

## COMMITTEE ON ADMINISTRATION/INFORMATION SYSTEMS

**June 12, 2000**

**5:30 PM**

Chairman Gatsas called the meeting to order.

The Clerk called the roll.

**Present:** Aldermen Gatsas, Pariseau, Thibault, and O'Neil

**Absent:** Aldermen Hirschmann

**Messrs:** M. Normand, Sgt. Winn

Chairman Gatsas addressed Item 3 of the agenda:

Proposed amendments to Chapter 118: Vehicles for Hire.

Alderman Pariseau moved the motion for discussion. Alderman O'Neil duly seconded the motion. Chairman Gatsas called for vote. There being none opposed, the motion carried.

Alderman O'Neil stated I have a couple of items, 118.39. I know I mentioned this before. On one of the and I don't travel a lot but when I do travel I occasionally have to use a cab and one of the places that really stuck out was Pittsburgh, PA. I remember two things they had that I thought were super. The car could not be anymore than five years old and that it had to be by ordinance in Pittsburgh a full-size car. I can tell you occasionally I take a cab here in Manchester and sometimes it is awful tough to get in that cab. I know that I am a fairly big guy but there are people a lot bigger than I am. I would be willing to make a motion, but I don't know if my colleagues would want to comment on that.

Alderman Pariseau asked make a motion regarding what.

Alderman O'Neil answered make a motion with regards to changing the ordinance to read "not more than five years old" and that they shall be by ordinance full-size cars.

Chairman Gatsas stated, Matt, it looks like you have done an awful lot of research here so why don't we come back and ask you why did you pick the number of nine.

Mr. Normand replied to answer Alderman O'Neil's question first, I spoke with Councilman Hertzberg from Pittsburgh. I have a copy of the ordinances here tonight and I didn't...there are I think five total laws regarding taxicabs in Pittsburgh and Councilman Hertzberg felt that taxicabs weren't a problem in his community. The reason I put nine is because I felt I could justify that. Nashua has the same ordinance that requires a maximum of a nine-year-old cab. Some of the other communities that I researched were much bigger in size like Boston, Philadelphia and New York and those had five to seven year requirements. That is why I picked that number.

Alderman Pariseau asked will you compromise and go seven years, Alderman O'Neil.

Alderman O'Neil answered certainly I am always in the mood for compromise but it was just something that stuck out. I remember the cab drivers told me that was a requirement of the City of Pittsburgh.

Alderman Thibault asked, Matt, did you ask these people about the rates that they charge for cab fares and do they have a drop-off time and do they also have a time limit. I mean there are a lot of things that go into this. It all depends on how they are structured out there compared to where we are here and I think that is something you need to look at. If we are trying to compare oranges to oranges where, we have to make sure that if a City has large vehicles that they don't have the restrictions that our cab companies have and maybe that is something that should be looked at. Did you check on their rates and how they are structured as far as rates?

Mr. Normand replied I agree with what you are saying. The reason I...I tried to tailor these amendments to cities of our size. I didn't take anything from Boston or New York or the bigger cities because I don't feel that we have the economy number one for these cab businesses and obviously the situation is much different here in Manchester so I tailored these. Again, this nine-year requirement is something from Nashua. It is in their ordinance right now regarding taxis.

Alderman Thibault asked is Nashua using full-size cars or are they using medium size cars,

Mr. Normand answered I believe they are using full-size cars.

Alderman Thibault asked what are their rates. Do you know what their rates are?

Mr. Normand answered I have it if you want to hold on for a minute.

Alderman Thibault stated I would just like to know so that we can compare.

Alderman O'Neil stated I know there is an effort on in this City to really start aggressively getting into the convention and tourism business with the Airport, etc. If any of us travel we know that cabs are sometimes important to get around in communities. I think we need to really step this up. To be honest with you, I think our cabs are an embarrassment the way they are now. I saw a guy driving down the street the other day with a fare with one of those small replacement tires on. I don't know what the legalities of that are. That is not first class and I know the Center of NH has been having its best year ever, but I think that people are afraid to take cabs from there to the Airport. The reason I like full-size is just for the issue of going to a place like the Airport. You can have four adults in a car. You could never get four adults in a mid-size car.

Chairman Gatsas asked, Matt, obviously you have some items in here like the cabs will be in good repair and clean in and out and then you have a list of other things that would dictate an acceptable cab, but you have nothing in here that if any of these items, from an enforcement point of view, what would happen. Let's assume there is a cab that is rusted and dented.

