

Alternative Models for Governing and Advising the Taxi Industry

Recommendation:

That the September 21, 2011, Corporate Services report 2011COC116 be received for information.

Report Summary

This report provides information regarding models for regulating the taxi industry.

Previous Council/Committee Action

At the September 21, 2011, Executive Committee meeting, the September 21, 2011, Corporate Services report 2011COC116 was postponed to the October 19, 2011, Executive Committee meeting.

At the June 29, 2011, Executive Committee meeting, the following motion was passed:

That Administration return to Executive Committee with a report outlining alternative models for governing and advising the taxi industry.

Report

The current structure of the Vehicle for Hire Commission is based on a 1998 Hara report commissioned by the Office of the City Auditor, which recommended that the City continue to govern the taxi industry, with City Administration responsible for testing and certifying taxi meters.

However, it was found by 2007, that the structure confused the responsibilities and roles between the Commission and Administration. In 2007 further clarity was provided by separating the governance and operational activities into two bylaws with Administration's responsibility for all licensing and enforcement activities set out in the operational bylaw.

In responding to the motion by Executive Committee, the 1998 Hara report was reviewed, as well as the current practices of other municipalities.

The following models and findings are detailed in Attachment 1:

- Administration Responsible for Operations and Regulation
- Administration Responsible for Operations, and Regulation is Supported by a Council Advisory Committee
- Fully-Independent Commission
- Status Quo – Governing Commission and Administration Responsible for Operations

In identifying alternative models, an assumption was made that the City of Edmonton desires to continue to govern the taxi industry; therefore deregulation was not considered a viable option.

Alternate Motion

If Executive Committee wishes to recommend one of the alternative models to Council, the following could be considered:

That Administration return to Executive Committee by November 16, 2011, with an implementation process to govern the taxi industry based on Model __ of Attachment 1 to the

September 21, 2011, Corporate Services report 2011COC116.

If the current model continues, the current bylaws will still need to be reviewed to ensure that the roles and responsibilities are clear to all parties.

Policy

- Bylaw 14400 Vehicle for Hire Commission Bylaw
- Bylaw 14700 Vehicle for Hire Bylaw

Corporate Outcomes

- Strategic Plan: Conditions of Success – Sound Management Practices and Processes
- Strategic Goal: Improve Edmonton's Liveability – Improve Community Engagement and Participation

Legal Implications

- The *Municipal Government Act* permits Council to pass bylaws dealing with business activities, including regulation, licenses, permits or approvals.
- Council may by bylaw delegate its powers, duties or functions, except for powers that may only be exercised by bylaw, to a Council committee, designated officer or the City Manager.
- Council may revoke any delegated power, duty or function by amending or repealing the bylaw containing the delegation.
- If Council wishes to change the status quo, bylaw changes will be required.

Attachments

1. Models for Governing the Taxi Industry

Others Reviewing this Report

- R. G. Klassen, General Manager Sustainable Development

Models for Governing the Taxi Industry

Model	Model and Use By Other Municipalities	Description of Model	Advantages, Challenges and Comments
1	<p>Administration Responsible for Operations and Regulation</p> <ul style="list-style-type: none"> Model in use by the cities of Halifax, Red Deer, Regina, Saskatoon, Toronto, Vancouver and Victoria The most recent adoptions of this model were: <ul style="list-style-type: none"> Halifax – July 5/11 Saskatoon – November 22/10 	<p>Administration:</p> <ul style="list-style-type: none"> Receives input from industry and customers Develops and recommends to Council licensing criteria and fee schedule Administers licensing and enforcement Responds to requests from Council for information Serves as contact for concerns about the industry <p>Council</p> <ul style="list-style-type: none"> Council approves licensing criteria and fee schedule through bylaw approval <p>Community Standards and Licensing Appeals Committee</p> <ul style="list-style-type: none"> Hears licensing appeals 	<p>Advantages</p> <ul style="list-style-type: none"> Responsibility for regulating the industry will be clear for Administration, Council, and stakeholders Administration can be perceived as being more accessible Administration must abide by the City’s Public Involvement Policy and will seek industry input through the use of an administrative advisory committee or other public involvement methods Industry representatives could serve on an administrative advisory committees Council could direct Administration to establish a stakeholder advisory group <p>Challenges</p> <ul style="list-style-type: none"> Administration must ensure that all stakeholders have a voice [industry; customers (citizens, schools, tourists); and businesses (airport, hotels, restaurants, convention centre, sporting arenas)] Administration must ensure taxi users have an avenue for lodging concerns Industry loses some autonomy from municipality <p>Comments</p> <ul style="list-style-type: none"> Municipalities have moved to this model to provide: <ul style="list-style-type: none"> clarity – of roles and responsibilities flexibility – as an advisory committee only needs to meet when changes or enhancements are being contemplated accessibility – citizens readily understand where they can voice any concerns

