

AGENDA



TOWING INDUSTRY ADVISORY COMMITTEE

THE CORPORATION OF THE CITY OF MISSISSAUGA

TUESDAY, JULY 19, 2011 - 9:00 A.M.

COUNCIL CHAMBERS

SECOND FLOOR, CIVIC CENTRE

300 CITY CENTRE DRIVE, MISSISSAUGA, ONTARIO, L5B 3C1

www.mississauga.ca

Members

Councillor Ron Starr, Ward 6 (**Chair**)

Councillor Nando Iannicca, Ward 7

Mark Bell, Citizen Member

Daniel Ghanime, Citizen Member

Todd Keely, Citizen Member

John C. Lyons, Citizen Member (**Vice Chair**)

Tullio (Tony) Pento, Citizen Member

Daniel R. Wallace, Citizen Member

Contact: John Britto, Legislative Coordinator

Office of the City Clerk 905-615-3200 ext. 3795 Fax 905-615-4181

john.britto@mississauga.ca

CALL TO ORDER

DECLARATIONS OF DIRECT (OR INDIRECT) PECUNIARY INTEREST

PRESENTATIONS/DEPUTATIONS

MATTERS TO BE CONSIDERED

1. Minutes of Previous Meeting

Minutes of the Towing Industry Advisory Committee meeting held June 21, 2011.

Recommend Adoption

2. TLK Towing – request for emergency increase in storage rates

Recommend Receipt

3. Amendments to Business Licensing By-law 0001-06 and Tow Truck Licensing By-law 521-04

Corporate Report dated July 4, 2011 from the Commissioner of Transportation and Works with respect to proposed amendments to the Business Licensing By-law 0001-06 to increase Storage Fee, and the Tow Truck Licensing By-law 521-04 to prohibit the suggesting or recommending that vehicle(s) be towed and/or stored outside the municipal boundaries of the City of Mississauga.

Recommend Approval

INFORMATION ITEMS

DATE OF NEXT MEETING – 9:00 a.m Tuesday, September 20, 2011, Council Chambers

OTHER BUSINESS

ADJOURNMENT



Minutes

TOWING INDUSTRY ADVISORY COMMITTEE

THURSDAY, JUNE 21, 2011 – 9:00 AM

COUNCIL CHAMBERS
SECOND FLOOR, MISSISSAUGA CIVIC CENTRE, MISSISSAUGA, ONTARIO
www.mississauga.ca

Members Present: Councillor Ron Starr, Ward 6 (**Chair**)
Councillor Nando Iannicca, Ward 7
Mark Bell (Citizen Member)
Daniel Ghanime (Citizen Member)
Todd Keely (Citizen Member)
John C. Lyons (Citizen Member) (**Vice Chair**)
Tullio (Tony) Pento (Citizen Member)
Daniel R. Wallace (Citizen Member) (arrived: 9:05am)

Staff Present: Jamie Hinton, Acting Director, Enforcement
James Bisson, Manager, Mobile Licensing Enforcement
John Britto, Legislative Coordinator, Office of the City Clerk

John Britto, Legislative Coordinator
Office of the City Clerk 905-615-3200 ext. 3795 Fax 905-615-4181
john.britto@mississauga.ca

CALL TO ORDER -- 9:00

DECLARATIONS OF DIRECT (OR INDIRECT) PECUNIARY INTEREST -- Nil

PRESENTATIONS/DEPUTATIONS -- Nil

MATTERS CONSIDERED

1. Minutes of Previous Meeting

Approved as presented (Councillor Nando Iannicca)

2. Annual Review of the Collision Tow Rates Regulated Under Tow Truck Licensing By-law 521-04, as amended

Corporate Report dated May 16, 2011 from the Commissioner of Transportation and Works with regard to increase in fees that may be charged for various services contained in Schedule 3 of the City of Mississauga Tow Truck Licensing By-law 521-04, as amended.

Mr. James Bisson, Manager Mobile Licensing informed the Committee that over the years, the Towing Industry has not seen increases to the rates governed by the by-law. This review has provided an opportunity for an increase in the rates relative to the consumer price index. The proposed increase in the rates reflects the 3.2% increase in the cost of living for the period ending October 2010.

Mr. Mark Bell moved the following motion that was voted on and carried.

