

Monterey County Regional Taxi Authority
BOARD OF DIRECTORS
MINUTES

April 30, 2012

1 Ryan Ranch Rd., Monterey, CA 93940

1. CALL TO ORDER

Director Sanchez called the meeting to order at 10:00 a.m. Roll call was conducted and The Pledge of Allegiance followed.

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|-----------------|----------------------|-------------------------------------|
| Present: | Jerry Edelen (alt.) | City of Del Rey Oaks |
| | Alan Cohen | City of Pacific Grove |
| | Libby Downey | City of Monterey |
| | Alvin Edwards | City of Seaside |
| | MaryAnn Leffel | Monterey Peninsula Airport District |
| | David Pendergrass | City of Sand City |
| | Sergio Sanchez | City of Salinas |
| Absent: | Vacant | City of Carmel-By-The-Sea |
| | Fernando Armenta | County of Monterey |
| Staff: | Hunter Harvath | AGM/Finance & Administration |
| | Tom Hicks | Mobility Manager |
| | Carl Sedoryk | General Manager/CEO |
| | Deanna Smith | Deputy Secretary |
| | Dave Laredo | De Lay & Laredo, RTA Counsel |
| Others: | Kathi Krystal | Associated Taxi |
| | Michael P. Cardinali | Salinas Yellow Cab |
| | Steve McNally | MCHA |
| | Greg Akins | Coastal Yellow Cab |
| | Robert Buswell | Associated Taxi |
| | Leslie F. Sonne | Monterey Police Department |
| | Roy Graham | TAC Member |
| | Sam Martinez | Salinas Yellow Cab |

Apology is made for any misspelling of a name.

Agenda Item 7-2 was moved to the top of the agenda by request of Libby Downey, who must leave early.

7. UNFINISHED BUSINESS

- 7-1 Receive update on livery complaints against Yellow Cab of Monterey County and Coastal Yellow Cab and provide direction to staff.

Mr. Harvath stated that he has received a Letter of Complaint from Salinas Yellow Cab complaining that both Coastal Yellow Cab and Yellow Cab of Monterey County were in violation of Section 3b of the Equipment, Safety, Security and Operational Policy which states that: "The color scheme of for-hire vehicles for new taxicab companies permitted by the RTA are subject to the approval of the RTA and shall be sufficiently distinctive so as not to cause confusion with other for-hire vehicles already operating within the RTA."

After receiving the complaint, staff conducted an investigation and has provided color copies of all three company's current livery. The owner of Yellow Cab of Monterey County responded that he would make arrangements to solve the problem, but no further action on his part has been received. Coastal Yellow Cab submitted a proposed livery that the company currently uses in Orange County, although a prior proposal included the taxicab hoods and trunks painted solid black. Mr. Harvath provided a detail of his investigation into OCTAP's accepted livery differentiation between yellow cab companies in their jurisdictions. At this time, staff is prepared to approve the proposal of Coastal Yellow Cab, but does not have a recommendation, believing the issue is a policy issue that the Board needs to address.

Mr. Laredo counseled the Board regarding the permitting process stating that the RTA Board approves company requests for permits, both new and renewals, authorizing them to operate with a specific color scheme. Today's business is not an Administrative Hearing and all interested companies currently hold either permanent or temporary permits; therefore, the Board is being asked to provide direction to staff for action to be taken upon permit renewal. If any company disputes the Board's decision, it can be challenged at an Administrative Hearing.

Director Downey stated that when Coastal Yellow Cab applied and was approved for a permit, they stated that they were willing to change their name and livery upon request to avoid any conflict with current cab companies.

Director Sanchez opened for Public Comment, requesting specifically to hear from Salinas Yellow Cab.

Public Comment

Michael P. Cardinalli, owner of Salinas Yellow Cab, stated that he was surprised Coastal Yellow Cab had not changed their livery, and challenged the argument that cities like New York City and Los Angeles operated with numerous yellow cab companies. He stated the comparison does not take into account the fact that companies in Monterey County rely heavily on branding and reputation as opposed to a high demand for cab service. He provided several examples of customers who have been confused as to which yellow cab they used, making it difficult to lodge complaints, locate lost property, etc. He stated that he contacted OCTAP personally, and asked how they dealt with the issue of cab company differentiation with customers. He was

told that unless a customer could provide the taxi vehicle permit number or the company phone number, they would be unable to follow through.

