

 COBOURG	THE CORPORATION OF THE TOWN OF COBOURG	
	STAFF REPORT Committee of the Whole Meeting	
TO:	Mayor and Council Members	
FROM:	Brent Larmer	
TITLE:	Municipal Clerk/Manager of Legislative Services	
DATE OF MEETING:	Monday January 27, 2020	
TITLE / SUBJECT:	Town of Cobourg Taxi By-law Review and Discussion	
REPORT DATE:	August 26, 2019	File #:

1.0 STRATEGIC PLAN
Not Applicable

2.0 PUBLIC ENGAGEMENT

The Town of Cobourg Legislative Services Department and Communications Department undertook a four (4) week public engagement consultation process with Cobourg Citizens, Taxicab Owners, and Taxicab Drivers beginning on September 6, 2019 and concluding on October 11, 2019. The purpose of this process was to engage stakeholders and community members on the Taxicab Industry in the Town of Cobourg while also seeking feedback and dialogue from members of the public related to the incorporation of ride-sharing/vehicle for hire regulation (Transportation Network Companies) within the Town of Cobourg.

The consultation process was comprised of various engagement initiatives that included the use of the Engage Cobourg (Bang the Table) Portal www.engagecobourg.ca, the Town of Cobourg's newly implemented online engagement platform.

Engagement opportunities included:

- Surveys available online on Engage Cobourg, on Paper and the Legislative Services Department and on Survey Monkey; and
- One (1) Open-Ended Forum which asked Citizens to input their vision for the Taxicab by-law, industry and services.

The public consultation was promoted to the community and stakeholders through various mediums, including media materials, social media as well as print, radio and digital promotion.

Public Engagement Response:

In Total:

Completed Survey:

- Citizens - 116
- Taxicab Owners - 4
- Taxicab Drivers – 3
- Ridesharing/Vehicle-For Hire - 0

For a more detailed breakdown on the summary of the Engagement please see the participant summary on page 11 of the Public Engagement Report attached as Appendix “A” to this Staff Report. This Engagement Report information was utilized to develop the recommendations in the report and will be referenced and discussed throughout this paper.

3.0 RECOMMENDATION

THAT Council receive the report from the Municipal Clerk/Manager of Legislative Services for information purposes; and

FURTHER THAT Council authorize Staff to incorporate regulations through by-law to regulate ‘Transportation Network Companies’ that provide an alternative transportation service within the Town of Cobourg in order to be prepared when this industry arrives in the Town of Cobourg; and

FURTHER THAT Council approve the staff recommendations to modernize the Taxicab Regulations that are outlined in the staff report and authorize the preparation of a by-law to be endorsed and presented to Council for adoption at a Regular Council Meeting to incorporate the changes into a new ‘Private Transportation Regulating By-law’; and

FURTHER THAT Council direct Staff to develop and present detailed options to Council regarding regulations to help support the introduction of Accessible Taxicabs in the Town of Cobourg and direct Staff to invite and engage new and existing businesses to operate Accessible Taxis in the Town of Cobourg.

4.0 ORIGIN

February 19, 2019 - Committee of the Whole

The Legislative Services Department, provided a Staff Report to Council at their February 19, 2019 Committee of the Whole Meeting, regarding accessible taxicab licensing. In response to this Report, Council passed the following recommendation (as noted in the Minutes):

"Moved by Deputy Mayor Suzanne Séguin, THAT Council authorize the preparation of a By-law to amend By-law No.014-2014 being a by-law to licence, regulate and govern taxicab owners and drivers in the Town of Cobourg; and

FURTHER THAT Council repeal section 2.4.1 of By-law No.014-2014 to not limit the number of Taxicab licenses in Cobourg to alleviate non pick-up, wait times and denial of fares; and

FURTHER THAT there be no limit at all to the amount of accessible taxi-cabs that can be licensed within the Town of Cobourg; and

FURTHER THAT Council direct Staff to investigate/create a by-law regulating ride sharing transportation, such as Uber or Lyft and review the entire taxicab by-law through public and taxicab owners and operators."

February 25, 2019 - Regular Council Meeting

At its February 25, 2019 Regular Council Meeting, Council, in response to the direction passed at its earlier February 19, 2019 Committee of the Whole Meeting, passed By-law 013-2019 to amend the taxicab by-law (014-2014).

April 1, 2019 - Committee of the Whole Meeting

Kelly Paton provided a delegation to Council at their April 1, 2019 Committee of the Whole Meeting, regarding the Taxicab industry and the Town of Cobourg's Taxicab By-law. Following this Delegation, Council passed the following Motion (as provided in the Minutes):

"Moved by Councillor Aaron Burchat, THAT Council receive the delegation from Kelly Paton for information purpose; and

FURTHER THAT a Draft By-law be presented to Council no later than November 25, 2019."

July 22, 2019 – Committee of the Whole Meeting

Gary McLean, owner of First Choice Taxi, Licensed Taxi Company Owner, provided correspondence to Council regarding the elimination of the Senior Rate from the Town of Cobourg Taxi By-law 014-2014 to become a one rate system. Council passed the following (as provided in the Minutes):

Moved by Councillor Aaron Burchat, THAT Council refer the review of the Taxicab By-law Rate Adjustment for Senior Rates to be included in the current Taxi By-law review and be brought back to Council on November 25th, 2019.

Legislative Origin:

Ontario's *Municipal Act, 2001* as amended gives the Town the power to license businesses, and specifically to license taxicabs and taxicab brokers.

The general powers of business licensing include requiring a license, refusing a license, setting conditions, regulating the use of property used in the business, and setting administrative penalties for non-compliance. Without limiting these general powers, municipalities may regulate taxicabs and drivers by:

- Establishing rates or fares
- Providing for the means of collection of fares
- Limiting the number of taxicabs or any class of them

The Public Vehicles Act defines a taxicab as “. . . a motor vehicle as defined in the *Highway Traffic Act*, having a seating capacity of not more than six persons, exclusive of the driver, hired for one specific trip for the transportation exclusively of one person or group of persons, one fare or charge only being collected or made for the trip.”

General powers of licensing also apply to taxicab brokers. Unlike taxicabs themselves, there are no specific provisions within the *Municipal Act*, but that Act does recognize and define them. A taxicab broker “means a person who accepts calls for taxicabs used for hire and owned by someone other than the person, his or her immediate family or the person’s employer.” The Town of Cobourg does not licence Taxicab Brokers.

The Municipal Act, 2001 as amended also empowers municipalities to collect by-law fees and charges with respect to services provided. Currently the Town of Cobourg has a Taxicab By-law, being By-law No.014-2014 to regulate the Taxi Industry as well incorporated Licensing Fees for taxis as established in the Town’s Fees and Charges By-law, amended and approved in 2017.

5.0 BACKGROUND

The Town of Cobourg Legislative Services Department was tasked with the review of the Taxicab By-law for the Town of Cobourg that provided comment and consideration on Transportation Network Companies and/or known as ridesharing companies. (T.N.C.s).

Defining Transportation Network Companies

T.N.C.s are companies that connect passengers with drivers for hire through a mobile application (app). Examples of T.N.C.s include, but are not limited to: Uber and Lyft. Some municipalities are defining T.N.C.s as – “an organization whether a corporation, partnership, sole proprietor or other form...that provides pre-arranged transportation services for compensation using an online-enabled application or platform to connect passengers with drivers using their personal devices”.

This definition can be further described that T.N.C. drivers are individuals other than licensed taxicab drivers who provides pre-arranged transportation services to passengers for a fee using the T.N.C.s Application. For this reason, T.N.C.s differ from Licensed Taxicabs because payment for T.N.C.s is entirely cashless, trips are arranged exclusively through the T.N.C.s Application and street hails are not permitted.

There are five (5) common elements in a T.N.C.s Business Model which all companies share in common:

1. Technology
2. Driver Screening
3. Reputational Rankings
4. Payment; and
5. Fares

1. Technology

As described earlier in the definition, customers of T.N.C.s arrange rides through an application and are able to monitor the status if their pick-up/location of the T.N.C. Driver via a Global Positioning System in real time. The application allows the customer to input an address for the pick-up location, or in the absence of an address, the customer is able to select a pick-up location on the map. When a pick-up is arranged, the customer is provided with their T.N.C. driver's information which usually includes: name and picture of the driver, details of their vehicle, and reputational ranking. T.N.C. drivers can also call their customers to provide updates on their arrival or to acquire more details on their pick-up location.

2. Driver Screening

T.N.C.s have recognized that there is a need to insure a level of consumer protection, many of the T.N.C.s have established a driver screening process as part of their online driver intake process. The driver screening process typically includes requiring the T.N.C applicant to submit: personal details (name, age, drivers licence, address, email), details

about their vehicle, (licence plate, ownership info) and mechanical safety certificates for their vehicle (vehicle inspection for mechanical safety). In addition the T.N.C. conducts a background check on behalf of the Driver through a third party service that attains the T.N.C driver applicants Criminal Record Check and Drivers Abstract. Please note that looking at municipalities that regulate T.N.C.s, these regulations have become a catalyst for the T.N.C. driver screening process and is now a common practice in order to protect the passengers.

3. Reputational Ranking

This common business practice is a well-used feature where both the T.N.C.s and Customers rate each other at the conclusion of the ride. The reputational ranking of both the driver and the passenger is disclosed to both parties at the time as ride is arranged. T.N.C.s leverage this peer-to-peer reputational ranking system to ensure better customer service and good behaviour. Some T.N.C.s have actually established policies to deny a T.N.C. driver access to their application if the driver's ranking falls below a certain threshold.

4. Payment

Transactions between T.N.C.s and customers is entirely cashless. This means that there is not cash or money within the Vehicle. T.N.C.s generally require customers to maintain a credit card on their account and customers are emailed a receipt at the conclusion of their trip.

5. Fares

Fares, similar to traditional taxicabs, are measured by time and distance travelled. T.N.C. off-peak fares tend to be cheaper than the regulated fares charged by Taxis and set by the Municipality. Notwithstanding this, T.N.C.s leverage data to implement dynamic pricing whereby the price of the service varies depending on the supply of the service (i.e. number of T.N.C drivers available in the geographical area) and the demand for service (i.e. number of customers requesting rides). Specifically, T.N.C.s will discount fares during off-peak demand periods and will conversely raise rates, also referred to as "surge pricing, during peak demand periods.

Regulation of Taxicabs in the Town of Cobourg

Municipalities in Ontario are authorized pursuant to the *Municipal Act, 2001* to regulate taxicabs and other modes of private transportation services to achieve various public policy objectives. The Town of Cobourg passed an approved By-

Law No.014-2014 a By-law to licence, regulate and govern taxicab owners and drivers in the Town of Cobourg for the following three (3) reasons:

Health and Safety to enhance and encourage safe maintenance and operational practices for drivers and owners and ensure accountability of industry participants for health and safety issues. For example:

- Driver test and screening;
- Providing a smoke free environment;
- Requiring vehicle mechanical safety checks; and
- Requiring calibration and inspection of all vehicles

Consumer Protection to enhance and encourage equal, fair and courteous treatment of passengers; protect the property of passengers; ensure competence of owners and drivers in providing taxicab services; promote accountability; ensure consistency in the application of fares; and support proper and good business practices. For example:

- Regulating fares and inspecting meters
- Requiring taxicab drivers to maintain trip sheets

Accessibility that considers the aging population and meets the needs of the accessible community and that ability to have an on-demand Accessible Transportation services 24hrs a day.

Taxi-Cab Regulations Vs. Transportation Network Companies Business

The Town of Cobourg's current Taxicab Licensing By-law defines a Taxicab as:

“**Taxicab**” means a motor vehicle as defined in Section 1 of the *Highway Traffic Act*, R.S.O. 1990, c. H.8, as amended, and having a seating capacity of not more than six persons, exclusive of the Driver, hired for a Trip for the exclusive transportation of one person or group of persons, with one Fare being collected or made for the Trip. Taxicab includes an Accessible Taxicab but does not include a Limousine.

Further to the definition, Section 3.1 defines the provision related to the lawful operation of a Taxicab as defined within the Town of Cobourg as follows:

Section 3.1:

No person shall operate or permit the operation of a motor vehicle as a Taxicab in the Town without an authorized Town of Cobourg Taxicab Licence.

