



AGENDA
TAXI COMMITTEE MEETING
February 28, 2018
10:00 a.m. – 11:00 a.m.

Wellness Center
SunLine Transit Agency
Thousand Palms, CA

(Public Comments will be accepted on each Agenda item upon the conclusion of the staff report on that item. Public comments on non-agendized items will be accepted during the Public comments section. Comments may be limited to 3 minutes in length. Please notify the Committee Chair if you wish to comment.)

1. **Call to Order**

2. **Roll Call**

3. **Confirmation of Agenda**

4. **Presentations**

- a) Taxi History – Pete Gregor, Taxi Administrator
- b) Franchise Income Overview – Pete Gregor, Taxi Administrator

5. **Public Comments**

Receive Comments

Anyone wishing to address the Taxi Committee on items not on the Agenda should do so at this time. Each presentation is limited to three minutes.

6. **Committee Member Comments**

----- **RECEIVE & FILE** -----

7. **Consent Calendar**

Receive & File

All items on the Consent Calendar will be approved by one motion, and there will be no discussion of individual items unless a Board member requests a specific item be pulled from the calendar for separate discussion. The public may comment on any item.

- a) SSG/SRA Checks Over \$1000 issued December 2017 (Page 1)
- b) SSG/SRA Monthly Budget Variance Reports December 2017 (Page 2-3)
- c) Taxi Vehicle/Rides Analysis January 2018 (Page 4-6)
- d) Metric (Taxi Expense vs Taxi Revenue) December 2017 (Page 7)

----- INFORMATION -----

8. [Ordinance Changes](#) **Information**
(Robert Radi, Chair of the Taxi Committee;
Staff: Pete Gregor, Taxi Administrator)
At the December 2017 Taxi Committee meeting, the Committee was presented with an action item setting Taxicab Rates for Calendar Year 2018. The item was referred back for discussion with the franchisee's. The franchisee's felt the proposal directly affected their business and should be discussed prior to implementation. (Page 8-17)
9. **Adjourn**

**SunLine Regulatory Administration
Checks \$1,000 and Over
For the month of December 2017**

NOTE: 1). Bold check payments represent "pass through" payments that were, or will be reimbursed to SunLine under the provisions of specific grants or contracts. 2). Underlined check payments represent "shared" payments with SunLine and specific vendors/employees.

Vendor Filed As Name	Description	Check #	Payment Date	Payment Amount
SUNLINE TRANSIT AGENCY	Payroll Liabilities 12/1/17	90449	12/01/2017	6,408.64
SUNLINE TRANSIT AGENCY	Payroll Liabilities 12/29/17	90461	12/29/2017	6,255.85
BURKE, WILLIAMS & SORENSEN, LLP	Legal Services Nov 2017	90452	12/15/2017	4,704.00
SUNLINE TRANSIT AGENCY	Payroll Liabilities 12/15/17	90456	12/15/2017	4,676.73
BURKE, WILLIAMS & SORENSEN, LLP	Legal Services Oct 2017	90447	12/01/2017	1,752.00
Total Checks Over \$1,000	\$23,797.22			
Total Checks Under \$1,000	\$1,665.04			
Total Checks	\$25,462.26			

