

MONTEREY COUNTY REGIONAL TAXI AUTHORITY
BOARD OF DIRECTORS
REGULAR MEETING
July 25, 2011

One Ryan Ranch Road, Monterey

1. CALL TO ORDER

Director Armenta called the meeting to order at 10:03 a.m. in the MST Conference Room.

Director Armenta requested a motion to elect a temporary Chair in the absence of Director Sanchez and his alternate, Tony Barrera. **Director Sharp made a motion to elect Director Armenta and was seconded by Director Edwards. The motion carried unanimously.**

Roll call was conducted and The Pledge of Allegiance followed.

Present:	Fernando Armenta	County of Monterey
	Jerry Edelen (alt.)	City of Del Rey Oaks
	Alan Cohen	City of Pacific Grove (11:01a.m.)
	Alvin Edwards	City of Seaside
	Mary Ann Leffel	Monterey Peninsula Airport District (10:15a.m.)
	David Pendergrass	City of Sand City
	Karen Sharp	City of Carmel-By-The-Sea
Absent:	Libby Downey	City of Monterey
	Sergio Sanchez	City of Salinas
Staff:	Sonia Bannister	Office Manager
	Kelly Halcon	Director of Human Resources
	Hunter Harvath	Asst. General Manager/Finance & Administration
	Michael Hernandez	Asst. General Manager/Operations
	Tom Hicks	Mobility Manager
	Carl Sedoryk	General Manager/CEO
	Deanna Smith	Deputy Secretary
Others:	Alex Lorca	De Lay and Laredo
	Ken Griggs	MPAD
	Ann Pagan	City of Monterey
	Tom Mancini	TAC Representative
	Kathi Krystal	Associated Taxi
	Michael Cardinalli	Yellow Cab
	David Laredo	DeLay & Laredo
	Ronald Busby	Yellow Cab

Tom Greer
Chris Chidlaw

MCAD
Chidlaw Marketing

Apology is made for any misspelling of a name.

2. CONSENT AGENDA

2-1 Review Highlights of Agenda.

Mr. Sedoryk announced the highlights of the agenda.

2-2. Informational Minutes from the regular meeting of June 2, 2011.

Director Sharp made a motion to approve the consent items and was seconded by Director Edwards. The motion carried unanimously.

3. SPECIAL PRESENTATIONS

None.

4. PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

Kathi Krystal, Taxi Driver and TAC member, stated that during discussions on RTA Regulations she recommended that the time a taxi driver must wait to obtain an RTA permit after being convicted of a felony begin after they have served their sentence, not after they committed their crime. She asked that this be researched and reflected in the minutes and regulations.

Steve Cardinalli of Yellow Cab stated that in the minutes of June 27, 2011, Mr. Guida stated that the number of cabs in Monterey County has reduced substantially since the RTA began. He believes that MST benefits from having fewer cabs in operation. He stated that the high permit fees will cause other cab drivers to go out of business. He believes that MST has not made good on any of their promises.

Ronald Busby, taxi driver, began to discuss Agenda Item 7-1. He was asked to present his comment when the item came before the Board later in the Agenda.

Close Public Comment

5. COMMITTEE REPORTS AND PRESENTATIONS

5-1. Receive update from RTA staff.

Mr. Harvath stated that last month the RTA permitted six (6) Taxi Drivers with two (2) more pending DOJ approval. Three (3) Taxi vehicles have also been inspected and permitted. Two (2) Taxi Company renewals are in process, and the new Taxi Company approved at May's RTA Board meeting has received DOJ approval. There are also several other Taxi Companies in various stages of the approval process. He stated that he has attended several meetings with

Director Armenta and taxi drivers in Salinas, with Spanish translation, to discuss the RTA permitting process. He stated that he has also been in discussions with the Department of Weights and Measures regarding taximeter inspections. He stated that the Monterey City Council approved their participation in the driver and vehicle permitting of the RTA. Staff is awaiting approval by the City of Salinas for their similar participation.

Mr. Sedoryk stated that staff will begin submitting written reports summarizing RTA activities on a quarterly basis.

Director Leffel arrived at 10:13 a.m.

6. BIDS / PROPOSALS

None.

7. PUBLIC HEARINGS

7-1 Conduct Public Hearing regarding the application of Yellow Cab Co. of Monterey County, DBA Yellow Cab Co. Monterey, and consider approval of the application.

