



Voting Members

Chair, Malcolm Heinicke
Bruce Oka
Adam Millard-Bali
Laurie Graham
Richard Hybels
Hansu Kim
John Lazar
Tone Lee
Autumn O'Keefe
Charles Rathbone
Rich Schlackman
Thomas George-Williams

Non-Voting Members

Paul Gillespie
Michelle Allersma and Rick Wilson
Tom Owen
Greg Wagner
Jordanna Thigpen, Executive Director

Charter Reform Working Group MINUTES

June 6, 2008 at 10:30 a.m.
City Hall, 1 Dr. Carlton B. Goodlett Place
Room 305

Present: Director Thigpen, Laurie Graham, Bruce Oka, Rich Hybels, Rich Schlackman, Autumn O' Keefe, Tone Lee, Charles Rathbone, Paul Gillespie, Malcolm Heinicke, John Lazar, Tom Owen, Adam Millard-Bali

Absent: Hansu Kim, Thomas G. Williams, Michelle Allersma, Rick Wilson

1. **Call to Order/Roll Call:** 10:34am/Quorum.
2. **Adoption of Minutes from the March 20, 2008 Meeting:** Adopted without objection.
3. **Proposed Pilot Program on Peak Time Medallions. [DISCUSSION AND POSSIBLE ACTION ITEM, EXPLANATORY DOCUMENTS]**
 - **Malcolm Heinicke:** Change the spare cab allowance to 5 spare cabs in a fleet for each permit to bid on. These will be 5 year permits so people will want them; Pilot Program.

Public Comment:

- **Tom Stanghellini:** What provision do we have if this program blows up in our face, are we going to let these medallions remain on the streets? If there an advantage to this program? We are talking about opening bids up to A-Card holders and Color Schemes. Let's make the industry better; I'm not in this for 5 minutes I'm in it for a lifetime. I don't think this is the way to go.
- **Bob Vitka:** I just would like to say that the only way peak-time permits will work is as corporate medallions. The income from peak-time medallions should go to the Color Scheme. As far as enforcement, don't get your hopes up, there will be some cheating.
- **Jim Gillespie:** I'm disappointed that this proposal is sitting here. The conclusion from the meeting showed that this program was not feasible. This is supposed to be a Charter Reform group and now we are wasting our time discussing it again.
- **Malcolm Heinicke:** You had a subcommittee that met and came back with numbers, which showed that this program can work.
- **Jim Gillespie:** We concluded that this program was not economically feasible.
- **Dan Hinds:** I agree with Jim. The discussion of peak-time permits is premature. If peak-time medallions were implemented it will be challenging. We are in a situation today where the city has a valuable asset. The city is going after people that have worked a long time to get these permits.

- **Mark Gruberg:** You grafted two things together that don't go together. You do need to devise a plan which could be used or an idea that there can be a single driver to a cab and then can work when it's busy. This is misapplied to this specific idea of peak-time. It's clearly a violation of Prop K. I would say drop it; come up with a peak-time plan that works with Prop K. Place a rent on medallions to generate revenue.
- **Unknown:** This is financially impractical to do. I don't think the city should be trying to fix the budget due to the cab industry. If they want to make money they should go after limos and charge fines. If you do the peak-time permits it should come off the waiting list.
- **Donna Obrien:** The rules come in 2003, with a driving requirement. There is no book of rules.

Committee Discussion:

- **Bruce Oka:** I agree that we need to pick up people that use paratransit. I don't think this is going to work the way that it's laid out. I don't think the paratransit customers are getting a fair opportunity to use this program.
- **Malcolm Heinicke:** What this proposal is designed to do is to address peak-time and dispatch needs.
- **Charles Rathbone:** I'm concerned that you will end up with part time permits. I don't think they will work well for Luxor because permits are issued in a way that the company can put them to better use. I would suggest listening to the top performing companies. If we are going to reform the charter it should be directed as fulltime permits. Spare cab alternatives will be more workable. Increase the ratio to 1 spare per 4 cabs. That way we won't have to go out and buy new equipment.
- **Paul Gillespie:** Peak-time permits is more trouble than its worth. Medallions shouldn't support MTA's budgets. As far as the last two proposals with regards to dispatch it deserves a little more discussion.
- **Malcolm Heinicke:** Companies will be able to implement a dispatch premium. If the Color Scheme wins the permit you don't have to pay for the medallion.
- **Tone Lee:** 25 peak-time medallions is not a big number during peak time. Everyone knows that there is demand of cabs. Most money comes from the night shift. We should up it to 50 cabs for peak-time and also change the timing. We sacrifice our evenings to serve the public. Last meeting, we talked about the gate because it's too high, you don't make any money.
- **Adam Millard-Ball:** I'm for the single driver permit idea. Apart from that I think it's a great proposal and we should move forward. I also think there are really good principals and the revenue to go to enforcement and MTA. Friendly amendments; ensure that it's not transferable, as a pilot program it should be monitored.
- **Malcolm Heinicke:** This would be monitored by Taxi Commission and Taxi Detail with the revenue that it generates. This is a pilot program designed to be simple and the more we add to it will make it more complicated.
- **Adam Millard-Ball:** Can we make the 5 years, 3 year since it's a pilot?
- **Director Thigpen:** We are working on getting better fleet utilization.
- **Malcolm Heinicke:** Are you proposing to move it to 4 years?
- **Adam Millard-Ball:** I was proposing 3 years.
- **Director Thigpen:** The 5 years is based on part time utilization of the vehicles.
- **Malcolm Heinicke:** Out on 40th and Quintara, it's not unfair to ask the customer to pay the dispatch premium. Instead of the city setting up the dispatch company we would allow the company to develop their own program.
- **Rich Hybels:** The computer chooses the cab the cab doesn't choose the load.
- **Malcolm Heinicke:** We can add a bullet point that says; Companies would have latitude to charge customers a no-go fee (deposit).
- **Rich Schlackman:** Some of the same people opposing this came out with a conclusion last meeting that this could work. Now 90% of the room is opposing. I don't think the supervisors would not allow the \$5 premium dispatch. You either do a pilot program or put 1500 more cabs on the streets.
- **Autumn O'Keefe:** I agree with Rich. The public is not getting the service we are asking for. What happened to centralized dispatch?
- **Malcolm Heinicke:** It's a very difficult idea and it's not economically feasible, which isn't going to happen politically. 311 will be able to give a company calls from a rotating system.
- **Director Thigpen:** It's fine for 311 to forward calls but how does the customer know which company

they are referred to?