Mr. Normand answered there is nothing in these amendments, other than under 118.99 Penalty and that is any violation of the motor vehicle code right there and that allows a police officer number one to...which would include any of these items like a cracked windshield, to pull the car over and if in his opinion it is a violation of the motor vehicle code then they can pull the license and the medallion and effectively suspend that license until those corrections have been made. Again, these are just amendments. The current ordinance allows us to fine up to \$25 for any violation of those. Alderman Thibault, Nashua does not regulate their rates. What they do currently is there has to be an agreement between the driver and the passenger on the fare. There is a move down in Nashua to change it to a regulated rate but I guess they are resisting that.

Alderman Thibault asked are the taxi companies resisting it.

Mr. Normand answered a portion of the City is. People that I talk to I know that they don't necessarily want to get into that because obviously you have to equip all of the cars with taximeters and stuff. Currently, there is no schedule for the fare.

Alderman Thibault stated if you look at the last five or six months and the rate that gasoline has gone up...

Alderman Pariseau interjected that is another issue.

Alderman Thibault stated I know it is another issue but it is still part of the rate.

Alderman Pariseau replied it is number four on the agenda. The rate has nothing to do with number three.

Alderman Thibault stated what do you mean it has nothing to do with it. I am asking him for rates. Rates are made according to how much it costs them to operate these cabs.

Alderman Pariseau replied but we are addressing number three. Number four addresses the rates.

Alderman O'Neil stated I will end up coming back to Item H and making a motion but I want to go to Item K for a second, which has to do with the protective partitions. That currently does not exist, correct?

Mr. Normand replied that is correct.

Alderman O'Neil asked what happens if they come to my house and pick-up four adults to go to the Airport. This is encouraging, obviously, the passenger to get in the back although I did not see that in here.

Chairman Gatsas answered it is.

Alderman O'Neil asked what happens if there are four adults who want to get in the car.

Alderman Pariseau answered one can sit in the front.

Mr. Normand stated if you look at section G, 118.42, which is right below that, that prohibits the passenger from being in the front seat unless the back seat is full. If the back seat is full in the case you just brought up then that, in fact, it would be permitted to ride in the front.

Alderman O'Neil replied I have raised that concern before based on the size of our cars. It is awful tough to have a mid-size with a cage and get in the back. It is tough to get in one without it. If we are going to move forward with the protective partition then I would like to move on an amendment to 118.39 (H) if I may.

Alderman O'Neil moved to amend 118.39 (H) to read "Every vehicle used as a taxicab shall not be more than five (5) years old by model year. This section shall become effective one year from the date of adoption." I also want to include in the ordinance that they be required to have full-size, four-door cars.

Alderman Pariseau stated I don't have a problem with the full-size, four-doors but I think if Alderman O'Neil would change the five years to seven years, I could second the motion.

Alderman O'Neil amended the motion to "seven (7) years".

Chairman Gatsas asked maybe Sgt. Winn could help me. I have a couple of questions. My question is this. From an enforcement point of view, can you give this Committee some sort of idea if or what the violations are and I don't know if Matt knows or you would know if there have been any violations where somebody has looked at a cab and said it is in violation within the last six, eight or twelve months.

Sgt. Winn asked when you say violation are you talking about inspection violations.

Chairman Gatsas answered I am saying that obviously there are ordinances that say that you can pull over a cab if you don't deem it to be road worthy.

Sgt. Winn replied right but you could do that with any vehicle.

Chairman Gatsas responded right. My question is obviously with the transportation of individuals, do we have any existing violations that have happened out there in the last six or eight months.

Sgt. Winn replied we have had violations, but we haven't taken the cabs off the road. Usually what we do is write them a summons and then we forward a copy of the summons to Matt and he follows up with the cab companies on that in addition to them being summonsed to court.

Chairman Gatsas stated so at that point it is a double fine. Is that what I understand from the ordinance and also from what you had...

Mr. Normand interjected if it is being addressed in the court or if they are fined, which typically happens...for instance a popular one is one that when the driver is not carrying his driver's license, taxi driver's license, I believe they fine them on the spot for that. So, we don't typically...usually when I get involved I try to work with the company.

Chairman Gatsas asked so you feel comfortable with the fine scenario that we have in place.

Sgt. Winn asked are you asking me or Matt.

Chairman Gatsas answered Matt.

Mr. Normand replied it is \$25 and I am not sure that...if it is warranted more maybe that would be more of a...

Chairman Gatsas interjected what have you seen in the studies that you have done.

Mr. Normand responded they don't address the fine schedule in the taxi ordinances so I didn't really pay attention to that as much.

Alderman O'Neil asked would it make sense if we are going to adopt the revision to 118.39 (H) should we force them to immediately go to cages in (K). It says all of these taxicabs should be equipped within 60 days. Would we better support the petition issue with the newer cars?