RECOMMENDATION

TIAC-0007-2011

That a by-law be enacted to amend the Tow Truck Licensing By-law 521-04, as amended, to increase the fees that may be charged for various services contained in Schedule 3 to the By-law as follows:

- (a) The per kilometre rate for the towing of a passenger vehicle, light duty van or truck not exceeding six thousand (6000) pounds (2721 kg) in towing weight found in Section 1 of Schedule 3 be increased from \$3.00 to \$3.10 per kilometre (\$4.98 per mile).
- (b) The collision tow fee contained in Section 2 of Schedule 3 be increased from \$230.00 to \$237.00.

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- (c) The winching fee contained in Section 2.2 of Schedule 3 be increased from \$100.00 to \$103.00.
 - (d) The re-tow rate from a Vehicle Pound Facility contained in Section 5 of Schedule 3 be increased from \$100.00 to \$103.00.

Approved (Mark Bell)

Discussions ensued with regard to storage rates being charged in neighboring municipalities.

Staff was requested to prepare a comparative study of storage rates over a period of 5 to 10 years for consideration at a future meeting of the Towing Industry Advisory Committee.

Mr. James Bisson, Manager Mobile Licensing requested committee members to provide staff with the costs over a period of 5 years, which would help in preparing a suitable comparative study.

Mr. Bisson informed the committee that storage rates in neighbouring municipalities vary from as low as \$20 (in the City of Toronto) to as high as a recommended \$100 a day (in the City of Vaughan). Most municipalities prefer to charge fixed storage rates, based on the appropriate space available for storing the vehicle. In unregulated areas, other fees are added to the storage rates, viz. environmental fee, administration fee, etc. ranging from \$150 to \$200 or higher depending on the unregulated area that the vehicle is towed to.

With regard to avoiding vehicles being towed outside City limits, Mr. Bisson advised that currently, the customer has the option of asking the tow operator for suggestions as to where the vehicle could be towed. Depending on the value of the tow to the operator, the vehicle could be towed to a location within the City or outside City limits. Staff is of the opinion that the by-law should be amended restricting the operator from towing the vehicle to a location outside the City limits.

Mr. Todd Keely suggested that the Committee consider an emergency increase in the storage rates for the City of Mississauga.

Mr. Bell was of the opinion that the storage rates in the City of Mississauga should be increased to \$60 per day.

Mr. Daniel Wallace advised that the low storage rates in the City of Mississauga is affecting towing operators in the City, as operators tend to tow vehicles outside City limits where higher storage rates can be charged.

Mr. Mark Lockwood, Manager, RBC General Insurance informed the Committee that any rates increase would have a direct impact on the City's ratepayers. Mr. Lockwood was of the opinion that there was no justification for any increase in the rates. He stated that the issue of storage rates has not been properly addressed in the Greater Toronto Area.

Responding to a question from Mr. John Lyons, Mr. Lockwood informed that storage rates in the City of Vaughan is \$60 per day and tow truck operators charge approximately \$1,000 to \$1,200 for towing. Mr. Lockwood further advised that RBC is in the process of getting the City of Vaughan to regulate towing fees within their city.

Mr. Allan McConnell of Eastgate Towing addressed the Committee expressing concerns with regard to the increase in the number of vehicles being towed outside the City of Mississauga for storage and repairs. Mr. McConnell also expressed concerns regarding the \$25 capped storage rate in the City of Mississauga, which is contributing to vehicles being towed outside the City. Mr. McConnell further advised that, considering the overall increase in the consumer price index, the capped \$25 storage rate is causing immense hardship for industry owners and operators in the City. This is also causing industry operators to move outside the City of Mississauga.

Mr. David Smart of Smart Choice Towing & Collision Services addressed the Committee expressing concerns with regard to vehicles being towed outside the City limits.

Councillor Nando Iannicca moved the following motion which was voted on and carried.

RECOMMENDATION

TIAC-0008-2011

That staff prepare a report on storage rates being charged in the surrounding municipalities of Mississauga, for consideration at the July 19, 2011 Towing Industry Advisory Committee meeting.

Approved: (Councillor Ron Starr)

INFORMATION ITEMS - Nil

DATE OF NEXT MEETING – 9:00am Tuesday, July 19, 2011, Council Chambers

OTHER BUSINESS

Mr. Todd Keely requested that a determination be made on what is a heavy vehicle.

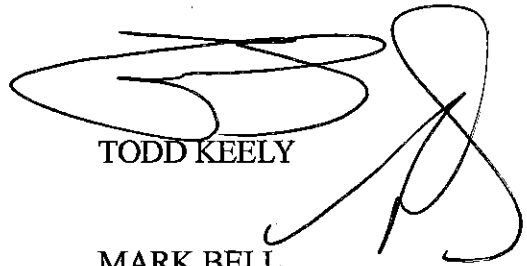
Mr. James Bisson, Manager Mobile Licensing advised that a report on gross vehicle weight rating can be prepared for consideration by the Committee at its September 2011 meeting.

