates of fare for taxicabs be calculated annually. The calculation is based on the change in the Annual All Urban Western Transportation Consumer Price Index (CPI) San Diego. Additionally, taxicabs equipped with Point of Sale Devices (POS) electronically connected to the taximeter and printed or electronically conveyed receipt capabilities may charge 6% more than the maximum rates of fare for taxicabs without such devices.

The U.S. Bureau of Labor Statistics will release the finalized annual CPI for 2019 on January 14, 2020 at 8:30 a.m. MTS will use the change in the annual CPI to calculate the 2020 maximum rates of fare and present to the Taxicab Advisory Committee on January 15, 2020.

Taxicab Companies may adopt the 2020 maximum rates of fare immediately thereafter by filing a Statement of Rates of Fare form and finalizing a taximeter inspection by Taxicab Administration.

Since taxicab companies may charge any rate of fare up to the authorized maximum, the Statements of Rates of Fare filing requirement only applies in the event the taxicab



company chooses to adopt a higher maximum rate of fare than the one currently on file with MTS; or, chooses to charge a 6% increase more than the maximum rate if equipped with the aforementioned electronic POS requirement.

	Current Maximum Rate of Fare	2020 Maximum Rate of Fare
Flag Drop	\$2.80 for first 1/10 mile	TO BE PRESENTED DURING MEETING ON 1/15/2020
Per Mile Rate	\$3.00	
Per Hour Waiting Time	\$24.00	

/s/Leonardo Fewell

Leonardo Fewell

Taxicab Administration Manager

Key Staff Contact: Leonardo Fewell, 619.235.2643, Leonardo.Fewell@sdmts.com

Attachment: A. MTS Board Policy No. 34
B. 2020 Maximum Rates of Fare Calculation

Policies and Procedures

No. 34

Board Approval: 12/12/2019

SUBJECT:

FOR-HIRE VEHICLE SERVICES

PURPOSE:

To establish a policy with guidelines and procedures for the implementation of MTS Ordinance No. 11.

BACKGROUND:

Regulation of for-hire vehicle service is in the interest of providing the citizens and visitors to the MTS region and particularly the Cities of Chula Vista, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, San Diego, and Santee, with a good quality local transportation service. Toward this end, MTS finds it desirable to regulate the issuance of taxicab permits, to establish maximum rates of fare, and to provide for annual review of cost-recovery regulatory fees.

POLICY:

34.1 City of San Diego Entry Policy

New City of San Diego taxicab permits will be issued in accordance with San Diego City Council Policy No. 500-02, "Taxicab Permits".

34.2 Maximum Rates of Fare Policy

Maximum rate of fare for exclusive ride and group ride hire of taxicabs shall be made in accordance with the change in the Annual All Urban Western Transportation Consumer Price Index (CPI)/San Diego. The fare structure shall consist of the dollar amounts charged by permit holders for the flag drop, the per-mile charge, waiting-time charge, first zone, and each additional zone charge. The maximum rates of fare shall be computed annually by the Chief Executive Officer and presented at a noticed public hearing of the Taxicab Advisory Committee.

34.2.1 Maximum Rates of Fare Determination

Unless Section 34.2.2 applies, the maximum fare determination shall be adjusted annually based on the 1990 Western transportation CPI/San Diego amounts of \$1.40 flag drop, \$1.50 per mile, and \$12.00 per hour waiting. Adjustments shall be rounded up or down, as appropriate, to the nearest even \$0.10 increment.

34.2.2 Maximum Rates of Fare Determination Only for Taxicabs Equipped with Point Of Sale Devices Electronically Connected to the Taximeter and Equipped with Printed or Electronically Conveyed Receipt Capability

Taxicabs equipped with point of sale devices electronically connected to the taximeter and capable of printing or electronically conveying receipts may charge the an increase of 6% more than the Maximum Rates of Fare for Taxicabs without such devices, as determined pursuant to Section 34.2.1. Adjustments shall be rounded up or down, as appropriate, to the nearest \$0.10 increment.

