

MONTEREY COUNTY REGIONAL TAXI AUTHORITY MINUTES

January 27, 2014
11:00 a.m.
One Ryan Ranch Road, Monterey

Present: Fernando Armenta County of Monterey
Tony Barrera City of Salinas (10:0
Victoria Beach City of Carmel-by-the-Sea (10:02)
Kristin Clark City of Del Rey Oaks
Alan Cohen City of Pacific Grove
Libby Downey City of Monterey
Alvin Edwards City of Seaside
Mary Ann Leffel Monterey Peninsula Airport District
David Pendergrass City of Sand City

Absent: None

Staff: Hunter Harvath Asst. General Manager/Finance & Administration
Carl Sedoryk General Manager/CEO
Michael Hernandez Asst. General Manager/COO
Kelly Halcon Director of Human Resources/Risk Management
Tom Hicks CTSA Manager
Dave Laredo De Lay & Laredo

Public: Karen Faurot MPD
Roy Graham TAC Representative
Kathi Krystal TAC Representative/Associated Taxi
Michael Cardinalli Salinas Yellow Cab
Tom Mancini TAC Representative
Duane Gida Central Coast Cab Co.
Mike Cardinalli Monterey Peninsula Checker Cab
Luis Lomelli Green Cab
Jerome Sindano Cab Company Applicant
Mike Miele Central Coast Cab
Maria Sanchez
John Cardinalli Salinas Yellow Cab
Nancy Lomelli
Isabel Buano
Jim Fink MST Rider

Apology is made for any misspelling of a name.

1. CALL TO ORDER

1-1. Roll call.

1-2. Pledge of Allegiance.

Chair Downey called the meeting to order at 11:36 a.m. and Director Edwards led the Pledge of Allegiance.

1-3. Announcement of New Brown Act Requirement for 2014 – Dave Laredo.

Mr. Laredo provided an update on a new Brown Act requirement. Beginning on January 1, 2014, all decisions made by the Board of Directors must be recorded in the minutes as either unanimous or should specify the names of board members who dissent or abstain. A roll call is not required for all motions, but if the decision is unclear, a roll call should be taken to clarify dissents or abstentions. After the chair calls the question, the board chair should signify verbally whether the decision was unanimous or, in the case of a split vote, board members dissenting or abstaining should be named for the public record.

2. CONSENT AGENDA

2-1. Review highlights of Agenda.

Mr. Sedoryk provided the highlights of the agenda.

2-2. Informational minutes from regular meeting of October 28, 2013.

2-3. Receive October - December 2013 Financial Statements.

2-4. RTA Insurance.

Director Downey pulled agenda item 2-3. She asked that the cities of Carmel and Pacific Grove please agendaize whether they request reimbursement from the RTA for their initial start-up cost payment. She asked why there was no total for RTA insurance. Mr. Harvath stated that payment is made once per year, but is budgeted quarterly. No payments have actually been made yet.

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

3. SPECIAL PRESENTATIONS

4. PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

Mr. Fink stated the Serra Yellow Cab (SYC) is based in Santa Clara County and asked if the RTA had jurisdiction in that area. Mr. Sedoryk stated that SYC also has an

office in Salinas and the RTA is only authorized to provide oversight within the jurisdiction of the RTA.

Jerome Sindano asked the board to please approve his application to operate a taxicab dispatching company as he has been in the process for several months.

5. COMMITTEE REPORTS AND PRESENTATIONS

5-1. Receive update from RTA staff.

Mr. Harvath provided an update on RTA activities. The final documents required to complete Mr. Sindano's application to operate a taxicab dispatching company were received on Thursday, January 23, too late for evaluation and inclusion in the board packet for consideration.

Staff continues to work with local police departments to locate a previously reported unlicensed taxi company operating in the Carmel area and an unlicensed transportation company that was seen operating in the Monterey area during the Jazz Festival in 2013.