ADJOURNMENT – 10:08AM

JUL 19 2011

TLK TOWING
6201 MONTEVIDEO RD
MISSISSAUGA ONTARIO
L5M-2E8
416-984-5838

Please be advised that this is our official request for an emergency increase in the storage rates allowed in the city of mississauga, for four years we have be waiting for a review from the licensing department to this day still nothin. As a business owner i understand the need to regulate our industry but i also know that we cannot keep operating under these conditions. I have brought copies of the storage rates of the surrounding areas and its clear these regions are all operating at about an average of 60.00 per day, please find this to be our official notice for an emergency increase



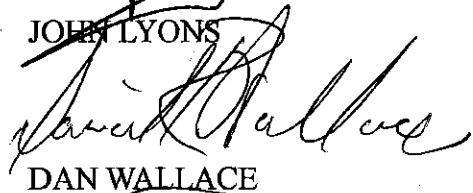
TODD KEELY

MARK BELL

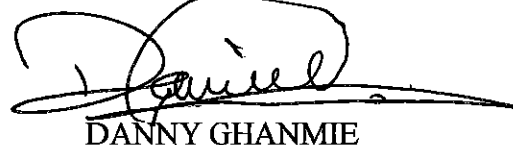


TONY BENTO

JOHN LYONS



DAN WALLACE



DANNY GHANMIE

JUL 19 2011



Corporate Report

Clerk's Files

Originator's
Files

DATE: July 4, 2011

TO: Towing Industry Advisory Committee
Meeting Date: July 19, 2011

FROM: Martin Powell, P. Eng.
Commissioner, Transportation and Works

SUBJECT: **Amendments to Business Licensing By-law 0001-06 and Tow
Truck Licensing By-law 521-04**

- RECOMMENDATION:**
1. That Business Licensing By-Law 0001-06, Schedule 27, section 2(1) be further amended to increase the Storage Fee to forty dollars (\$40.00) per twenty-four (24) hour period, plus applicable taxes.
 2. That Tow Truck Licensing By-Law 521-04, be further amended to prohibit the suggesting or recommending that vehicle(s) be towed and/or stored outside our municipal boundaries.

BACKGROUND: On December 10, 2008, Council passed Resolution 315-2008, put forward by a member of Council in relation to a letter from the Atlantic Collision Group (AGC) that, among other things, set the storage rate for the storage of a vehicle in a Vehicle Pound Facility. This motion was passed by Council for the purpose of consumer protection.

Business Licensing By-law 0001-06 was amended to set the fee for the storage of vehicles at twenty-five dollars (\$25.00) per twenty-four (24) hour time period. This storage fee applies to all vehicles no matter what size of vehicle or if the vehicle was seized or involved in

a collision.

Recently, several members of the tow truck community (now members of Towing Industry Advisory Committee), provided deputations requesting that the storage rates increase for the following reasons:

- Provide a more competitive environment for our Vehicle Pound Facility operators
- Decrease the number of vehicles that are removed from the City of Mississauga and stored in neighbouring municipalities
- Decrease the number of citizen/insurance related complaints

This report was prepared in response to a request from the Towing Industry Advisory Committee. The Committee requested information concerning storage rates charged in surrounding municipalities. At the same time, the Committee asked staff to report back on ways to strengthen our existing legislation to decrease the number of vehicles that were unlawfully being removed from our city.

COMMENTS:

Recently, staff have been encountering situations where “hirer(s)” are being recommended to store their vehicles at Vehicle Pound Facility locations outside our boundaries. Hirer(s) are generally not aware of the ramifications of storing their vehicle in unregulated storage areas.

Staff recommend an amendment to the Tow Truck Licensing By-Law that would make it an offence for a tow truck driver to suggest or recommend business locations outside of the City of Mississauga boundaries. This amendment could reduce the frequency of this happening but strong enforcement will need to be set that would have larger fines and low tolerance for violators of this offence.

In relation to other concerns regarding the current storage fee, a number of factors need to be considered when arriving at our Vehicle Pound Facilities per day storage rate.

Currently, vehicles are being removed to neighbouring municipalities by drivers concerned with the low storage rate in Mississauga. This rate is collected by the Vehicle Pound Facility operator for the storage of the vehicle and is not a rate the driver supposedly receives.

