

Vehicle for Hire By-Law 2016-145 Amendment

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Type:	Correspondence for Information Only
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Report Summary

This report provides information regarding a by-law amendment to the Vehicle for Hire By-law 2016-45. Refer to the By-law section of this agenda.

Relationship to the Strategic Plan, Health Impact Assessment and Community Energy & Emissions Plan (CEEP)

This report relates to Council's priority for Asset Management and Service Excellence through a program of regular service review that examines options for improving service levels.

Financial Implications

There are no financial implications associated with this report.

Executive Summary

On November 24, 2020, City Council received a summary of rate review of the City of Greater Sudbury Vehicle for Hire Bylaw. The report presented a historical review of taxi regulations in the City of Greater Sudbury while also providing a municipal comparison of tariff rates and regulatory frameworks.

Applying provisions of the By-law, the report recommended a 5% increase to tariff rates for taxis. Further, while examining municipal comparators for tariff rates and overall administration of vehicle for hire regulations, the report provided option to provide increased autonomy for Taxi Owners, while supporting overall intent of the Vehicle for Hire By-law.

Through resolution CC2020-297, Staff were directed to “to prepare a by-law to amend By-law 2016-145 to remove Schedule A.1 to allow Taxi Owners to create and file their tariff rates with the City of Greater Sudbury, only to be amended annually, unless deemed to be in the best interest of all City of

Greater Sudbury Taxi Owners”.

This report follows Council direction and presents the draft amendments made to Bylaw 2016-145, subject to the approval of Council.

Background

The City of Greater Sudbury has regulated taxi rates since 2003. With authority received through Section 156 of the Municipal Act, 2001, SO 2001, c. 25, the municipality may establish rates to be charged, to provide for the collection of rates and limit the number of taxicabs. Through this authority to regulate, taxi regulations are in place to support consumer protection while also providing for a stable service model for Taxi Owners.

Throughout various reviews of taxi services, where regulations for items such as vehicle age, vehicle condition, minimum insurance and driver record (MTO and Criminal Record) have remained within the regulatory regime to support community safety, various adjustments have been to tariff rates whether within the rate itself or by way of process review to calculate any required adjustments. Embedded within a bylaw, any rate adjustment requires a report to, and decision of, City of Greater Sudbury Council.

Bylaw Number	Regulatory Details
2003-003	<ul style="list-style-type: none">- Tariff rates based on CPI for Fuel, Repairs and Maintenance, Employed Driver Returns, Professional Fees, Owner Driver Returns, Insurance, Depreciation, Return on Investment and Dispatch Fees- Regulated vehicle age/standards, minimum insurance premiums, and criminal record check process for Drivers
2008-180	<ul style="list-style-type: none">- Tariff rates reviewed every three (3) months by using a formula that applied an average price per liter from three (3) different gas stations- Regulated vehicle age/standards, minimum insurance premiums, and criminal record check process for Drivers
2014-115	<ul style="list-style-type: none">- Following January 2014 review, Taxi Cost Index formula was implemented to determine fare increases/decreases- Regulated vehicle age/standards, minimum insurance premiums, and criminal record check process for Drivers
2016-145	<ul style="list-style-type: none">- Created a regulatory foundation for the inclusion of ride sharing companies- Maintained the use of a Taxi Cost Index formula to determine fare increases/decreases

To support a fair and transparent regulatory system for vehicle for hire in the City of Greater Sudbury, Staff host stakeholder meetings as part of the review process. These open forum gatherings provide opportunity for Owners to discuss trends in the taxi industry and speak openly about regulations as they apply to their operations.

Within the most recent stakeholder session in 2020, Taxi Owners brought forward industry concerns related to increases in fleet vehicle insurance premiums, challenges with driver recruitment while citing obstacles with the application of a Taxi Cost index as it related to municipally regulated tariff rates. In response to the concerns, while referencing municipal comparators, Staff recommended options to continue with a municipally regulated system while offering autonomy to Taxi Owners that

would allow for individual creation and submission of tariff rates while remaining in line with current fees for pick-up, cost per travel, wait time and cleaning.

In conclusion, on November 24, 2020, Council approved the recommendation as outlined in the report and Staff were directed to amend By-law 2016-145 so as to allow Taxi Owners to create and file their tariff rates with the City of Greater Sudbury.

Analysis

In response to Council direction, the proposed Bylaw amendment will provide a regulated system that supports continued oversight for principles of community safety and supports a stable service model for Taxi Owners. Further, it allows for an equitable balance of consumer protection while allowing Taxi Owners to regulate themselves in a way to take into account their costs and profit margin while remaining competitive.

As evident in other Ontario municipalities such as Chatham-Kent and Vaughn, numerous moving away from municipal oversight of rates. Key aspects of the amendment provide for:

- a. Taxi Owners to individually create Tariff rates for drop rate, rate per kilometer traveled, wait time and cleaning fees.
- b. Fees will be submitted to the City of Greater Sudbury on an annual basis. Any increase in this annual submission will be a decision of the License Issuer
- c. Tariff rates will be posted on the City website while tariff cards will continue to be required to be posted within all licensed taxis
- d. Private transportation companies will remain on a level competitive playing field where the municipality does not dictate their fares.
- e. Regulations for vehicle condition, vehicle age, minimum insurance requirements, driving abstract and driver criminal record will remain in place

Forecasted amendments have been communicated to Taxi Owners by way of formal letter and have been received without concern.

Conclusions

This report follows Council direction received on November 24, 2020 through Council resolution CC2020-297 and informs of recommended amendments to Bylaw 2016-145 that will address industry concerns for regulation of fares and provide autonomy to Licensed Owners to prepare and submit rates to the municipality.

Staff have provided amendments that allow for the continuation of a municipally regulated taxi service as supported by Bylaw 2016-145, as amended. Regulations that oversee requirements for the licensing of drivers and vehicles are in place to support community safety and well-being of both passengers and drivers, while ensuring trust in the service.

Resources Cited

Council By-Law Report, dated October 29 2019 – Presentation – Request for Decision
City of Greater Sudbury Comprehensive Sign By-Law Review, Recommendations and New
By-Law
<https://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=1331&itemid=14680&lang=en>

Martin Rendl Associates September 2019 Report: City of Greater Sudbury Sign By-Law Review –
Recommendations Report
<https://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&attachment=27867.pdf>

Operations Committee, dated July 08 2019 – Presentation – For Information Only
City of Greater Sudbury Comprehensive Sign By-Law Review Update
<https://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=1343&itemid=16398&lang=en>