




CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Licensing and By-law Services Division

TO:	Chair and Members Planning Committee
COMMITTEE DATE:	August 3, 2022
SUBJECT/REPORT NO:	Taxi Regulation Review Report (PED22055) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Dan Smith (905) 546-2424 Ext. 6435
SUBMITTED BY:	Monica Ciriello Director, Licensing and By-law Services Planning and Economic Development Department
SIGNATURE:	

RECOMMENDATION

- (a) That Council approve the reinstatement of the Taxi Inactive Plate fee retroactive to its termination date of December 31, 2021 and extend it until December 31, 2022 at an estimated cost of \$28,350 and that the User Fees and Charges By-law No. 15-158, be amended accordingly;
- (b) That Council approve the amendment to Appendix 1, Schedule 25 of the Licensing By-law 07-170, to add a \$10 fee for requested Van (non-accessible) trips, attached as Appendix "A" to Report PED22055; and
- (c) That Council approve a one-year extension to the Accessible Taxi Financial Incentive Program until April 1, 2024, originally passed as a one year pilot program in 2018 through report PED18082, was extended through PED18082(a) for 16 months and then re-extended through PED18082(a) until April 1, 2023 and that it be modified to include additional incentives of \$100 to \$500 annually based on the overall number of trips per approved licensed driver.

EXECUTIVE SUMMARY

Report PED22055 addresses the concerns expressed by the Taxi industry through ongoing communication with Staff and delegations at the Planning Committee.

After a comprehensive review of best practices in other municipalities, consultation with stakeholders and other City departments, Staff are recommending amendments to Schedule 25, (Taxi cabs) of the Licensing By-law 07-170 (By-law) and the User Fees and Charges By-law 15-158.

The amendments proposed will bring the By-law in line with industry standards while making adjustments to current programs for a made-in-Hamilton approach based on the needs of the community and the industry.

Alternatives for Consideration – See Page 10

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Subject to the approval of Recommendation (a) to Report PED22055, there would be a one-time revenue loss of approximately \$28,350. It is anticipated that the City will receive funding from the Province through the Safe Restart Fund, which would offset the revenue loss. Should the Province not provide the funding the loss would be absorbed through the Licensing and Bylaw Services (LBS) operating budget.

Subject to the approval of Recommendation (c) to Report PED22055, there will be no impact on the LBS budget as the funds of the program are fully covered by the in lieu of accessible per trip fees of the licensed Personal Transportation Providers (PTPs).

Staffing: N/A

Legal: N/A

HISTORICAL BACKGROUND

On January 11, 2022, Planning Committee heard from 5 delegates from the Taxi industry that raised the following concerns: promotional schemes, the Accessible Taxi Financial Incentive Program, taxi inactive plate fees, surcharges for Vans, insurance costs and the meter drop rate. A motion was passed to have staff review these concerns and report back to the Planning Committee.

At the April 25, 2022 Planning Committee meeting, Report PED22105 was approved respecting taxi meter drop rate.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

- Licensing By-law 07-170
- User Fees and Charges By-law 15-158

RELEVANT CONSULTATION

- Licensing and By-law Services
- City of Hamilton Legal
- City of Hamilton Risk Management and Claims
- City of Hamilton Finance and Administration
- Consultation with Taxi Drivers, Plate Owners, and legal representatives
- Consultation with both City Licensed Taxi brokerages
- Municipality comparisons through Toronto, Brantford, Ottawa, Mississauga, London, Windsor, Barrie, Waterloo, Niagara Falls, Kingston, Brampton, Oakville, Oshawa, and Sarina

ANALYSIS AND RATIONALE FOR RECOMMENDATION

Taxi Inactive Plates Fee Program

In 2021, Council approved report PED20213 which created a temporary fee for inactive Taxi plates. The \$115 fee, compared to the \$687 annual taxi cab licence, was put in place to assist the Taxi industry as some Taxi plate owners “parked” their Taxis through the pandemic, without the risk of forfeiting their plate or having to reapply for a licence. Schedule 25 of the By-law requires a Taxi plate to be forfeited back to the City if a Taxi vehicle is “parked” or removed from the road. The temporary fee expired on December 23, 2021.

Staff recommend that Council extend the taxi inactive plate option until December 31, 2022. At this time there are 50 Taxi plates that are listed as “inactive” and these Taxi plates would be required to be forfeited back to the City.

Should Council support the Staff recommendation, Staff will provide a refund to the Taxi plate owners that paid \$687 in 2022 for the difference in the full fee and the taxi inactive plate fee. As of the date of the report 17 plate owners would be eligible for a refund should council approve the recommendation. As the taxi inactive plate fee was established during COVID, is anticipated that the City will receive funding from the Province through the Safe Restart Fund, which would offset the \$28, 350 revenue loss. Should the Province not provide the funding the loss would be absorbed through the LBS operating budget.

With the annual increase in fees through the User Fees and Charges By-law 15-158, the Taxi Inactive Plate Fee that would apply in 2022, is \$120.

Notice of change or cancellation of insurance

Schedule 25 of the By-law requires the Taxi plate owner to provide notification to the Licensing Section of their intent to cancel or change their insurance no less than 30

days in advance. Members of the Taxi industry sought an amendment to this section of the By-law to lessen the number of days' notice required. Staff have consulted with the Legal and Risk Management division.

