

Monterey County Regional Taxi Authority
BOARD OF DIRECTORS
MINUTES

July 30, 2012

1 Ryan Ranch Rd., Monterey, CA 93940

1. CALL TO ORDER

Director Sanchez called the meeting to order at 10:02 a.m. Roll call was conducted and The Pledge of Allegiance followed.

Present:	Fernando Armenta	County of Monterey
	Jason Burnett (alt.)	Cit of Carmel-by-the-Sea
	Alan Cohen	City of Pacific Grove
	Libby Downey	City of Monterey
	Jerry Edelen (alt.)	City of Del Rey Oaks
	Alvin Edwards	City of Seaside
	MaryAnn Leffel	Monterey Peninsula Airport District
	David Pendergrass	City of Sand City
	Sergio Sanchez	City of Salinas

Absent: None.

Staff:	Kelly Halcon	Director Human Resources & Risk Management
	Hunter Harvath	AGM/Finance & Administration
	Tom Hicks	Mobility Manager
	Carl Sedoryk	General Manager/CEO
	Deanna Smith	Deputy Secretary
	Alex Lorca	De Lay & Laredo, RTA Counsel

Others:	Kathi Krystal	Associated Taxi
	Karen Fautot	Monterey Police Department
	Michael P. Cardinali	Salinas Yellow Cab
	Roy Graham	TAC Member
	Nidal Zaro	Salinas Yellow Cab
	Ken Griggs	Monterey Regional Airport District
	Tom Greer	Monterey Regional Airport District
	Mike Cardinali	Yellow Cab Monterey County
	Elias Verdin	Orange Cab
	Ray Sanchez	RCI
	Luis Lomelli	Green Cab
	Lance Atencio	MVT
	Duane Gida	Central Coast Cab
	John Cardinali	Salinas Yellow Cab

Apology is made for any misspelling of a name.

2. CONSENT AGENDA

- 2-1. Review highlights of Agenda.
- 2-2. Informational minutes from regular meeting of April 30, 2012.
- 2-3. Receive April – June 2012 Financial Statements.
- 2-4. Adopt new quarterly Board meeting schedule set on the fourth Monday of the month.
- 2-5. RTA Administrator Performance Evaluation Process.

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

Public Comment – none.

3. SPECIAL PRESENTATIONS

4. PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

Ken Griggs of the Monterey Regional Airport District stated that a taxi open-entry system was implemented at the airport in March. He requested that the RTA amend their regulations to require all taxicabs to be equipped with electronic credit card processing machines.

Kathi Krystal, TAC member and taxi driver with Associated Taxi, stated that there is an ATM machine inside the airport. She opposes the RTA or any other governmental agency requiring the mandatory expense associated with purchasing the machines. She stated that credit card companies also charge a per transaction fee to merchants which would be another cost to taxi drivers. She also wants to clarify that the airport does not have the authority to set taxi rates.

Roy Graham, TAC member, stated that prior to the establishment of the RTA insurance minimums were \$500,000; they are now \$1,000,000. He requested that the RTA move forward to research possibilities for insurance pooling to help the taxi companies.

Close Public Comment

5. COMMITTEE REPORTS AND PRESENTATIONS

- 5-1. Receive update from RTA staff.

Mr. Harvath stated that RTA Vehicle Permit Stickers with expiration dates are now being provided by the City of Monterey Taxi Administrator. The Senior Taxi

Program is up and running with the cities of Monterey, Seaside, Salinas, Del Rey Oaks, and Sand City participating; Carmel does not participate directly in the program, but they do participate with service through the Carmel Foundation. To date, three (3) accessible taxis have been put into service and another six (6) accessible taxis are being purchased for the program. Another round of lease applications will be offered when these taxis are available. Additional advertising will soon begin to promote the Senior Program. Mr. Harvath referred the Board to page 53 of the agenda, the RTA Administrator Report, and mentioned that Castroville White Cab has not yet paid their fees for RTA participation. If they do not respond and continue to pick up fares within the RTA jurisdiction, RTA staff will take legal action as sanctioned in the RTA Bylaws and Regulations.

Director Leffel requested formatting corrections be made to future Administrator Reports.

Director Edward asked if all taxi drivers must go to Monterey for permits. Mr. Harvath stated that the RTA Administrator for drivers and vehicles operates exclusively out of the Monterey Police Department as this was the most economical option. There have been no complaints about the service or location reported to staff.

5-2 Ad Hoc Bylaw and Joint Powers Committee minutes of April 30, 2012.

5-3 Ad Hoc Taxi Livery Negotiation Subcommittee minutes of May 30, 2012.

