



P.O. Box 1995 • Vancouver, WA 98668-1995
www.cityofvancouver.us

MEMORANDUM

TO: Mayor and City Council

FROM: Mike Merrill, Parking Services Manager

CC: Judith Zeider, Chief Assistant City Attorney; Carrie Lewellen, City Treasurer

DATE: May 31, 2012

RE: Vehicles For Hire Ordinance – Vehicle for Hire Options

Objective

Obtain City Council direction to staff regarding continuing the Vehicle for Hire Commission suspension, repealing the Vehicles for Hire Ordinance, or pursuing another option. The decision is budget dependent and must be made before December 31, 2012.

Background

In December 2006, City Council adopted a Vehicle for Hire ordinance, expanding and updating the City's decades – old taxi ordinance. Key changes included establishing a new Private for Hire Transportation Commission, limiting the number of companies permitted to operate in Vancouver through certificates of public convenience and necessity (CPCN's), and regulating taxi rates by ordinance.

In 2008, the ordinance was amended to clarify standards and processes for criminal background checks of drivers and company management.

In January 2010, due to budget constraints, the program manager position for the Private for Hire Transportation Commission was eliminated.

In August, 2010, the operations of the Private for Hire Transportation Commission were suspended through the 2011/2012 budget cycle.

If budget is not available for the 2013/14 budget, the City Council will decide to continue the suspension or repeal the ordinance. (VMC 5.76.103).

In the interim, the Finance Department continued to process new and renewed chauffeur's licenses and annual taxicab company vehicle for hire licenses.

In 2011, the Vehicle for Hire Program generated \$6,125 in revenue. The revenue is likely to remain about this amount each year until fees and rates are adjusted or more taxi companies and drivers are added to serve Vancouver. No customer complaints to city regarding timeliness or availability of taxi service in Vancouver have been received during the interim period. We do not have any assigned enforcement staff.

Description	Amount
2011 VFH Expenses	(\$28,646)
2011 VFH Revenue	\$ 6,125
Program Profit/(Loss)	(\$22,521)

(Expenses include percentage of salary and benefits of 4 FTE)

Possible Options

1. Continue suspension of the Private for Hire Transportation Commission operations through 2014 with Finance Department continuing to process chauffeur's licenses and the annual taxicab company vehicle for hire licenses. Reassess budget situation in 2014 for the 2015-2016 budget cycle.

Pros:

- Allows the program to remain in its current status

Cons:

- Unless the code is changed, taxi rates will be frozen
- Unless fees are increased, the City will continue to lose money on the program
- No enforcement

Estimated Costs: \$29,500

2. Revise the Vehicle for Hire ordinance to streamline regulation and to reduce administrative overhead.

Handwritten notes: Have City supply City with Licenses of drivers we currently don't have expense of Safety checks by APT also have meters checked by State. all turned into city work by the Continued by...

Handwritten signature/initials

Pros:

- Focus City resources on areas of greatest public safety impacts – e.g. vehicle maintenance; insurance coverage; criminal background and driving record checks

Cons:

- May not be able to generate adequate revenue to cover costs of VFH program
- Diverts staff in Finance from performing greater revenue generating activities related to other programs
- To further reduce administrative costs, a reduction in existing ordinance public safety requirements would be needed.

Estimated Costs: \$29,500

3. Enter into interlocal agreement with City of Portland to administer some or all of the Vehicle for Hire Ordinance provisions (Could be used in conjunction with Options 1 or 2).

Pros:

- Leverage industry expertise of existing Portland taxi regulatory staff – already regulate some of same companies as operate in Vancouver
- Enhanced oversight due to coordination of efforts
- Free city Finance staff to perform other revenue enhancing activities
- Portland can assimilate duties for the revenue generated due to economy of scale

Cons:

- Public perception of less local control, which would be mitigated by clear contract language and retention of key functions by City Finance Director and outreach by Portland staff to Vancouver locations

Estimated Costs: \$15,125. Expenses breakout as follows: \$6,125 to City of Portland (revenue generated by fees from drivers and taxi companies for permits) plus about \$9000 to cover Hearing Examiner (\$1000), Law (\$5200), administrative support (\$1500) and City Manager or designee (\$1300) expenses, assuming one hearing during the year.

4. Repeal the Vehicle for Hire ordinance.

Pros:

- Cost savings if no longer administer ordinance
- Will open the market for all competitors.

Cons:

- Potential public safety risks from lack of any oversight or control on number, qualifications, or rates of providers, which could be mitigated by greater coordination with state regulators
- Disruption to companies which have CPCN's under current ordinance, which could be mitigated by phasing ordinance out over period of time.

Estimated Costs: \$0

5. Lift the Suspension of the Vehicle for Hire Commission

Pros:

- Administer the program as originally established.
- Active commission

Cons:

- Program will not generate adequate revenue to support the commission and administer the ordinance as adopted
- Finance staff will be diverted away from revenue generated duties to administer and support the program

Estimated Costs: \$54,000

Recommendation

- Enter into Interlocal Agreement with City of Portland to manage the Vehicle for Hire program for Vancouver
 - Portland would perform work based on fees they would collect from Vancouver cab companies and drivers/chauffeurs.
 - Revise the Vehicle for Hire ordinance to streamline regulation and to reduce administrative overhead, including repeal the VFH Commission portions of ordinance
 - Add a Vancouver delegate to the Portland PFHT Board in a non-voting advisory role
 - Authorize the City Manager or designee to:
 - Issue new Certificates of Public Needs and Necessity
 - Raise or lower caps on taxi fares; add fuel surcharge fee
 - Work with the City of Vancouver Law Department and Hearing Examiner for appeals
 - Standardize Vehicle Requirements, Fares, Fees, Fines



VEHICLE FOR HIRE PROGRAM MEETING

1:30 pm / June 13, 2012 / Room 415, Dogwood Conference Room

City of Vancouver

Carrie Lewellen, Treasurer

Mike Merrill, Parking Manager

Bev Bruesch, Business Licensing / Vehicle for Hire Administration

Broadway Cab

Raye Miles, Owner

Steve Hext, Dir of Ops

Clark Co / Vancouver Cab

Jennifer Smith, Owner

Shannon

Radio Cab

Steve Entler, GM

Tom Alexander, Dir of Ops