34.3 Airport Taxicab Fare Policy

In addition to the applicable maximum rate of fare described in Section 34.2.1, a taxicab operator may charge an “extra” equal to the Airport Trip Fee assessed against the individual taxicab operator by the San Diego County Regional Airport Authority. The extra may not be charged on any trip that does not originate at the airport or on any trip where the taxicab operator does not pay the fee to the San Diego County Regional Airport Authority. The extra charge may only be charged to the customer by utilizing the extra button on the taxicab meter. A driver may not verbally request payment.

34.4 Regulatory Fee Review

The following procedures will be utilized for the establishment of for-hire vehicle regulatory fees.

34.4.1 In accordance with State of California Public Utilities Code Section 120266, MTS shall fully recover the cost of regulating the taxicab and other for-hire vehicle industry. Pursuant to MTS Ordinance No. 11, Sections 1.3(b), 1.4(a), 1.4((c), and 1.5(d), the Chief Executive Officer establishes a fee schedule to effect full-cost recovery and notify affected permit holders of changes in the fee schedule.

34.4.2 The procedure for establishing a regulatory fee schedule will include an annual review of the audited expenses and revenue of the previous fiscal year associated with MTS for-hire vehicle activities. The revised fee schedule will be available for review by interested parties in November each year and is subject to appeal as provided for in Ordinance No. 11, Section 1.5(d).

34.4.3 A fee schedule based on previous year expenses and revenue amounts will be put into effect each January.

POLICY.34.FOR-HIRE VEHICLE SERVICES

This policy was originally adopted on 12/8/88.

This policy was amended on 7/26/90.

This policy was amended on 5/9/91.

This policy was amended on 6/13/91.

This policy was amended on 1/28/93.

This policy was amended on 5/11/95.

This policy was amended on 10/31/02.

This policy was amended on 4/24/03.

This policy revised on 3/25/04.

This policy was amended on 4/26/07.

This policy was amended on 7/17/08.

This policy was amended on 4/19/12.

This policy was amended on 4/16/15.

This policy was amended on 12/12/2019.

**TO BE
PROVIDED
AT THE
MEETING**



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Agenda Item No. 6

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM TAXICAB ADVISORY COMMITTEE

January 15, 2020

SUBJECT:

FEBRUARY 12, 2020 DEADLINE FOR PERMITS HELD BY CORPORATIONS AND
LLC'S TO MEET COUNCIL POLICY 500-02 SCREENING CRITERIA EXTENDED TO
JANUARY 1, 2021

INFORMATIONAL ITEM

Budget Impact

Potential loss of regulatory fees for 133 taxicab permits.

DISCUSSION:

Pursuant to MTS's agreement with the City of San Diego (G0225.10-95), the City of San Diego sets fundamental public policy for the regulation of taxicabs and other for-hire vehicles. City of San Diego sets forth its fundamental public policy requirements within Council Policy 500-02. MTS Taxicab Administration then enforces and regulates these policies through MTS Ordinance No. 11.

On March 14, 2015, Council Policy No. 500-02 was revised to require that new taxicab permit holders must have a vehicle that 1) is no older than 10 years of the model age and 2) not have a salvage title. For all existing permit holders held by corporations or limited liability companies, City Council Policy No. 500-02 required compliance within 5 years. Pursuant to MTS Ordinance No. 11, the date of compliance was set as February 12, 2020.

Permit holders registered as corporations or limited liability companies have expressed concerns of the significant costs involved in replacing their vehicles with newer, non-salvaged compliant vehicles before the deadline. Many of these permit holders have



stated they may cease operations completely instead of coming into compliance. Records show that 133 taxicab vehicles owned by corporation or limited liability companies would not be found in compliance, either for the age or title status, by the February 12, 2020 deadline.

Permit holders registered as corporations or limited liability companies have also expressed frustrations for why their permits have been singled out to be in compliance by February 12, 2020, while Council Policy 500-02 does not extend the same requirements to non-corporation or non-limited liability company held existing permit holders (e.g. individually owned taxicab permit holders). Individually owned taxicab permit holders that held an existing permit before March 14, 2015, are not required to come into compliance with Council Policy 500-02 unless they transferred a permit or applied for a new permit.

