

Taxicab Board Meeting Minutes  
June 26, 2014

Members Present: Michael Benson  
Stephen Kunselman Robert Goeddel  
Tom Crawford

Members Absent: Eric Sturgis, LouAnne Bullington

Guests:

Officer Jamie Adkins  
Kristen Larcom, City Attorney's Office  
Dave Askins, The Ann Arbor Chronicle  
Mark Neumann, Stadium Transport  
Mark LaSarge, Yellow Car/Select Ride  
Rick Clark, Amazing Blue  
Linda Evans, Ann Arbor Commission on Disability Issues  
JP Heythaier, Blue Cab Company  
John Heed, Select Ride  
Edward Vielmetti, Citizen

I. CALLED TO ORDER – 8:43 a.m. by Mr. Benson

II. APPROVAL OF AGENDA

**Mr. Kunselman moved to approve the agenda, Mr. Goeddel seconded. The motion passed.**

III. PUBLIC COMMENTARY

Mark Neumann of Stadium Transport said Uber and Lyft are out every night stealing fares. He said the police officer he spoke with said he didn't know that a cease and desist order was in effect. He was hoping something can be done soon because if not, he heard some of the taxicab drivers saying they are thinking about going to Uber and Lyft because they can't survive out here. Mr. Neumann said he wants to know from the Taxicab Board what is going to be done about this problem.

Linda Evan of Ann Arbor Commission on Disability Issues said when the Board is thinking about safety for passengers and the ordinance; they should consider that people with disabilities have more detailed safety needs. She suggested that the ordinance include some type of disability sensitivity training for drivers if they have to register in Ann Arbor. Also, attention should be given to passengers with wheelchairs and service dogs. She said she has heard that passengers with wheelchairs and service dogs have been refused service with this type of company (referring to Uber and Lyft). Ms. Evan talked with Mr. Benson on what the ordinance changes will look like. She approves of the steps the Board is taking and believes the commission will too. Ms. Evan wants to be sure certain aspects of disability are included that may not have been thought of. She wants to be sure the disability community is protected. She invited the Board to come to the meeting on disability issues that meet the 3<sup>rd</sup> Wednesday of every month at 3:15pm at City Hall. She can be contacted through their city liaison, Amy Seavitt.

Rick Clark from Amazing Blue Taxi said "in the non-metered vehicle, you might want to put in another exemption for non-emergency medical transportation." Mr. Clark passed out a sheet with suggestions for the Board to consider for non-metered vehicles.

Mark LaSarge from Select Ride said in the two proposed amendments to council he noticed that one addressed the deregulation of the meter rates and the other addressed qualifying the drivers of both cabs and non-metered vehicles for hires. Mr. LaSarge said he did not see changes in the proposed documents validating that the vehicles have been properly registered and are properly insured as discussed at the last meeting.

IV. OLD BUSINESS

1. Approval of Taxicab Board Minutes from May 22, 2014

Mr. Benson asked that the minutes be consisted in using prefixed name titles. Sarah Singleton said Kristen Larcom's name should be removed from the guest attendance list. She was not at the May 22, 2014 meeting.

**Mr. Kunselman moved to approve the Board Minutes of May 22, 2014 with the recommended corrections, seconded by Mr. Goeddel. The motion passed.**

## V. NEW BUSINESS

### 1. Review Draft Ordinance for Deregulating Rates

Mr. Benson said the Board ask to have language brought forth to tweak the rates but the language that is in the proposed document is not what he was looking for exactly, but he is looking forward to the discussion.

Mr. Kunselman asked staff to give the Board a summary of intent of the proposed ordinance changes. Ms. Larcom said her understanding was there was a desire to deregulate rates and that is what she tried to draft with the understanding that it may not completely answer what the Board wanted capture. The document is merely a draft.

Mr. Crawford discussed the meter rates changes. The meter rate would be certified at the normal annual review and the company would have the ability to make one rate change during the year with a 30 day notice. The fee is yet to be determined. The administration of the deregulation would be handled by the company. They would have to publicize whatever their rates are on the rear passenger door of both sides of their vehicle with letters that are no less than one inch in heights. Any advertisement that the company does would have to be consistent with their rates and there should be a rate card posted in the vehicle where passengers can see it.

Mr. Kunselman questioned if the Board would be setting a maximum rate and if taxicab companies would than set a lower rate. Ms. Larcom said the term "maximum rate" was not included in the draft ordinance. She also said it is city council who sets the rates.

Mr. Kunselman said he thinks there needs to be some sort of maximum rate set because the issue of surge pricing is not taken into account in the proposed ordinance. Mr. Crawford said surge pricing would not be possible under the proposed ordinance because they can only change their rates once a year and if they did change it, they would have to keep it at that rate for the rest of the year. Mr. Kunselman said he is interested in hearing from the taxicab industry.

