

## **LIVERY TRANSPORT SERVICES RESERVE AND FEE STRATEGY- DEFERRAL**

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### **EXECUTIVE SUMMARY**

Administration is requesting a deferral of the Livery Transport Services Reserve and Fee Strategy to align any recommendation arising from this report with the Chief Financial Officers Triennial Reserve Review and subsequent reporting through the Taxi and Limousine Advisory Committee (TLAC).

### **ADMINISTRATION RECOMMENDATION(S)**

That the SPC on Transportation and Transit recommends that Council approve Administration's request to defer the report on the Livery Transport Services Reserve and Fee Strategy to the 2014 April 16 meeting of the SPC on Transportation and Transit.

### **RECOMMENDATION OF THE SPC ON TRANSPORTATION AND TRANSIT, DATED 2013 DECEMBER 13:**

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That the Administration Recommendation contained in Report TT2013-0826 be approved.

### **PREVIOUS COUNCIL DIRECTION / POLICY**

At the 2012 November 26, Special Meeting of Council it was moved by Alderman Colley-Urquhart, that the Priorities and Finance Committee Recommendations contained in Report PFC2012-0753 be adopted as follows:

That Council:

1. Approve a draw of \$228,000 from the Livery Transport Service reserve in 2013 to offset the costs associated with two (2) additional Livery Taxi Inspectors;
2. Approve a draw \$250,000 from the Livery Transport Service reserve to complete the development of computer systems capable of receiving taxi broker performance data; and
3. Direct Administration to report back to the SPC on Transit and Transportation no later than 2013 May, outlining a Livery Transport Services fee strategy that reflects operating expenditures, revenues, reserve balances and capital projects.

At the 2013 May 22 SPC on Transit and Transportation, a Deferral report was presented and with Committee support to report back 2013 December allowing time for Administration to align potential fee or budget adjustment requirements with policy or process recommendations in addition to completing the reserve review process.

### **BACKGROUND**

The LTS reserve was established over thirty years ago; prior to 1983 the reserve was classified as the Taxi Commission operating surplus. In 1992 a second reserve fund was established as a result of revenue surpluses obtained from a taxi plate lottery and entitled the Taxi Commission Lottery Surplus Reserve. In 1997 both reserves were combined and in 2004 report FCS2004-22 changed the name of the combined reserve to Livery Transport Services Reserve.

### **INVESTIGATION: ALTERNATIVES AND ANALYSIS**

Approval(s): GM (R Stanley) concurs with this report. Author: Halat, Marc  
City Clerk's: D. Williams

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To date LTS has reviewed the historical intent of the reserve, other City reserve policy documents and the LTS budget revenues and expenditures for the last five (5) years, beginning in 2008. While this work is fundamental to developing a fee and reserve strategy, the LTS reserve is also included for review by the Chief Financial Officer (CFO) as part of the Triennial Reserve Review work plan. The CFO report does not go to Council until 2013 December 16 thus delaying policy interpretation imperative to the outcome of the LTS reserve and fee strategy outcome. In addition and in accordance with the TLAC terms of reference, taxi/limousine reports from Administration are required to go through TLAC first, and both the October and November meetings of TLAC were cancelled due to lack of quorum (October/November) awaiting membership appointments. As a result, there has not been an opportunity to bring a report to TLAC. A deferral will allow time for the Chief Financial Officers findings to be incorporated in the final report and create an opportunity to align potential fee or budget adjustment requirements with policy or process recommendations. The outcomes of the Chief Financial Officer's review will help inform any changes to the purpose and intent of the reserve which are 30 years old and require updating. Also, a deferral will allow for the new TLAC membership to adjust and have the opportunity to see the report recommendations prior to Council presentation and following protocols set out in the TLAC terms of reference.

### **Stakeholder Engagement, Research and Communication**

Administration has reported the request for a deferral to the Taxi and Limousine Advisory Committee (TLAC). TLAC concurs with the rationale to align both reviews currently underway.

### **Strategic Alignment**

This report aligns with the adoption of the Planning, Development & Assessment 2012 – 2014 Business Plan whose strategies and departmental outcomes align to, and influence, the budget related strategies and principles within DBA including:

- ensuring the City's financial sustainability is supported through internal strategies and
- actions; and
- standardizing, simplifying and monitoring processes to be more effective and cost efficient;

### **Social, Environmental, Economic (External)**

#### **Environmental**

The appropriate application of fees can help guide and assist in achieving long term sustainability for The City of Calgary.

#### **Social**

A reserve and fee strategy will facilitate business success while maintaining sufficient financial capacity to ensure public safety, service quality and consumer protection for the taxi and limousine industry and the travelling public.

#### **Economic**

The creation, use, and management of reserve funds in a formalized financial reserve policy are a best practice. Reserves are part of good management that allows for funds to be spent judiciously over time or to ensure service levels are maintained and not immediately impacted by a change in policy directions.

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### **Financial Capacity**

#### **Current and Future Operating Budget:**

No operating budget impacts have been identified at this time.

#### **Current and Future Capital Budget:**

No capital budget impacts have been identified at this time.

### **Risk Assessment**

No risks have been identified with the recommendation to defer this report.

#### **REASON(S) FOR RECOMMENDATION(S):**

A deferral will allow time for Administration to align potential fee or budget adjustment requirements with policy or process recommendations and TLAC endorsement prior to Council approval.

### **ATTACHMENT(S)**

None