In response to these concerns, MTS Taxicab Administration has reviewed this issue. The purpose for MTS's regulation of for-hire vehicles is to ensure public safety. MTS Ordinance No. 11 sets minimum safety standards that must be met for the vehicle. This includes, but is not limited to, annual 52 point vehicle inspections performed by MTS Taxicab Administration. These comprehensive vehicle assessments ensure that the vehicle, regardless of age or salvaged title, meets MTS's minimum safety standards.

Therefore, MTS Taxicab Administration supports revisions to Council Policy 500-02 and MTS Ordinance No 11 to remove vehicle age limits and title status. To allow time for the City of San Diego to review this issue, MTS Taxicab Administration will not enforce these two requirements until January 1, 2021. If by January 1, 2021 the City of San Diego has not adopted changes to Council Policy 500-02 in regards to vehicle age limits and title status, MTS will enforce Council Policy 500-02 and MTS Ordinance No. 11 as currently stated.

/s/Leonardo Fewell

Leonardo Fewell

Taxicab Administration Manager

Key Staff Contact: Leonardo Fewell, 619.235.2643, Leonardo.Fewell@sdmts.com

Attachment: San Diego City Council Policy 500-02

CITY OF SAN DIEGO, CALIFORNIA
COUNCIL POLICY

CURRENT

SUBJECT: TAXICAB PERMITS
POLICY NO.: 500-02
EFFECTIVE DATE: March 14, 2015

BACKGROUND:

Regulation of taxicab service is in the interest of providing residents and visitors to the City of San Diego with a good quality local transportation service. Towards this end, the City finds it desirable to regulate the issuance of taxicab permits.

PURPOSE:

To establish a policy for the issuance of additional taxicab permits, for the purpose of expanding the taxi industry to meet growing demand for taxi service throughout the City, and providing opportunity for both existing and new taxi operators and for experienced drivers.

POLICY:

The City will issue taxicab permits to applicants who can demonstrate that they have the experience and resources to provide outstanding quality service to customers and the community.

New permits will be issued on a full cost recovery basis. All applicants will first have to submit an application and satisfy Screening Criteria based on quality and customer service standards.

Permit holders of newly awarded permits must demonstrate that they are in compliance with Screening Criteria as a condition of annual permit renewal or the permit may be suspended or revoked.

When any taxicab permit is transferred, the transferee must satisfy Screening Criteria at time of transfer and thereafter as a condition of annual permit renewal or the permit may be suspended or revoked.

All permits held by corporations or limited liability companies shall comply with Screening Criteria within five years of the adoption of this Policy.

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IMPLEMENTATION:

Screening Criteria will be evaluated on a pass-fail basis. Each element must be a “pass” in order for the applicant to have been considered to have satisfied the screening. Applicants are responsible for providing complete and accurate information needed for the screening evaluations.

1. Screening Criteria

A. Applicants must:

- a. Meet regulatory requirements for a taxicab permit holder and operator specified in ordinance and regulation.
- b. Provide evidence of at least six-months’ experience driving a taxicab, transportation network vehicle, charter party carrier services, or similar service oriented transportation or managing a demand responsive transportation service, or similar service oriented business.
- c. Provide evidence of ability to meet insurance requirements.
- d. Provide evidence of ability to finance the meeting of screening criteria and regulatory requirements.

B. Vehicles must:

- a. Meet regulatory and ordinance requirements
- b. Meet California Air Resources Board criteria for Zero Emission Vehicle or Low Emission Vehicle
- c. Be ADA-compliant (applies to first permit, thereafter at least 50% of vehicles must comply)
- d. Be equipped with a Global Positioning System (GPS)
- e. Be equipped with security cameras
- f. Be no older than 10 years of the model age
- g. Not have a salvage title

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- C. Adequate facilities must be demonstrated for:
 - a. Administrative functions
 - b. Vehicle maintenance
 - c. Off-street vehicle storage when not in service
- D. Dispatch must be:
 - a. Staffed 24 hours
 - b. Computerized
 - c. Utilize a Global Positioning System (GPS)
- E. Customer service plan must include:
 - a. Acceptance of credit cards
 - b. Customer complaint system
 - c. Record keeping of every call, dispatch, trip, and complaint.
- F. Additional screening criteria may be added as needed by regulatory action to fulfill the purpose of improving industry standards and customer service and keeping current with technology.