Chairman Gatsas stated I would think that obviously with any change you are going to make the longer you give to the accessibility of change that is going to effectively either encourage competition or discourage competition. I don't know...if you say in a year we could be walking around the City of Manchester without any cabs. Maybe nine months.

Alderman O'Neil asked, Matt, is their a key date for renewing.

Mr. Normand answered April 30 of each year.

Alderman O'Neil stated do you want to change it to April 30 then, Mr. Chairman.

Chairman Gatsas replied yes. I think that is the date I was going to put in here. That we establish April 30 as the drop-dead date instead of six months because that gives them what, about nine months.

Alderman O'Neil moved to amend 118.39 (H) to read "Every vehicle used as a taxicab shall be full-size and not be more than seven (7) years old by model year. This section shall become effective on April 30, 2001." Alderman Pariseau duly seconded the motion. Chairman Gatsas called for a vote. There being none opposed, the motion carried.

Alderman O'Neil stated I want to commend Matt because he did a nice job putting this together.

Mr. Normand replied thank you.

Deputy Clerk Bernier stated I need a motion to accept all of the ordinances.

On motion of Alderman O'Neil, duly seconded by Alderman Pariseau, it was voted to approve all of the ordinance amendments.

Chairman Gatsas addressed Item 4 of the agenda:

Communication from River City Taxi requesting a rate increase to taxi fares.

Alderman Thibault stated my only concern is in other cities...I would like to know and that is what I was just asking Matt before, in other cities that are using full-size cars what are their rates. These people are glad to compete with anyone that wants to come in and run cabs here, but by the same token they can't run them at a loss, especially where we have been so long in giving them a rate increase because of all of the increases that have gone on in the last year I think it is very unfair to these people. Sure, some of the cars might not be up-to-date, but if you look at how long it has been since they got an increase with everything that has been going on, that has been a problem for them too, I am sure. That is all that I want to say. I would just like to make sure that when we do compare rates with other cities our size like you said, that we compare oranges to oranges.

Chairman Gatsas asked do you have anything from Concord.

Mr. Normand answered in my research...I mean I agree with what is written here as far as what they are requesting and this total charge will fall within the top half of the cities that I researched so it is not extreme as far as we are giving them too much.

Alderman Thibault asked is it in the ballpark.

Mr. Normand answered yes; it is in the ballpark for what I have researched.

Alderman Pariseau asked, Matt, are you referring to that item 118.33. I guess I don't understand. What is meant by a drop fee going from \$2 to \$3?

Mr. Normand answered what happens is when you get in a cab, rather than the second you get in that cab being \$2 the change has been requested to go to \$3.

Alderman Pariseau asked and then it will be 25 cents for every 1/6 of a mile.

Mr. Normand answered yes.

Alderman Pariseau moved to approve the ordinance amendment for a rate increase to taxi fares. Alderman Thibault duly seconded the motion. Chairman Gatsas called for a vote. There being none opposed, the motion carried.

Alderman O'Neil stated just one other thing. Matt, the few times I have used a cab I had discussions with the cab drivers and one of the things they say is very tough is getting insurance. In your research did you come across that? They say there is only one company that will...

Mr. Normand replied what I saw in other ordinances was that they were somewhat less, \$300,000. Ours is \$500,000. However, in talking to Harry Ntapalis, he feels that the \$500,000 is not enough. He feels that it should be at \$1 million where it was at one point briefly in the past. Harry is certainly quite concerned with that.

Alderman O'Neil stated my concern is if they are having a tough time getting it at \$500,000, then \$1 million is going to make the situation worse and that might be one of the reasons why they are not able to put any money...and I am not sure if this responsibility falls on the owner of the cab or the driver or both. At some point if you could do a little research on that and see if there is something we can do, I would be very concerned about making the situation worse than it is now.

Mr. Normand replied I will look into that for you.

Alderman Thibault stated also, Matt, what I would like you to do if you are going to do that is I would like you to find out what the difference in cost from \$500,000 to \$1 million is per car.

Pete Borgeau, 151 Elm Street, Manchester, NH stated:

I am with River City Tax. I think Mr. Thibault brought up a good point about comparing apples to apples and oranges to oranges. I think we are probably the only City in the State of New Hampshire that pays such high liability rates. I think each vehicle costs us at the moment \$7,000 for liability and it costs us \$3,000 per car for worker's compensation so before we can even get access to a car we are out roughly \$11,000 with the radio and the meter. Now all of the cities in the State of New Hampshire do not require \$500,000. Nashua carries \$300,000 in liability and the other thing is if you check Pittsburgh, they carry \$150,000 and if you do research on all of the other cities they carry much less. Boston also does not carry worker's compensation on the drivers and they save \$3,000. When you go back and say that we need to upgrade the cars, I am all for bringing them up and I think you are doing a great job in doing that but I would like you to, like Mr. Thibault says, compare apples to apples and oranges to oranges. We could probably cut our liability and carry an umbrella policy and a good example is right here with Mr. Simon who had probably the worse incident that could ever happen to a person or company when he had a driver shoot a passenger. His case came out and settled for \$50,000. He has a blanket and so do I for \$1 million, but if we could bring our initial liability costs down that would give us greater ability to spend more money on cars, which we would love to do but we are kind of handcuffed with those restrictions and high liability.