Public Comment

Kathi Krystal stated that the RTA Administrator in Monterey does not keep convenient hours for drivers who work at night. She requested more flexible hours.

Roy Graham stated that taxi companies do not want to complain, but he has received complaints regarding a lack of inspection stations and that only one (1) officer serves both Monterey and Salinas areas. He requested more inspection stations and two (2) different officers to cover both areas.

6. BIDS/PROPOSALS

7. PUBLIC HEARINGS

7-1. Conduct public hearing on increase of taxi dispatching company permit fees from \$1,000 per company/first vehicle plus \$300 for each additional vehicle to \$1,200 per company/first vehicle plus \$500 for each additional vehicle.

Mr. Sedoryk suggested, with the Chair's permission, discussing the Finance Committee's recommendations on the proposed FY 2013 Budget (Agenda # 8-1) prior to holding the public hearing as the Committee made budget recommendations that could affect the decision to approve the proposed fee increases. Mr. Lorca confirmed that Agenda # 8-1 could be discussed prior to the public hearing.

Public Comment – none.

Director Sanchez continued to Agenda # 8-1.

Director Sanchez re-opened the public hearing after completion of Agenda #8-1.

Director Armenta made a motion to postpone the public hearing on fare increases until the next Board meeting, at which time staff will return with an updated FY 2013 Budget including Board recommendations for reducing expenses and was seconded by Director Edwards. The motion carried unanimously.

Public Comment

Kathy Krystal stated that with so many members of the taxi industry present to discuss the proposed permit fee increases, it would be rude not to listen to their comments.

Michael Cardinalli requested that the Board consider putting out an RFQ for the services that MST staff provides on behalf of the RTA.

Close Public Comment

Mr. Harvath stated that in the analysis of outsourcing RTA Administration, it was less expensive to have MST staff perform these duties. Another company would have start-up costs, and outside consultants earn hundreds of dollars an hour for these services.

Director Edelen stated that he was supportive of putting out an RFQ for legal fees.

Chair Sanchez continued to Agenda # 9-1.

8. UNFINISHED BUSINESS

8-1 Adopt FY 2013 Operating Budget as recommended by Finance Committee.

Director Downey updated the Board on the Finance Committee's recommendations which included:

Director Downey proposed the following be completed before recommending the budget for approval:

- *Request that Mr. Lorca provide legal counsel instead of Mr. Laredo when possible;*

- *Request that TAMC contribute funds to compensate for higher than anticipated start-up costs;*
- *Request start-up cost forgiveness from participating jurisdictions;*
- *Request that MST Board forgive a portion of start-up costs;*
- *Reduce Customer Card expense allocation;*
- *Send agendas electronically;*
- *Reduce MST staff costs;*
- *Remove audit expense allocation until incurred next fiscal year;*
- *Obtain a budget from the City of Monterey RTA Administrator;*
- *Reimburse MST before jurisdictions.*

Director Leffel proposed the following recommendations be added to the above:

- *Maintain current permit fee for company/first vehicle;*
- *Raise fee on additional vehicles to \$450 instead of proposed \$500.*

Per the request of Director Downey, Deanna Smith, Deputy Secretary, read Director Armenta's motion which was passed unanimously by the Finance Committee:

"Director Armenta made a motion to recommend that the RTA Board adopt the proposed FY 2013 RTA Budget as an Interim Budget, without proposed fee increases."

All recommended expense reductions are to be reviewed, with an update provided to the RTA Board at the next meeting of October 22, 2012, at which time a Final Budget could be approved.

Director Leffel stated that without the proposed fee increases, annual revenues would be \$49,800 and annual expenses would be \$44,000, leaving a \$5,800 surplus to begin repaying start-up costs. Final expenses and surplus will depend on the savings realized by all possible expense reductions, to be brought before the Board after staff review.

Director Burnett asked for the policy rationale for trying to repay MST's start-up costs over the next 3-4 years. Mr. Sedoryk stated that the proposed fee increases included in the proposed budget revenue would be used to repay MST \$95,000 and participating jurisdictions a total of \$16,875 in start-up costs. He is concerned that MST's federal transit funding could be in jeopardy if MST's Triennial audit finds the money loaned to the RTA is considered a disallowed financial support of private enterprise. If the loan is being re-paid, there is less chance of endangering MST's funding.

Director Edelen stated that he would not be happy with fee increases if he were a taxicab company. He suggested not raising permit fees and instead offered suggestions for sharing revenue from taxicab advertising and basing the per month lease fees for accessible taxis on a closed bid process.

