



**AGENDA**  
**TAXI COMMITTEE MEETING**  
**October 25, 2017**  
**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. **Presentation**

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 August 2017 (Page 1)
- b) SSG/SRA Monthly Budget Variance Reports August 2017 (Page 2-3)
- c) Taxi Vehicle/Rides Analysis Aug. and Sept. 2017 (Page 4-6)
- d) Metric (Taxi Expense vs Taxi Revenue) August 2017 (Page 7)



**SunLine Regulatory Administration**

**Checks \$1,000 and Over**

**For the month of August 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.

<b>Vendor Name</b>	<b>Description</b>	<b>Check #</b>	<b>Check</b>	<b>Amount</b>
SUNLINE TRANSIT AGENCY	Payroll Liabilities Exp 8/11/17	090406	8/14/2017	\$4,786.99
SUNLINE TRANSIT AGENCY	Payroll Liabilities Exp 8/25/17	090410	8/25/2017	\$4,746.58

<b>Total of Checks Over \$1,000</b>	\$9,533.57
<b>Total of Checks Under \$1,000</b>	\$1,204.00
<b>Total of All Checks for the Month</b>	\$10,737.57
<b>Total Amount of Checks Prior Years Same Month</b>	\$21,092.10

SunLine Regulatory Agency  
 Budget Variance Report  
 August 2017

Description	FY 18 Total Budget	Current Month			Year to Date		
		Actual	Budget	Favorable (Unfavorable)	YTD Actual	FY 18 YTD Budget	Favorable (Unfavorable)
<b>Revenues:</b>							
Meter Readings	156,497	9,123	13,041	(3,918)	17,778	26,083	(8,305)
Revenue Fines	2,000	100	167	(67)	300	333	(33)
New Driver Permit Revenue	4,000	1,440	333	1,107	2,070	667	1,403
Driver Transfer Revenue	850	150	71	79	200	142	58
Driver Renewal Revenue	9,200	640	767	(127)	790	1,533	(743)
Driver Permit Reinstatement/Replacement	150	0	13	(13)	0	25	(25)
Vehicle Permit Revenue	80,900	0	6,742	(6,742)	0	13,483	(13,483)
<b>Total Revenue</b>	<b>253,597</b>	<b>11,453</b>	<b>21,133</b>	<b>(9,680)</b>	<b>21,138</b>	<b>42,266</b>	<b>(21,128)</b>
<b>Expenses:</b>							
Salaries and Wages	104,987	9,491	8,749	(742)	16,458	17,498	1,040
Fringe Benefits	69,092	6,014	5,758	(256)	10,092	11,515	1,424
Services	48,500	286	4,042	3,756	3,146	8,083	4,937
Supplies and Materials	5,003	326	417	91	443	834	391
Utilities	4,258	355	355	0	710	710	0
Casualty and Liability	12,112	1,009	1,009	(0)	2,019	2,019	(0)
Taxes and Fees	20	1	2	1	1	3	2
Miscellaneous	9,625	71	802	731	135	1,604	1,470
<b>Total Expenses</b>	<b>253,597</b>	<b>17,552</b>	<b>21,133</b>	<b>3,581</b>	<b>33,002</b>	<b>42,266</b>	<b>9,264</b>
<b>Total Operating Surplus (Deficit)</b>	<b>\$ -</b>	<b>\$ (6,099)</b>			<b>\$ (11,864)</b>		

## Budget Variance Analysis - SunLine Regulatory

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### Revenue - Unfavorable

- Taxi revenues heavily influenced by seasonal decline during summer months. The surplus in the peak months will decrease the unfavorable balance.
- Taxi franchises pay the full year's vehicle permits during the peak months of October through April.

### Salaries and Wages - Favorable

- Salary & wage expenses are within an acceptable range of the budget.

### Fringe Benefits - Favorable

- Fringe benefit expenses are within an acceptable range of the budget.

### Services - Favorable

- July legal services lower than projected monthly estimates.