HISTORY:

“Taxicabs - Certificates of Convenience and Necessity”

Adopted by Resolution R-72292 - 08/21/1962

Amended by Resolution R-216590 - 08/11/1976

Amended by Resolution R-217293 - 12/15/1976

Amended by Resolution R-222474 - 12/19/1978

Repealed by Resolution R-258090 - 03/14/1983

“Taxicabs - Permits”

Added by Resolution R-260636 - 05/07/1984

Amended by Resolution R-261739 - 10/15/1984

Amended by Resolution R-271307 - 06/28/1988

Amended by Resolution R-295355 - 08/06/2001

Amended by Resolution R-302130 - 12/06/2006

Amended by Resolution R-307494 - 06/26/2012

Amended by Resolution R-309308 - 11/25/2014



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Agenda Item No. 7

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM TAXICAB ADVISORY COMMITTEE

January 15, 2020

SUBJECT:

WORKSHOP ON MTS FOR-HIRE VEHICLE INSURANCE REQUIREMENTS

INFORMATIONAL ITEM

Budget Impact

None.

DISCUSSION:

MTS Taxicab Administration establishes minimum required public liability insurance requirements and coverage amount limits for Taxicabs and for-hire vehicles. The minimum required public liability insurance limit for taxicabs (9 passengers or less) is \$350,000 combined single limit. The insurer must have a minimum A.M. Best rating of A-minus (A-) or above, and a financial size category of no less than VII (seven), or a similar Standard and Poor's rating.

MTS Taxicab Administration has received multiple requests from Taxicab Advisory Committee members, drivers and permit holders to revise the current MTS for-hire vehicles insurance requirements, specifically, to eliminate insurance company minimum standard ratings. The intent is to allow insurance companies that do not meet the current MTS minimum A- rating requirement to come in to the San Diego taxicab insurance market. The expected result is lower insurance premiums for the San Diego taxicab industry.

Minimum Insurance requirements are established in the interest of public and passenger safety. MTS current insurance coverage limits and requirements are on par with similar regulatory agencies in the state of California. MTS is aware that insurance coverage is



one of the largest operational costs for taxicab companies and a determining factor in determining whether or not to stay in business.

Before a final determination is made by MTS to revise the current for-hire vehicle insurance requirements, and in an effort to find effective and sustainable solutions that may result in lower insurance premiums for taxicabs, Taxicab Administration will convene a one-day workshop on for-hire vehicle insurance requirements. The workshop will take place at the MTS Board Room on Friday, January 17, 2020 at 10:00 am.

Attendance invitations have been sent to representatives from the city of San Diego, Insurance brokerages, the United Taxicab Workers San Diego (UTWSD), permit holders and selected stakeholders with subject matter experience. Attendance shall be by invitation only.

/s/Leonardo Fewell

Leonardo Fewell

Taxicab Administration Manager

Key Staff Contact: Leonardo Fewell, 619.235.2643, Leonardo.Fewell@sdmts.com

Attachment: A. MTS Minimum For-Hire Vehicle Insurance Requirements

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MTS TAXICAB ADMINISTRATION

MTS Taxicab and For-Hire Vehicle Insurance Requirements

Metropolitan Transit System (MTS), a California Public Agency, has the following taxicab and for-hire vehicle insurance requirements:

1. MINIMUM REQUIRED PUBLIC LIABILITY INSURANCE LIMITS

	Vehicle Seating Capacity (Including Driver)	Combined Single Limit
1.1	9 passengers or less	\$350,000
1.2	10-15 passengers	2,000,000
1.3	16 passengers or more	5,000,000

