

# MONTEREY COUNTY REGIONAL TAXI AUTHORITY MINUTES

July 28, 2014

10:00 a.m.

One Ryan Ranch Road, Monterey

<b>Present:</b>	Fernando Armenta	County of Monterey
	Tony Barrera	City of Salinas
	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
<b>Absent:</b>	Victoria Beach	City of Carmel-by-the-Sea
	Kristin Clark	City of Del Rey Oaks
<b>Staff:</b>	Carl Sedoryk	General Manager/CEO
	Hunter Harvath	Asst. General Manager/Finance & Administration
	Michael Hernandez	Asst. General Manager/COO
	Kelly Halcon	Director of Human Resources/Risk Management
	Tom Hicks	CTSA Manager
	Deanna Smith	Executive Assistant/Clerk to the Board
	Alex Lorca	De Lay & Laredo
<b>Public:</b>	Roy Graham	TAC Representative
	Tom Greer	MPAD
	Chanehal Singh	
	Jerome Sindano	Yellow Cab/Applicant
	Michael Cardinalli	Salinas Yellow Cab
	John Cardinalli	Salinas Yellow Cab
	Tom Mancini	TAC Representative
	Luis Lomelli	Green Cab

*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 10:00a.m. and roll call was taken. Director Pendergrass led the Pledge of Allegiance.

## **2. CONSENT AGENDA**

2-1. Review highlights of the agenda.

Mr. Sedoryk reviewed the highlights of the agenda.

Chair Downey noted a typo in the minutes, in the first paragraph on page 5 of the agenda, and requested a correction for the final record.

2-2. Minutes of the regular meeting of April 28, 2014.

2-3. Receive April – June 2014 Financial Statements.

Public Comment – none.

**Director Leffel made a motion to approve the consent agenda, with corrections to the minutes, and was seconded by Director Edwards. The motion passed unanimously.**

## **3. SPECIAL PRESENTATIONS**

## **4. PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA**

Mr. Mancini, senior representative on the Technical Advisory Committee, thanked Carl Sedoryk and Deanna Smith for providing him with MST July agenda materials related to the MST November 2014 Monterey-Salinas Transit Local Transit Funding for Senior Citizens, Veterans and People with Disabilities sales tax measure, which was approved for the November 2014 ballot. His wife will share the information with the Monterey County Community Coalition.

## **5. COMMITTEE REPORTS AND PRESENTATIONS**

*No action is required unless specifically noted.*

5-1. Receive update from RTA staff.

Mr. Sedoryk provided an update on recent CPUC actions taken to address issues surrounding the operating practices of transportation network companies.

5-2. Ad Hoc Nominating Committee minutes from June 20, 2014.

## 6. BIDS/PROPOSALS

## 7. PUBLIC HEARINGS

- 7-1. Conduct public hearing regarding the application of MC & SONS, LLC of Monterey County d/b/a DGTC TAXI and consider approval of the application.

Mr. Harvath provided a summary of Mr. Singh's RTA taxicab company owner permit application and the status of documentation submitted as required by the Monterey County RTA Regulations. Staff recommends approval of this application based on documentation to support the four findings required by the regulations: 1) financial capacity; 2) DOJ background check; 3) public need for services; and 4) mitigation of traffic or parking impacts.

Chair Downey opened the public hearing for comments.

Director Leffel asked Mr. Singh how many cabs he intended to operate, how he intended to recruit and train his drivers, if he intended to serve the airport, and if he would provide accessible taxi service. Mr. Singh stated that he intended to begin dispatching one to five taxis, and that he would advertise to recruit drivers. He would ensure that all drivers had background checks, a clean DMV history, and will wear uniforms. He will use his knowledge of the taxi industry and a training manual to train drivers, and did plan on picking up fares at the Monterey Airport. He does not currently have accessible taxis, but plans to offer accessible vans as soon as he is able. His drivers will also provide credit card payment options.

John Cardinalli of Salinas Yellow Cab does not believe there is a public need for additional taxi service in Monterey County. He stated that approximately 90 of his cab drivers provide credit card payment options. He stated that requiring drivers to wear uniforms creates an employee-employer relationship, which is not a standard practice in the industry. He believes the RTA should allow the companies that exist now to prosper and not permit new companies.

Roy Graham, TAC member, stated that many of the smaller RTA taxicab companies are barely making it, and there exists no public need for additional taxi service in the area.