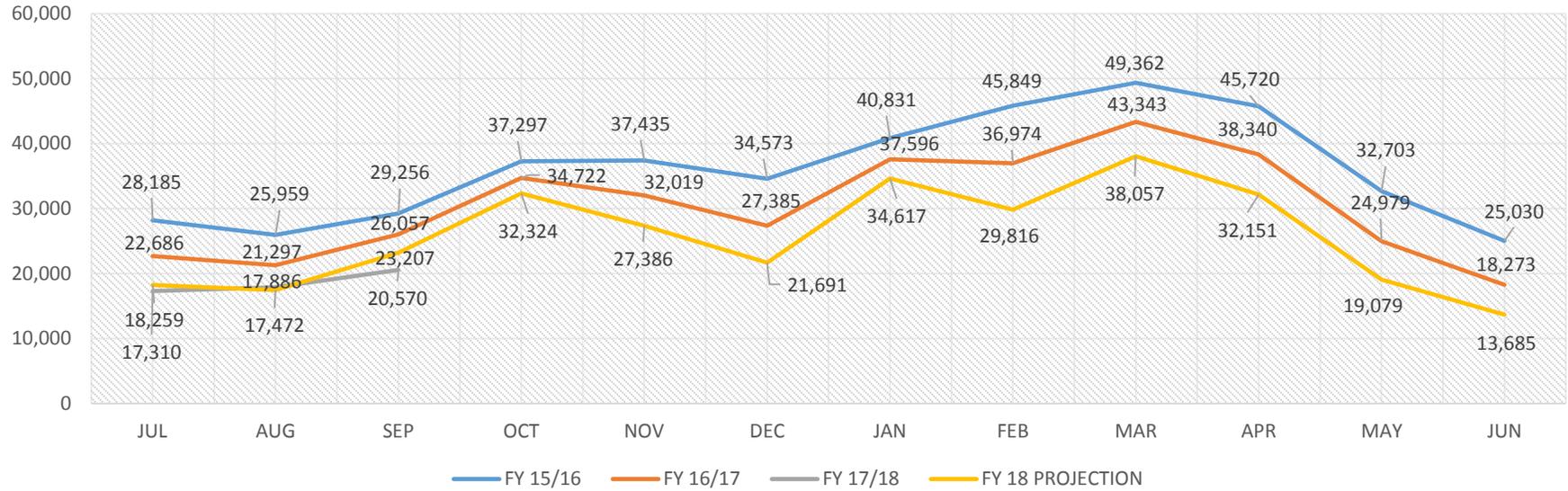
### Supplies and Materials - Favorable

- Materials and supplies expenses are within an acceptable range of the budget.

