

Minutes of the Metropolitan Taxicab Commission Board Meeting
Wednesday, July 14, 2004
1:00 p.m., in the Auditorium at 100 North Tucker Boulevard

(Note: there were 27 attendees in the audience today)

Meeting was called to order at 1:12 p.m. by Chairman McCarthy, with apologies for the late start.

Roll was called; all 9 Commissioners were present.

Minutes of the May 7 meeting were reviewed and approved, with one minor change (the deletion of a single word) requested by Mr. Hamilton

*Motion to adopt the Minutes, as amended by Mr. Hamilton, was made by Mr. McCarthy, seconded by Mr. McNutt, and passed by unanimous vote.

(note: these are the May meeting Minutes because the June 11 meeting was cancelled, due to the declaration of a National Day of Mourning for former President Reagan on that date)

Old Business

Following the agenda, Chairman asked Director Tully to report on the outstanding items of old business, as follows:

- The moratorium extension expired June 30; our staff recommends another 6-month extension, but Mr. Tully wished to open this to all the Commissioners for discussion. * Mr. McCarthy moved that, for purposes of discussion only, the moratorium be extended only until the August meeting (specific date to be determined later in today's meeting.) *Motion was seconded by Mr. Hamilton, and was passed by unanimous vote.*

Mr. McCarthy added that he wants the staff to conduct another study of the number of cabs versus general population, and to develop a proposal and circulate it well prior to actual presentation, as well as for advance review by the Commissioners at least one week prior to the actual meeting.

- Mr. McCarthy stated that, due to extension of the moratorium until the August meeting, we must, necessarily, further postpone Ms. Patricia Lynn's application for a CCN.

- Mr. Tully reported that June 30 was the deadline for all vehicle licensing of On-Call cabs. All of these have now been licensed, so the process is now complete, he said.

- Mr. Tully reported that Multigraph division printed 1,000 of the new Violation Report forms, and they are now in use; copies are being sent by us to the affected companies. Mr. Tully clarified that it was not necessary to send this project out for private bid, after all, and explained that these four-part forms will remain in use until the MUTT, ("Missouri Uniform Traffic Ticket") form becomes effective. Once we are assigned an ORI ("Originating Record Identifier") by the FBI, the new ticket form will be instituted. Thus, our enforcement agents, the Airport Police, etc., will eventually be using the identical form to document Code violations.

Mr. McCarthy called upon our counsel, Mr. *Patrick* McCarthy, for his report concerning other items of old business. Counsel replied that some of the items shown on his portion of today's agenda must instead be discussed in private session, since they concern matters now in litigation.

Mr. McCarthy proceeded with items which can be discussed in open session:

- Concerning horsedrawn liveries/hansom cabs, we are melding these into our Vehicle for Hire Code, for recommendation to the Commission - that will be forthcoming at the August meeting.

- Regarding the proposed merger of Metropolitan, and Midwest, Cab companies, Mr. McCarthy explained that some of their vehicles cannot be absorbed into the surviving entity, should the merger be approved, due to their age.

A discussion ensued concerning the number of affected vehicles, and the applicable time frame for requiring the older vehicles to be brought into compliance. Mr. Harris stated that the City regulations mandated 60 days to do so, which led to a discussion of the how the sale of Yellow Cab was handled earlier this year.

The consensus was that, if fleets are being merged and *only one entity will survive*, the cars must come into compliance with our Code within 60 days. If two or more fleets will be operated as *separate* companies, this will not be necessary, and cars can be added as needed, up to the maximum number of vehicles specified on each company's CCN.

*Mr. McCarthy made a motion outlining the Commission's adoption of a policy toward merger.

(The specific language is to be written by counsel and approved by the full Commission.

Mr. Hamilton stated that once the language is approved, the Director will send a notification letter to all affected parties.) Motion was seconded by Mr. Hamilton, and passed by unanimous vote.

New Business

- Mr. Tully addressed the intention to revise the VFH Code, saying that our Code will be adopted August 28. We need to revise it, now to include a schedule of fees and penalties for every type of infraction; moreover, an enforcement plan is being developed and will be implemented in conjunction with this schedule of fees – once it has been written, he will present it to the Commission and request its support
- After some discussion among the members, next month's meeting was set for Friday, August 20, at 1:00 p.m.

