

City of Hampton

Council Approved Minutes - Final

City Council Work Session

Mayor Donnie R. Tuck Vice Mayor Jimmy Gray Councilmember Chris L. Bowman Councilmember Eleanor Weston Brown Councilmember Steven L. Brown Councilmember Michelle T. Ferebee Councilmember Billy Hobbs

STAFF: Mary Bunting, City Manager Cheran Cordell Ivery, City Attorney Katherine K. Glass, CMC, Clerk of Council

Wednesday, May 11, 2022

1:00 PM

Council Chambers

CALL TO ORDER

Mayor Tuck called the meeting to order at 1:00 p.m. and shared that Councilwoman Ferebee had an obligation that prevented her from attending the afternoon work station.

- Present 6 Councilmember Chris L. Bowman, Councilmember Eleanor Weston Brown, Councilmember Steven L. Brown, Vice Mayor Jimmy Gray, Councilmember Billy Hobbs, and Mayor Donnie R. Tuck
- Excused 1 Councilmember Michelle T. Ferebee

DONNIE R. TUCK PRESIDED

AGENDA

1. <u>22-0165</u> Budget Work Session - City Manager's Recommended FY 2023 Budget

> The City Manager, Mary Bunting, explained that the General Assembly has not yet adopted a state budget so the City has to prepare without having that information. She explained that the potential impact to the City from loss of the grocery sales tax would be \$3.3 million. Staff is recommending an amendment when adopting the budget tonight adding \$3.3 million to other local revenue and an offsetting \$3.3 million in contingency reserve. If the funds ultimately do not materialize, the adjustment to the budget would be done during a quarterly budget

adjustment.

Ms. Bunting shared that deliberations on the FY23 budget will be finalized today and that any amendments Council wishes to submit can be submitted in preparation for the evening session.

Ms. Bunting turned the floor over to Mayor Tuck. Mayor Tuck opened the floor for questions and comments from Council, but none were posed.

Ms. Bunting noted that staff would make the proper budget language and ensure that it is part of Council's script this evening to properly make that amendment.

2. <u>22-0161</u> Taxi Ordinance Amendments Work Session <u>Attachments:</u> <u>Presentations</u>

Ms. Bunting introduced Deputy City Attorney Brandi Law to make the presentation.

Ms. Law greeted those on the dais and began speaking about potential amendments to the City's taxicab ordinance.

Ms. Law provided the following background of the regulatory scheme for taxicabs: The state code allows localities to regulate taxicabs that operate within their localities. Hampton, along with all of the other 7 cities, has chosen to do this in some form, with some ordinances being a little different than others.

Ms. Law also shared that the Hampton Police Division administers and enforces the taxicab ordinance, therefore, Chief Mark Talbot was present to answer any questions regarding administering and enforcement of the taxicab ordinance.

Ms. Law reviewed the slide presentation which included information about Hampton's current taxicab ordinance and the proposed amendments (staff's recommendations) to the ordinance. The proposed amendments are related to the age of taxicabs; rates; taxicab companies rates compared to Uber/Lyft rates; rate exceptions; reciprocity; and dispatching service. Also included in the presentation was information about taxicab regulations and proposed amendments for some surrounding localities in our area.

Ms. Law reviewed the final slide of the presentation which summarized staff's recommendations which are to raise the age limit of vehicles to 10 model years;

increase the allowable pickup fee incrementally to \$3 immediately, to \$4 on July 1, 2023, and to \$5 on July 1, 2024; immediately increase the allowable rate to \$.35 for each 1/7 of a mile; provide an exception to the rate for companies that have a contract with the taxi business; expand reciprocity to allow companies with a certificate in another locality to drop off a customer in Hampton if they lawfully picked that person up in another city; and allow a dispatching location within five miles of City limits.

Ms. Law opened the floor for questions and comments from Council.

In response to Councilwoman Brown, Ms. Law reminded everyone that the last update to these particular provisions were made in 2008.

Councilman Brown asked Ms. Law to share an example of the recommendation to provide exception to the rate for companies that have a contract with the taxi business. Ms. Law explained that this typically occurs for medical transports. Councilman Brown asked if that means there is one set fee. Ms. Law replied yes, for example, with Medicaid.

Councilman Bowman thanked Ms. Law for the good presentation and asked if the 5 mile limit within Hampton provides more flexibility versus mandating living in Hampton? Ms. Law replied yes, and explained that it allows companies that already have their dispatching locations set up within 5 miles, particularly into Newport News, to potentially operate in Hampton.