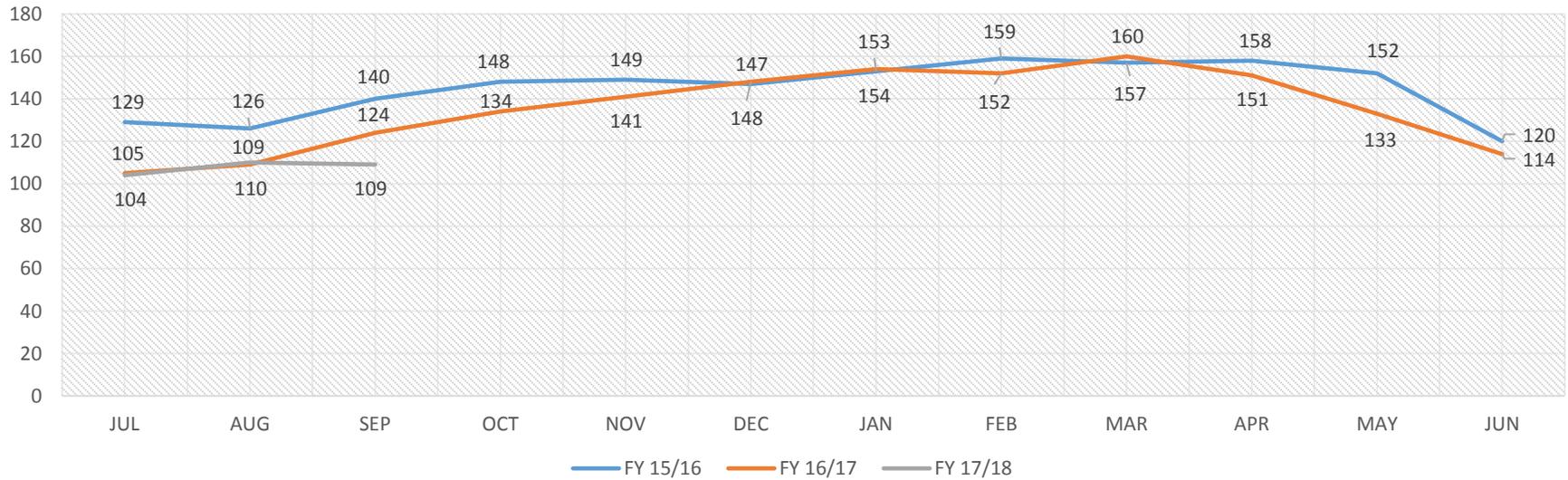
### Miscellaneous - Favorable

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

### # OF TAXI TRIPS

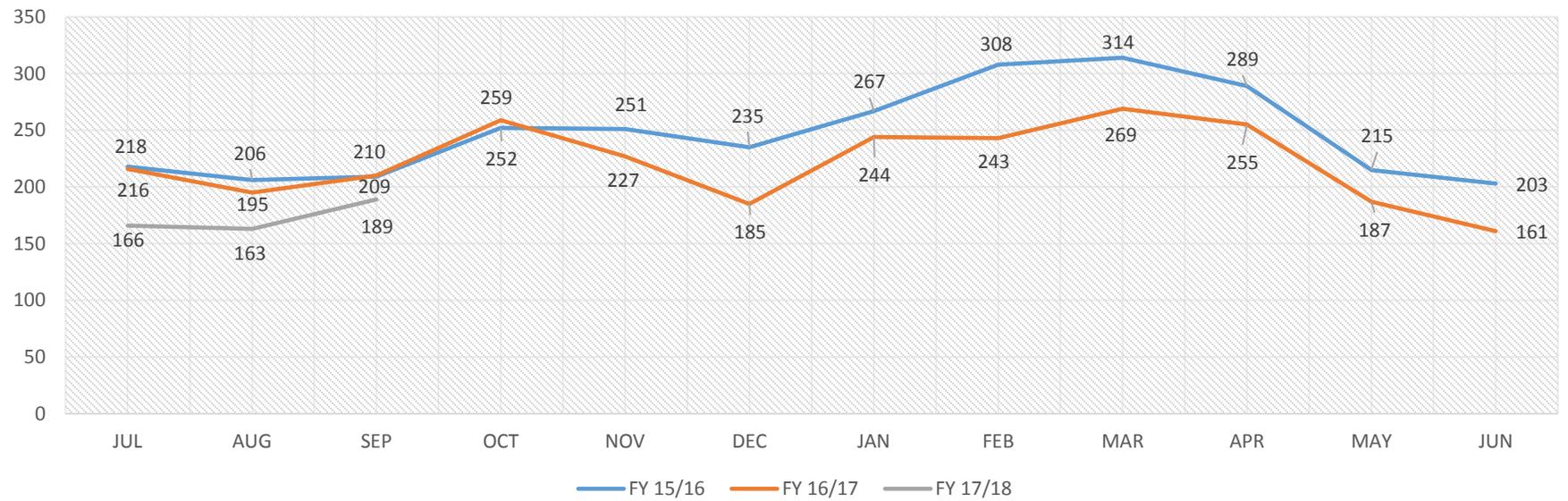