Luis Lomelli stated that his and other small companies are struggling to grow. He and others must meet the RTA requirement for 24-hour dispatching service by answering their cell phones as they cannot afford to pay for a central dispatching service. He requests the RTA deny the application.

**Director Barrera made a motion to approve the application of MC & SONS, LLC of Monterey County d/b/a DGTC TAXI, and was seconded by Director Edwards.**

Director Barrera and Director Edwards commented that they believed the RTA should not discourage new business ventures.

Director Edwards stated that during previous board discussions, he had encouraged free and open competition and that denying this application would be contradictory to his previous voting record on the RTA. He recalled that Mr. Cardinali previously supported open competition when smaller RTA taxicab owners complained about Salinas Yellow Cab's recruitment practices.

Director Armenta stated that he has tried to encourage the board to take action to protect the business interests of smaller RTA taxicab companies in the past; however, he acknowledges that the board has not supported addressing this issue. He will vote to approve the application but he does not agree with the decision.

Director Barrera requested that Director Armenta clarify his comment that the board is not willing to deal with the issue. Director Armenta stated that several months ago, he made a motion to call a study session regarding ways in which the RTA could help protect existing companies from an influx of new companies, but did not receive a second to his motion.

Mr. Lorca stated that the issue should be referred to a future agenda for discussion as the topic is not before the board at this time.

**Chair Downey called the question. The motion carried unanimously.**

Chair Downey requested that staff agendaize further discussion regarding ways in which the RTA may protect the well-being of existing RTA taxicab companies.

- 7-2. Conduct public hearing regarding the application of Jerome B. Sindano of Monterey County d/b/a THE OTTERS and consider approval of the application.

Mr. Harvath provided a summary of Mr. Sindano's RTA taxicab company owner permit application and the status of documentation submitted as required by the Monterey County RTA Regulations. Staff recommends denial of this application based on documentation to support the four findings required by the regulations: 1) financial capacity; 2) DOJ background check; 3) public need for services; and 4) mitigation of traffic or parking impacts. Mr. Sindano has not submitted documentation to support his financial capacity, although he has submitted proof of required insurance coverage.

Director Cohen asked Mr. Harvath the amount of financial assets required by RTA staff to recommend approval. Mr. Harvath stated that there are no specific requirements, but that he has not received any financial documentation from Mr. Sindano to substantiate his financial capacity. Examples of documentation would be bank statements, tax returns, or a line of credit. Director Cohen stated that there should be specific financial requirements so applicants know exactly what assets or criteria they need to meet.

Director Pendergrass asked for clarification on the RTA's 24-hour dispatching requirement. Mr. Sindano has asked for an exception to this requirement, which is allowed in the Regulations.

Chair Downey opened the public hearing.

Roy Graham stated that the RTA just approved a company who couldn't prove there was a public need for additional taxi services, and that Mr. Sindano shouldn't be denied because he doesn't have money in the bank.

Jerome Sindano, RTA taxicab company applicant, told the board that he had proof of insurance and that it is his responsibility to make sure his business will succeed. He does not believe that his financial situation is the business of the RTA. He stated that he is smart enough to know his abilities and asked the board to give him an opportunity to grow his business.

Board members asked Mr. Harvath to clarify whether staff had fully communicated with Mr. Sindano. Mr. Harvath stated that he had provided the four requirements to Mr. Sindano, and has communicated over the phone, in person, and via email over the last year to obtain proper documentation.

The board discussed whether the RTA should consider financial capacity as a requirement.

Director Leffel asked Mr. Sindano to provide RTA staff with his 2012 federal tax returns and his 2013 profit and loss statement (Schedule C). Mr. Sindano stated that he was not told he needed his tax returns, but that he would provide this documentation. He stated that he has lost a lot of money to get to this point.

Director Armenta requested that the RTA board agendaize a discussion to remove the financial requirement for new companies.

Mr. Lorca advised that Mr. Sindano's request for an RTA permit is under their discretion regardless of staff's recommendation.

**Director Barrera made a motion to approve Mr. Sindano's application, subject to Mr. Sindano providing his 2012 federal tax return and his 2013 profit and loss statement and was seconded by Director Cohen.**

Mr. Harvath stated that he heard Mr. Sindano say that he had lost money in 2012 and has not filed his 2013 tax return. He still has a problem recommending approval for an individual who lost money two years ago and hasn't filed 2013 taxes.