Vice Mayor Gray thanked Ms. Law for the presentation. He also spoke about how the market has changed since current regulations were implemented more than 10 years ago regarding availability of ride sharing and taxicabs. In addition, public transportation has improved giving people more options. Vice Mayor Gray continued speaking about current taxicab regulations which exclude other companies from being able to work because taxicabs were the only option at one time. He suggested that it is now time to reconsider these regulations, so that there is a level playing field allowing everyone to compete for business in the City and earn a profit while doing so. He indicated that he is uncertain of what purpose requiring the dispatch location to be within 5 miles of City limits serves, particularly for a company such as Yellow Cab which operates cabs throughout the region. He then described two scenarios in which calls, such as emergency 911 calls, can be dispatched from various locations with the connectivity that exists between systems.

Vice Mayor Gray also agreed that the ordinance should be amended to allow additional increases with the initial pick up charge and the miles. He reminded

everyone that when these regulations were put in place, it was done with the taxi study on the market, and suggested that it may be time to re-evaluate and consider all the options people have to get around the City. He assured everyone that he is sensitive about the increase in the costs that companies have to deal with, such as the price of gas and vehicles, but he also wants to ensure that the City is being fair about the way things are being done. He reiterated that it may be time to reconsider entire taxicab regulations with a new study that takes into consideration all the other things that are available to people to use in today's environment.

Mayor Tuck asked how ride sharing trip costs are calculated. Ms. Law indicated that the calculation involves a combination of the time of the trip, mileage and additional factors such as availability; however, she is unable to answer that question with 100% knowledge.

Mayor Tuck referenced the minutes from the September 14, 2011, City Council Meeting which indicate that he asked for the taxicab ordinance to be discussed at the afternoon work session because it was adopted in 2007 and his concern, at the time, was that based on the ordinance, competition in Hampton had, for the most part, been eliminated. He agreed with Vice Mayor Gray in that this needs to be revisited in a more holistic way. He also briefly spoke about a gentleman who operates a cab company in Newport News and agreed that he is uncertain if the dispatch location is relevant.

Ms. Law shared that the proposed Newport News ordinance amendment gets rid of any location requirement.

Mayor Tuck suggested reconsidering the ordinance and perhaps determining if incrementalism is appropriate or if everything else involved needs to be considered and then readdress the topic later. He referenced a gentleman who addressed several localities years ago about improvements to taxicab ordinances. Most of the localities seemed to favor one or two large companies. He continued saying that things have now changed because Uber and Lyft do not have to abide by the standards (for the most part) that we have adopted. He reiterated that looking at this more holistically would be beneficial to Council.

Councilwoman Brown requested that Council is briefed on how the business license tax works for the various types of businesses and whether that has anything to do with the location of the dispatch office and how they are taxed. She reiterated that knowing how Lyft and Uber are taxed for business license purposes would be beneficial to Council.

Councilman Hobbs spoke about increases in car maintenance supplies, such as oil

and tires, and shared that his business has had to absorb some of these increases because these types of services bring customers in the establishment. He also asked if representatives from the taxicab community could provide information about expenses and the costs to maintain vehicles.

Ms. Law noted that representatives from Yellow Cab were present should City Council wish to hear from them.

After consulting with the City Manager and City Attorney, Mayor Tuck indicated that the proper way to proceed would be to ask Yellow Cab to provide that information to Council or the City Attorney's Office to be forwarded to Council. This will keep with normal procedure during the course of a work session which is to not invite individuals to speak.

Councilman Brown asked about the classification for Uber and Lyft drivers and whether they are considered single entrepreneurship or sole proprietors as having this information would help him understand what ordinances should look like moving forward, particularly since Uber and Lyft drivers are not held to the standard of taxicabs. He continued saying that perhaps this is the reason why they are not under the same guidance in ordinances of taxicabs.

Ms. Law indicated that she would research the information requested by Councilman Brown and noted that the General Assembly has specifically prohibited localities from regulating ride sharing companies.

Mayor Tuck asked the City Attorney to speak about the labor issue with respect to Uber and Lyft drivers and whether they are considered contractors or employees.

City Attorney Cheran Ivery said that any comment she could make would be speculation as she goes by the news just like anyone else. She said that she has heard of unionization issues arising with regard to ride sharing; however, she is uncertain if they are viewed as contractors or if they are trying to change that. She reiterated that this is not something on which she can speak about with certainty.

Ms. Law assured everyone that she would research the questions posed by Councilman Brown and Mayor Tuck to find out the answers.

Mayor Tuck thanked Ms. Law for a job well-done and suggested that staff return to Council with more information including cost and looking at the model and determining whether or not what we are proposing works in today's model of ride sharing versus taxicab companies.

REGIONAL ISSUES

There were no regional issues.

NEW BUSINESS

There were no items of new business.

ADJOURNMENT

The meeting adjourned at 1:28 p.m.

Contact Info: Clerk of Council, 757-727-6315, council@hampton.gov

Donnie R. Tuck Mayor

Katherine K. Glass, CMC Clerk of Council

Date approved by Council _____