Alderman O'Neil stated that \$7,000 number...I took a cab a couple of Saturdays ago and I remember the driver mentioning that figure to me and I was kind of taken aback by that. Maybe we need to take a look at...I mean it is easy for us to sit here and say they should have \$1 million, but if cities such as Pittsburgh and Boston don't require that...the workman's compensation I think is a State issue.

Mr. Borgeau responded that is a State issue.

Chairman Gatsas stated I am a little confused about this whole dissertation that I am hearing because I understood that most of these medallions are individually owned by the cars. Is that correct, Matt?

Mr. Normand replied the individual doesn't own the medallion. Whoever comes in for the license for the vehicle does. It could be an individual owner/operator or it could be, in his case, River City Taxi owns I think eight medallions so that ability is there. It is the responsibility of whomever or whatever company licenses that vehicle to have insurance.

Chairman Gatsas asked so you are saying currently that River City Taxi is paying worker's compensation.

Mr. Borgeau answered yes. We carry worker's compensation on our cars. We are mandated by the State of NH to carry worker's compensation on the vehicle because we don't do payroll, we lease our cars. We went to the Supreme Court on this and we lost because the worker's compensation office came down and said we must carry worker's compensation on the vehicle. The difference lies in that we have an owner/operator here, Tammy, and she owns her car so I don't have to carry worker's compensation on that car but if you lease a car from me...if Tammy's car were to break down and she came to me for a lease, I would have to buy \$3,000 worth of worker's compensation insurance and pay that to the State so that Tammy could drive that car.

Chairman Gatsas asked on the person who is driving that car, are you paying State unemployment on them.

Mr. Borgeau answered no, we don't do payroll.

Chairman Gatsas asked if you are not doing that then how do you...if that person gets hurt in that automobile how are they considered an employee.

Mr. Borgeau answered that is a quirk in the State law that NH has ruled against us and we went to the Supreme Court and lost this case because we are considered by the IRS to be dealing with individual contractors. According to the IRS and this case was I guess tested in Indianapolis, the IRS came out and ruled these people as independent contractors who lease cars.

Chairman Gatsas responded that is not what the State of NH is saying though.

Mr. Borgeau replied the State of NH doesn't take that position.

Chairman Gatsas asked so the State of NH is saying that that employee is your employee.

Mr. Borgeau answered he is not an employee. We don't do payroll with him. He gives us money.

Chairman Gatsas stated then you haven't answered my question.

Mr. Borgeau replied I can't answer your question according to the State laws of NH.

Chairman Gatsas asked if that employee gets hurt in that vehicle...

Mr. Borgeau interjected he is covered by worker's compensation.

Chairman Gatsas asked how can he be covered by worker's compensation if you are not doing any withholding.

Mr. Borgeau answered I am sorry, Sir, but that is the ruling of the State of NH. I can't cite that.

Chairman Gatsas stated I think you folks should stop right here. I don't think you want to open this can of worms in front of this Committee because I think I am very well versed on worker's compensation.

Mr. Borgeau replied well can you help me with the answer, Sir.

Chairman Gatsas responded I don't want to go there.

Mr. Borgeau asked please.

Chairman Gatsas stated I don't think you want me to ask you a question.

Mr. Borgeau replied please ask me the question.

Chairman Gatsas responded no, I don't think you do.

Alderman O'Neil stated I am not going to get into the conversation on the worker's compensation issue, but can we take a look at the liability portion of this and come back with what cities our size and bigger cities are doing. You may already have that information from your research and I think if we can help bring those costs down, that might be a step in the right direction for them continuing to reinvest in the cars, etc.

Mr. Borgeau replied absolutely. I would love to do that.

Alderman O'Neil stated I was shocked by that number of \$7,000.

Chairman Gatsas stated while you are doing that research, Matt, do the research of whether those employees are employees or independent contractors.

Mr. Borgeau stated we would love to have you do that research and I hope we come out okay on that because that is another \$3,000 that we can invest in the car. No one would like a better car than we would. Trust me.

Chairman Gatsas replied I think you would find that the worker's compensation would far exceed \$3,000.

There being no further business to come before the Committee, on motion of Alderman Pariseau, duly seconded by Alderman Thibault, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee