

Taxicab Board Meeting Minutes
August 28, 2014

Members Present: Michael Benson
Robert Goeddel Tom Crawford
LouAnne Bullington Stephen Kunselman

Members Absent: Eric Sturgis

Guests:

Officer Jamie Adkins, A2 Police
Jackie Beaudry, City Clerk
Kristen Larcom, Sr. Assistant City Attorney
Mark LaSarge, Yellow Car/Select Ride
Gordon Berry
JP Heythaier, Blue Cab Company
Rick Clark, Amazing Blue
John Heed, Select Ride

I. CALLED TO ORDER – 8:38 a.m. by Mr. Benson

II. APPROVAL OF AGENDA

Mr. Kunselman moved to approve the agenda, Ms. Bullington seconded. The motion opened for discussion.

Mr. Crawford asked that discussion of the resolution to establish fees be added under new business.

Officer Adkins asked that discussion of advertising on taxicabs be added under new business.

Mr. Goeddel moved to approve the amended agenda, Ms. Bullington seconded. The motion passed.

III. PUBLIC COMMENTARY

1. Mr. Benson reported the resignation of Board member Eric Sturgis.

2. John Heed of Customer Transit said in his opinion the city entering into an operating agreement with Lyft and Uber is ludicrous. Their business model is a clear violation of state law; therefore, such an agreement would not be legal. The companies do not have a new business model; it is people doing livery services in their personal vehicles. It's also not ridesharing as the term is commonly used. Formalizing their operation would allow unlicensed drivers to operate.

IV. OLD BUSINESS

1. Approval of Taxicab Board Minutes from July 24, 2014

Mr. Kunselman moved to approve the minutes of July 24, 2014, seconded by Ms. Bullington. The motion opened for discussion.

Mr. Goeddel asked that the word "Lyft" be corrected under Section III, Public Commentary, paragraph 4.

Mr. Goeddel moved to approve the Taxicab Board Minutes as corrected for July 24, 2014, seconded by Ms. Bullington. The motion passed.

2. Discuss Council Action on Taxicab Ordinance to Deregulate Rates and Ordinance to Register Livery Drivers

Mr. Kunselman gave an overview of council action. He said the amended rates passed first reading with no discussion from council. The ordinance to register livery drivers did not pass the first reading. He said, apparently, there are council member that want to enter into an operating agreement similar to what Detroit

has done. The operating agreement would be temporary. Mr. Kunselman said he would not be voting to enter into an operating agreement with Lyft or Uber because he will not be a party to perpetuate insurance fraud. He believes some of council may not understand that using a personal vehicle with private insurance to operate commercially would not be covered. Mr. Kunselman verified the operating practice with his insurance agent and was told it would not be covered.

Mr. Kunselman encouraged the taxicab companies to bring their concerns to council. The Taxicab Board can do very little because it is a taxicab board not a livery service or limousine board.

Mr. Benson said Mr. Kunselman has done a phenomenal job in representing discussion at this Board.

Mr. Crawford commented on the opportunity for the public to speak at a public hearing set for Tuesday, September 2, 2014 at 7:00pm. He asked that anyone interested in speaking contact the city clerk's office to sign up to reserve time during Public Commentary and during the time the items comes up on the agenda.

V. NEW BUSINESS

1. Discuss Resolution to Establish Fees

Mr. Crawford said the Board asked for a resolution to be written to increase taxicab rates to a high maximum so the taxicab companies could operate beneath that rate and compete in the market. A draft was given to the Board. Mr. Crawford stated that the memo and resolution points out that the existing fees are \$3 flag drop, \$2.50 per mile and a waiting time of \$24 per hour. The proposed increase shows a substantially higher rate of \$10 flag drop, \$5 per mile and the same \$24 per hour waiting time. A \$1.00 surcharge was also added for over three passengers.

Mr. Kunselman moved to approve recommendation of the resolution to council, seconded by Mr. Goeddel. The motion passed.

2. Discuss Advertising on Taxicabs

Officer Adkins was contacted by Metro Cabs regarding the possibility of advertising businesses on the outside of the taxicabs. Mr. Kunselman said since the Board approves what the vehicle looks like, any advertisement would also have to be approved. Officer Adkins said Metro Cab was not specific as to what type of advertisement they would have on the vehicle. Mr. Benson said, given the failure of the vehicle registration ordinance proposed to council, the taxicab industry will have to find a way to differentiate itself. One thing could be advertising. Mr. Benson said he is not necessarily opposed to the idea, although it would change the look of the car and therefore would have to be approved. If a company wants to have advertisement, they should submit a new design for their vehicle. Mr. Kunselman said he would be cautious about everyone suddenly putting advertisement on their vehicles.

VI. ADMINISTRATOR COMMENTS

Mr. Crawford said there was discussion at a prior board meeting about loading zones being expanded to be taxicab stands. Ms. Pollay from the DDA submitted the request to change the zones (traffic control order). City staff that would normally handle the request has left and the department is in the process of hiring someone new. The traffic control order in process and waiting to be completed as staff is made available.

VII. PUBLIC COMMENTARY

1. John Heed of Customer Transit said under State law it is a primary offense to hold yourself out as a taxicab. It would be cause for someone to be pulled over. Mr. Heed also asked, "If you are not regulating limos, how do you stop a limo from taking a pick-up?" There is no requirement in the local ordinance or in State law that says a limo has to have a reservation in advance. Officer Adkins said the city ordinance states that only licensed taxicabs within the city of Ann Arbor can pickup hailed fares.
2. Mark LaSarge of Select Ride said he was not aware of a taxicab presentation to city council. He apologized for his misunderstanding. Mr. LaSarge also said he is stunned that a city that issues a cease and desist order have publicly acknowledged that the companies in question have not and will not operate under state law. Any city council that would later give permission "by entering into an operating

agreement” is putting their head in the sand regarding their presumption and hope for future compliance with state law.

VIII. ADJOURNMENT

Mr. Kunselman moved to adjourn the meeting, Ms. Bullington seconded. The motion carried and the meeting was adjourned at 9:15 a.m.