- Mr. Tully then stated that, although this item is not on the prepared agenda, he proposes a temporary pay increase of \$1,000 per month for MTC counsel Patrick J. McCarthy.

Mr. Shiferaw questioned the amount, and Chairman McCarthy stated that due to pending litigation, counsel's workload has exceeded what had been anticipated; he added that, based upon customary hourly rates for legal services, it is prudent and advantageous to obtain counsel's services at this flat monthly fee.

* Mr. McCarthy made the motion to authorize this increase in fee; Mr. Hamilton seconded; motion was passed by unanimous vote.

Director's Report

- Mr. Tully stated that the MTC observed its first anniversary of operations as of June 7

- He reported that as directed, the letter explaining the 'random drug testing' policy (which became effective July 1) was issued; our database has been shared with BJC healthcare

- As directed, we issued the notification letter to Airport, On-call, and Premium Sedan CCN holders, mandating the insurance coverage requirements effective July 1; our staff has verified that all companies are now in compliance

- As a point of information, Mr. Tully stated he has been asked by several hotel / airport shuttle drivers whether it is permissible to drive a vehicle while it is "red tagged" – Mr. Tully emphasized that this violates our Code and drivers are *subject to arrest* if they do so

- Identical letters were sent to Airport Director, Colonel Leonard Griggs *and* to Deputy Director Gerard Slay, requesting that premium sedans be directed to begin staging in the so-called "blast zone" (protected area) so that all classifications of vehicles will be visible to the staff of airport "starter agents." No reply has been received to date, he reported

- Mr. Tully reminded everyone that inspections/licensing of Courtesy vehicles will commence July 22, and that (per Code) all such vehicles must be licensed by August 31

- Mr. Tully enumerated that 954 cabs (724 On-call, and 230 Airport) were inspected during June.
- Mr. Tully mentioned that he has received questions about the general vehicle inspection process. Since the State of Missouri permits drivers to renew licenses every two years (optional) our agents have encountered a few companies having cars with no *current* inspection certificates. This situation led to the suggestion that MTC might choose to conduct a complete (mechanical) vehicle inspection, as was previously done by St. Louis County at its garage, *for a fee*. Mr. Tully asked for the members' comments as to whether MTC should provide a full mechanical inspection and, if so, which vendor should be designated to provide it, on a subcontract basis, since MTC has insufficient personnel to do so ourselves. Mr. McCarthy directed the staff to research this, and visit with the industry; they are to present a report, *but may do so on their own schedule*.

- Mr. Tully then summarized the disciplinary actions undertaken since the last meeting (May 7):

- Five suspensions occurred; the Director enumerated the various violations involved
- Five "administrative revocations" occurred; again, the specific reasons were enumerated
- A driver has allegedly used his passenger's credit cards to steal from her accounts; this matter has been referred by the police department to the Circuit Attorney and possibly will proceed to the U. S. Attorney

- Mr. Tully stated that, as requested, the staff has prepared a "Shuttle Study" report of the \$112,550 in revenues which is generated by the two categories which comprise the "courtesy shuttle" classification (rental cars, hotels/motels; and parking lot shuttles), then suggested that the Commission discuss these findings. Our 656 courtesy drivers comprise *one third of the total* population of drivers. Mr. McCarthy directed the staff to do further study, and have ready for the next meeting, if at all feasible, a look at the statutory changes and an alternate fee schedule with a *range* of fees that could be changed, explained in the context of our detailed enforcement effort. The discussion and vote will be at the next meeting, or September if absolutely necessary, and the members need to know the details well in advance.

Mr. McCarthy reordered the agenda, saying there is no reason to defer the subjects of MTC employees' pension plan and health insurance coverage to Executive Session. Mr. Tully reported that the City of St. Louis has agreed to adopt fulltime MTC employees into the City pension plan. The City Counselor has prepared a resolution, which counsel is now distributing to the members; he also has prepared a letter addressed to the plan administrator, which must be signed today by both the Chairman and Secretary. Mr. Hamilton read aloud the text of both the resolution and the letter of application, to enter them into the official record.