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2	<p>Administration Responsible for Operations, and Regulation Supported by a Council Advisory Committee</p> <ul style="list-style-type: none"> Model in use by the city of Calgary (structure is currently under review) 	<p>Council Advisory Committee:</p> <ul style="list-style-type: none"> Receives input from industry and customers Reviews and comments to Council on licensing criteria and fee schedule developed by Administration Provides advice to Council Responds to requests from Council for information Serves as contact for concerns about the industry <p>Administration:</p> <ul style="list-style-type: none"> Receives input from Advisory Committee, industry and customers Develops and recommends to Council licensing criteria and fee schedule Administers licensing and enforcement Responds to requests from Council for information Serves as contact for concerns about the industry <p>Council</p> <ul style="list-style-type: none"> Council approves licensing criteria and fee schedule through bylaw approval <p>Community Standards and Licensing Appeals Committee</p> <ul style="list-style-type: none"> Hears licensing appeals 	<p>Advantages</p> <ul style="list-style-type: none"> Industry representatives can serve on a Council advisory committee <p>Challenges</p> <ul style="list-style-type: none"> The industry consists of very different players as there are 12 license categories Determining which industry representatives should serve on the advisory committee can be difficult to determine as drivers are not part of one business, rather they consider themselves as independent businessmen and women A mix of industry and customer representatives would be required if a balanced perspective is to be provided Activities regarding receiving input from industry, providing advice to Council, responding to requests from Council, and seen as a contact for concerns about the industry are duplicated between the Council advisory committee and Administration The role of the Council advisory committee, Council, and Administration would need to be fully defined If Administration does not put forward any recommended changes to the licensing categories, number of licenses, etc., there may be no work for the Council advisory committee Council is currently reviewing the role and mandate of existing Council advisory committees; creating an additional advisory committee prior to the review being completed could be counter productive <p>Comments</p> <ul style="list-style-type: none"> Other municipalities have moved away from this model and treat the activities as a municipal service Service is fully turned over to Administration to administer; however, Council would have an advisory committee that offers a second look at any recommendations for changes put forward by Administration

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3	<p>Fully-Independent Commission</p> <ul style="list-style-type: none"> Model currently only in use at a provincial level: Taxicab Board of Manitoba 	<p>Commission:</p> <ul style="list-style-type: none"> Receives input from industry and customers Industry representatives do not serve on the board Develops and recommends to Council licensing criteria and fee schedule Administers licensing and enforcement Responds to requests from Council for information Serves as contact for concerns about the industry <p>Council</p> <ul style="list-style-type: none"> Council approves licensing criteria and fee schedule through approval of bylaw <p>Community Standards and Licensing Appeals Committee</p> <ul style="list-style-type: none"> Hears licensing appeals 	<p>Advantages</p> <ul style="list-style-type: none"> Creating the Commission as a stand-alone entity would provide clarity as to roles and responsibilities Citizens would readily understand where they can voice any concerns Commission would have full control over budgets, staff and operations Independence of industry <p>Challenges</p> <ul style="list-style-type: none"> Increased costs; the 1998 Hara report estimated the costs of a fully-independent Commission to be 50% higher than the current model Duplication of services already existing in the City (such as licensing staff) Fewer counter staff for licensing would decrease the level of service provided to the industry, especially during peak renewal times Confusing to citizens as Administration would have no role in a licensing activity Commission will need to hire staff with knowledge of public involvement methods Commission would not have access to the City's shared services unless those services are covered under a contract between the City and Commission <p>Comments</p> <ul style="list-style-type: none"> Commission members would need to have the skills required to oversee a stand-alone service

Model	Model and Use By Other Municipalities	Description of Model	Advantages, Challenges and Comments
4	<p>Status Quo – Governing Commission Administration Responsible for Operations</p> <ul style="list-style-type: none"> Model currently only in use by the City of Edmonton 	<p>Commission:</p> <ul style="list-style-type: none"> Receives input from industry and customers Industry representatives do not serve on the board Develops and recommends to Council licensing criteria and fee schedule Responds to requests from Council for information Serves as contact for concerns about the industry <p>Administration:</p> <ul style="list-style-type: none"> Receives input from Commission, industry and customers Administers licensing and enforcement Responds to requests from Council for information Serves as contact for concerns about the industry <p>Council</p> <ul style="list-style-type: none"> Council approves licensing criteria and fee schedule through approval of bylaw <p>Community Standards and Licensing Appeals Committee</p> <ul style="list-style-type: none"> Hears licensing appeals 	<p>Advantages</p> <ul style="list-style-type: none"> Provides citizen input The City provides back up support for the Commission when staff assigned to the Commission are away <p>Challenges</p> <ul style="list-style-type: none"> Both the Commission and Administration receive input from stakeholders and respond to requests from Council for information The industry and citizens tend to hold the Commission responsible for all issues, yet issues such as enforcement are the responsibility of Administration The Commission structure cannot always provide quick turnaround response times to issues Commission members may not have the expertise required to develop and conduct public involvement activities Licensing fees support Commission and operational activities and at times priorities for the use of funds conflict Both the Commission and Administration make use of the same City staff and at times priorities conflict <p>Comments</p> <ul style="list-style-type: none"> The continuation of this model will require further clarification regarding roles and responsibilities A search consultant may be required to ensure the Commission consists of members with the skills and knowledge required to govern the industry