2. SPECIFIC INFORMATION REQUIRED FOR ACORD CERTIFICATE OF LIABILITY INSURANCE (OTHER THAN ASSIGNED RISK)

- 2.1 Full name of insurance company (insurer), which must be pre-approved by MTS Taxicab Administration, and must meet the minimum standards in Section 4 (see Section 3 for assigned risk requirements).
- 2.2 Name and current address of insured, who must be the permit holder, including company name (DBA) (PO boxes not acceptable).
- 2.3 Insurance policy number with effective and expiration dates.
- 2.4 Type(s) and limit(s) of liability coverage.
- 2.5 Vehicle description (make/year), vehicle identification number (VIN) and medallion number of each insured vehicle.
- 2.6 Certificate issue date and NAIC#.
- 2.7 Statement that insurer shall notify MTS Taxicab Administration, in writing by registered mail to the address on the letterhead at least 30 days prior to cancellation or termination of coverage. Statements to the effect that issuing company will "*Endeavor to Mail Notice*" or "*Intends to Notify*" are not acceptable.
- 2.8 **Original** (wet) signature of an agent who has been authorized by the insurer.
- 2.9 Certificate of insurance shall name San Diego Metropolitan Transit System (MTS) as certificate holder. Certificate must be an original with no alterations, type-overs, or white-outs.

3. SPECIFIC INFORMATION REQUIRED FOR ASSIGNED RISK INSURANCE (PRE-APPROVAL REQUIRED)

- 3.1 Complete copy of the application for insurance. Must contain the same information as is required by Items 2.2 through 2.9.
- 3.2 Proof of payment by copy of the agent's check, or copy of insured's cashier's check or money order, for a minimum of 25 percent of the annual premium.
- 3.3 Proof of policy issuance from the assigned insurer must be received by MTS Taxicab Administration within 30 days from the date on the assigned risk application. Evidence of insurance must contain all items listed in Section 2.
- 3.4 Evidence of insurance must be an original with no alterations, typeovers, or whiteouts.

4. INSURANCE COMPANY MINIMUM STANDARDS

Insurer must have a minimum *A. M. Best* rating of A-minus (A-) or above, and a financial size category of not less than VII (seven), or a similar *Standard and Poor's* rating. Companies providing Assigned Risk Insurance Policies will be evaluated on an individual basis and may be considered if they have a financial size category of not less than VI (six), or a similar *Standard and Poor's* rating. Contact MTS Taxicab Administration for additional information.



5. POLICY PROVISIONS

Policies must comply with MTS Ordinance No. 11, Section 1.9. Unacceptable policy provisions include, but are not limited to, the following:

- 5.1 Self-insured retentions (unless the insured is a state-certified self-insurer under the California Vehicle Code)
- 5.2 Nonstandard deductible endorsements
- 5.3 Territorial restrictions
- 5.4 Named driver/operator policies
- 5.5 Aggregate limits
- 5.6 *"Indemnity only"* contracts



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Agenda Item No. 8

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM TAXICAB ADVISORY COMMITTEE

January 15, 2020

SUBJECT:

REVISIONS TO TAXICAB ADVISORY COMMITTEE MEMBERSHIP

INFORMATIONAL ITEM

Budget Impact

None.

DISCUSSION:

The Taxicab Advisory Committee (TAC) is comprised of sixteen voting members. On December 2, 2019, TAC member Anthony Palmeri announced his retirement and the withdrawal of the San Diego Traveler's Aid Society's participation on the TAC.

Additionally, the TAC representative from the Hotel Industry, Mr. Ryan Chasteen has relocated out of state and failed to respond to requests pertaining to the appointment of a replacement member.

On January 3, 2020, MTS Taxicab Administration requested the Workshop on Regulatory Matters (WORM) sub-committee members to provide feedback on how to address these two vacancies. As these vacancies correspond to the organization or agency category, WORM membership suggested MTS reach out to the Gaslamp Quarter Association (GQA) and Cross Border Express (CBX) airline bridge terminal in Otay Mesa to extend an invitation to become part of the TAC.

GQA is a merchants association, representing more than 400 businesses located in within the boundaries of the Gaslamp Quarter. It is contracted by the City of San Diego



to manage and promote the Gaslamp Quarter National Historic District, and is partially funded by the City of San Diego's Small Business Enhancement Program.

CBX is an exclusive pedestrian bridge for passengers from the Tijuana International Airport, allowing passengers to cross the border between Mexico and the United States. CBX started operations in December 2015 and has become an increasing source of business for the taxicab industry.

If these organizations express interest in participating on the TAC, a proposal to amend the Taxicab Committee Guidelines will be presented at the next scheduled TAC meeting at April 15, 2020 and subsequently provided to the MTS Board of Directors for final approval.