RTA staff has removed the leased accessible taxis from Green Cab due to an arrest of one of their drivers who was discovered operating an accessible taxi while intoxicated. The driver's license has been suspended and Salinas police have made several attempts to confiscate his RTA driver's permit. Applications for the accessible taxis will be opened up to qualified RTA taxi companies soon. RTA staff has revised the taxi lease agreements to comply with FTA requests and guidelines. The leases have passed through legal review and all companies will be informed of new guidelines.

Director Armenta asked staff to review the Incident Log and Report as he believes there is a discrepancy between the number of incidents reported in the log and the report.

Director Downey asked why two other issues discussed by the TAC were not up for consideration at today's meeting. Mr. Harvath stated that further discussion of increasing driver permit transfer fees and assessing penalties and/or incentives for RTA company permits would be discussed during the budget setting process beginning in April as any immediate changes would have an impact on the current FY 2014 budget.

Public Comment

Tom Mancini, TAC representative, stated that he is concerned with the December Incident #1. Taxi drivers should know where the Sally Griffin Senior Center is. The Deputy Secretary noted that the owners of Salinas Yellow Cab have responded to the incident and an update will be provided in April.

Close Public Comment

5-2. Receive Technical Advisory Committee minutes from December 11, 2013.

6. BIDS/PROPOSALS

7. PUBLIC HEARINGS

8. UNFINISHED BUSINESS

9. NEW BUSINESS

9-1. Consider request from Roy Graham of Outsource to limit the number of cabs an RTA permitted Taxicab Company may dispatch to a maximum of 50 vehicles.

Mr. Harvath provided a review of the TAC minutes and stated that neither the TAC nor staff had a recommendation. The TAC had asked for a survey of similar taxi authorities to see whether any of them set a maximum allowable number of cabs per company.

Public Comment

Roy Graham does not think the survey of other taxi authorities is applicable as some are larger than the RTA. He suggests setting a limit for one year and then assess the outcome of the limit. He believes that the RTA will only include one cab company very soon if the current trend continues.

Duane Gida of Central Coast Cab stated that he originally supported the RTA but, since its inception, he has gone from operating 25 cabs paying \$400 per week in line fees to 12 cabs paying \$200 in line fees. He has been forced to close down his call center. He is asking the board to place a limit on the number of cabs a company can dispatch.

Kathi Krystal of Associated Taxi asked the board not to limit the number of cabs. She stated that it is not the American way and the larger companies will simply start new companies to get around the limit.

John Cardinalli of Salinas Yellow Cab stated that there is no way to prove that Salinas Yellow Cab is the reason other cab companies have lost drivers. He believes many of them may have lost drivers because the RTA now performs regular background checks and inspects vehicles; prior to the RTA, some companies were hiring drivers and dispatching vehicles that would not have passed the new regulatory guidelines. He stated that Central Coast Cab relied on their monopoly at the Monterey Airport and that is part of the reason they have lost drivers.

Miriam Gutierrez translated for Nancy Lomelli. Ms. Lomelli stated that Salinas Yellow Cab is not operating fairly. Green Cab spends time and money training their

drivers and then Salinas Yellow Cab recruits them and offers several weeks without line fees. She stated that Yellow Cab harasses their drivers until they leave. She asked the board to limit the number of cabs and she offered to provide a list of all the drivers who have left Green Cab to work for Salinas Yellow Cab.

Mr. Fink thinks fair and open competition is the best policy. He believes that based on his wait time for a taxi, there could be more cabs on the road, not less.

Maria Sanchez stated the Salinas Yellow Cab's business practices are not fair. She stated that Green Cab provides a good service and is trying to stay alive.

Luis Lomelli stated that Salinas Yellow Cab is stealing his drivers. He stated that the City of Watsonville limits the number of cabs a company can dispatch.

Mike Cardinalli suggested that the board try limiting the number of cabs per company for one year.

Mr. Sindano asked that his application for a cab company be accepted and urged staff to move more quickly with his approval process as he has no outstanding debts.

Close Public Comment

Director Armenta made at motion that with the help of RTA Legal Counsel, staff will research the legal aspect of limiting cabs and was seconded by Director Edwards.