### # OF CABS PROVIDING TRIPS



SEPTEMBER 2017

# OF TRIPS PER CAB



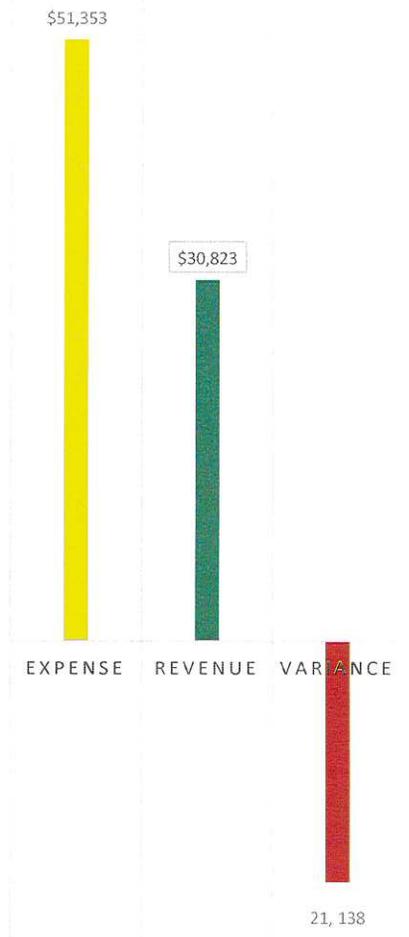
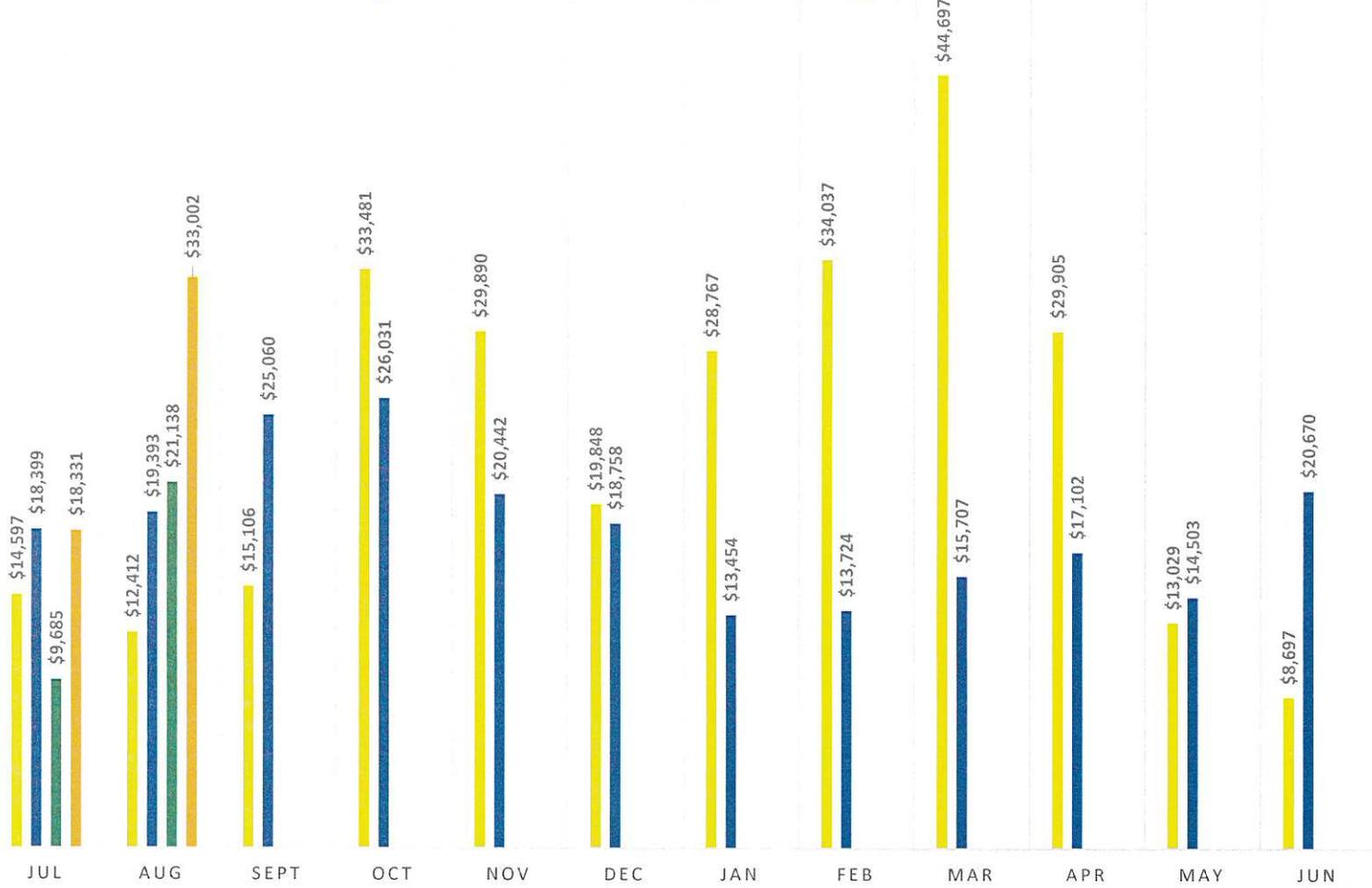
AUGUST 2017 TRIPS PER VEHICLE  
(business volumes, averaged values)