Roy Graham stated that duplication of both the name and color yellow creates confusion among the public and police enforcement.

Sam Martinez provided examples of customers being confused by the many yellow cabs operating.

Greg Akins provided another color handout of the livery differentiation OCTAP has approved, stating that courts have supported the use of duplicate color schemes among taxicab companies noting that their lettering is distinct from other yellow cab companies in the RTA jurisdiction.

Robert Buswell corrected Mr. Martinez' statement that Yellow Cab is the only cab company operating 24 hours per day. Associated Taxi also operates 24 hours per day.

Close Public Comment

Mr. Harvath reiterated that staff has no recommendation for the Board regarding the issue.

Director Downey asked if any of the currently permitted cab companies own more than one company. Mr. Harvath stated that all were under different ownership.

Director Leffel stated that she recalled Coastal Yellow Cab was willing to change their color scheme, and that was why she voted to approve their application to operate.

Director Cohen stated that New York City cannot be compared to Monterey County. Local companies are more reputation-based. He likes the proposal for a black hood and trunk for Coastal Yellow Cab.

Director Edelen suggested offering a reduction of permit renewal fees to offset any livery change costs.

Director Pendergrass believes the color similarity is unfair to Salinas Yellow Cab given the number of cabs they operate and the fact that they have been operating longer than the other companies.

Director Edwards does not agree with offsetting the permit renewal fee for those who must alter their color schemes. He believes Coastal Yellow Cab should paint their hoods and trunk black as they previously offered.

Director Sanchez asked if the RTA Board had the authority to require existing cab companies to change their livery and if the Board could require all new companies to have a different color. Mr. Harvath stated that Salinas Yellow Cab had been grandfathered in and that the ESSOP allowed the Board to determine whether a new company's livery provides significant differentiation. Mr. Laredo reminded the Board that changes could only be required at time of permit approval or approval of permit renewal.

Director Downey made a motion that staff develop a policy to avoid duplication of cab company color and name, grandfathering in Salinas Yellow Cab and was seconded by Director Cohen.

Director Cohen asked if it was legal to prohibit the use of the word yellow in the company name. Mr. Laredo stated that the RTA does have the authority to regulate both taxi company names and color schemes, but he is not sure that the Board has the authority to justify which companies are grandfathered in.

Director Downey amended her motion to request that staff develop a policy to avoid duplication of cab company color and name and Director Cohen seconded the amended motion.

Director Edelen stated that repainting a taxi cab will cost a minimum of \$1,000 per vehicle, and questioned the definition of “distinctly different” within the ESSOP.

Director Pendergrass stated that he cannot support the motion because the ESSOP already has a policy regarding the regulation of color schemes. He believes the Board is kicking the can down the road if they do not come to a conclusion at today’s meeting. He suggested a subcommittee be created to sit down with the involved parties to reach a consensus.

Public Comment

Kathi Krystal stated that the amended motion puts existing companies at risk of very costly repainting.

Close Public Comment

Director Sanchez called for a vote on the motion. Ayes: Directors Downey and Cohen. Noes: Directors Edelen, Sanchez, Edwards, Leffel, and Pendergrass. The motion failed by a vote of 2-5.

Director Edwards made a motion to direct staff to review the current policy regarding regulation of color schemes, taking into account recommendations based on today’s discussion, and to request that Coastal Yellow Cab paint their hoods and trunks black.

Mr. Laredo stated that a hearing had not been held on the issue, so no requirement can be made.

Director Edwards withdrew his motion.

Chair Sanchez requested volunteers for an Ad Hoc Subcommittee to negotiate a solution between the three cab companies. He does not want this to go to a hearing. The following volunteered to sit on the committee: Directors Sanchez (Chair), Downey, and Leffel. Mr. Sanchez also appointed the Chair of the TAC to serve on the committee.

2. CONSENT AGENDA

2-1. Review highlights of Agenda.

Mr. Sedoryk announced the highlights of the agenda.

2-2. Minutes from the Regular Meeting of January 23, 2012.

2-3. Receive January – March 2012 Financial Statements.

Director Leffel made a motion to approve the Consent Agenda and was seconded by Director Pendergrass. The motion carried unanimously.

Public Comment – none.

3. SPECIAL PRESENTATIONS

None.

4. PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

Mr. Martinez requested that the RTA meet next month instead of waiting until July.