Director Beach stated that she was interested in finding out if there were any illegal predatory practices being employed by Salinas Yellow Cab.

Director Clark questioned whether making decisions on business practices was within the purview of the RTA and whether making regulations regarding recruitment practices would open the RTA up to litigation.

Dave Laredo stated that until the RTA has evidence of what practices are being employed, there is no way to know whether action to limit the practices would be legal.

Director Barrera stated questioned the ultimate role of the RTA and whether the practices being alleged are illegal or unethical. He does not want the RTA to hurt the taxi companies and drivers.

Director Downey requested that the members of the public refrain from clapping.

Director Cohen does not support a limit. He didn't hear of anything illegal during public comment and stated that all companies, including government agencies recruit from other businesses and agencies through incentives, hiring bonuses and other methods.

Director Armenta stated that many of the cab company owners are poor campesinos and the RTA should be helping underprivileged business owners. He believes a study session is needed.

Director Edwards asked if the taxi authorities surveyed were comparable to the RTA. Mr. Sedoryk stated that some are very comparable and some are larger, but they are all transit districts that are administrators of taxi authorities, as is MST.

Director Pendergrass stated that the board should be considering the agenda item: whether the RTA should limit the number of cabs a taxi dispatching company can dispatch, not getting involved in specific business practices. He does not support the motion.

Chair Downey asked Director Armenta to restate the motion.

Director Armenta confirmed his motion to be for the RTA staff and legal counsel to research the operational and legal issues of taxicab business practices and bring the item back to the board for further consideration.

Chair Downey called the question and the motion failed 8-1 with Director Armenta the only board member voting to approve.

Director Beach made a motion to that at this time the RTA board place no limit on the number of cabs any one taxi dispatching company can own or dispatch and was seconded by Director Downey. The motion passed 8-1 with Director Barrera opposing.

Director Leffel suggested that the cab company owners who are having trouble consult with any area Chamber of Commerce SCORE or small business association to have their business plans analyzed.

Director Beach made a motion that RTA staff research the existing RTA Regulations to make sure that all legal or regulatory requirements regarding business practices within the regulations are being followed and to assess whether the RTA has any jurisdiction over issues relating to business recruiting practices. The motion was seconded by Director Edwards and passed 6-3 with Directors Barrera, Leffel, and Pendergrass dissenting.

Director Leffel stated that this could take the RTA down a “rabbit hole” and open up all kinds of litigation.

10. REPORTS & INFORMATION ITEMS

10-1. Receive October – December 2013 report from RTA Administrator.

10-2. Staff Announcements – MCRTA Third Party Administrator Annual Performance Evaluation. (No enclosure)

11. COMMENTS BY BOARD MEMBERS

11-1. Reports on meetings attended by Board members at RTA expense (AB1234).

11-2. Board Member Comments and Announcements.

Director Beach thanked MST for their Annual Report. She also stated that she has received word that the taxi network company Uber is planning on moving into the Monterey Peninsula.

11-3. Board Member Referrals to TAC or future agendas.

Director Armenta asked RTA staff to place an item on a future agenda to address the criteria for obtaining an RTA permit; specifically issues surrounding any language barrier that may be experienced by cab drivers.

12. CORRESPONDENCE

12-1. Article - Uber, taxis appeal PUC ruling on private drivers for hire.

12-2. Article – Taxi Driver Caught Drinking and Driving the Disabled.

12-3. Article – Salinas police: Drunk cabbie thinks van is stolen.

12-4. Article – Taxi! Five free apps for hailing a legit cab.

12-5. Article – Uber slashes prices temporarily in bid for market share.

12-6. Notice – New Hours for RTA Taxi Driver and Vehicle Permits.

13. CLOSED SESSION

14. RETURN TO OPEN SESSION

15. ADJOURN

There being no further business, Chair Downey adjourned the meeting at 1:04 p.m.

Prepared by:


Deanna Smith, Deputy Secretary