

Community Services Report to
Strategic Meeting of Council
2020 May 11

ISC: UNRESTRICTED
C2020-0540

COVID-19 Relief Package to Support Taxi and Limousine

EXECUTIVE SUMMARY

The COVID-19 pandemic has had significant impact to the taxi and limousine industry. With Calgarians practicing physical distancing and with many travel restrictions in place, trips have decreased 80 per cent since the beginning of 2020 March. Administration is taking measures to support taxi and limousine drivers in response to the COVID-19 pandemic.

This report outlines measures already in place and new measures being proposed to provide immediate relief. To reduce the financial burden on taxi and limousine drivers, Administration is proposing to waive driver licence fees and reduce plate licence renewal fees by 50 per cent for a period of one year.

ADMINISTRATION RECOMMENDATION:

That Council approve:

- a) Waiving taxi and limousine driver licence fees; and
- b) Reducing taxi and limousine plate licence fees by 50 per cent.

To be made effective 2020 May 15 until 2021 May 14 and be offset by funding from the Livery Transport Services Sustainment Reserve.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2020 April 30, Council directed Administration to return to the 2020 May 11 Strategic Council Meeting with additional information on the Livery Transport Services Sustainment Reserve with respect to Verbal Report C2020-0508 Municipal Relief, and specifically support for taxi and limousine drivers and plate holders.

BACKGROUND

Through the Livery Transport Bylaw 6M2007, Calgary Community Standards' Livery Transport Services has the mandate to license and regulate the taxi, limousine and vehicles-for-hire industry with the purpose of ensuring public safety, consumer protection and service quality. Livery Transport Services is a cost recovery service. Fees are charged to industry participants to deliver on this mandate while maintaining the service line's financial sustainability and providing funds for capital investments to support livery industry improvements through the Livery Transport Services Sustainment Reserve.

Administration has been responsive to the changing and evolving industry. Over the past five years, Council approved amendments to the fee schedule in the Livery Transport Bylaw. The fee schedule has been frozen at 2015 levels with an inflation increase in 2018. A detailed list of amendments to the fee schedule is included in Attachment 1.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The COVID-19 pandemic has had significant impact to the taxi and limousine industry. With Calgarians practicing physical distancing and with many travel restrictions in place, trips have decreased 80 per cent since the beginning of 2020 March. Current measures already in place to support the industry during this difficult time include:

- Extension of renewal dates for driver licences by 60 days;

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- Extension of renewal dates for plate licences by four months; and
- Waiving of the \$312 driver training fee.

To further lessen the financial burden on taxi and limousine drivers, Administration is proposing to waive driver licence fees and reduce plate licence renewal fees by 50 per cent for a period of one year. Administration's recommendation was based on the following guiding principles:

1. Benefits Those Most Impacted by the COVID-19 Pandemic and Supports Local Economy – We will provide relief to those most impacted by the pandemic and lessen the financial burden, with the greatest outreach. It is important that the support benefit Calgarians.
2. Authority Within the Livery Transport Bylaw – We will be guided by the authority granted through the Livery Transport Bylaw by treating similar classes of licences set out in the bylaw similarly and not treating members of the same class differently.
3. No Impact to Livery Transport Services' Self-Supporting Model – We will continue to achieve a balanced budget without tax rate support. A reserve balance in the range of \$1.5 million is appropriate to support future capital investments and one-time operating costs.

Multiple scenarios were considered including partially reducing driver licence fees, waiving plate licence fees, and providing support to all industry participants including Transportation Network Companies. A summary of alternative proposals considered is included in Attachment 2.

Administration's recommendation will benefit almost 4,300 local taxi and limousine drivers and approximately 1,900 plate holders. The total cost savings to drivers and plate holders is valued at \$1.4 million. The Livery Transport Services Sustainment Reserve will be used to mitigate the shortfall. The purpose of that reserve is to stabilize livery fees and financing to benefit the industry while achieving a balanced budget without tax rate support. The reserve can be used to stabilize the operating budget, fund one-time operating expenditures, and fund capital expenditures that directly support livery transport services. The Livery Transport Services Sustainment Reserve Terms of Reference is included in Attachment 3.

Administration is currently undertaking a review of the Livery Transport Bylaw. This review is in response to the large-scale changes to the industry in recent years. The review will include a fee schedule as well as other factors. While the impact of COVID-19 has delayed the timeline for returning with recommendations, the timing has also afforded Administration the ability to include consideration of the pandemic as part of its comprehensive review. The proposed waiving of licence fees and reducing plate fees for one year responds to the immediate need for financial relief, while the Livery Transport Bylaw Review will allow The City to address the long-term viability of the industry.

Stakeholder Engagement, Research and Communication

A comparative scan of municipalities across Canada revealed that no other Canadian city is providing financial relief to livery industry participants. Drivers and plate holders may qualify for support from other orders of government.

Strategic Alignment

This report aligns with the following 2019-2022 Citizen Priorities:

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- A City That Moves - Calgary's transportation network offers a variety of convenient, affordable, accessible and efficient transportation choices.
- A Well-Run City - Calgary has a modern and efficient municipal government that is focused on resilience and continuous improvement to make life better every day for Calgarians by learning from citizens, partners, and others.

Social, Environmental, Economic (External)

Administration is committed to providing a safe, sustainable and customer-focused livery system. Livery service enhances mobility and reduces social isolation for Calgarians including those with disabilities. It also provides a social benefit by providing an alternative to driving. Further, the taxi, limousine and vehicle-for-hire industry serves to facilitate the city's economic development, while supporting the use of environmentally and economically friendly modes of transportation by enabling personal travel by an integrated network that does not require vehicle ownership.

Financial Capacity

Current and Future Operating Budget:

Livery Transport Services is funded through a cost recovery model where the fees collected from industry are sufficient to cover costs. Administration's recommendation in this report requires \$1.4 million from the Livery Transport Services Sustainment Reserve, leaving an estimated balance of \$1.6 million at the end of 2020 to support future operating costs.

Current and Future Capital Budget:

The Livery Transport Services Sustainment Reserve supports capital costs associated with licensing and regulating the livery industry. Administration's recommendations in this report will ensure an appropriate balance is being maintained in the reserve to support future capital expenditures.

Risk Assessment

There is a risk that some might believe this proposal ought to provide even greater benefit or to even more industry participants by further drawing down the Livery Transport Services Sustainment Reserve. However, a reserve balance of \$1.6 million is appropriate to support future capital investments and one-time operating costs. Any further draw from the reserve presents a risk that tax rate support or other capital sources might be required.

REASON(S) FOR RECOMMENDATION(S):

Administration's recommendation to waive driver licence fees and reduce plate licence renewal fees by 50 per cent for a period of one year was based on guiding principles. The revenue shortfall of \$1.4 million can be offset by drawing from the Livery Transport Services Sustainment Reserve. Administration's recommendation will ensure an appropriate balance is maintained in the reserve to support future capital investments and one-time operating costs.

ATTACHMENT(S)

1. Amendments to the Fee Schedule Livery Transport Bylaw
2. Alternative Proposals Considered
3. Livery Transport Services Sustainment Reserve Terms of Reference