Mr. Goeddel said the draft ordinance is a little different in terms of its complete deregulation. He is more interested in deregulation where a very high cap is set because that would seem to be easily to back off of if it didn't work out. He has a mild concern that one rate change per year may not be enough due to the flow of students during the year. He could imagine two or even three rate changes being reasonable without allowing for surge like pricing.

Mr. Benson said the draft is a good start and it can be tweaked as we go forth. Mr. Benson said he did not see the his request for more "teeth" in the ordinance to allow the police to enforce the policy. Mr. Benson also asked what would be the Board roles after deregulation other than approving new companies or getting request for rate changes. Mr. Crawford said the Board never had a role in setting rates, only to recommend changes to council. Traditionally, the Board approved Taxicab Company, vehicle and driver's licenses and establishes safety regulation. If the proposed ordinance is approved, there would be no role for the Taxicab Board other than setting a cap on rates. The taxicabs companies would interact directly with the police to have the certification changes and advertisement approved. A onetime per year rate change was chosen because of the administrative support needed to make the change.

Mr. Benson said the proposed ordinance would not only deregulate the rate but would also allow for surge pricing. For example, a company could arrived in May of the year and from 6pm to 3am bumps the flag up by \$1.00 and apply it to the vehicle and rate card. Officer Adkins said the companies would fill out a standard form with what the rate would be and turn it in as part of a re-inspection packet so she would know ahead of time what they would be charging. Mr. Kunselman said we have had the discussion on peak and non-peak time before. He said it doesn't necessarily have to be in the ordinance but it could be allowable if we set the hours of what peak and non-peak times are because that seems to be what's

driving a lot of business in the taxicab community. He believes we should go in that direction as we consider deregulation. He mentioned Austin, Texas as an example of a community that charges a higher rate during bar time hours. Mr. Crawford said as we get to the next topic, we will see that there are a lot of low charging companies coming in at our peak times.

Mr. Kunselman said these people are cheating by not paying the higher rates of insurance and are coming in and undercutting the rate and are still charging more when they say they are surge pricing when there is a game. A set maximum rate would allow the taxicab business to negotiate from a high rate down and we would even give them a higher rate within the peak time hours or football games. This should be clarified in the ordinance. He believes that Uber and Lyft are benchmarking everything according to what we set. They have the low cost, low ball service that is not properly insured. He said, if they are hiring limos and other company that are legitimate, they are benchmarking on what we are allowing to be charged. Taxicabs can also charge less in order to compete with the low-ballers.

**Mr. Kunselman moved to have staff re-draft the proposed ordinance to deregulation taxicab rates per the Board's discussion to include ordinance language of base, peak and flat rates and that the rate card be defined by regulation and a maximum rate established by council. Staff is directed to consult with Board members if needed. Mr. Goeddel seconded. The motion passed.**

2. Review Draft Ordinance Requiring Registration of Livery Drivers

Mr. Benson said that he and staff met Wednesday evening and had a very productive meeting discussing the draft ordinance. He is looking forward to feedback from the Board as well as the public at this stage and hopefully when the ordinance goes to council. Mr. Benson said he appreciated the recommendation from Mr. Clark of Amazing Blue Taxicab and read the recommendations for the Board. Mr. Clark also recommended non-emergency medical transport as something to consider adding in the ordinance.

Mr. Kunselman again asked staff to summarize the draft ordinance. Ms. Larcom said currently the taxicab ordinance only applies to taxicab. Taxicabs are defined as vehicles that have meters and they can't be both taxicab and limo at the same time. In the draft proposed ordinance, Ms. Larcom stated that she used the term non-metered vehicle for hire, which is any motor vehicle that is not equipped with a taximeter and operates on the streets of the city, accepting passengers for hire who have previously arranged to be transported. She pointed out a new section was added requiring registration of the operator of a non-metered vehicle. She also pointed out a new section requiring display of registration decal. All of the same requirements were used for non-meter vehicles as they are for taxicabs. The ordinance also makes it clear that the registered driver must have a chauffeur's license which state law requires. She stated that when someone is picking up a passenger without a meter, they must have a chauffeur's license. She believes that will cover Lyft and Uber but don't believe it's necessary to have that in the ordinance. In terms of the vehicle, it is staff's understanding that only the drivers will register. The state regulates non-metered vehicles and they are required to have inspection. Ms. Larcom suggested that the non-metered drivers have a certificate from the state which would indicate their compliance with the state requirements.