** Mr. Hamilton then moved to adopt the resolution and to direct the Chairman and Secretary to accept it by signing the letter; motion was seconded by Mr. Satz, then was passed by unanimous vote.*

Mr. McCarthy asked the cost projections to fund participation in the pension plan, and Mr. Tully replied the cost equals 13.5% of the total MTC payroll.

Mr. Hamilton commended Director Tully for his diligence in investigating and comparing various pension programs, and healthcare plans, which culminate in his report today. He added that he is satisfied the City has a very reliable, well-managed pension system.

Mr. McNutt then asked about the status of the MTC employees' current health care plan.

Mr. Tully replied that the provider soon may be changed, to the health care plan which covers employees of the City Museum/Zoo District.

Treasurer's Report

Mr. Morgan distributed to the members a detailed financial overview. He reported that MTC has hired Mr. Dave Adam, a computer consultant, to conduct our monthly accounts reconciliation. All the financial

information formerly maintained by St. Louis County has now been transferred to our own accounting; he will now provide a monthly review at every board meeting. He will also issue a year-end report for the St. Louis County Auditor. He stated he has cleared the way for St. Louis County to conduct our annual audit again next year, even though they no longer will handle our routine accounting activities or our monthly reconciliation.

Mr. Morgan reported that our 'cash on hand' balance is good, however, over the next month or so, cash flow will convert to an accrual basis, since we have only just ended our accounting affiliation with St. Louis County as of June 30.

Several Commissioners questioned a few figures shown on the Treasurer's Report, all of which Mr. Morgan satisfactorily explained.

Mr. Hamilton commended Mr. Morgan for the speed, extreme detail and professional presentation of the information he has culled to create this report.

* Mr. Harris made the motion to adopt the Treasurer's Report; seconded by Mr. McCarthy, and motion was passed by unanimous vote.

Mr. McCarthy asked Director Tully to provide laminated, wallet-sized cards to all the Commissioners which contain personal contact information for the MTC Director and enforcement agents.

Mr. Morgan stated that Mr. McNutt has asked for clarification of the procedure to add staff, and to purchase an additional staff vehicle. He reported that he and Director Tully have discussed this and, although revenues seem to be good, he recommends we take no major action until a full year of operation has transpired. He stated that he and Director Tully have agreed they will meet in October to plan the 2005 budget; and they intend to submit the budget proposal to the board in November, which would be the appropriate time to make staffing recommendations, etc. Meanwhile, Mr. Morgan said, in terms of additional enforcement needs, we have the alternative to use 'outside sources' to assist us, which entails no payroll or benefit issues.

Mr. McNutt countered that 'outside sources' receive no benefits but their hourly salary is extremely high. He suggested the Board make a commitment to hire one additional fulltime person, intended to cover non-traditional hours (nights/weekends/holidays), and noted that person will surely need a vehicle due to his specific work schedule.

Mr. McCarthy replied that Director Tully is working on that for us. We are actively looking at around-the-clock enforcement, and a projection of the associated costs, he said.

Mr. McNutt added that, now that we have the ability to levy fines/penalties, a revenue stream is beginning and will perpetuate, which should cover these such costs.

Mr. McCarthy stated that our Vice Chairman needs to be excused to pursue other business matters, then directed that the Board commence the Public Comments portion of the agenda.

Public Comments

1) Mr. Michael Palozzolo, representing Archway Cabs

- Stated that in order to bid on some contracts, one must have a minimum of 25 taxis in the fleet. He requests his fleet be increased accordingly. Mr. McCarthy replied that the speaker makes a valid point. He asked the staff to direct comments at currently licensed companies. Mr. Harris stated that the City used to allow companies to grow by 10 percent per year if their maximum number of vehicles, per their CCNs, were already being fully utilized.

Mr. McCarthy added that he prefers to have this objective accomplished case-by-case, based on merit, rather than across-the-board. He emphasized he wants a policy developed by which the MTC staff can

routinely approve, or disapprove, most applications/appeals. He directed the staff to discuss this with the questioner, and to confer with Commissioner Rudawsky etc. Stated he wants this issue researched, placed on the Agenda and dealt with.