- **Laurie Graham:** Is it feasible to have a peak time company permit?
- **Malcolm Heinicke:** It's not unfeasible.
- **Laurie Graham:** If someone fails to drive, is there going to be some type of exit strategy?
- **Malcolm Heinicke:** It would be a 5 year permit where you would pay X up front. You would pay quarterly and if you can't meet that the permit will revert back to the city.
- **John Lazar:** I appreciate all the non cab people that are commenting. I'm a full service cab company. I just bought 25 new cabs at a bill of \$855 dollars a month, it's not feasible. You have fuel cost, just so the public knows, GPS and credit card fees. We deal with almost 18k paratransit pick ups a month. 25 cabs downtown is not going to show a difference. The spare should be 1 to 4 or 1 to 3 due to maintenance.
- **Malcolm Heinicke:** If someone isn't making their quarterly payment it will revert back to the city. We also clarified dispatch premium will be companies regulatory rights. Spare cab proposal to get one of these allowances; you would have to show 5 spare cabs in the fleet to get a permit.

Peak Time/Spare Program:

AYES: Heinicke, Adam Millard-Ball, Tone Lee, Autumn O'Keefe, Rich Schlackman

NO: Oka, Laurie Graham, Rich Hybels, John Lazar, Charles Rathbone

ABSENT: 2

Dispatch Premium:

AYES: Heinicke, Oka, Adam Millard-Ball, Laurie Graham, Rich Hybels, Tone Lee, Autumn O'Keefe, Rich Schlackman

NO: John Lazar, Charles Rathbone

ABSENT: 2

- **Paul Gillespie:** I'm unclear about the message that I'm getting. 5/5 what does that mean now?
- **Tom Owen:** Its means that it failed.
- **Malcolm Heinicke:** Next meeting; fleshing out specifics on how we would reform medallion issuance. We have discussed this in great detail. The goal for today is to come up with a basic list of schemes that we would like to focus on.

4. Potential Reforms to Current Process for Issuance of Medallion Permits [DISCUSSION AND POSSIBLE ACTION ITEM, EXPLANATORY DOCUMENTS]

Public Comment:

- **Tom Stanghellini:** First of all, I'm all for cab drivers. Is there a reason why companies cannot submit a list of people that are driving? No more of this requesting waybills. We got some great drivers, there has to be a better way other than waybills to get this data.
- **Bob Vitka:** One thing I would suggest is corporate medallions go to companies that perform well. Most important thing is service to the city. I think that corporate medallions to the companies that perform well, there has to be an economic incentive. I really urge you to consider this. As far as Prop K it makes a lot of sense. If you consider transferability make it for Pre-K only
- **Carl Macmurdo:** I think the bidding pool should be limited to actual taxi drivers. There is no entry opportunity for new drivers and no exit for old drivers
- **Dan Hinds:** Prop k constricts. We need an enabling ordinance. We should transition into a buy/sell system. These revenues will bring a situation where people can invest and gracefully detach from.
- **Mark Gruberg:** Any proposal has to be measured on service. I think that the basics of Prop K should be retained. I think in further goals brought forward by UTW should be considered. I hope this is given serious thought.
- **Barry Korengold:** I'm against buying/selling. A lot of the money is going to go to the banks and the lenders instead of the drivers. The city can make money in different ways. People have changed there lives to do the driving requirement to get their medallion. I think that work time should be valued not how much money you have. Why not work on taking away some of the driving requirement after driving for so many years.

- **Malcolm Heinicke:** Mark what is the reform aspect of yours?
- **Mark Gruberg:** The reform aspect loosens up the availability of cabs.
- **Malcolm Heinicke:** There are generally 3 categories on proposed reform. The first category is, full transfer and sale. Second is rent or fees (lease permit from the city). Third is similar to Prop K with perhaps reform on transferability. Color Scheme awarding medallions would only go to Color Schemes who have met certain qualification criteria. Does anyone on the committee feel that I missed anything on reform?
- **Tone Lee:** We need to reform this industry. We've been losing the market system for a long time. We have a lot of new drivers that are paying too much for gate.
- **Rich Schlackman:** Can we have all of these written up for the next meeting?
- **Malcolm Heinicke:** May I ask you, Charles Rathbone to work with Carl Macmurdo; with 6 or 7 bullet points on what is above, I will work with Adam Millard-Ball. Thomas and Abstencia work with Mark on number 3; it cannot be more than a page. John Lazar and Bruce Oka work on a paragraph on some sort of reform, for new medallion or reassigned to color schemes that are operating correctly.
- **Rich Schlackman:** There is no other permit in the city that doesn't get the city money. This is the only permit?
- **Tom Owen:** California Constitution prohibits taxes except with special voting. You can also set a fee to generate revenue.
- **Director Thigpen:** I request that they turn it into us by the 30th and I will cut and paste it on to one document for the next meeting.

5. Adjournment, 12:32pm.