<b>COMPANY</b>	<b># OF CABS WORKED</b>	<b># OF TRIPS</b>	<b>% OF BIZ</b>	<b>AVG. TRIPS CAB</b>	<b>AVG. TRP DAY</b>	<b>31</b>
AMERICAN CAB	26	5507	30.8%	211.81	6.83	
DESERT CITY CAB	33	5129	28.7%	155.42	5.01	
YELLOW CAB OF THE DESERT	51	7250	40.5%	142.16	4.59	
	110	17886	100.00%	163	5.24	

FY 17 YTD

### EXPENSE VS REVENUE AND VARIANCE-AUGUST 2017

Revenue FY17 Expense FY17 Revenue FY18 Expense FY18



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

## SunLine Services Group

**DATE:** October 25, 2017 **INFORMATION**  
**TO:** Taxi Committee  
**FROM:** Chief Performance Consultant  
**RE:** Uber Corporate Information

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### **Background**

The Taxi Committee requested at its last meeting for Staff to provide corporate information on Uber and some of the issues that may relate to its operations in the Coachella Valley. Below is some of the financial issues mentioned by Staff as well as other legal and financial issues facing to company from various publically available sources:

- **Uber is losing money by subsidizing its operations**

Uber's losses are growing from \$2.2 billion last year to an expected \$3 billion this year 2016], according to multiple reports this week from The Information and others, according to TechCrunch News

Analysis of the few financials the company has shared publicly showed losses of \$2 billion on revenue of \$1.4 billion for the year ending September 2015. As reported by Naked Capitalism, that's a negative profit margin of 143 per cent. Writing earlier this month, transport industry expert Hubert Horan, explained that Uber's current operations depend on \$2 billion in subsidies funded out of the billions pumped into the company by investors.

According to analysis by Horan, Uber passengers are only paying 41 per cent of the actual cost of a trip, with Uber using subsidies to undercut rivals and potentially achieve a monopoly. Since 2012, Uber's earnings before interest, taxes, depreciation, amortization and rent/restructuring costs (EBITDAR) has reportedly been worse than negative 100 per cent, with the total loss increasing, not decreasing with time.

- **September 2017- Uber loses its license to operate in London**

London stripped Uber on Friday of its license to operate from the end of September in a huge blow that will affect more than 40,000 drivers in one of the world's biggest cities.

"Uber's approach and conduct demonstrate a lack of corporate responsibility in relation to a number of issues which have potential public safety and security implications," Transport for London (TfL)said. TfL is the official regulator for transportation in London.

- **Driver classification battles across the globe**

Buried in an onslaught of Uber-related news this week was a New York ruling that could shake Uber's business model. Three New York Uber drivers have been granted employee benefits by a judge, a ruling that could extend to "others similarly situated," according to Law360.

Uber has long argued that drivers, who can set their own hours and own their own cars, are independent contractors. But New York, as well as other local regulators, have found that the start-up exercises considerable control over the drivers, thus treating them like employees.