Director Cohen questioned whether there would be enough profitability for the taxi companies if lease fees were raised. Director Edwards also wanted to know if \$150 per month was a fair lease price.

Mr. Sedoryk stated that the RTA has established fees to cover costs, not to make a profit. Because start-up costs were underestimated and costs were incurred through threatened legal action by taxi companies, it is now necessary to repay these costs through permit fees.

Director Leffel stated that since the accessible cabs were purchased with an MST grant, the MST Board would need to approve raising the lease fees and staff would need to make sure the additional revenue could be passed through to the RTA. Mr. Sedoryk agreed that more research is needed before a decision could be made.

Public Comment

Kathi Krystal thanked the Board for trying to hold costs down. She stated that it is very difficult and expensive to obtain the mandatory comprehensive insurance coverage on the accessible taxis because they are not owned by the lessees. She asked the Board to consider this when discussing raising the monthly lease fees.

Close Public Comment

Director Armenta made a motion to adopt the FY 2013 RTA Budget as an Interim Budget, without proposed permit fee increases, and to include the recommendations made by the Finance Committee: reduce legal fees; request a contribution from TAMC; request start-up cost forgiveness from participating jurisdictions; request a partial start-up cost forgiveness from MST; a reduction of Customer Card, agenda production, and RTA staff costs; remove audit expenses; and request a budget from the City of Monterey Police Department. The motion was seconded by Director Edwards.

Director Edwards informed the Board that when the request for start-up costs came before the City of Seaside Council, he would vote to deny. He believes the costs should be repaid as promised.

Director Sanchez said the City of Salinas is happy with the service of the RTA.

Director Burnett believes those parties involved in the RTA should pay the expenses, not the taxpayer.

Director Downey stated that MST had a learning curve during the establishment of the RTA, resulting in higher start-up costs and greater effort than anticipated in the TAMC projections.

Director Armenta added an item to his original motion to request that TAMC provide an annual appropriation to the administration of the RTA. He stated that since the RTA is a county-wide program advocated by their agency, with MST named as the recommended oversight agency, it would be appropriate for them to participate financially.

Director Edwards accepted the addition to the motion. The motion carried unanimously.

Mr. Sedoryk asked that any annual appropriation from TAMC be separate from the local transportation funds dispersed to MST. If they included the RTA funds in the local funds, it would simply reduce MST's overall operating budget.

Chair Sanchez continued with Agenda # 7-1.

9. NEW BUSINESS

9-1 Conduct Election of Officers.

After completing Agenda # 7-1, Chair Sanchez continued with Agenda #9-1

Mr. Sedoryk stated that the Ad Hoc Nominating Committee has met on two occasions and their recommendations are: Sergio Sanchez as Chair; Libby Downey as Vice-Chair; Carl Sedoryk as Secretary; Deanna Smith as Deputy Secretary; Carl Sedoryk as Treasurer; Hunter Harvath as Deputy-Treasurer; and Dave Laredo as General Counsel.

Director Pendergrass confirmed that the Committee received only two expressions of interest to serve as officers for the RTA for Fiscal Year 2013, they being Sergio Sanchez and Libby Downey. The recommendations were unanimous.

Director Armenta made a motion to approve the Ad Hoc Nominating Committee's recommendations for officers and appointments for Fiscal Year 2013 and was seconded by Director Leffel. The motion carried unanimously.

Public Comment – none.

Director Downey asked if the appointment of General Counsel should be postponed until the next meeting. Mr. Sedoryk stated that staff will pursue using the services of Mr. Lorca when necessary, and will use the services of Mr. Laredo only when needed. For grant and other legal purposes, the Board must have on record the appointment of General Counsel. Director Downey asked how much longer MST and the RTA is under contract with De Lay & Laredo. Mr. Sedoryk stated he would check and bring the information back to the Board.

9-2 Approve TAC Stakeholder application for Karen Faurot of the City of Monterey Police Department.

Mr. Harvath introduced Karen Faurot, who has submitted her application to serve on the TAC in place of Assistant Chief Aspland.

Director Burnett made a motion to approve the application of Karen Faurot to serve as the law enforcement representative on the TAC and was seconded by Director Downey. The motion carried unanimously.

9-3 Receive Taxi Livery Negotiating Subcommittee recommendations.

Mr. Sedoryk provided a summary of the Taxi Livery Negotiating Subcommittee's recommendations including changes to the Equipment, Safety, Security, and Operational

Policy (ESSOP) regarding color schemes and company names, and the requirement for Yellow Cab of Monterey County to change their color scheme within sixty (60) days.