SunLine Regulatory Agency
Budget Variance Report
December 2017

Description	FY 18 Total Budget	Current Month			Year to Date		
		Actual	Budget	Favorable (Unfavorable)	YTD Actual	FY 18 YTD Budget	Favorable (Unfavorable)
Revenues:							
Meter Readings	156,497	12,265	13,041	(776)	67,437	78,249	(10,812)
Revenue Fines	2,000	0	167	(167)	1,970	1,000	970
New Driver Permit Revenue	4,000	630	333	297	4,500	2,000	2,500
Driver Transfer Revenue	850	250	71	179	650	425	225
Driver Renewal Revenue	9,200	400	767	(367)	2,850	4,600	(1,750)
Driver Permit Reinstatement/Replacement	150	5	13	(8)	10	75	(65)
Vehicle Permit Revenue	80,900	3,975	6,742	(2,767)	15,300	40,450	(25,150)
Other Revenue	-	0	0	0	15	0	15
Total Revenue	253,597	17,525	21,133	(3,608)	92,732	126,799	(34,067)
Expenses:							
Salaries and Wages	104,987	10,741	8,749	(1,992)	55,994	52,494	(3,500)
Fringe Benefits	69,092	3,962	5,758	1,796	31,334	34,546	3,212
Services	48,500	7,976	4,042	(3,935)	20,797	24,250	3,453
Supplies and Materials	5,003	461	417	(44)	1,601	2,502	901
Utilities	4,258	355	355	0	2,129	2,129	0
Casualty and Liability	12,112	1,010	1,009	(0)	6,056	6,056	0
Taxes and Fees	20	0	2	1	4	10	0
Miscellaneous	9,625	589	802	213	1,433	4,813	3,379
Total Expenses	253,597	25,095	21,133	(3,962)	119,348	126,799	7,450
Total Operating Surplus (Deficit)	\$ -	\$ (7,570)			\$ (26,617)		

Budget Variance Analysis - SunLine Regulatory

Revenue - Unfavorable

- Taxi revenues are heavily influenced by the seasonal decline during the summer months. The surplus in the peak months will decrease the unfavorable balance. As of December there is a decrease of 29,651 Taxi Trips compared to the YTD fiscal year 2017.
- Taxi franchises pay the full year's vehicle permits during the peak months of October through April.

Salaries and Wages - Unfavorable

- Allocated salary expenses have been higher in October, November, and December to assist with agency needs.

Fringe Benefits - Favorable

- Fringe benefit savings are attributed to lower balances for accrual expenses.

Services - Favorable

- The favorable variance is primarily attributed to actual legal and auditing service costs being lower than the budgeted amount.

Supplies and Materials - Favorable

- The favorable variance is mainly attributed to savings in office supply costs, and repair part expenses.

Utilities - Favorable

- Utility expenses are within an acceptable range of the budget.

Casualty and Liability - Favorable

- Casualty and liability expenses are within an acceptable range of the budget.

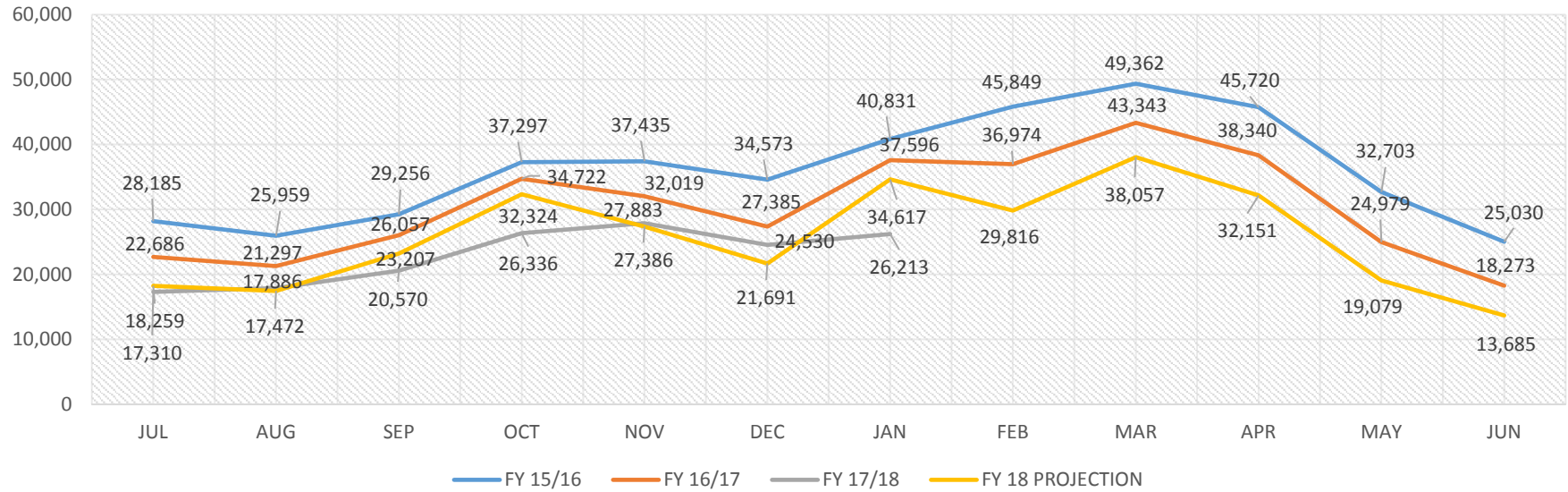
Taxes and Fees - Favorable

- Taxes and Fees are within an acceptable range of the budget.