With this current definition within the existing By-law, Vehicles driven by T.N.C. Drivers are not excluded from the definition. The T.N.C operational model contemplates that drivers convey paying passengers in the drivers' vehicles. To this extent, at least, the T.N.C business model does not comply with the provisions of the Town of Cobourg Taxicab By-law. When providing their services, T.N.C drivers are considered to be operating a Taxicab under the Town's definition and under section 3.1, contrary to the Taxicab Licensing By-law by conveying passengers in a vehicle for a fee.

As discussed above, T.N.C.s can be determined to fall under the Taxicab By-law and the definition, then T.N.C.s would also fall under the exemption with the By-law as follows:

Section 4.1

This By-law does not apply to and excludes the necessity for Licences for Taxicabs originating outside the Town when delivering passengers to areas in the Town.

This exemption has been observed by the Town and reports from citizens that T.N.C.s are currently providing a Uber, Lyft services in Cobourg, specifically during the summer time, but these 'rides' are originating outside the Town of Cobourg and there is no pick-up within the municipal boundaries.

Provincial Developments and Municipal responses to Regulating T.N.C.s

The regulatory response in the Province of Ontario on Transportation Network Companies has been diverse across various jurisdictions and across Ontario regulator regimes have been introduced gradually to govern the operations of the T.N.C.s and their drivers.

At the Provincial level, given that the regulation of the Taxi Industry has historically been the domain of municipalities, there has been limited response at the provincial level in addressing the T.N.C issue.

Some notable developments at the provincial level have included a Private Members Bill called Bill 131, Opportunity in the Sharing Economy Act, 2015, that was presented in 2015 by former MPP Tim Hudak, this Bill did not make it past second reading in the house. Secondly in 2016, amendments were made and passed by the Provincial Legislature under the Provincial Insurance Act, 1990 to permit insurance companies to offer insurance products that cover T.N.C.s. There are a few insurance companies that offer their coverage and can be explored by the T.N.C drivers once they agree to drive for T.N.C.s

At the Municipal level, the regulation of T.N.C.s has predominately been addressed at the local level through municipal by-law regulations. Numerous municipalities in Ontario and across Canada, have approved regulatory regimes which have established operating standards for T.N.C.s and T.N.C. drivers. The reason that these regulations were implemented was part of a reactive response and not proactive, as T.N.C.s operated within several jurisdictions prior to any rules and regulations being in place.

The common elements and regulations of municipal regulator regimes are as follows:

- **Driver Screening** – Municipalities establish minimum standards for driver screening with respect to criminal convictions and level of driving offences for the purposes of registering drivers on the T.N.C.'s platform or issuing a T.N.C. driver's licence on behalf of a municipality. T.N.C.s are permitted to screen drivers using third-party background check providers who attain Criminal Reference Checks and Driver Abstracts on behalf of the T.N.C. and T.N.C. driver applicant.
- **Vehicle Standards** – Municipalities establish minimum standards for vehicles respecting the age of the vehicle; display of a T.N.C. decal/signage; and annual vehicle inspections.
- **Licensing fee Structure** – It is common for municipalities to establish a licensing fee structure which includes a combination of:
 - Flat annual T.N.C. licensing fee;
 - Per driver fee; and/or
 - Per trip fee
- **Insurance requirements** – Municipalities have established insurance requirements for T.N.C.s and T.N.C. drivers to ensure that appropriate levels of insurance coverage is provided to both the T.N.C. driver and customer when the service is provided.
- **Auditing** - To ensure compliance with municipal by-laws, municipalities often require T.N.C.s to submit data on a regular and/or as-needed basis for staff to audit. Municipal data requests typically include all T.N.C. driver and vehicle screening documents, trip history, etc.
- **Security Technology**– both the T.N.C. driver and customer are provided with each other's information (ex. name, phone number, licence plate number, etc.). No additional security features are required or have been implemented as further regulation by a municipality.

An example of a summary of a Transportation Network Company regulations, can be found on each T.N.C webpage. For Example Uber (one of many T.N.C.s) has developed a website which lays out regulations for drivers across multiple Ontario municipalities who have regulations on T.N.C.s the link can be found at this URL - <https://www.uber.com/en-CA/drive/resources/driving-in-ontario/>.

6.0 ANALYSIS

Issue Discussion:

There are two (2) principle issues that are to be considered by the Town of Cobourg and to be discussed as part of this report.

- 1) The Town of Cobourg's highly regulated Taxi Industry is facing the threat of competition from the potential entrance of the T.N.C. shared economy industry that operates in contravention of the Town's Taxicab Licensing By-law. Although currently the Town does not have any T.N.C.s operating within the Town the entrance of this innovative industry can occur without notice. The Town has heard from the Taxi Industry who operates within the Town and has asked that the current By-law be modernized and updated, to protect the current stakeholders and improve the regulation regime to address the following issues including but not limited to:

- Consumer Protection updates: driver screening, insurance, mechanical safety of vehicles, fares, etc.;
- Accessibility Issues, currently there are no Accessible Taxis in the Town of Cobourg operating in the community;
- The need to modernize taxicab standards;
- Inclusion of Private Transportation options that are responsive to the public's changing needs;
- The evolving role of licensing staff to include a monitoring and auditing capability for this type of business.
- Potential collaboration to work with surrounding County Municipalities to share a consistent by-law and licensing approach.

It is important to note and make the distinction that the aforementioned issues are not unique to the Town of Cobourg, and municipalities our size are working to modernize their Taxi regulations and introduce provisions that deal with addressing the shared economy.

- 2) As part of the Council motion passed February 19, 2019, Council directed Staff to investigate/create a by-law regulating ride sharing transportation, such as Uber or Lyft and review the entire taxicab by-law through public and taxicab owners and operators public. This report outlines and describes Transportation Network Company's and how they play a part in

the new shared economy regime. This task was completed through Public and Stakeholder participation which was gathered as part of an Engagement process conducted by the Town which has been attached to the report. The Engagement report clearly provides a response from the public on the issues that are being considered above.