Mr. Harvath provided visuals of the three taxi companies involved in the complaint brought by Salinas Yellow Cab regarding color schemes.

Mr. Pendergrass is not opposed to the recommendation, but feels that the requirement for Yellow Cab of Monterey is asking for a change after the fact. He does not want the RTA to be in a precarious legal position. Mr. Lorca stated that the amendment to the regulations is permissible.

Public Comment

Mike Cardinalli of Yellow Cab of Monterey County stated that he is not opposed to the color change requirement, but the financial burden will be difficult. He was unable to attend the Subcommittee meeting, and requested more time to try to find a solution.

John Cardinalli of Salinas Yellow Cab stated that when he withdrew his complaint against Coastal Yellow Cab, he thought he was withdrawing his complaint for Yellow Cab of Monterey County as well. He believes that if the changes are not significant, it is not worth it.

Kathi Krystal stated that Coastal Yellow Cab and Serra Yellow Cab were asked to change their color scheme when they applied for permits, but no one asked Yellow Cab of Monterey County, yet he is the only one being asked to change.

Close Public Comment

Director Armenta asked how other taxi regulators handle the color scheme issue. Mr. Sedoryk stated that some regulate colors while other do not.

Directors Cohen and Leffel stated that they find the company names on the taxis just as confusing as the similar color schemes.

Director Burnett stated that he does not believe government should get involved with regulating color schemes. He finds it too confusing and believes there are other legal remedies for private companies to dispute DBA, copyright infringement, and other issues.

Director Edelen stated that the RTA cannot fix the past, but they can make things easier moving forward.

Director Edwards asked what the Board would be tabling by granting Mike Cardinalli's request to postpone. Mr. Harvath stated they would be postponing their decision on recommendation #3.

Director Edwards made a motion to accept all staff recommendations and was seconded by Director Pendergrass.

Public Comment

Michael Cardinali stated that prior to the establishment of the RTA, each city had limitations of companies using the same color and name. The RTA approved new companies without any rules regarding color schemes, but is now creating new rules. He believes this is the fault of the RTA.

Close Public Comment

Director Barnett offered a substitute motion to accept staff recommendations # 1 and #2 with the following changes and to continue recommendation #3 (all changes in italics):

Recommendation #1 to be changed to read:

“The color scheme of for-hire vehicles for new taxicab companies permitted by the RTA is subject to the approval of the RTA, and companies must use a *color scheme* for their taxi livery that is not already in use by an existing RTA permitted taxicab company.”

Recommendation #2 to be changed to read:

Add language to the ESSOP to read: “The name of new taxicab companies *and ‘Doing Business As’ names* must be sufficiently distinctive from existing RTA permitted taxicab companies.”

Director Downey seconded the motion. The substitute motion carried 5-4 by the following roll call vote:

Yeas: Directors Cohen, Downey, Armenta, Edelen, Burnett.

Nays: Directors Edwards, Pendergrass, Leffel, Sanchez.

Mr. Harvath confirmed that staff recommendation #3 would be brought back to the Board at the next regular meeting of the RTA.

10. REPORTS & INFORMATION ITEMS

10-1 Receive April - June 2012 report from RTA Administrator.

11. COMMENTS BY BOARD MEMBERS

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

11-2 Board Member Comments

Director Downey wanted to remind everyone that the City of Monterey set its hours for RTA administration to keep costs as low as possible; if hours are increased, it could add to the RTA Administrative costs.

11-3 Board Member Announcements – none.

11-4 Board Member referrals to TAC or future agendas.

Director Downey requested that staff provide an update regarding insurance requirement minimums rising from \$500,000 prior to the establishment of the RTA to \$1,000,000 after its establishment.

Director Downey requested that staff provide more information on the cost of installing and operating credit card machines in taxicabs.

Director Burnett asked staff to research the possibility of adjusting the RTA Administrator's hours in the City of Monterey without increasing costs. Director Downey asked that Ms. Faurot also follow up on this issue.

Director Edelen asked Ms. Faurot to find out if RTA staff has received any complaints on operating hours.

Director Sanchez requested staff to bring back information on insurance pooling for members of the RTA.

Director Armenta asked RTA staff to brief TAMC in the next three (3) to six (6) months on the challenges and progress of the RTA.

13. CORRESPONDENCE

13-1 Letter from MCHA.

14. CLOSED SESSION

15. RETURN TO OPEN SESSION

16. ADJOURN

There being no further business, Chair Sanchez adjourned the meeting at 12:03 p.m.

Prepared by:


Deanna Smith, Deputy Secretary