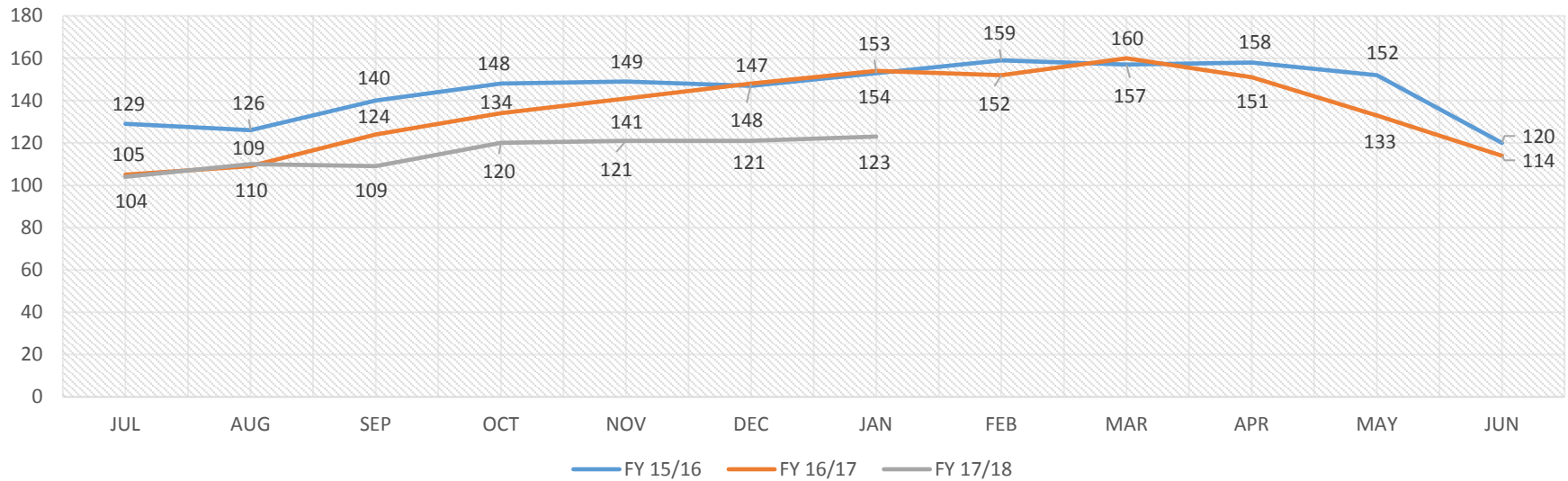
Miscellaneous - Favorable

- The favorable balance is mainly attributed to travel and training expenses not yet incurred.