This raises the question of why would any increase of the rate benefit the operation of the Mississauga Vehicle Pound Facilities if the incentive to the driver would still be to take it outside the municipality, unless the driver is receiving a portion of the storage rate. The drivers recently received an increase of eighteen percent (18%) in the collision towing equal to the cost of living over the past ten years (10) and may also charge for winching vehicles that are located off the road and need to be winched to a towing position.

In investigating many of the complaints received by the public and insurance companies regarding the removal of vehicles outside of Mississauga, staff found that the vehicles tended to be considered insurance right offs (non-repairable). The driver does not receive a percentage of a repair in this case and looks to the storage cost for compensation. The storage rate should not be considered in this context and the rate should not be increased solely to contribute to increased earnings for the drivers for non-repairable vehicles.

The storage rates must be set at an amount that allows for the pound facility to manage its operation taking into consideration the cost of the property and the cost of maintaining a 24/7 facility as the by-law requires.

The storage rate may need to reflect the size of vehicle. Currently, the rate applies to any vehicle. In the case of a transport truck that may occupy 3-4 spaces in the Vehicle Pound Facility, the operator will only receive the set rate of twenty-five dollars (\$25.00) per day. An appropriate vehicle size fee should be considered when setting the fee. This will be considered during the review of towing rates for heavy vehicles currently being undertaken by staff for consideration at a future date by the Committee.

In some municipalities there are storage rates for indoor storage and outdoor storage as well as 24/7 operations or business hour operations. The Vehicle Pound Facility licence requires the facility to be accessible twenty-four (24) hours a day. This operation is more expensive due to the hours of operation and the rate should reflect that requirement.

Appendix 1 (attached) shows a comparison of the per twenty-four (24) hour storage rates charged by regulated and unregulated Vehicle Pound Facilities located within a half hour (1/2) drive of our

municipal boundaries. Also included are extra “soft” costs often added to each and every storage bill. The data contained in Appendix 1 reveals a range of storage rates from twenty to eighty dollars (\$20.00 to \$80.00). In addition, “soft” costs vary from \$0.00 in Mississauga to three hundred and fifty dollars (\$0.00 to \$350.00) in Halton Region.

Another item to note is that an unregulated fee has no controls on it; can be a part of additional costs and can be charged at any time. When reviewing the fee for storage, staff do not recommend using the rates of unregulated municipalities as a marker for the reasons noted.

The City of Vaughan is currently reviewing the fees they are regulating for the industry. The storage fee is one of these fees and although a report recommended fees for inside storage of one hundred dollars (\$100.00) per day and outside storage of sixty dollars (\$60.00) per day be set, the report was deferred to have staff obtain feedback from the insurance industry as well as the public.

The industry members have indicated that the low storage rate has caused operational problems and the impact on the industry is affecting their livelihoods since the rate went into effect. A review of the licensed tow trucks along with the licensed Vehicle Pound Facilities, Appendix 2, has shown little change over the past two (2) years. In fact, since 2008, the year the storage rate was set, the number of tow truck owner licences increased in 2009 by sixty-eight (68) licences, or eight percent (8%) and then decreased in 2010 back to a comparative figure with 2009. Vehicle Pound Facilities licence issuance has remained constant. The change in the number of tow trucks in 2010 may be attributed to the increase in licence fees and a stronger enforcement of the licensing requirements for operators located outside the municipality.

It should also be noted that it is a common practice for repair facilities to waive the storage fee if repairs are completed at their facility. The storage fee then becomes a penalty for moving the vehicle or for non-repairable vehicles. This is a reason why the storage fees must be carefully determined.

Insurance representatives have advised the Committee that if storage rates are raised, their costs will increase and, as a result, escalating automobile insurance premiums would be experienced by our residents. Concurrently, there could be a decrease in insurance costs if fewer vehicles leave our city for outside destinations such as Oakville and Toronto and their frequent elevated storage invoices.

OPTIONS:

With regards to the twenty-four (24) hour storage rate at a Vehicle Pound Facility, three options were examined:

1. Increase storage rate to forty dollars (\$40.00) per day. It balances consumer protection issues, financially strengthens the Vehicle Pound Facility owners and represents a storage rate increase of approximately sixty percent (60%). This increase is not what the industry has mentioned as being acceptable to them. However, it is a large increase from the current rate and should allow for the operators to cover the costs of their operations. As indicated in Appendix 2, there have been a few companies that have stopped being licensed over the last three years (3) and if this amount is applied to the business and not the driver earnings, it should be beneficial to the company.
2. Increase storage rate to sixty dollars (\$60.00) per day. This rate is at the high end of neighbouring municipalities and other urban centres. It represents a storage rate increase of approximately one hundred and forty percent (140%). The rate is also reflective of the 24/7 Vehicle Pound Facility storage charge in Brampton.
3. Increase the storage rate to eighty dollars (\$80.00) per day. This rate is the highest of all and is indicative of the unregulated areas. It represents a two hundred and twenty percent (220%) increase to the rate. This represents a very dramatic increase and is of little benefit to the consumer.