Community Engagement Summary – What we Heard:

In developing this report and the review of the Taxicab industry with the emergence of the Transportation Network Companies, the Town of Cobourg conducted a public engagement campaign to receive feedback from the four (4) specific groups of stakeholders that would be effected by changes or have utilized the taxi industry within the Town of Cobourg. These four (4) groups are; Cobourg Residents, Passengers, Taxicab Owners and Taxicab Drivers. The survey and questionnaire was posted online for four (4) weeks and was divided into six (6) different categories:

1. Licensing;
2. Safety;
3. Service;
4. Tariffs;
5. Ridesharing; and
6. Accessibility.

All responses are summarized within the Taxicab Public Engagement Report attached to this Staff Report. The recommended amendments for Council's consideration are based on the feedback and responses from the community and the three (3) Taxicab Business Owners and a small portion of the licensed drivers. There was a survey for Transportation Network Companies to participate, but there was no response provided by the industry.

As part of the review, and staff's understanding of the importance to engage the Taxi Industry, an additional step was taken, and the legislative services department met on January 14, 2020 with all Taxicab Business Owners to review and discuss the changes that are being recommended for approval.

Significant Proposed By-law Changes:

Eliminating Annual Mandatory Taxicab Inspections

The Ontario Ministry of Transportation (MTO) Safety Standards Certificate (SSC) is a document that certifies a vehicle's fitness. Any inspection station in Ontario licensed by the MTO can issue a SSC, provided the vehicle passes an inspection. This inspection covers the minimum safety requirements for vehicles in the Province of Ontario. Items reviewed during the inspection include

powertrain, suspension, brakes, steering, instruments/auxiliary equipment, lamps, electrical, body, tires and wheels. In July 2016, the MTO updated the standards a vehicle must meet in order to pass the provinces safety inspection and to be considered roadworthy. Some of these changes included deeper tire tread depth, more stringent requirements for structural integrity, new standards for ride height, revised rules for brake lining thickness and stability control systems. Considering this information, staff are recommending the elimination of annual mandatory inspections. Taxicab owners will continue to be required to provide a SSC issued by a licensed mechanic under the authority of the MTO. A second SSC will be required if a taxicab travels more than 25,000 km's within a licensing period.

The Town of Cobourg will continue to enforce the regulations of Taxicab's and driver through by-law, as well as receiving continued enforcement assistance with the Cobourg Police and the Ministry of Transportation on an ongoing basis. These enforcement agencies have a right to question and inspect a licensed Taxicab or Driver at any time with reason, as well as the MTO may check to be sure the SSC compliance is being met and all other Highway Traffic Act rules are being followed. By-law Enforcement and licensing will continue to hold random and scheduled safety and compliance checks throughout the year.

Yearly Taxicab Tariffs Adjustments

Taxis must charge the rate specified in the Taxi Regulating By-law, and must have the meter running to calculate the appropriate fare whenever they carry a passenger. Taxi meter rates are based on a combination of distance and time. Currently in the Town of Cobourg the meter charge is 1.75 per km, with a starting pick-up charge of \$4.75. These Taxi Fares have not been adjusted since 2010.

Below is the Current Taxi Fare Structure.

	Type of Taxi Fare	Rate
1.	Pick-Up Charge	\$4.75
2.	Pick-Up Charge (Senior Rate)	\$4.25
3.	Meter Charge	.35cents 1/5 km (\$1.75/km)
4.	Meter Charge (Senior Rate)	.25cents 1/5 km (\$1.25/km)
5.	Stops During Trip	\$1.50 per stop
6.	Waiting Times at Stops	\$0.75 per min after 2mins
7.	Parcel Unloading Charge	\$0.75 per min after 2mins
8.	Destination Waiting Charge	\$0.75 per min for waiting at final destination

Senior defined as 65 years of age or older.

Staff is recommending that the Town no longer be responsible to set tariff rates independently. Although the T.N.C.s set their tariffs independently from municipalities, Staff and the Taxicab Industry believe since currently there is no threat from T.N.C.s that a first step in modernizing the Taxicab industry is

allowing Owners to collaborate yearly with the Town to set Tariff rates. This change will help to provide rates that are equitable for Taxicab Owners, and help make the Taxi industry sustainable to operate as a business, but also affordable to the public as a means of transportation when traveling inside and outside of the municipality.

As a result of this change, this would mean that yearly, the Taxicab Licence Owners will meet with the Town of Cobourg Licensing Department to submit a proposal to Municipal Council on an agreed upon rate and changes to Taxicab Tariffs. The adjustment of taxi meter rates annually would occur October 1. If an application for the meter rate increase is received by the Town as a proposal from Taxicab Owners at that annual meeting, the proposal should be presented with a business case from Taxicab Owners based on justification on industry costs. These Industry costs would be items such as:

- Rent, Licenses, Other;
- Insurance;
- Fuel;
- Repairs & Maintenance;
- Amortized cost of vehicle;
- Radio & Equipment;
- Earnings - all drivers.

The percentage increase in the meter rate increase is not to exceed the percent increase in industry costs. In order to present a Tariff increase, Owners should track the cost of the operation of a Taxicab Business within the current context of the economy.

Once set, the rates must remain static for at least three (3) months. After a three (3) month period, Taxi Companies that wish to change their rates prior to the annual review can do so with one month's notice. This change makes fee structures more equitable with T.N.C.s. and helps the Taxicab industry to become more modern. The decision to raise or lower rates becomes a business decision for each taxicab owner. This will allow competitive pricing among the ground transportation market with a consensus from owners, assistance with the Town in order to protect the consumer, and final with Council approval. Rates must be advertised to the public of upcoming changes to rates as well as current rates applicable.

Below is the Proposed Taxi Fare Structure beginning in 2020:

	Type of Taxi Fare	Rate
1.	Pick-Up Charge	\$4.75
2.	Meter Charge	\$1.75 per km
3.	Waiting/Running time while under engagement	\$0.75 per minute, Meter activated only when vehicle is travelling below 26km per hour or stopped.

New proposed Discount for Seniors is 10% rather than a separate fare amount.