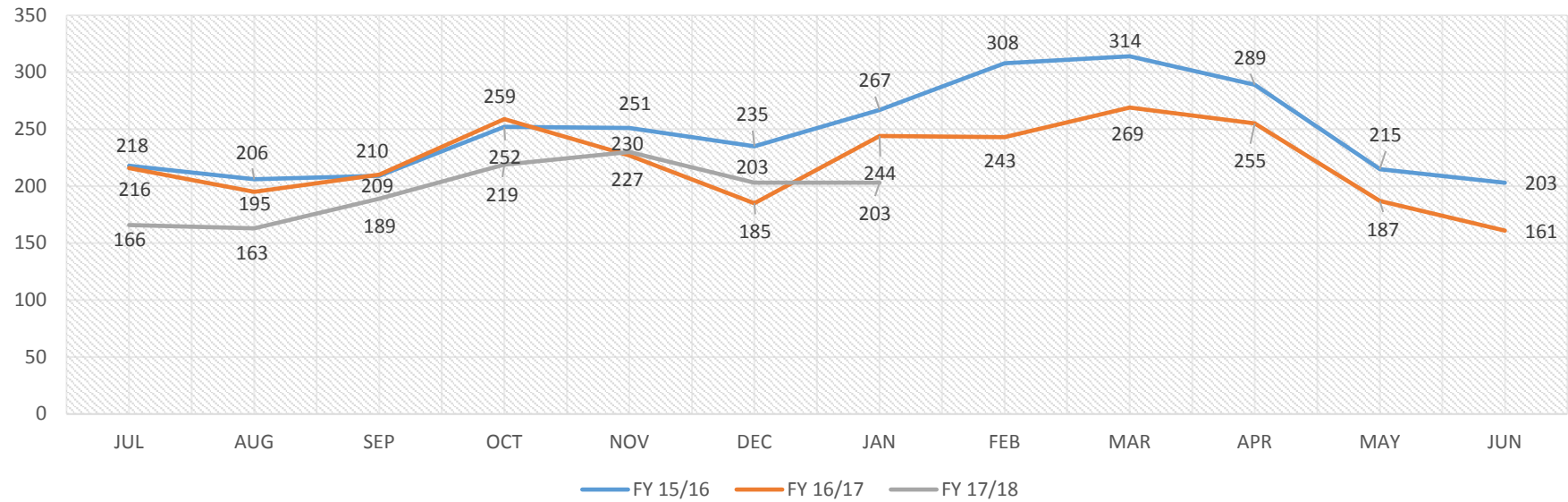
OF TAXI TRIPS



OF CABS PROVIDING TRIPS



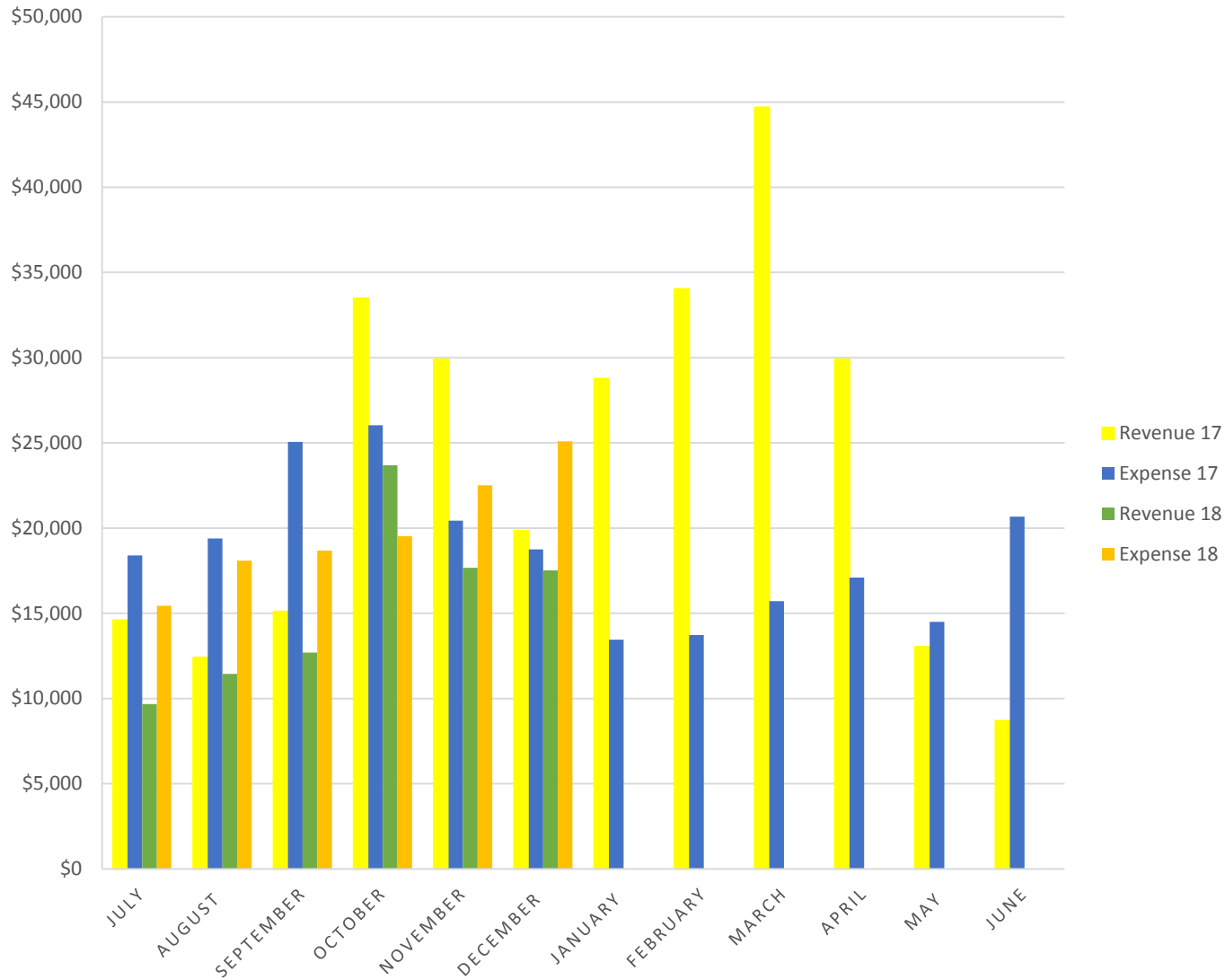
OF TRIPS PER CAB



JANUARY 2018 TRIPS PER VEHICLE
(business volumes, averaged values)

COMPANY	# OF CABS WORKED	# OF TRIPS	% OF BIZ	AVG. TRIPS CAB	AVG. TRP DAY	31
AMERICAN CAB	30	7554	28.8%	251.80	8.12	
DESERT CITY CAB	41	7462	28.5%	182.00	5.87	
YELLOW CAB OF THE DESERT	52	11197	42.7%	215.33	6.95	
	123	26213	100.00%	202.72	6.54	

EXPENSE VS REVENUE AND VARIANCE-DECEMBER FY18



FY 18 YTD



Measuring the health of the FY18 SRA budget by monitoring expenses and revenues.

SunLine Transit Agency

DATE: February 28, 2018
TO: Taxi Committee
FROM: Taxi Administrator
RE: Ordinance Changes

INFORMATION

Information

At the December 2017 Taxi Committee meeting, the Committee was presented with an action item setting Taxicab Rates for Calendar Year 2018. The item was referred back for discussion with the franchisee's. The franchisee's felt the proposal directly affected their business and should be discussed prior to implementation.

A franchise meeting was held on January 5, 2018. The franchises rejected the initial proposals made at that meeting. It was agreed the franchises would meet separately and compile their own list of proposals. At the request of the franchises, their proposal is attached. The following table outlines the seventeen proposed changes.

PROPOSAL	SRA	FRANCHISES
Reduce Driver Permit Fees - 12 month term	Yes	Yes
Reduce Driver Renewal Permit Fees - 12 month term	Yes	Yes
Reduce Vehicle Permit Fees – 12 month term	Yes	Yes