FINANCIAL IMPACT: No direct financial impact would be experienced by the Corporation of the City of Mississauga.

CONCLUSION: An amendment to the Tow Truck Licensing By-law prohibiting drivers from recommending or suggesting a vehicle be removed from the municipality to another municipality coupled with a high "set fine"

for any offence and a risk of licence revocation for repeat incidences should decrease the number of vehicles being towed out of the municipality.

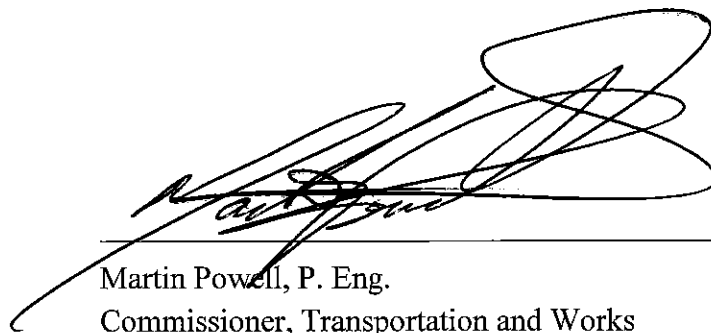
Increasing Vehicle Pound Facility storage rates from twenty-five to forty dollars (\$25.00 to \$40.00) per twenty-four (24) hour period will provide the Vehicle Pound Facility operator with a sixty percent (60%) increase in revenue.

These two amendments to the By-laws will ensure that consumer protection remains one of the corner stones of this industry.

ATTACHMENTS:

Appendix 1: Comparative Municipal Analysis – Vehicle Pound Facility Storage Costs

Appendix 2: Three year chart of Tow Truck Owner/Driver Licences and Vehicle Pound Facility Licences



Martin Powell, P. Eng.
Commissioner, Transportation and Works

Prepared By: James Bisson, Manager, Mobile Licensing

Comparative Municipal Analysis – Vehicle Pound Facility Storage Costs

Municipality	Per 24 hours Storage rates	Extra Charges/Comments
Halton (Unregulated)	\$60-\$80	Admin \$200, Release \$150, Some locations storage is \$80
Brampton (Regulated)	35/60 if Open 24/7	Admin \$50, Environmental \$10
Toronto (Unregulated)	\$60-\$80	\$20 per day, when towed from private property
Vaughan (Unregulated)	\$60-\$100	Legislation pending proposing rates between \$60 to \$100
Bolton (Unregulated)	\$60-\$80	Charges often \$80 per day
Mississauga (Regulated)	\$25	None

Tow Truck Owner Licences

	Total Licensed	M.V.C. TOWING AND STORAGE INC	ATLANTIC SHOWCASE AUTO COLLISION INC	TOLFA AUTO WORK LIMITED	MC Towing (Numbered Corporations)	LYONS AUTO BODY LIMITED	T.L.K. TOWING LTD
# of Tow Trucks in 2008	471	3	14	56	19	39	3
# of Tow Trucks in 2009	539	2	22	42	16	43	5
# of Tow Trucks in 2010	464	3	* 0	57	19	40	3
% movement in fleet size (2008 to 2009)	+14%	- 33%	+57%	- 25%	-16%	+10%	+67%
% movement in fleet size (2009 to 2010)	-14%	+ 50%	N/A	+35%	+19%	-7%	-40%
% movement in fleet size (2008 to 2010)	-1.5%	0%	N/A	+2%	0%	+3%	0%

* Atlantic Showcase no longer issued licences, ownerships transferred to Tolfa Auto Works Ltd. And Trinity Auto Service (Tolfa Auto Works Ltd. Company) 4 vehicles appear to have sold to 4 separate companies.

Vehicle Pound Facility Owner Licences

Year	# of Vehicle Pound Facilities Licensed
2008	8
2009	21
2010	21
% change in licences 2008 to 2009	This was the initial licensing year
% change in licences 2009 to 2010	0%
% change in licences 2008 to 2010	162.5%