- Proof of age is needed (Senior 65) at Driver's discretion
- Discount not applied on fares below \$10

Proposed Rate 5km Trip (without stops or wait times)

$$\begin{aligned} \$4.75 + (\$1.75 \text{ per km @ } 5\text{km}) &= \$13.50 - \text{Regular Fare} \\ &= \$12.15 - \text{Senior Discount of } \$1.35 \end{aligned}$$

Proposed Rate 10km Trip (without stops or wait times)

$$\begin{aligned} \$4.75 + (\$1.75 \text{ per km @ } 10\text{km}) &= \$22.25 - \text{Regular Fare} \\ &= \$20.02 - \text{Senior Discount of } \$2.23 \end{aligned}$$

Town of Cobourg Staff are recommending that the Senior Rate be further discussed by Municipal Council in order to determine if this rate should be maintained as part of the Taxi Tariff Regime. As demonstrated within the above Fare examples there is a minor reduction in cost, but to be more equitable for all residents of Cobourg, removing the rate may be something that Council would like to consider.

New proposed wait time charge and elimination of "stop" rate during trips.

Current Fare 5km Trip (with one additional stop during trip, assuming wait time at stop is only 3 minutes)

$$\$4.75 + (\$1.75 \text{ per km @ } 5\text{km}) + \text{Stop Charge (1 stop @ } \$1.50) + 1 \text{ minute wait time } (\$0.75 \text{ per minute after 2 minutes}) = \$15.75$$

Proposed Fare 5km Trip (with one additional stop during trip, assuming wait time at stop is only 3 minutes)

$$\$4.75 + (\$1.75 \text{ per km @ } 5\text{km}) + 3 \text{ minute wait time } (\$0.75 \text{ per minute @ } 3 \text{ minutes}) = \$15.75$$

Current Fare 5 km Shared Ride Trip (with 2 additional drop off stops, assuming wait time at stop is only 1 minute)

$$\$4.75 + (\$1.75 \text{ per km @ } 5\text{km}) + \text{Stop Charge (2 stops @ } \$1.50) + \text{no additional wait time charges at each additional stop } (\$0.75 \text{ per minute after 2 minutes}) = \$16.50$$

Proposed Fare 5 km Shared Ride Trip (with 2 additional drop off stops, assuming wait time at stop is only 1 minute)

$\$4.75 + (\$1.75 \text{ per km @ } 5\text{km}) + 1 \text{ minute wait time per stop} \times 2 \text{ stops } (\$0.75 \text{ per minute}) = \15.00

Although the base tariff rate has not been adjusted, the elimination of the Senior Rate to a Senior discount will help to provide a higher fare from the current rate, and with the addition of a waiting time running charge will help to provide either an increase or reduction to the taxi fare, dependent upon the waiting time, instead of time stopping and not being charged until after two (2) minutes at the current structure.

Eliminating customer bill of rights

Currently no other licence categories have a customer bill of rights. The current bill of rights includes requirements such as prompt and reliable service, a courteous knowledgeable driver who is neat and clean in appearance and assistance when required. Removing the bill of rights places business decisions back in the hands of the taxicab business owners. Should any one taxi owner or driver provide sub-par customer service, the customer can opt to take their business to a different ground transportation provider. From an enforcement perspective, a bill of rights is difficult to enforce. The items covered are subjective and a violation would not be the same for every passenger. Allowing taxi owners to make a business decision with respect to the operation of their vehicle, creates equity between taxi business and T.N.C.s

Licence Issuance Model

On February 25, 2019 Council approved a motion that amended the 2014 Taxicab regulating By-law with the elimination of an repeal of section 2.4.1 of By-law No.014-2014 to remove the limit on the number of Taxicab licenses in Cobourg to alleviate non pick-up, wait times and denial of fares and to allow for more taxicabs to be introduced into the Cobourg Taxi industry.

Town Staff supports the removal of the Taxicab vehicle licence limit that was in place as part of the previous By-law as this change allows for more competition within the Taxi Industry in Cobourg. Since the elimination of the cap on the number of Taxicab licences permitted to operate within Cobourg, the Town has issued two (2) additional taxicab licenses and has had one (1) new Taxi Business start-up. This change has allowed for additional vehicles to be added to existing Taxicab Owners fleet which at the time when the limit existed, this regulation provided a hurdle for some businesses to expand.

In addition, if Council proceeds to incorporate the regulation of Transportation Network Companies in Cobourg through By-law revisions, it will be difficult to limit the number of these T.N.C. drivers and vehicles on the road and this would be consistent with those Ontario municipalities that do provide regulations on T.N.C.s who do not limit the number of T.N.C.s drivers/vehicles that can operate in their respective municipal boundaries. That being said, Municipal staff are recommending that the limit on the number of licences issued remains repealed.

Police Vulnerable Sector Check

Staff is recommending that Taxicab drivers be required to submit a Police Vulnerable Sector Check (PVSC) when obtaining or renewing their licence in the Town of Cobourg. Taxicab drivers are currently only required to obtain a Vulnerable Sector Check only when they first become licensed, and now staff are proposing that both a Criminal Record Check and a Vulnerable Sector Check be provided to the Town.

The PVSC will include the following information:

- Criminal convictions from Canadian Police Information Centre (CPIC) and/or local databases
- Summary convictions, for five years, when identified • Findings of Guilt under the Youth Criminal Justice Act within the applicable disclosure period
- Outstanding entries, such as charges and warrants, judicial orders, Peace Bonds, Probation and Prohibition Orders. As per CPIC policy, information obtained from the Investigative Databank must be confirmed and authorized for release by the contributing agency
- Absolute and conditional discharges for 1 or 3 years respectively

The PVSC will not include:

- Convictions under provincial statutes (i.e. Highway Traffic Act, Trespass to Property Act, Liquor Licence Act)
- Local police contact
- Ministry of Transportation information
- Special Interest Police (SIP) category of CPIC
- Family Court Restraining Orders
- Foreign information
- Any reference to incidents involving mental health contact
- Diversions will not be released as police contact and no reference to the occurrence is permitted (CC S. 717.4)
- Youth Criminal Justice Act (YCJA) information beyond the applicable disclosure period
- Any reference to contagious diseases

Vulnerable Person, means a person who, because of their age, a disability or other circumstances, whether temporary or permanent, is in a position of dependency on others or is otherwise at a greater risk than the general population of being harmed by a person in a position of trust or authority towards them.

