

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 25, 2013

Item 1, Report No. 32, of the Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on June 25, 2013.

1 TOW TRUCK LICENSING -TOWING AND STORAGE RATES

The Committee of the Whole recommends approval of the recommendation contained in the following report of the Commissioner of Legal and Administrative Services/City Solicitor and the City Clerk, dated June 18, 2013:

Recommendation

The Commissioner of Legal and Administrative Services/City Solicitor and the City Clerk, in consultation with the Manager of Special Projects, Licensing and Permits/Insurance Risk Management and the Acting Director of Enforcement Services, recommend:

- 1) That this report be received for information.

Contribution to Sustainability

Licensing the towing industry in the City of Vaughan supports a safe community and aids in the protection of Consumers particularly in the trying circumstances following an accident.

Economic Impact

This report updates Council on the results of recent changes in the City of Vaughan Licensing By-law as it relates to towing and storage. There are no direct financial implications resulting from consideration of this report.

Communications Plan

Changes in the regulation of licenses are communicated to owners, operators and other stakeholders by staff in the City Clerk's Office Licensing Unit. Tow truck owners and insurance companies were notified in writing July 2012 of changes approved by Council. In addition, staff have informed the drivers during the inspection process of the pertinent rates that can be charged for towing services. This has been reinforced as well, through the rate sheet that is required to be in the tow truck at all times.

Purpose

The purpose of this report is to provide an update on recent changes in the regulation of towing rates and storage fees.

Background - Analysis and Options

At the Council meeting of June 26, 2012, by its adoption of Item 31, of Report No. 25 of the Committee of the Whole, Council adopted the recommendation of the Commissioner of Legal and Administrative Services/City Solicitor relating to a number of amendments to the tow truck provisions contained in the City of Vaughan Licensing By-law 315-2005, as amended.

The recommendations centered on the following services offered by the towing industry:

- a) Non collision rates - Establishing a maximum \$125.00 rate plus mileage of \$3.58 per kilometer outside of City limits;
- b) Storage rates – Storage fee of \$55.00 for outside storage and \$60.00 for inside storage over a 24 hour period;

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- c) Towing Authorization Forms – A Vaughan issued form that sets out the rates for towing and storage and which outlines a vehicle owner's rights in the event their vehicle needs to be towed;
- d) Collision Reporting Centre waiting time charge - Establishing a maximum rate of \$67.00 that can be charged at the York Region Collision Reporting Center after the first hour calculated in 15 minute increments;
- e) Safety equipment for tow trucks - Addition of safety vests, pry bar and wheel straps as necessary equipment on a tow truck; and
- f) Kilometer rate charge for travel outside of the City limits – Increase of kilometer rate from \$2.00 to \$3.58.

Shortly after adoption by Council staff notified all tow truck owners of the new requirements to ensure consistency throughout the industry. All tow truck owners were required as part of the licensing process to submit a revised tow truck rate sheet reflecting the new collision and storage rates. The new rates and requirements have been in effect for approximately 10 months.

To gauge the effectiveness of the recommendations staff have analyzed enforcement records to determine whether the industry is complying with the new regulations and to determine if further amendments are required.

In order to establish a reasonable comparison for enforcement activity staff reviewed complaints between June 2011 to February 2012 and June 2012 to February 2013, the latter being the period when towing and storage rates became effective.

The following table illustrates the types of complaints received, charges laid and the final disposition of those charges.

Table 1

| <u>Licensing Period</u> | <u># of complaints relating to collisions</u> <u>Overcharges /Storage rates</u> | <u>Actual Charges Laid</u> | <u>Convictions</u> |
|---------------------------|--|----------------------------|--------------------|
| June 2011 – February 2012 | 21 | 4 | 4 |
| June 2012 – February 2013 | 27 | 14 | 12 |

The statistics show an increase of 32% in complaints for overcharges for the period 2012 and 2013 over the same period of the previous year. Convictions have been registered in 86% of the cases. Two cases are pending trial.

For the period June 2011 to February 2012 the statistics indicate that for the number of complaints received only 19% resulted in charges being laid. Conversely, for the period June 2012 to February 2013 period there were charges laid in 51% of the complaints received.

Changes to the by-law have made it easier for enforcement authorities to more effectively enforce the provisions of the by-law. Consumers and the insurance industry have a clear picture of the maximum rates that can be charged and are therefore better able to make informed decisions on whether a towing invoice is appropriate.

Complaints from consumers and insurance industry representatives continue to be filed. Most of the complaints are related to overcharges for tows from accident scenes and storage charges related thereto. A Towing Authorization Form designed to inform vehicle owners of the permitted fees for collision towing and storage rates will alert vehicle owners of their right to call their insurance company or other advisor before engaging in a tow, as well as indicating their right to

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have a vehicle towed to any place designated by them. Staff believes the introduction of the form will improve compliance and reduce the number of complaints accordingly. The form is being distributed to tow truck owners for the renewal period of 2013 to 2014. It is staff's expectation that once implemented there will be a reduction in the number of complaints for overcharges related to collision scene towing and storage. Staff proposes to report back to Council in the 3rd quarter of 2014 to address the effectiveness of the form in controlling costs to the end consumer.

Staff have monitored the by-law changes since implementation and spoken to various tow truck owners and drivers during the course of renewals of licences and the inspection of vehicles. For the most part staff have received positive or neutral feedback regarding the changes.

Insurance representatives have reacted positively to the recent introduction of the Towing Authorization Form as a means for vehicle owners to be informed of their rights when contracting for a tow and they are especially pleased that the form advises vehicle owners that they have the right to call their insurance companies prior to having their vehicle towed.

York Regional Police have informed staff that they too are pleased to see the introduction of the Towing Authorization Form. They see it as an enforcement tool that will assist them in investigations regarding stolen vehicles.

The CAA reports that they have received very few complaints from the public regarding overcharges. They see the amendments as being very effective as the public is now aware of the towing charges permitted by the by-law. CAA representatives have also indicated that other municipalities are closely monitoring the effect of the changes with a view to enacting similar requirements in other municipalities.

The Chief Licensing Officer will continue to monitor those towing companies with convictions. Where appropriate, action will be taken to place conditions on a licence, suspend or revoke a licence.

Relationship to Vaughan Vision 2020/Strategic Plan

This report supports the strategic priorities established by Vaughan Vision 2020 plan; particularly the strategic goal Service Excellence – Promote Community Safety, Health and Wellness.

Regional Implications

N/A

Conclusion

The Licensing By-Law regulates many businesses in the City of Vaughan. A strong licensing by-law supports the protection of consumers when using the services of a licensed business. The changes enacted by Council in June 2012 created a framework within which the towing industry was expected to operate. Clear guidelines regarding permitted fees have provided Enforcement Services with the tools to more effectively proceed with charges when complaints are received.

The implementation of the Towing Authorization Form for the 2013-2014 renewal period is expected to reinforce the rights and responsibilities of vehicle owners using towing services. Staff will monitor the form's effectiveness and report back to Council in the 3rd quarter of 2014.

Enforcement Services will continue with a progressive enforcement strategy to identify overcharges and take appropriate enforcement action.

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Attachments

N/A

Report prepared by:

Joseph A.V. Chiarelli
Manager Special Projects Licensing & Permits
Insurance & Risk Management

David Madore
Supervisor, Licensing & Permits Election Planner