Mr. Harvath announced a new Taxicab Company request for Yellow Cab Company. Of the four (4) findings necessary for RTA approval, the company has submitted financial documentation satisfying finding 22.4.3.1. A positive response from the DOJ satisfies finding 22.4.3.2. The applicant, Michael Cardinalli, will address the Board regarding satisfying finding 22.4.3.3. The Board should consider finding 22.4.3.4 to determine if the new company will not result in a greater hazard to the public or create substantial traffic or parking problems.

Mr. Cardinalli stated that he has been in the Taxicab business for thirty (30) years, working in all aspects of the industry. He stated that he is prepared to compete in the local market and will emphasize customer service. He stated that he intends to operate one (1) cab initially, with an anticipation that his company might grow to five (5) or six (6) vehicles. He stated that the market will determine the size of his company and that he will both drive a cab and sub-lease his cab to other drivers.

Director Leffel asked how Mr. Cardinalli intends to bring new drivers into the market if current drivers state that they often do not have enough business. Mr. Cardinalli stressed the competitive market, stating that if he does a better job of providing a service, his business will succeed. He stated that he is related to Steve Cardinalli but is not currently a partner in another taxicab company.

Director Armenta asked if Mr. Cardinalli will provide wheelchair accessible vehicles. Mr. Cardinalli stated that he is not sure, but if the market supports the need, he is open to it.

Public Comment

Ronald Busby, taxi driver, spoke on behalf of Mr. Cardinalli and asked that the Board approve his application.

Close Public Comment

Mr. Harvath stated that the RTA Board should consider whether or not to establish a maximum number of Taxi Companies and Taxicabs allowed to operate within the jurisdiction.

Mr. Laredo expressed a concern whether finding 22.4.3.3 has been met. Mr. Harvath read part of an email provided to him by Mr. Cardinalli stating that members of the Monterey County Hospitality Association, residents, and one RTA member feel that more taxi service is needed, particularly during special events.

Director Armenta suggested scheduling a discussion regarding a study to determine exactly how finding 22.4.3.3 will be determined.

Director Leffel stated that the Board has heard on numerous occasions that cab drivers are not making enough money, and that the number of cabs operating within the RTA jurisdiction creates an impact on their income.

Director Edelen stated that recent information from the Department of Weights and Measures and public comments from those in the taxi industry have confirmed that the number of cabs has declined over the last year; therefore, there is still room to add more service. He stressed that the responsibility of the RTA is to serve the public, not protect the incomes of businesses. He does not believe that limiting the number of cabs competing for business is good policy.

Director Sharp asked whether there exists a cap on the total number of cabs any company is allowed to operate. Mr. Harvath stated that this has not been discussed, but that this is a policy for the Board to determine. There is nothing in the current Regulations specifically setting limits on the number of cabs or companies within the RTA.

Director Pendergrass stated that he does not believe it is the business of the Board to limit competition or the ability of a company to expand their business.

Director Armenta stated that Public Comment has been closed, but that he will allow an exception for this issue. He stressed the importance of the public to follow proper procedures.

Public Comment

Ms. Krystal stated that she agrees that sometimes there are not enough cabs. She provided a recent example of a customer who was unable to find a cab for over an hour.

Close Public Comment

Director Leffel asked for clarification on vehicle permits. Mr. Harvath explained that a Taxi Company permit must be renewed annually and the permit fees include a fee for each vehicle dispatched by the company. If new vehicles are added, they must be inspected and permitted, with appropriate inspection fees paid, before being dispatched. The company will then pay the per vehicle fee in their annual renewal.

Director Pendergrass motioned to approve the application of Yellow Cab Co. of Monterey County and was seconded by Director Leffel. Mr. Laredo suggested two findings to support the motion. Regarding finding 22.4.3.3: evidence supports the need for additional taxi service, particularly with respect for special events. Regarding finding 22.4.3.4: proposed additional cab does not create a safety, traffic, or parking problem. He stated that the requirement to meet the findings is a prerequisite for the RTA to approve an application. The makers of the motion accepted the suggestion to add the findings to the motion. The motion carried unanimously.

8. UNFINISHED BUSINESS

8-1 Receive update on and approve the Proposed RTA Senior/Disabled Voucher Program for implementation in September of 2011.

Mr. Harvath presented details on the Senior Voucher Program. Vouchers can be obtained at designated locations, without charge, and are numbered for tracking purposes. The vouchers are worth \$14; \$7 per voucher to be reimbursed by participating municipalities and \$7 reimbursed by MST through grant funding. Voucher holders will pay \$3.00 per fare directly to the taxi driver upon entering the taxicab. There is a limitation on voucher use requiring all fares to originate and end within specific zones to help ensure that taxi drivers are recouping the total fare. Each participating municipality will determine the amount of support they are willing to provide for the program and when the vouchers are gone, municipalities can provide more funds if they wish to continue offering vouchers for their municipality. Grant funds should be able to support the program for two (2) years, and grant funding for the program will be requested to continue the program. If the total fare exceeds the total \$17 voucher, the customer will have to pay the balance directly to the taxi driver. The City of Carmel will not be included in this program because a Senior Shuttle program is already operating in this city.