Taxicab drivers frequently transport children or other vulnerable persons and staff believe the PVSC as the appropriate level of police record check to ensure safety.

Fees

Below are the proposed licensing fees for 2020:

Taxi Fees - Taxicab Owner		
Fee Description:	Current Fee:	Proposed Fee:
Taxicab Owner Licence	\$150.00	Unchanged
Taxicab Owner Renewal	\$150.00	Unchanged
Taxi Owner Replacement	\$50.00	NEW
Accessible Owner Licence	\$150.00	Unchanged
Accessible Owner Renewal	\$150.00	Unchanged
Accessible Owner Replacement	\$50.00	NEW

Taxi Fees – Taxicab Driver		
Fee Description:	Current Fee:	Proposed Fee:
Taxicab Driver	\$40.00	Unchanged
Taxicab Driver Renewal	\$40.00	Unchanged
Taxi Driver Replacement	\$25.00	NEW
Taxi Driver Transfer	\$20.00	Unchanged

TaxiCab Innovation, Apps

As the transportation industry becomes more modern and technological based the Taxicab regime and industry needs to catch up and meet the new demands of a changing society. One example of this is utilizing a technological approach when accepting fares and conducting business.

Taxi companies in surrounding jurisdictions have recently introduced apps that assist the dispatch process, using some of the concepts that ABSMs like Uber have introduced. In principle a taxicab app can do much of what is done by Uber and Lyft. The main differences currently are the licensed vehicle and driver that arrive, and the relative ability of companies to create immediate consequences for poor customer satisfaction through the driver rating system.

There are companies offering a universal app for taxis (drivers and passengers), for example a Canadian company named ProCabby offers an innovative online solution for Taxi Owners and Drivers or Taxi companies may also develop their own applications. If Taxicab Owners are interested in this innovative application enhancement, Staff would be happy to assist in the installation and advertisement to the public.

In order to accommodate future technological advancements, Staff further recommends that Part 6.5.1 (a) of Section 6.5 Trip Sheets, of Taxicab Bylaw 014-2014, Drivers be permitted to maintain either a hard paper version or an electronic version of "trip sheet" in vehicle.

Accessible Taxicabs:

Section 79 of Ontario Regulation 191/11 being the integrated Accessibility Standards under the *Accessibility for Ontarians with Disabilities Act, 2005*, (AODA) states as follows:

Duties of municipalities, accessible taxicabs

79. (1) Every municipality shall consult with its municipal accessibility advisory committee, where one has been established in accordance with subsection 29 (1) or (2) of the Act, the public and persons with disabilities to determine the proportion of on-demand accessible taxicabs required in the community. O. Reg. 191/11, s. 79 (1).

(2) Every municipality shall identify progress made toward meeting the need for on-demand accessible taxicabs, including any steps that will be taken to meet the need, in its accessibility plan required under Part I. O. Reg. 191/11, s. 79 (2).

The purpose of this section of the report is to provide Council with the information gathered to date to establish the need to require accessible, on-demand taxicabs in the Town of Cobourg and to propose recommendations to Council to implement the requirement of on-demand accessible taxicabs in the Town of Cobourg to meet the need of citizens.

In accordance with Section 79 (1) of Ontario Regulation 191/11, Staff has received the input from the Cobourg Accessible Advisory Committee to determine the need for on-demand accessible taxicabs.

In the previous term of Council, the Legislative Services Department met with the Accessible Advisory Committee to advise of the requirements of the Integrated Accessibility Standard as it relates to taxicabs. Since that time and with the current Accessibility Advisory Committee there has been a standing item

on the Advisory Committees Agenda under unfinished Business called 'Accessible Taxi Update'.

With the current Accessibility Advisory Committee the following recommendations for Staff and Council consideration has been as follows:

- That the Town actively communicate and urge the current Taxicab Owners to operate within their fleet an Accessible on-demand Taxicab;
- Develop an incentive program to encourage the licensing of Accessible Taxicabs in the Town; and
- All Accessible Taxicabs be licensed by the Town and Drivers receive sensitivity training to deal with those citizens who have disabilities.

As part of the Public Engagement on the Taxicab By-law, the public as well as the Taxi Industry provided comment for the need to have an Accessible Taxi On-demand service available for the public.

At this point, and with the current regulations being in place, the Legislative Service Department is awaiting an Accessible Taxicab application to be received for an Accessible Cab to become operational within the Town of Cobourg.

Current Situation for Accessible Taxi Service

Currently the Town of Cobourg has eleven (11) taxicabs licensed between four (4) different Companies operating within the Town of Cobourg. The Town currently does not have any on-demand accessible taxicabs licensed or available with the Town. Throughout 2019, there was one (1) inquiry for an Accessible Taxicab Application, but since the time the application was offered, the application has been abandoned by the Applicant.

Options for Implementing the Identified Need for On-Demand Accessible Taxis

The following are options for Council consideration:

1. Introducing a requirement through municipal By-law that a certain number of Accessible Taxicabs be provided and licensed. For example, provisions could be introduced that would require a taxicab company operating more than five (5) taxicabs or more to license at least one of those as an Accessible Vehicle. Based on the current licensing, the Town of Cobourg does not have any Taxicab Businesses operating 5 or 10 or more licensed taxicabs and therefore this option at this time would not assist with the Town acquiring an Accessible Taxicab. Although this may not be the situation over time and a Business may add more licensed

vehicles to their fleet at any time which could meet this threshold. Additionally, this regulation could propose complications and hard to be maintained in future years depending on the number of taxicabs licensed by each company from year to year. The Town of Cobourg has seen in the recent years a decrease in the amount of taxicabs licensed in the Town.

2. Another option to consider would be to use a ratio of accessible taxicabs to all regular taxicabs licensed and operating within the Town. This meaning for every specified number of regular taxicabs licensed in Cobourg (not company specific) that an accessible taxicab must be licensed. The same problem would arise with the first option that the number of accessible taxicabs would depend on the taxicab business at any given time and may not be consistent from year to year.