- **Emboldened claimants of discrimination, sexual harassment, and retaliation**

Perhaps most salient is the recent release of Uber's workplace culture investigations, one of which resulted in the dismissal of at least 20 employees. Another probe resulted in a 13-page list of recommendations for overhauling the company.

The company investigated 215 claims: 54 of discrimination, 47 of sexual harassment, 45 of unprofessional behavior, 33 of bullying, 19 of other harassment, 13 of retaliation, 3 of physical security and 1 wrongful termination claim.

- **Recourse from a sexual assault victim**

One of the most vicious accusations levied against Uber is that executive Eric Alexander, who has since left the company, obtained the medical records of 26-year-old woman who was allegedly raped by her Uber driver in 2014. According to Recode, executives had trouble believing she was telling the truth, speculating that instead the reported rape was an attempt by a competitor to sabotage Uber.

- **Regulatory probes into 'greyballing' and data collection**

The U.S. Department of Justice launched a criminal investigation into Uber's evasion of authorities last month, according to Reuters. The investigation will focus on a software, "greyball," that Uber used to stay under the radar of transportation authorities, according to The New York Times. Greyballing was the term used for using the technology to identify police officers and other authorities attempting to catch Uber drivers using sting operations in cities where it wasn't properly licensed.

- **Lawsuits among board members**

Uber itself isn't the target of these suits at all— but it's certainly unusual to have investors suing each other over corporate governance.

One of Uber's earliest investors, Benchmark, is suing former CEO Travis Kalanick, alleging Kalanick hid crucial information about the company's problems, which include a sexual harassment investigation. (Kalanick said he's baffled by the suit).

All these high profile liabilities could ultimately affect the company's ability to raise capital and go public, Schneider said.

"All the shoes are dropping now," Bischoff said.

Uber's most recent fundraising last June valued the company at \$62.5bn, excluding the \$5.5bn in new funds raised in that round, and those investors paid \$48.77 per preferred share.

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Rudy Le Flore

## SunLine Services Group

**DATE:** October 25, 2017 **INFORMATION**

**TO:** Taxi Committee  
Board of Directors

**FROM:** Pete Gregor Taxi Administrator

**RE:** Fingerprint Background Checks

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### **Background**

The Taxi Committee requested at its last meeting for Staff to provide information on Fingerprint Based background checks and Name Only background checks. This information report will cover the differences pertinent to criminal history records.

### **Fingerprint Background Checks**

The California Department of Justice (DOJ) is mandated to maintain the statewide criminal record repository for the State of California. Information from law enforcement, law enforcement related agencies and the criminal court system, concerning arrest and disposition information is sent to the DOJ. The DOJ uses this information to compile records of individuals, and disseminates the information for law enforcement and regulatory (employment and licensing) purposes. DOJ criminal information records are based upon fingerprint submissions, and therefore positively identified biometrically; a process by which a person's unique identity is confirmed. The DOJ processes over 2 million background checks per year.

If an Federal Bureau of Investigation (FBI) background check is requested the fingerprints are forwarded to the FBI. The fingerprints will be searched via the national FBI fingerprint database (National Fingerprint File or NFF) for arrest records in jurisdictions outside of California. All criminal arrest and disposition records are kept in the FBI Interstate Identification Index (III). If there is a positive identification the individuals arrest and disposition information is forwarded to the DOJ.

### **Name Only Background Checks**

Name only background checks use "soft identifiers" such as name, date of birth, residence and social security number. The soft identifiers are provided to private companies that conduct background checks. Uber uses "Hirease" for its background checks. The background check companies cross reference the soft identifiers against privately owned and compiled databases. Companies that keep private databases are known as data brokers. LexisNexis is one example of a data broker. Data brokers use

other data brokers to provide information. LexisNexis uses First Advantage to provide criminal history information. Companies obtain information for their databases by searching court records, department of corrections, offender registries, federal fugitive records, prison parole and release records and probation department records. Laws vary from state to state regarding what records are accessible to the public.

### **Sex Offender Information**

All sex offender information is available via the National Sex Offender Database, and is available to anyone.