Mr. Buswell stated that he did not believe the Monterey Peninsula Airport had the authority to set an airport pick-up and drop-off fee. He suggested adding a fare surcharge to the meters.

Close Public Comment

5. COMMITTEE REPORTS AND PRESENTATIONS

5-1. Receive update from RTA staff.

Mr. Harvath stated that the City of Monterey Police Department has been handling all vehicle and driver permits, and the backlog of permit applications has been cleared. Chief Penko has assigned Lt. Leslie Sonne the responsibility of conducting random inspections. Orange Cab has not submitted their permit fees, and they have been sent a Cease and Desist letter until their fees are received. Likewise, Castroville Cab has not submitted their application and a Cease and Desist letter will be sent today. He referred the Board to Agenda Item 10-1 detailing RTA activity.

Director Leffel stated she was confused about the incident numbers on the RTA Administrator's Report. She asked for more clarification in the future.

Public Comment

Kathi Krystal asked what an "incident" referred to on the RTA Administrator's report. Mr. Harvath stated that the complaint letter from Salinas Yellow Cab and a

previous complaint from several hotels regarding taxi service were examples of incidents.

- 5-2 Ad Hoc Bylaw and Joint Powers Agreement Review Committee Minutes from January 23, 2012.

Director Downey asked why two attorneys were listed present on the minutes. Mr. Laredo stated that Mr. Lorca was there for informational purposes only and his time was not billed to the RTA.

6. BIDS/PROPOSALS

None.

7. UNFINISHED BUSINESS

- 7-1. Receive and approve proposed changes to RTA Bylaws as recommended by Ad Hoc Bylaw and Joint Powers Agreement Review Committee.

Mr. Sedoryk stated that the committee met prior to the Board meeting to review their prior recommendations to the Bylaws. There was one recommendation added that would limit the term of the RTA Board Chair to a maximum of two terms, with a term being 1 year. Mr. Laredo confirmed that the changes would take effect upon approval and the term limits would apply to the Chairperson appointment beginning FY 2013.

Public Comment – none.

Director Downey made a motion to approve the recommended changes to the Bylaws and was seconded by Director Edwards. The motion carried unanimously.

Director Cohen made a motion to disband the Ad Hoc Committee, as they have fulfilled their purpose, and was seconded by Director Edelen. The motion carried unanimously.

Public Comment – none.

8. NEW BUSINESS

- 8-1 Appoint members to Ad Hoc Nominating Committee.

The following members agreed to serve on the committee: Directors Pendergrass (Chair), Clark, Edwards, and Cohen.

- 8-2 Appoint members to Finance Committee.

Chair Sanchez suggested keeping the Ad Hoc Finance Committee members the same to establish the permanent committee. Members are: Directors Sanchez (Chair), Armenta, Downey, and Leffel.

8-3 Receive Draft FY 2013 Operating Budget and refer to Finance Committee.

Mr. Harvath mentioned that the RTA is finally receiving enough revenues to begin repaying the debt owed to municipalities and MST.

Director Downey requested more detail be included in the budget.

Director Edelen suggested offering advertising on cabs to help offset their costs. Mr. Harvath stated that it is a possibility, but the RTA does not have the money to front the start-up costs.

Director Downey left at 11:30 a.m.

Director Cohen thought this idea was a good one, but that the cabs should front their own costs and receive all revenue if they choose to offer advertising on the cabs.

Director Edwards asked that the liabilities of the RTA be included in the budget.

9. PUBLIC HEARINGS

10. REPORTS & INFORMATION ITEMS

10-1 Receive January - March, 2012 report from RTA Administrator.

11. COMMENTS BY BOARD MEMBERS

11-1. Reports on meetings attended by Board members at RTA expense.

Director Edwards asked that an evaluation of the General Manager be conducted and added to the next agenda.

12. BOARD REFERRALS TO TAC

Chair Sanchez requested staff to research grants that would help support the taxi companies.

Public Comment

Ms. Krystal stated that taxi insurance covers everything except the taxi drivers when an incident involves an uninsured motorist. She stated that medical coverage for drivers would help greatly.

Close Public Comment

13. ANNOUNCEMENTS

None.

14. CLOSED SESSION

15. RETURN TO OPEN SESSION

16. ADJOURN

There being no further business, Chair Sanchez adjourned the meeting at 11:39 a.m.

Prepared by:



Deanna Smith, Deputy Secretary