With option number two (2) there would need to be an implementation strategy to be established, in order to set out how to determine which taxicab business would be required to license an accessible taxicab and how to move forward from year to year in respect to maintaining the requirement. There may be a need to combine both methods number one (1) and two (2) with the addition of developing a ratio of the number of accessible taxicabs to the population of the Town of Cobourg to develop a number of accessible taxicabs needed to serve the community.

Incentives

Municipal Staff recognizes that the cost of providing an accessible taxicab may be challenging for taxicab companies, and this has been relayed to staff by the current Taxicab Owners. One form of an incentive for the introduction of Accessible Taxicabs would be for the Town of waive the licensing fees for the issuing of Accessible Taxicab licences and their renewals.

In addition to the waiving of Taxi Licensing fees, the Town could provide an operational incentive program to Accessible Taxicab Owners who licence Accessible Taxicabs. These incentives could be in the form of a subsidy to offset the extra cost for an accessible taxi fare which would include the extra time that it takes for drivers to load and unload a passenger, and also any driver training and taxicab maintenance of the accessible devices.

A third option that Council could consider in order to assist within the introduction of a Accessible Taxicabs in Cobourg to assist with the cost and the introduction of a Municipal Subsidy to Taxi owners would to consider raising the Taxi Fare an extra \$0.10 or an alternative price which that extra 10 cents charged for each fare could help to provide an extra amount of money to help companies cover the cost of operating and maintaining an Accessible Taxicab for the community. The introduction of this option would need an implementation plan to make sure

the there is an effect in helping to provide Accessible Taxi Services in Cobourg, meaning that maybe this extra charge would only be in service when an accessible taxicab is licensed to maintain the service.

All off these options would need to be discussed by Council, presented to the Accessibility Advisory Committee, the Taxicab Industry and the public to determine which options would be most effective and successful for the Town's residents.

This section of the report is being presented pursuant to the requirements of the *Accessibility for Ontarians with Disabilities Act, 2005*, and more particularly section 79, which is set out above in this section of the report. The Town of Cobourg is required to: determine the proportion of on-demand accessible taxicabs required in the community; and identify steps to be taken and progress made towards meeting the need within the Town's Accessibility Plan.

Based on the current status of no on-demand accessible taxi service, those that have disabilities currently have to rely solely on the Town's Accessible transit service with has a prearranged process that involves a booking time and also has limited hours. The feedback that the Town has received during consultations with the Accessibility Advisory Committee and the public, Staff are proposing that at least one (1) on demand accessible taxicab be required in the Town of Cobourg to meet the needs of the community.

It is important for Council and the public to understand that Accessible Vehicles need to meet the requirements of the Ontario Regulation 629 being a regulation under the *Highway Traffic Act* dealing specifically with Accessible Vehicles, and portions of Ontario Regulation 611 being a regulation under the Highway Traffic Act dealing with Safety Inspections. Ministry of Transportation (MTO) Safety Certificates are issued in respect of items required to be inspected by Ontario Regulation 611. However there is no mechanism within the MTO for ensuring that the provisions of Ontario Regulation 629 are complied with. This duty for compliance would fall upon the Town's enforcement agencies at the time that the vehicles are licensed, as part of the initial vehicle inspections and routine compliance checks. Training will have to be provided to the Town's Enforcement Staff.

Transportation innovation Case Study – Innisfil Transit
(Information gathered from Staff Reports)

As part of this staff report, Municipal Staff reviewed the current situation regarding transportation within the jurisdiction of the Town of Cobourg. The reason that Town Staff provided this report to Municipal Council was not only to review the Taxicab Industry but also based on the February Council decision asking Staff to investigate the 'Shared Economy' in relation to Transportation Network Companies (ex. Uber and Lift). As part of the research and the drafting of this report, Staff went a step further and explored other existing modern and

innovative options in relation to dealing with examples of transportation in other local municipalities.

In addition, Municipal Staff reviewed the numerous comments displayed and communicated by the community within the Town's Engagement Report conducted by the Town which demonstrated the need to look a bit further than the status quo. This was done by reviewing the current situation in Cobourg and looking to increase efficiency and effectiveness, for residents while reducing costs, and understanding the feasibility of implementing an alternative approach to transportation with the current demographic based on local demand for greater, consistent and reliable transportation options.

Below is a brief summary of the Town of Innisfil and their ability to change their way of thinking when considering operating public transportation within the community. The Town of Innisfil partnered with Uber (for general rides) and local taxi companies (for accessible rides) to bring a reliable, affordable on-demand transit service to serve all residents of Innisfil.

Below is a brief comparison of Cobourg and Innisfil.

Cobourg vs. Innisfil

Cobourg		Innisfil	
Population	19,440	Population	36,566
Density	139.2/km ² (361/sq mi)	Density	869.3/km ² (2,251/sq mi)

In September of 2015, the Town of Innisfil completed a Transit Feasibility Study for the municipality. This study was conducted due to there being no public transit system in the community and the community was demanding a solution to help citizens get around as an alternative option to Taxis. The study recommended that the Town consider a fixed-route bus service to address the current demand for public transit in Innisfil. However, when Innisfil Council considered the options of the report for fixed-route bus service during their Budget deliberations, it was determined that all options would be too costly for the limited level of service that they would provide. As a result, Council directed Staff to form a community advisory committee to assist with further assessing demand-responsive transit solutions. The goal of the committee was to consider and try to achieve an "adaptable", "progressive" and "innovative" solution to efficiently address the public transit demand in Innisfil.

On June 15, 2016, Innisfil Council gave Staff direction to issue a Request for Expressions of Interest to solicit information from proponents to provide on-demand-responsive transit services in Innisfil. The purpose was to gauge interest and assess options from proponents interested in providing this service.

From the submissions that the Town received from proponents, Uber emerged as the only company with an app-based platform (i.e. UberPool) that would facilitate ridesharing and the matching of two (2) or more passengers on trips across the entire Town.

Instead of transit buses working regular routes, the municipality engaged Uber in a Partnership Agreement to allow travelling cars to function as the transit fleet. When a rider opens the Uber app, within the Town of Innisfil jurisdiction, Innisfil Transit pops up as the cheapest option to travel between networks of popular areas called “hubs”, such as libraries, the recreation centre or municipal buildings.