Director Edwards asked if the program is mandatory for Taxi Companies. Mr. Harvath stated that staff recommends that participation be mandatory to receive an RTA permit.

Director Edelen stated that he wishes the program could be extended to low income individuals. Mr. Harvath stated that the grant funding restricts use of funds to senior and disabled individuals only. The program could extend to low income individuals, but MST could not provide a fifty percent match. Director Leffel stated that the One Stop Center offers transportation opportunities to low income individuals.

Director Edwards asked how the public will be informed of the program. Mr. Harvath stated that there are funds available for brochures and advertising.

Director Armenta asked why the program does not extend to South County. Mr. Harvath stated that the vouchers would be too expensive to implement if outlying areas were included.

Public Comment

Mr. Mancini stated that the new program is better than previous Senior Scrip programs.

Ms. Krystal stated that she thinks the program is good as long as those who exceed the \$17 fare reimbursement pay the remainder of the fare.

Close Public Comment

Director Cohen arrived at 11:01 a.m.

Director Leffel suggested that a disclaimer detailing zone limitations, the additional Airport Surcharge, and obligation to pay fares over \$17 be added to the voucher or provided upon receipt of voucher.

Director Edwards made a motion to approve the proposed RTA Senior/Disabled Voucher Program for implementation in September of 2011 and was seconded by Director Leffel. The motion carried unanimously.

9. NEW BUSINESS

9-1 Adopt Taxicab Fare Structure.

Mr. Harvath presented comments from the TAC regarding proposed Taxi Fare Structure. He reminded the Board that they could not set fees for the Airport District. The Board has the option of setting maximum fares or a standard fee for the entire RTA jurisdiction. Based on input from the TAC, staff recommends that maximum rates be set, allowing companies to compete with lower fares. There was no consensus under recommendation #2 regarding "long-distance dead head fares." The TAC has requested more research on this issue for further consideration.

Director Edelen stated that he does not believe the RTA should be setting standard rates for the taxi companies. He stated that more efficient companies will be able to charge a lower rate and that the free market will encourage superior service and efficiency. He recommends that the maximum fare be advertised on the side of all taxicabs.

Director Cohen asked if other cities allowed competitive rates. Mr. Harvath stated that the City of San Diego was the model for the maximum fare option. He stated that taxi meters are typically set annually, but if fares were raised mid-year due to rising fuel costs or other fiscal impacts, the taxi companies could decide to raise the minimum fare and would pay for the meters to be reset and re-inspected by Weights and Measures. He confirmed that the TAC did not want to implement fuel surcharges.

Mr. Sedoryk confirmed that the RTA Bylaws require a Public Hearing be held annually to announce fares.

Public Comment

Ms. Krystal encouraged the Board to set maximum rates and allow competition.

Steve Cardinalli stated that when the RTA was presented to the cities, part of the appeal was to set a standard fee for the RTA jurisdiction. He stated that multiple fares could be programmed into taxi meters and recommends allowing higher fares for special events and weekends. He stated that the hotel industry is allowed to charge rack rates during peak seasons or events and taxi companies should be allowed to do the same.

Mr. Chidlaw of Chidlaw Marketing stated that the TAC was formed to discuss all issues and options and offer recommendations to the RTA Board.

Close Public Comment

Director Armenta stated that he does not see anything “free market” being proposed. He stated that if other industries are allowed to set their own charges, fees, and prices, the taxi industry should be able to do so as well. Mr. Harvath stated that if Mr. Cardinalli wanted to raise this issue at the TAC meeting, he could have done so. Neither he nor his alternate brought it up, so it was never discussed.

Director Edelen made a motion to accept staff recommendation to adopt the proposed taxicab fare structure with a request that the issues of “long-distance dead head fares” and weekend surcharges be discussed at the next TAC meeting, and that their recommendations are brought back to the RTA. Director Edwards seconded the motion. The motion carried unanimously.

Director Leffel asked why the Airport District drop-off fee is not included in the proposed fare structure. She also asked about dealing with the issue of flat rates. Mr. Greer, General Manager of the Monterey Peninsula Airport District confirmed that Airport District staff is still working on the drop-off fee, but that it has not been referred back to the TAC. Mr. Harvath stated that the RTA will be conducting “secret shopper” investigations to ensure that the Regulation requiring the taximeter to start upon receiving a passenger is complied with and that flat rates are not charged.

