



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: 13-1096, Version: 1

- a. Consider request for payment in the amount of \$23,723 to Monterey-Salinas Transit for the County's proportional share for reimbursement of start-up costs relating to the formation of the Monterey County Regional Taxi Authority (MCRTA); and
- b. Consider MCRTA request to member jurisdictions to forgive some or all of the reimbursement for start-up costs through revenue from taxi fees.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Consider request for payment in the amount of \$23,723 to the Monterey-Salinas Transit for the County's proportional share for reimbursement of start-up costs relating to the formation of the Monterey County Regional Taxi Authority (MCRTA); and
- b. Consider MCRTA request to member jurisdictions to forgive some or all of the reimbursement for start-up costs through revenue from taxi fees.

SUMMARY/DISCUSSION:

On February 15, 2011, the County of Monterey entered into the Monterey County Regional Taxi Authority (MCRTA) Joint Powers Agreement (JPA) (Exhibit 1 attached). Member agencies include the County, Monterey-Salinas Transit, Monterey Regional Airport District, and the cities of Carmel-by-the-Sea, Del Rey Oaks, Monterey, Pacific Grove, Salinas, Sand City, and Seaside. Pursuant to the JPA, the Monterey-Salinas Transit (MST) District was designated to perform services for a regional taxi authority. The intent of the RTA is to oversee taxi services on the Monterey Peninsula promoting a uniform, County-wide approach to licensing, safety regulations, enforcement and other taxi related services. On March 1, 2011, the County adopted Ordinance No. 5173 amending Chapter 7.32 of the Monterey County Code providing for the uniform regulation of taxicabs within the jurisdiction of the MCRTA.

The MCRTA was established as a cost recovery agency with administrative costs recouped through annual fees collected from taxi companies and drivers. At the time the JPA was established, the estimated start-up cost for the MCRTA was approximately \$15,000, which was to be funded through one-time member agency contributions of \$1,667 per member agency (if divided equally). At adoption of the JPA, the Board of Supervisors identified the General Fund - Contributions - Other Agencies, 001-1050-8029-7201 budget unit as the funding source for the County's share of the one-time start-up cost.

As detailed in the attached April 26, 2013 invoice notice from the MCRTA, over the course of the formation of the MCRTA, start-up costs were incurred during FY 2011 and FY 2012 before permit fees could be collected to cover the operational costs of the Agency. During this period, MST loaned the MCRTA \$127,427 to augment the \$16,875 originally provided by the member jurisdictions. The funds were utilized for additional staff time to establish by-laws, attend meetings, respond to public record requests from taxi cab companies, and legal fees. MST is due payment of \$127,427, but has forgiven \$18,922 in MST staff time to render a net payment amount due of \$108,505 by the MCRTA member jurisdictions.

In accordance with Article 4 of the RTA JPA signed by each member jurisdiction, specifically states: "...the RTA may request Parties to pay pro-rata costs relating to formation of the RTA, and to meet cash flow

requirements during the period for which taxi fees may not fully cover start-up costs....”

MST developed a “pro-rata” method for allocating the start-up costs. The distribution formula of the “pro-rata costs” is based on a combination of factors quantifying population and number of hotel rooms, which were deemed the appropriate measures to reflect potential taxi use by locals and visitors as well as the proportion of benefit yielded by each member jurisdiction. Utilizing the two variables and a total start-up cost amount to be reimbursed to MST of \$108,505, the member jurisdictions fell into one of three (3) agency categories; small (\$3,723), medium (\$8,723), and large (\$23,723). The one-time assessment among the member jurisdictions at the indicated fee levels generates a total of \$108,507. The County is categorized as a large agency.

The attached memorandum dated, April 22, 2013, provides Article 4 of the JPA additionally states, “...It is the intent of the Parties to recoup these costs from taxi fees and rebate, in full, all funds advanced to the RTA by the Parties to the Parties.” Pursuant to Article 4, member jurisdictions may choose to seek repayment of their pro-rata share start-up costs debt from the MCRTA. MST is asking member jurisdictions whether or not they would be willing to forgive some or all of the start-up costs incurred by the MCRTA during FY 2011 and FY 2012 (first two fiscal years of operations). To the date of their memorandum, they identified one jurisdiction’s willingness to forgive its entire portion of debt and identified three other jurisdictions opposing forgiveness of most or all of their portions of the start-up cost debt.

OTHER AGENCY INVOLVEMENT:

Each member agency of the RTA JPA has adopted the standardized regulations; MST; and the Board Budget Committee.

FINANCING:

The additional start-up costs of \$108,505 are distributed among the member agencies. Monterey County’s pro-rata share totals \$23,723. If approved by the Board, the start-up cost will be funded by the General Fund - Contributions - Other Agencies, 001-1050-8029-7201. Due to timing issues, this expense was not included in the FY 2013-14 Adopted Budget. Since this budget unit is fully committed in the current year, staff will need to determine whether there is enough capacity to absorb the cost, and if not, identify an alternate funding source to backfill for the expense. If an alternate funding source is required, staff will return to the Budget Committee and Board with the recommended funding action.

Prepared by: Rod Walker, Principal Administrative Analyst, x5344

Approved by: Dewayne Woods, Assistant County Administrative Officer, x5309

Attachments:

1. Exhibit 1-Monterey County Regional Taxi Authority Joint Powers Agreement
2. Monterey County Regional Taxi Authority Invoice-April 26, 2013 Memorandum
3. Monterey-Salinas Transit-April 22, 2013 Memorandum (Agenda # 8-2)
4. Monterey County Board of Supervisors February 15, 2011 Board Report and attachments