As part of the project that Innisfil undertook in addressing immediate transit needs, the Town structured the program in a Staged approach in order to generate the long term success of the program. The main purposes of Stage 1 was to collect data on the demand for transit in Innisfil and to see how the service is being used. The Town felt that the use of UberPool is best aligned with the focus of Stage 1 of the service to retrieve data on the key origin and destination points for transit in Innisfil. In this type of a transit system, the Town was not required to pay capital costs for items such as buses and bus shelters, in addition to the ongoing operational and maintenance costs. Rather, the Town simply provided funding to cover or contribute to the difference between the Uber fare and a traditional bus transit fare (e.g. \$4-6).

Stage two (2) of Innisfil Transit was launched in 2018, which had a number of recommendations that were results of staff observations as well as a Community Consultation process through engagement surveys. The additions to Stage 2 were a demand for more flat fee destinations (similar to transit stops) to be utilized on the Innisfil Transit App.

What is the fare to use the service?

People are able to book a trip wherever they need to go, 24 hours a day/7 days a week. There are three different types of trips that can be taken:

- 1) Key Destination Request: When a trip is booked from within Innisfil to one of the following destinations, the passenger will pay \$4-\$6 (one-way):
- 2) Custom Destination Request: A \$5 discount has applied to other trips within Innisfil boundaries that are not going to/from the above flat fare destinations.
- 3) Accessible Vehicle Request: residents will be able to request a wheelchair accessible vehicle through a local Taxi company. The price of this trip follows the same fare structure as for the Uber trips.

Current Ridership Numbers from the Town of Innisfil:

Over 112,000 Innisfil Transit trips have been taken since the service was launched in May 2017.

Statistics Overview: (Provided by March 2019 Innisfil Staff Report)

	2017 (May 15-Dec)	2018 (Jan-Dec)
Trips	26,688	85,943
Subsidy	\$150K	\$640K
Riders	3,493	5,749
Drivers	1,393	2,203
Match Rate	17%	31%
Wait Time	9:10 mins	6:10 mins
Completion Rate	71%	87%

Overall, the results in this table are reflecting the success and popularity of the Innisfil Transit service. Particularly, the ridesharing match rate (when 2 or more trips are matched) and completion rate (% of requested trips that are completed) continue to trend upwards, while the average wait time continues to trend downwards as the average wait time was under 5 minutes in the last 3 months of 2018. These trends are reflecting both the efficiency and reliability of the Innisfil Transit service. *(Provided by March 2019 Innisfil Staff Report)*

It should be noted that zero accessible rides were completed in 2017 or 2018 using the partnering taxi company. The Canadian Red Cross provides a transportation service in the Innisfil area for persons with disabilities so it was concluded that riders were either managing to use the Uber vehicles or were utilizing the Red Cross service (perhaps a cheaper or more direct option).

Funding:

A total of \$100,000 was approved by Council for the purposes of implementing demand responsive transit in the Budget for 2017, while an additional amount of \$125,000 was approved for 2018. Innisfil Transit was approximately \$250,000 over budget in 2018 due to a higher growth rate than staff predicted as well fares starting off at a lower amount to offset the cost to increase the popularity of the system and promote the use of the service. In the 2019 budget, Council approved \$885,806 for Innisfil Transit.

Without any changes to Innisfil Transit fares, Staff are anticipating total costs are likely to be in the \$1-1.2 million range for 2019 due to the popularity and growth of the service, along with the Town's growing population (approximately 1,000 new residents each year). In anticipation of the increasing costs, ride fares were

increased in 2019 and the number of rides per month were capped at 30 after which time the rider has to pay full fare for additional rides

Although these costs are starting to exceed what was forecast for the 1-bus or 2-bus route options in the Town's Transit Feasibility Study prepared in 2015, the ridesharing transit system is able to provide convenient door-to-door coverage across the entire Town. In contrast, the bus service only provides access to those within walking distance of the bus stops along the route and wait times can sometimes be up to an hour.

There are options for this type of service to be funded based on the above description of the partnership program which could be considered identical to that of the Town of Cobourg's current Transit System. Budget requirements can be funded from the Municipal Levy or through the Provincial Gas Tax Funds that currently the Town receives, which is allocated to municipalities based on a formula that looks at prior year results and a 70/30 split between ridership and total population. Eligible funding is capped at 75% of municipal spending.

Considerations:

There are many additional considerations that Council should be aware of when considering a case study such as this one when it comes to the implementation of such a program. Below is a list of those considerations:

- Driver/Vehicles
- Partnerships
- Passengers
- Network/Technology
- Incentives
- Education/Promotion
- Existing Infrastructure
- Accessibility

Conclusion:

The Town of Innisfil has provided a transportation system that has met the needs of their residents by implementing a new way of operating a public transportation system. The partnership with Uber has provided a convenient door-to-door service that is available to everyone 24/7 and the results of Innisfil Transit are confirming that the cost of a fixed-route bus system to service all of Innisfil would have been far greater and a less convenient option than through the current ridesharing transit service.

If Municipal Council would like to consider Staff investigating this ridesharing partnership option, Council should direct Staff to provide a detailed report and analysis comparing the current system that is in place (Public Transit, Taxi Services and other transportation networks) to determine if the market, public interest, cost analysis and feasibility based on demographic is an option for consideration.

7.0 FINANCIAL IMPLICATIONS/BUDGET IMPACT

There are no financial implications related to this staff report.

8.0 CONCLUSION

The entrance of T.N.C.s has introduced a plethora of new issues, which impact a broad range of stakeholders and require municipalities to address - the most salient being the need to ensure consumer protection and health and safety. Currently in the Town of Cobourg the emergence of these T.N.C.s has not been visible or an issue.

The proposed changes within the current taxicab regime will help to create more equity within the ground transportation market. If approved, taxicab industry regulations will be more similar to other regulated industries, including T.N.C.s.

9.0 POLICIES AFFECTING THE PROPOSAL

There are not policy implications related to this report. The Taxicab By-law will be revised and amended as a result of Council accepting the recommendation within the report.

10.0 AUTHORIZATION/SIGNATURES



Brent Larmer
Municipal Clerk
Manager of Legislative Services

Ian Davey
Treasurer/Director of Corporate Services/ Interim CAO