9-2 Adopt Taxicab Fine Schedule for operating without RTA permits.

Mr. Harvath stated that the TAC discussed the issue of fines. The consensus was that the fines should be more than the cost of the permit; however, there remains some confusion whether the TAC recommended that the fine was to be set at double the permit fee or double the proposed fine. Doubling the proposed fine will result in a \$1,000 per incident fine for driving without a taxicab driver permit; a \$140 per incident fine for operating a taxicab vehicle without a permit;

and an \$1,800 per incident fine for operating a taxicab dispatching company without a taxicab dispatching company owner permit.

Director Sharp asked if there was a grace period for permits. Mr. Harvath stated that if a vehicle, company, or driver submitted their documentation over the weekend and received a fine before receiving their permit, the RTA Board of Directors could reverse the fine. He expects these circumstances to be rare. He did confirm that there is no grace period for filing required documentation.

Director Pendergrass asked how the fines would be collected and to whom one complains about noncompliance. Mr. Harvath stated that the fines are administrative and the RTA has the same authority to fine and collect the fines as other regulatory agencies. Mr. Laredo stated that the RTA has not yet adopted a schedule that would call for the transfer of administrative costs incurred during the process of issuing fines to the violator. Unless the RTA establishes a process requiring the violator to reimburse the RTA for all costs associated with the fine issuance, the costs would have to be paid out of the general fund which would eventually be paid for in permit fees assigned to all permittees.

Director Edelen asked why the taxi driver permit fee is listed as \$575 when it was originally \$508. Mr. Harvath stated that the \$508 permit fee was adopted by the City of Monterey after the TAC met. The lower fee needs to be clarified with Deputy Chief Penko and the permit fee will reflect the lower amount if confirmed.

Director Leffel recommended basing the fees on the \$575 amount until otherwise confirmed, particularly since the City of Salinas has not confirmed their fees for administration.

Mr. Sedoryk confirmed that the issue at hand is establishing fines for those operating within the RTA without an RTA permit.

Public Comment

Steve Cardinalli asked if those holding current permits are operating legally.

Ms. Krystal stated that she believes the fine should be more than the permit, although doubling the permit fee is too excessive. She also believes fee for the Vehicle Inspection Permit should be higher because this presents a real public safety concern.

Close Public Comment

Mr. Sedoryk stated that until further notice, the MST Administrator will continue to offer permits at the Salinas and Monterey locations. Once the City of Salinas clarifies their participation, then permits will be issued out of the City of Monterey and City of Salinas.

Director Edwards motioned to approve setting fines at \$1,000 per incident fine for driving without a taxicab driver permit; a \$140 per incident fine for operating a taxicab vehicle without a permit; and an \$1,800 per incident fine for operating a taxicab

dispatching company without a taxicab dispatching company owner permit. Director Leffel seconded. The motion carried unanimously.

9-3 Adopt Taxicab Insurance Requirements.

Mr. Harvath stated that the TAC recommends setting the minimum insurance requirement at \$1 million.

Director Edelen asked if the RTA could offer an insurance pool to lower the costs for Taxi Companies and Drivers. Mr. Sedoryk stated that he had looked into this option, but California State Law prohibits pooling for the taxi industry. He stated that staff will continue to pursue this option if directed by the Board.

Public Comment

Ms. Krystal stated that insurance rates go down considerably when a company operates five (5) or more vehicles. She also would like the insurance to cover Taxicab Driver medical costs, which they currently do not cover.

Close Public Comment

Director Edelen motioned to approve the recommendation to adopt a minimum combined single limit of \$1 million for the injury or death of one or more persons in the same accident. The motion was seconded by Director Edwards and the motion carried unanimously.

10. REPORTS & INFORMATION ITEMS

Mr. Sedoryk announced that MST will be sending an employee to a conference of transportation regulators to learn more about the industry and taxi regulation. He has talked with a couple of consultants who might be interested in facilitating a workshop on taxi regulation. He will bring back to the Board details at a later date.

11. COMMENTS BY BOARD MEMBERS

None.

12. BOARD REFERRALS TO TAC

None.

13. ANNOUNCEMENTS

None.

14. CLOSED SESSION

None.

15. RETURN TO OPEN SESSION

16. ADJOURN

There being no further business, Director Armenta adjourned the meeting at 11:59 a.m.

Prepared by: _____
Deanna Smith, Deputy Secretary