No change to surcharge	Yes	Yes
Permit Dispatch from remote location	Yes	Yes
Extend alternative fuel and ADA to 10.5 yrs.	Yes	Yes
Extend standard vehicles to 8.5 yrs.	Yes	Yes
Extend Driver's Permits to two years	No	Yes
Salvaged vehicles	No new salvaged vehicles	Unlimited use
Rebuilt vehicles	No new rebuilt vehicles	Unlimited use
Restrict newly permitted vehicles to less than 125,000 miles	Yes	No
Restrict newly permitted vehicles to less than 5 model years	Yes	No
Main place of business	Must be within SSG jurisdiction	May be located outside SSG jurisdiction
Office staffing	Minimum one employee on-duty at all times, at the principle place of business	Provide SSG with two phone numbers for franchise representative

PROPOSAL	SRA	FRANCHISES
Background checks	No change	SSG pays all background check fees and allows drivers to work prior to DOJ/FBI fingerprint results
Alternative Fuel vehicle definition	Vehicles defined by the Energy Policy Act of 1992	Vehicles exceeding LEV (low emissions vehicle) or ULEV (ultra low emissions vehicle) ratings
Service life calculation	Includes model year of vehicle	Excludes model year of vehicle

In the spirit of cooperation and in consideration of the effect TNC's have had on the taxi industry, we have agreed to seven of the seventeen proposals. We feel the six of the seven agreeable proposals will provide a significant financial benefit to the franchises. We feel the remaining proposals present significant safety improvements with minimal impact to the franchises. We would be happy to discuss any of the proposals presented.