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Pete Gregor

## SunLine Services Group

**DATE:** October 25, 2017 **INFORMATION**

**TO:** Taxi Committee  
Board of Directors

**FROM:** Pete Gregor Taxi Administrator

**RE:** Transportation Network Companies in Texas

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### **Background**

The Taxi Committee requested at its last meeting for Staff to provide information on Uber providing service to the city of Austin, Texas.

### **History**

Prior to May 9th, 2017, all for hire transportation services in the state of Texas were regulated on a local basis. In December 2014 the City of Austin passed a temporary ordinance allowing Transportation Network Companies (TNC's) to operate in their city. The temporary ordinance placed minimal restrictions on the TNC's. Several members of the City Council expressed concern about potential safety risks the due to non-fingerprint based background checks. In December 2015 the city council passed an ordinance requiring TNC drivers to pass a fingerprint based background check. Uber and Lyft lobbied for an amendment allowing TNC to conduct their own background checks.

The effort became Proposition 1 on a general election ballot. The proposition called for the repeal of the city ordinance requiring fingerprint based background checks for all TNC drivers. The proposition was defeated 56% to 44%. Uber and Lyft immediately shut down operations in Austin.

### **TNC's Return**

On 2/6/17 House Bill 100 was presented in the Texas State legislature. HB100 called for TNC's to be regulated at the state level. HB100 was signed into law on 5/29/17. TNC's in Texas are now regulated by the Texas Department of Licensing and Regulation (TDLR). The TDLR has established regulations similar to the regulations implemented by the California Public Utilities Commission. TNC's pay \$115,000 per year to operate anywhere in the state, use an unlimited number of drivers, and only requires non-fingerprint based background checks.

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Pete Gregor

## SunLine Services Group

**DATE:** October 25, 2017 **INFORMATION**

**TO:** Taxi Committee  
Board of Directors

**FROM:** Pete Gregor Taxi Administrator

**RE:** Taxicab Permit extension to ten model years

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### **Background**

The Taxi Committee requested at its last meeting for Staff to provide information regarding extending the service life of a alternative fuel taxicabs to ten model years.

### **Current Regulation**

R.9. of the SunLine Regulatory Administration Taxicab Regulations restricts alternative fuel vehicles to eight model years plus six months.

### **Purpose of Regulating Service Life**

SunLine Services Group regulates the maximum age of vehicles providing taxi service pursuant to its duty to protect the public health, safety and welfare. It is an adherent consequence that vehicle performance deteriorates with age. Constant exposure to environmental elements, wear and fatigue from motion and friction reduce a vehicles performance and dependability. Older vehicles require more maintenance and lack the latest improvements to safety implemented in newer model vehicles. Unless rigorously maintained, older vehicles are unappealing to taxi customers. Taxicabs are subject to accelerated rates of wear and fatigue due to the nature of the industry. Taxicabs frequently spend long time periods idling, causing engine wear and reduced dependability that is not reflected by the odometer.

### **Other Taxi Jurisdiction Requirements**

While eight model years is the most common maximum age for taxicabs, several jurisdictions allow a longer service life with additional requirements. The City of Los Angeles allows hybrid vehicles to be used for 10 model years. However, previously unpermitted vehicles being placed into service cannot be more than four model years old.

MTA-San Diego allows vehicles meeting the CARB zero emission/low emissions criteria a maximum of 10 model years. MTA does not allow the use of salvaged vehicles.

OCTAP (Orange County) allows all taxicabs to 10 model years, with no additional restrictions.

Washington D.C. changed its regulation, reducing the maximum age from 17 model years to eight. Additionally they implemented a maximum mileage of 315,000 miles, eliminated the use of salvaged and rebuilt vehicles and restricted the mileage of new vehicles going into service to less than 100,000 miles.

### **Uber**

Uber generally follows the age restrictions of the market they are serving. In Los Angeles, San Francisco, San Diego and Orange County they allow model year 2001 and newer. Uber does not allow the use of salvaged vehicles, full-size vans (Ford Transit, Ford E-series, GMC Savana) or the Ford Crown Victoria. Uber will also reject vehicles based solely on failure to meet appearance standards.

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Pete Gregor