**Director Edwards offered a substitute motion to continue consideration of Mr. Sindano's application until financial documentation is provided to staff and is brought back to the RTA board. Director Pendergrass seconded the substitute motion.**

Director Pendergrass is concerned with the public's safety. Director Cohen confirmed that Mr. Sindano has insurance and must have his vehicles inspected and permitted, so safety shouldn't be an issue.

**Chair Downey called the question on the substitute motion and the motion passed unanimously. Chair Downey allowed Mr. Sindano to speak for one minute.**

Mr. Sindano stated that he did not lose money on his business; he is losing money because he has not been provided adequate information and time lost is money lost. He requested to be placed on the RTA agenda mailing list.

## **8. UNFINISHED BUSINESS**

### 8-1. Receive status of RTA start-up costs and repayment.

Mr. Harvath stated that all jurisdictions have provided a response to RTA start-up cost reimbursement except the City of Pacific Grove. The RTA annual audit will be completed soon and he anticipates that the RTA will be in a financial position to begin repaying the jurisdictions that have requested repayment of their start-up cost contribution.

Director Downey reported that the RTA Finance Committee met that morning and voted to recommend that the board authorize MST staff to send a letter from the RTA Chair to the Pacific Grove mayor, with copies sent to all members of the Pacific Grove city council, requesting a response to start-up cost reimbursement.

Public Comment – none.

**Director Leffel made a motion to authorize MST staff to send a letter, signed by the RTA Chair, to the Pacific Grove mayor with copies sent to all members of the Pacific Grove city council, requesting a response to start-up cost reimbursement. The motion was seconded by Director Edwards. The motion passed 6-0 with Director Cohen abstaining.**

Director Cohen stated that he will again ask the City Manager to address this issue.

Director Downey also reported that she would like MST staff to research the accuracy of a comment, made in the letter included as Agenda Item # 12-1 in the RTA agenda, to Hunter Harvath from Carmel-by-the-Sea City Administrator, Jason Stilwell, regarding a “unanimous vote of the MST Finance Committee, that the original debtors rather than the cities should rightfully incur” RTA start-up costs.” She does not believe the MST Finance Committee ever took this vote and would like to make sure the record was correct.

### 8-2. Adopt FY 2015 RTA Operating Budget.

Mr. Harvath presented the proposed budget for approval and informed the board that the Finance Committee had recommended that RTA staff work with the Monterey Peninsula Airport to develop a comment card, suitable for use by all parties, which may reduce the \$2,000 budgeted expense.

Director Downey stated that the Committee also recommended that the RTA Board establish a cash reserve equal to 15 percent of its annual operating expense,

with any remainder for FY 2015 to be used to repay MST for outstanding start-up cost contributions.

Public Comment – none.

**Director Cohen made a motion to approve the FY 2015 Operating Budget, reserving 15 percent of its annual operating expense, with any remainder for FY 2015 to be used to repay MST for outstanding start-up cost contributions. The motion was seconded by Director Edwards and the motion passed unanimously.**

## **9. NEW BUSINESS**

### 9-1. Conduct Election of Officers.

Director Pendergrass reported on the Nominating Committee's recommendation to appoint Director Leffel to serve as Chair, and Director Edwards to serve as Vice-Chair, for FY 2015. The Committee also recommended staff appointments as listed in the attachment to Item 9-1.

Public Comment – none.

**Director Armenta made a motion to appoint Director Leffel to serve as Chair, Director Edwards to serve as Vice-Chair, and approved staff appointments for FY 2015. The motion was seconded by Director Downey and passed unanimously.**

Director Downey handed the gavel to Chair Leffel who continued to Item 9-2.

Director Armenta left the meeting at 11:31a.m.

### 9-2. Appoint Ad Hoc By Law Review Committee.

Director Cohen reported that members of the RTA Nominating Committee recommended appointing an Ad Hoc Bylaw Review Committee to discuss adding language to the bylaws regarding MST board members holding concurrent officer positions on the RTA board.

Mr. Sedoryk would also like the committee to discuss changing the Technical Advisory Committee (TAC) from a standing to an Ad Hoc Committee.

Public Comment

Mr. Mancini asked if the number of TAC members would remain the same.