Pete Gregor
Taxi Administrator



Franchise Response to January 5, 2018 SRA Taxi Franchise Meeting

From: American Cab
Desert City Cab
Yellow Cab of the Desert

The S.S.G. Board of Directors and SRA staff have been working vigorously with the local taxicab industry franchises over the past three (3) plus years to relax regulations in order for the industry to compete on a more level playing field with TNC companies. The three franchises came together to request a substantial overhaul in existing regulations by providing requested changes to both the *"Taxicab Regulations of the Sunline Regulatory Administration"*, *"The Sunline Services Group Ordinance 2015-01"* in February 2016. Some of those changes were implemented in *"The Sunline Services Group Ordinance 2016-01"* along with the Franchise(s) understanding that relaxing the regulations would continue to be a work in progress.

At a SRA Taxi Franchise Meeting held on January 5, 2018 there were several agenda items discussed with regard to Regulation and Ordinance changes that all three (3) franchises do not support. After much discussion, it was agreed by the three franchises and SRA staff that it would be a more efficient method to have the three franchises submit documentation on the agenda items as a unit for SRA staff review. Please find the following responses to the agenda items for that meeting.

- Aging out of Taxis ○ All three franchises do not support the proposed modifications to R.9. Vehicle Safety Inspection. Franchises have built their company asset management program(s) around the established regulatory practices of SRA staff since the inception of the franchise system. Exhibit "A" as presented would tighten regulation in some areas while only allowing an additional one (1) year extension

(according to SRA established practice) on the newly defined Alternative Fuel verbiage and Wheel Chair Accessible vehicles. The tightening of this regulation with the addition to R.9.0.1 and R.9.0.2 would have a severe negative impact on all three franchises and their company asset management programs. All three franchises are in support of an alternative modification to R.9.0.1 (attached as Exhibit "B") to assist in viability of the local taxicab industry and allowing us to compete on a more level playing field with TNC companies.

- Surcharges ○ All three franchises is request that the "Drop Fee" remain at \$3.00 at this time. It is the opinion of the Franchises that a \$0.50 per ride reduction in fees will not assist franchise cabs to

compete with ride share operators on a cost basis as stated in the Taxi Administrator Recommendation Report. The Franchises would like to discuss and explore other ways to potentially reduce operating revenue and utilize accumulated cash surplus at a slower pace, such as:

- Extend Driver Permits from one (1) year to two (2) years.
- Significantly Reduce New Driver Permit Fees so that the expense of becoming a driver is not as costly which will increase the driver pool and allow better coverage for passengers. Currently, many potential taxicab drivers have opted to become TNC drivers due to the costs and time it takes to become a permitted driver versus becoming a taxicab driver.
- Significantly reduce Renewal Fees for Existing Drivers to help offset their costs.
- Reduce Vehicle Permit Fees • Remote Dispatch ○ All three franchises do not support the proposed modifications to Ordinance 1.080 B1-B4 as presented (attached as Exhibit "C"). Please note that Exhibit "C" is out of sequence to from "*The Sunline Services Group Ordinance 2016-01*" posted on the Sunline Transit Agency website. It is the opinion of the Franchises that Exhibit "C", as presented, is too restrictive, over burdensome, and over-regulated for the Taxicab Industry to be able to compete with TNC companies on a more level playing field. All three franchises are in support of an alternative modification to Ordinance 1.080 B1-B4 (attached as Exhibit "D") to assist in viability of the local taxicab industry and allowing us

to compete on a more level playing field with TNC companies.