2. Donna Dillon, from Primo Sedan Co.

- Wished to address the proposed change of staging areas; objected to the Commission's suggested changes, stating their sedans assess a premium rate and their services are supposed to include 'meet and greet.' Said using the 'M-1' door already works nicely, it's a well-known meeting spot, and there are no problems with it as it now stands.

Mr. McCarthy stated that, although the speaker has made a valid point, nevertheless the MTC faces finite resources, and cannot control the airport authority's management practices or mandate its staffing levels. Mr. McCarthy stated that we will utilize Director Tully's plan, for now. He instructed Mr. Tully to continue to work with the airport authority, and to report at the August meeting (or September, at the latest) what can be done to make solicitation easier to spot, yet allow the premium sedans to continue to serve their specific clientele.

Ms. Dillon closed by stating the sedan drivers are eager to provide their input, and encouraged the MTC staff to solicit their views. Mr. McCarthy said by all means their comments are valued.

Mr. *Patrick* McCarthy invited Ms. Dillon to meet with him after this meeting ends. (note: they did so)

3) Pamela Welch, Business Development Manager of ABC Cab

- Requested additional CCNs for her company, due to sustained additional business.
- Expressed concern about Illinois cabs operating throughout the metro area which are not even licensed; she stated her belief that "if we have to pay to operate in the metro area, then so should they."

Patrick J. McCarthy stood and addressed the Commissioners, exhorting them not to respond, since that specific subject touches upon matters which are currently in litigation.

4) Keith Timmerman, a driver for St. Louis County Cab

- Stated our Code requires hotel courtesy shuttles to run *on a schedule* – but in reality, they not only drive hotel guests to casinos, restaurants, shopping, etc., but they also return and convey guests from those destinations back to the hotel.

Mr. McCarthy instructed the speaker to submit a written suggestion/complaint to Director Tully, and he will address that concern with hotel industry representatives.

5) Mary Jones - St. Louis County Cab

- Stated there is a problem between the Ritz Carlton Hotel and the premium sedans in the hotel garage. Mr. Rudawsky replied that this is a valid comment, and it reiterates the need for the Municipal League to become truly involved in invoking/upholding our Code, since the Ritz is located in Clayton.

Mr. McCarthy stated that the Code changes made last year were done *at the request* of the Municipal League. In August, a standardized policy will be adopted, which will be helpful.

Mr. McCarthy added that, whether or not Clayton adopts our Code, this illustrates an *urgent, emphatic need for increased enforcement*. He stated we need to let the premium sedans have access to their legitimate customers, but cannot allow them to act as taxicabs.

Ms. Jones added that hotel doormen are all 'in on it' (implying manipulation and control of the hotel's taxi/transportation services). Mr. McCarthy stated that, as before, the Commission asks that it be given incident specifics to act upon.

Mr. Patrick McCarthy stood and asked permission to make a suggestion; Chairman McCarthy consented. Mr. Patrick McCarthy stated that so much of what we are hearing hasn't been brought to us first; so,

rather than introduce these items at a Commission meeting, first we must be told about them and given an opportunity to address and resolve them.

6) Zerebrook (Brook) Gebru, of Metropolitan Taxi Company

Speaker stated that, since his company initially applied for approval to merge with Midwest Cab, 13 cabs have been repainted since June 30. He asked for clarification as to whether they now must be repainted, and in one month's time, because the merger is still not approved.

Mr. McCarthy responded that if Mr. Gebru feels a hardship was worked on his company, he should so inform the staff and allow them to review that complaint. He pledged the Commission will try to be reasonable about it, since, as he has just explained, this is a new scenario for the Commission to deal with yet we want to be fair to the parties to this transaction.

* Mr. McCarthy then moved to adjourn; Mr. Harris seconded the motion.

The meeting was adjourned; the time was 2:55 p.m.

Note: A brief Executive Session immediately followed. (subleasing; carry/conceal weapons)

-- Minutes taken by Judith Cannon