Close Public Comment

**Director Downey made a motion requesting Chair Leffel to appoint members to an Ad Hoc Bylaw Review Committee and was seconded by Director Pendergrass. The motion passed unanimously.**

Chair Leffel stated that the committee would address any issues they deemed appropriate and return to the RTA board for discussion and approval. Directors Downey and Edwards volunteered to serve on the committee. Director Leffel appointed Directors Downey, Edwards, and Armenta to serve on the committee.

## **10. REPORTS & INFORMATION ITEMS**

*The Board will receive and file these reports, which do not require action by the Board.*

10-1. Receive April – June 2014 Report from RTA Administrator.

Director Edwards asked if RTA staff follows up with drivers when their permits expire.

Karen Faurot with the Monterey Police Department stated that they handle all permitting of RTA taxi drivers and vehicles. She stated that drivers come and go frequently, and staff does not alert drivers when their permits have expired. She stated that this would increase staff time, which could result in an increase in permit fees.

Chair Leffel suggested sending a text message to save time. Director Downey requested that the Monterey Police Department discuss the potential increase in staff time and report back to the RTA board.

### Public Comment

John Cardinali stated that a recent list of permitted drivers and taxis sent to him by the Monterey Police Department was very inaccurate.

Mr. Sindano stated that it takes too long for driver permits to be approved.

### Close Public Comment

10-2. Staff Announcements.

Mr. Sedoryk requested that the board approve moving the October 27 RTA board meeting to October 20 to accommodate the Conference on Rural Public and Intercity Bus Transportation which will be held in Monterey this year.

**Director Downey made a motion to approve changing the date of the next RTA board meeting to October 20 and was seconded by Director Edwards. The motion passed unanimously.**

10-3. Recent articles related to Transportation Network Companies.

Chair Leffel suggested that RTA staff make the articles available to constituents. Director Cohen stated that the RTA shouldn't report only negative articles unless the RTA board takes a formal position on transportation network companies. He requested that this be placed for consideration on the next RTA agenda.

## 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 Cohen thanked Director Downey for her service as RTA chair.

Director Downey stated that she was not at peace with the board's decision to deny Mr. Sindano's application. Mr. Laredo stated that for the item to be discussed, a motion to re-open Agenda Item 7-2 was required.

**Director Downey made a motion to call a special meeting in two weeks to discuss changing the financial requirement for new company applicants and to reconsider Mr. Sildano's application. The motion was seconded by Director Edwards.**

Mr. Lorca stated that before the issue could be discussed, it was necessary that a motion be made to reopen Item 7-2.

**Director Downey made a motion to reopen Agenda Item 7-2 for discussion and was seconded by Director Edwards.**

### Public Comment

Mr. Mancini stated that Mr. Sindano had not complied with the requirements as stated in the Regulations. He should have to wait until the next meeting for reconsideration. Mr. Mancini stated that this has been going on for 18 months.

Mr. Sindano stated that he was advised by RTA staff to try to get a permit in Santa Cruz or another jurisdiction. He wants to work in Monterey County where he lives. He stated that he was never told he needed to submit his tax return to be approved.

### Close Public Comment

The board discussed whether it was feasible for staff to prepare for a meeting in two weeks, and whether the board could make the necessary changes to the Regulations in time to speed up Mr. Sindano's application process. Mr. Lorca stated that

the board could not make changes to the Regulations at the next meeting; they could only begin the process.

Mr. Lorca reminded the board that before any determination could be made to hold a special meeting, the board was required to vote to reopen Item 7-2 for discussion. There was a motion on the floor with a second by Director Edwards, but a vote was not taken.

**Director Edwards withdrew his second and another second was not offered. The motion failed.**

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

Chair Leffel requested that a meeting of the TAC be convened to discuss the issue of providing a central dispatch for companies that could not afford to operate their own dispatch centers.

Mr. Sedoryk stated that he will consult with his peers in the taxi industry regarding financial requirements for new taxicab companies.

## **12. CORRESPONDENCE**

12-1. Request for RTA start-up cost reimbursement – City of Carmel-by-the-Sea.

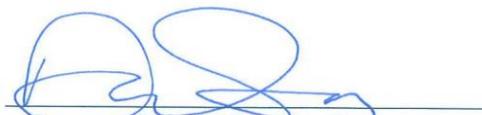
## **13. CLOSEDSESSION**

## **14. RETURN TO OPEN SESSION**

## **15. ADJOURN**

**There being no further business, Chair Leffel adjourned the meeting at 12:18p.m.**

Prepared by:

  
Deanna Smith, Deputy Secretary