Mr. Kunselman said the draft ordinance is going in the direction that he thinks it should go to make sure the non-metered vehicle drivers are registered. He agrees that the idea of trying to duplicate what the state is doing under the limousine act does not necessarily have to be duplicated here. He said, the question is, if the registration is adopted, and a Uber or Lyft car that shows themselves to be a Uber or Lyft vehicle by either their dashboard light or pink mustache, and a police officer pulls them over by noticing that the vehicle does not have the registration of a registered driver under the city ordinance, can the officer ask for documentation to insure the vehicle is properly licensed by the state limo act, and can the officer issue a ticket to the driver if they are not properly licensed? Officer Adkins answered yes to both questions. She said having a decal on the vehicle denotes that the driver is registered with the city. If the decal is not visible, that would give primary cause for our officers to be able to stop them for enforcement purposes under the city ordinance. Right now, licensing is a secondary offense. Not having the decal, would be a primary offense. Mr. Kunselman ask Officer Adkins to get clarification of whether a police officer can ask to see proper insurance for the vehicle and the officer can identify whether that vehicle have livery insurance as oppose to personal insurance.

Mr. Crawford said staff met with Uber and asked if they would consider signing an agreement with the city of Ann Arbor similar to the agreement they have with the city of Detroit. Uber was open to an agreement.

The city's agreement would be an interim operating agreement that would establish some parameters during that working time.

Mr. Benson said he is open to having both ordinances rather than not having one at all. He feels the issue is larger than Uber and Lyft. Mr. Benson recommended adding addition language to the ordinance. He asked that the items from Mr. Clark's handout be consider as well as adding that a non-metered vehicles not be allow to wait within 20 feet of a taxi stand. He would also like to see a picture of the vehicle as part of the approval process. Mr. Crawford explained that the ordinance is written to register drivers only and the vehicle will have a removable decal.

Mr. Crawford said he met with a representative from East Lansing during the past week. Their largest effort is to regionalize the management of their taxicab industry with Lansing and other communities. They share the same concerns as we do such as passenger safety, particularly in the college communities. Uber and Lyft are not currently in their area but they expect them soon. Mr. Kunselman asked for a copy of East Lansing's limo ordinance.

**Mr. Goeddel moved to asked staff to amend the proposed ordinance to require registration for drivers of vehicles for hire that are not taxicab based on the Board discussion, seconded by Mr. Kunselman. The motion passed.**

#### VI. ADMINISTRATOR COMMENTS

None

#### VII. PUBLIC COMMENTARY

Mark Newmann of Stadium Transport said he does not agree with the recommendations handed out by Mr. Clark of Amazing Blue Taxi. He said the limo act language says that he can pick up passengers in a city with less than 750,000 people. Mr. Newmann agrees with the limo decal idea but suggest using a decal with a serial number that the police officer can look up. Mr. Newmann currently has five limos and up to 10 drivers.

John Heed of Select Ride said Uber and Lyst are currently in violation of state law because they are holding themselves out for hire on a public highway in Michigan. Mr. Heed said regarding the rates, the Board will have to have some mechanism for allowing discounts which is tricky with meters. The language in section 7.151 that states "...accepting passengers for hire who have previously arranged..." is not a distinction that's in the law between limos and taxis. There is nothing that says limos have to be prearranged. This language will also deny local customers of a flat rate pickup. There is no legal way to do a flat rate pickup if the language stays in the ordinance.

Rick Clark of Amazing Blue Taxicab asked the Board to think about whether having a taxi license would be acceptable for both a taxi and a limo driver's license.

Mark LaSarge of SelectRide said the sticker or decal on the vehicle misrepresents the car as being illegal when in fact there is no proof of that until the vehicle is pulled over. He believes that there should also be an addition to this that states when the driver is pulled over; the driver should be held responsible to validate the proof of vehicle certification and insurance as appropriate for holding themselves out for hire. Mr. LaSarge said he also takes issue with adding a buffer to the taxi stands. In addition, in stated council should not be regulating business models.

Linda Evans of Ann Arbor Commission on Disability Issues said as a rider, she would like to see proof that the vehicle is being driven by a registered driver. She would like to see some sort of proof on the outside of the vehicle before she gets in the vehicle.

Mr. Benson said he would like to get an update on the DDA signage for the taxicab stands at our next meeting. Part of that discussion included painting the taxi stands to further indicate the location. Mr. Benson also would like to discuss looking into recommending some sort of sensitivity training for driver.

#### VIII. ADJOURNMENT

**Mr. Kunselman moved to adjourn the meeting, Mr. Goeddel seconded. The motion carried and the meeting was adjourned at 9:47 a.m.**