- Use of Salvage Titles ○ Franchises agree that enacting further regulation such as the addition of R.9.0.2 is too restrictive, over burdensome, and over regulated for the Taxicab Industry to be able to compete with TNC companies on a more level playing field. The franchises have not been presented with any evidence that Salvage Title Vehicles impose an undue safety risk to date. Salvage Title Vehicles are inspected by the California Highway Patrol to ensure that they can safely operate on the streets of California. Permitting Salvage Title Vehicles is a common practice within the Taxicab Industry.

- Use of Surplus ○ Franchises would like to request that Surplus Cash be used to reduce the following:
- Extend Driver Permits from one (1) year to two (2) years.
- Significantly Reduce New Driver Permit Fees so that the expense of becoming a driver is not as costly which will increase the driver pool and allow better coverage for passengers. Currently, many potential taxicab drivers have opted to become TNC drivers due to the costs and time it takes to become a permitted driver versus becoming a taxicab driver.
- Significantly reduce Renewal Fees for Existing Drivers to help offset their costs.
- Reduce Vehicle Permit Fees
- Allocate costs involved with performing HireRight (or comparable service) online background checks for temporary driver permits to expedite the driver processing wait time while waiting for the DOJ background check, thereby is expediting

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service to the public with an adequate number of permitted drivers for taxicabs. The costs and wait time to permit taxicab drivers is exponentially slower than that of the RideShare company competitors which often persuades potential drivers to opt to drive for those companies instead. This usage is another area that would narrow the gap in the current unlevel playing field that exists in the taxicab industry.

In closing, American Cab, Desert City Cab, and Yellow Cab of the Desert would like to thank the S.S.G. Board of Directors and SRA staff for their continued support in

relaxing over burdensome regulation in the taxicab industry that prohibits the industry from conducting business on a level playing field with the ridesharing competition. We look forward to continued work in this area.

R.9. VEHICLE SAFETY INSPECTION STANDARDS

Vehicles must be in good operating order, free from known mechanical defects. No vehicles in service shall be more than six (6) model years ~~(model year of the vehicle plus five (5) years)~~ plus six (6) months of age, except that wheel chair accessible vehicles and alternative fuel vehicles (electric vehicles and vehicles that accept non-petroleum fuels such as CNG, biodiesel, hydrogen and ethanol) may be up to ~~eight (8)~~ ten (10) model years ~~(model year of the vehicle plus 9 years)~~ plus six (6) months of age. ~~Vehicles that qualify for the classification of alternative fuel shall operate as a dedicated or flexible fuel vehicle, capable of operating on an alternative fuel as defined in the Energy Policy Act of 1992.~~ The Taxicab vehicle standards incorporate herein by reference those of the California Vehicle Code (CVC), as now enacted or may be amended. In addition, all Taxicabs must meet the following standards in order to pass the vehicle safety inspection for operation as a Taxicab within the jurisdiction of SSG:

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R.9.0.1

SSG shall not issue a new permit to any vehicle in excess of five (5) model years of age (model year of the vehicle and 4 years) or displaying more than 125,000 miles on the odometer. Any vehicle being newly permitted shall show proof of original mileage before the issuance of a permit.

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R.9.0.2

SSG shall not issue a permit to any vehicle that has a salvaged or rebuilt title.

EXHIBIT "B"

R.9. VEHICLE SAFETY INSPECTION STANDARDS

Vehicles must be in good operating order, free from known mechanical defects. No standard ~~(standard vehicles are classified as vehicles that are certified as ULEV and LEV vehicles)~~ vehicles in service shall be more than ~~six (6)~~ **eight (8)** model years ~~plus six (6) months~~ of age ~~(model year of the vehicle plus eight (8) years and six (6) months)~~. No wheelchair-accessible vehicles ~~or~~ **and** alternative fueled vehicles in service shall be more than ~~seven (7)~~ **ten (10)** model years ~~plus six (6) months~~ of age. ~~(model year of the vehicle plus ten (10) years and six (6) months)~~ The Taxicab vehicle standards incorporate herein by reference those of the California *Vehicle Code* (CVC), as now enacted or as may be amended. In addition, all Taxicabs must meet the following standards in order to pass the vehicle safety inspection for operation as a Taxicab within the jurisdiction of SSG:

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Commented [MMB4]: Incorporate Previously Approved Modified Verbiage

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1. Each Franchise shall provide for dispatch operations 365 days a year, 24 hours a day. The dispatch operation may be conducted from a local office within the jurisdiction of SSG, or off-site. Any Franchise choosing to locate dispatch services outside the jurisdiction of SSG shall provide a minimum of one person, staffed at the Franchise's principle place of business as required under section 3) below, 365 days a year, 24 hours a day. That person(s) shall be available at all times for immediate contact, via telephone. The phone number shall be displayed in a conspicuous manner on each taxicab permitted under the Franchise Agreement. That person shall also have the capability to communicate directly with each taxicab operating within the jurisdiction of SSG and permitted to the Franchise. That individual shall have the capability and authority to perform dispatch operations in conjunction with any dispatch operations performed from a location outside the jurisdiction of SSG. That person shall remain available for contact with any SSG official, agent or employee 365 days a year, 24 hours each day. Each Franchise shall maintain and provide computerized dispatch system capable of providing performance reports as required by SRA;
2. Each Franchise shall have a principle place of business from which it conducts its activities as a Franchise. This requirement shall not be interpreted to require that all activities of a Franchise be conducted from a single location. A Franchise may have other locations, in addition to its principle place of business, where it conducts repair and maintenance, storage of vehicles or dispatching of taxi services as described above, so long as each activity conducted by the Franchisee, is conducted from a location properly zoned for that activity by the local jurisdiction;
3. The principle place of business shall be located within the jurisdiction of SSG. All other locations from which the Franchisee conducts its Taxi activities, with the exception of dispatch services as described in section 1), shall also be located within the jurisdiction of SSG;
4. Each applicant for a Franchise shall maintain in service a number of vehicles no less than 75% nor more than 125% of the allocation of non-temporary taxicab permits under its Franchise Agreement. The Franchisee shall continue to maintain ownership of the minimum number of vehicles as a condition to the continued validity of any Franchise. The minimum number of vehicles established by this section may be revised by SRA without amendment to this Ordinance;

EXHIBIT "D"

Section 1.080 Franchise-Minimum Requirements

B. The following minimum requirements apply to the issuance and maintenance of a Franchise. The Taxicab Administrator is authorized to adopt rules and regulations to implement the requirements which shall become effective upon review and approval by the Board of SSG:

1. Each Franchisee shall maintain and provide a year-round computerized dispatch system capable of providing performance reports as required by SRA;
2. Each applicant for a Franchise shall maintain in service a number of vehicles no less than 75% nor more than 125% of the allocation of non-temporary taxicab permits under its Franchise Agreement. The Franchisee shall continue to maintain ownership of the minimum number of vehicles as a condition to the continued validity of any Franchise. The minimum number of vehicles established by this section may be revised by SRA without amendment to this Ordinance;
3. ~~Each Franchisee shall have a principal place of business from which it conducts its activities as a Franchisee, including the dispatch of Taxicabs required under section 1) above, and related activities. This requirement shall not be interpreted to require that all activities of a Franchisee be conducted from a single location. A Franchisee may have other locations, in addition to its principal place of business, where it conducts repair and maintenance, storage of vehicles or similar activities, so long as each activity conducted by the Franchisee, is conducted from a location properly zoned for that activity by the local jurisdiction;~~ **Each Franchisee shall actively maintain and provide to SRA a minimum of two (2) Emergency Contacts that can act on behalf of the Franchise in an Emergency situation.**
4. ~~The principal place of business and each other location from which a Franchisee conducts Taxicab activities, shall be located within the jurisdiction of SSG;~~

Commented [MMB1]: Franchises agree that this section is too restrictive, over burdensome, and over regulated for the Taxicab Industry.

Commented [MMB2]: Franchises request this verbiage replace the existing verbiage in Section 1.080B3 & 1.080B4

Commented [MMB3]: Franchises agree that this section is too restrictive, over burdensome, and over regulated for the Taxicab Industry