/s/Leonardo Fewell

Leonardo Fewell

Taxicab Administration Manager

Key Staff Contact: Leonardo Fewell, 619.235.2643, Leonardo.Fewell@sdmts.com

Attachment: A. Taxicab Advisory Committee Guidelines

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METROPOLITAN TRANSIT SYSTEM TAXICAB ADVISORY COMMITTEE GUIDELINES

1 PURPOSE

The Taxicab Advisory Committee's purpose is to:

- 1.1 Provide feedback on taxicab matters destined for Board action;
- 1.2 Review summaries of administrative hearing officer decisions concerning taxicab owner and driver penalties;
- 1.3 Discuss taxicab owners'/drivers' written grievances;
- 1.4 Review summaries of complaints concerning taxicab service;
- 1.5 Review vehicle inspection criteria, process, results, and rankings;
- 1.6 Review the Chief Executive Officer's Annual Fee Schedule; and
- 1.7 Comment on MTS's work program concerning taxicab matters.

2 MEMBERSHIP

Seventeen voting members are appointed as follows:

- 2.1 One representative of the MTS Board of Directors appointed on an annual basis, who will be designated by the MTS Board of Directors to serve as Chairman of the Taxicab Advisory Committee.
- 2.2 One member appointed by the San Diego Tourism Authority, the San Diego County Regional Airport Authority, San Diego Convention Center, San Diego Travelers Aid Society, and two members from the Hotel Industry, each serving a three-year term.
- 2.3 Five taxicab owners with at least three years' experience and in good standing, each serving a three-year term, elected by taxicab owners, divided as follows:
 - a. Two seats are designated for representation of owners of one to three taxicabs; and,
 - b. Three seats are designated for representation of owners of four or more taxicabs.

- 2.4 Five taxicab lease drivers in possession of a San Diego Sheriff's Department-issued Taxicab Driver Identification Card valid in the MTS areas of jurisdiction, being in good standing with the Sheriff's Licensing Division, and currently serving as a driver for at least three years leading up to the election. The election shall comply with the following guidelines:
 - a. Lease driver representatives shall be elected by licensed drivers operating in MTS areas of jurisdiction.
 - b. Lease driver representative elections shall take place every three years at the same time as the owner representative elections.
 - c. Both owners and lease driver representatives shall meet the eligibility requirements at all times while serving on the Taxicab Advisory Committee.
- 2.5 A taxicab owner member unable to attend a meeting may appoint an alternate from the same or similarly sized company to attend in his or her absence.
- 2.6 A taxicab driver unable to attend a meeting may appoint a driver with a similar experience level (within 2 years), not less than three years, to attend in his, or her, absence.
- 2.7 The Taxicab Advisory Committee shall make an interim appointment if a member's seat becomes vacant within the three-year term.
- 2.8 The Vice Chairman will be the representative for the San Diego Convention & Visitors Bureau.
- 2.9 One non-voting member will be appointed by the County of San Diego's Department Agriculture, Weights and Measures.
- 2.10 One non-voting member will be appointed by the County of San Diego Sheriff's Department.

3 MEETINGS

- 3.1 Taxicab Advisory Committee meetings are subject to the provisions of the Ralph M. Brown Act, California Government Code, Section 54950, et. seq.
- 3.2 Taxicab Advisory Committee meetings will be held quarterly at the offices of MTS.
- 3.3 The agenda for each meeting will be posted in the MTS lobby.
- 3.4 The agenda, backup materials, and minutes of the previous meeting will be sent to each member ten calendar days in advance of the meetings.
- 3.5 The Chairman may call special meetings, as necessary.

3.6 Fifty-one percent attendance is a quorum to hold a meeting.

4 VOTING

4.1 Each member of the Taxicab Advisory Committee has an equal vote.

4.2 Fifty-one percent of the votes of those in attendance will approve an item.

4.3 A roster of the Taxicab Advisory Committee members who voted will be provided to the MTS Board of Directors, along with the item, for MTS Board action on an agenda item.

5 APPROVAL

5.1 These Guidelines were revised by the MTS Board of Directors on January 14, 2016.

5.2 The MTS CEO shall have the authority to implement additional procedures to carry out elections and maintain regular and orderly meetings of the Taxicab Advisory Committee.