Upon review of this requirement, if a Taxi plate owner cancels their insurance the By-law requires the return of the Taxi plate to the Licensing Section. Once a plate is returned, the By-law, particularly this section no longer applies to the Taxi plate owner and a Taxi plate owner would be able to cancel their insurance in alignment with any policy the insurance company may have.

As a result, Staff do not recommend this section of the By-law be amended.

The Licensing Section has worked with the Government Relations and Community Engagement Division which has advocated to the Province on behalf of the Taxi industry due to the high insurance rates. The Taxi brokerages have provided information to the City for these advocacy efforts and have been updated on these communications.

Introduction of a Van Request surcharge:

To assist with the higher costs associated with Van trips, including rising fuel and insurance costs the Taxi industry sought an option to apply a surcharge when a Van is requested for a Van non-accessible trip.

A \$10 surcharge would apply to a trip requested through either a phone-in dispatch system or app-based dispatch system. The surcharge would not apply to any street hail or Van that accepts a fare where a Van has not been specifically requested. These surcharges are not to be applied to accessible trips in accessible Van Taxicabs.

Van surcharges are common in many neighbouring municipalities.

Toronto	Brantford	Mississauga	London	Barrie	Kingston	Brampton
For each additional passenger in excess of 4 - \$2.00	\$20.00	For each additional passenger in excess of 4 - \$1.50	Set by individual Brokerage	Set by individual Brokerage	For each individual passenger in excess of 4 - \$2.50	\$10.00

These municipalities do not have a Van surcharge:

- Ottawa, Windsor, Waterloo, Niagara Falls, Sarnia.

Staff recommend amending the Bylaw to allow Taxi Brokers and drivers to apply a \$10 surcharge.

Accessible Taxi Financial Incentive Program:

In 2018, Council approved PED18082, which established a one-year pilot for an Accessible Taxi Financial Incentive Program. On January 14, 2020, report PED18082(a) extended the Accessible Taxi Financial Incentive Program for an additional 16 months until April 1, 2021. On July 23, 2021 a communication update was shared with Council on the status of the pilot program. The program had been paused briefly during the pandemic and would resume in August of 2021. On February 10, 2022, report PED18082(a) extended the program until April 1, 2023. Staff recommend that the program be extended for one more year until April 1, 2024, and that it be modified to include an additional incentive that would encourage operators to take on additional accessible trips. Prior to the conclusion of the pilot, staff will report back recommendations to the Planning Committee.

The Accessible Taxi Financial Incentive Program has only had one full year of operation to analyse (2019). The pandemic created inconsistencies and challenges in data analysis as vehicles were off the road, the program was paused during the pandemic and taxi audits were not completed. Data from 2019 indicated early success of the program, however; throughout 2020-2021, and the early stages of 2022, ridership has been down significantly. Staff anticipate that ridership will increase with the reopening of business in the municipality and better data will be available over the next two years to fully assess the impact of this program.

The incentive program currently pays \$5 to an approved driver for each applicable accessible ride submitted to the City. The program was implemented in an effort to increase accessible vehicle ridership, lower accessible wait times, incentivize the opportunity for plate owners to operate accessible vehicles and or have new accessible vehicles on the road.

Although not required, any licensed accessible taxi driver may participate in the incentive program by submitting an application to LBS. Following review of the application, if approved the driver is able to immediately submit accessible taxi trips to LBS. The submissions are reviewed by LBS staff and a \$5 incentive may be paid to these drivers for these trips.

Trips are audited by Licensing Compliance Officers (LCO) using video footage from the taxi cameras. To date, no driver has received a suspension through the program, however, LCO's have discovered a few instances where trips were not of an accessible nature (moving furniture, groceries loaded). These drivers received notice of the violation and were advised of further consequences if violations continued.

The funding for the Accessible Taxi Financial Incentive Program comes from \$0.06 per trip in lieu of accessible agreement with the Personal Transportation Providers (PTPs).

The program is backstopped by \$20,000 Tax Stabilization Reserve approved through report PED18082 should LBS need to rely on additional funds beyond what is recovered through the PTP fee program.

Comments received from the Taxi Industry suggest that Accessible Taxi transportation is suffering due to the high costs of operating and purchasing a vehicle, as well as additional travel time for drivers to move from one accessible trip to another. Taxi Drivers of non-accessible vehicles have more flexibility in picking up fares closer to the last drop off location which can make operating a non-accessible taxi more financially lucrative and have a higher upside then operating an accessible taxi. The vehicle and fuel costs are lower as well. The Taxi industry is asking to build on the incentive program and look for new ways to provide incentives to increase the number of vehicles on the road and encourage drivers to operate them.

Complaints from residents have been related to wait times and availability. These continue to be the main identified complaint items. There have been no recorded complaints through the ACPD Committee specifically.

Municipalities were examined to analysis best practice methods. Of the municipalities canvased only Hamilton, Toronto, Ottawa, and Waterloo use an incentive program for accessible taxis.

Hamilton	Toronto	Ottawa	Waterloo
\$5 flat subsidized rate to all qualified accessible Taxicab drivers	Licence application and renewal fees are waived, training course fees are waived - paid by the Accessibility Fund	Licence application and renewal fees are waived	\$2 per accessible ride
Paid out Monthly	N/A	N/A	Monthly or Quarterly – Drivers can choose reporting frequency

The majority of the municipalities have no Accessible Taxi Financial Incentive Programs:

- Brantford, Mississauga, London, Windsor, Barrie, Niagara Falls, Brampton, Oakville, Oshawa and Sarnia.

Data on the Program to date:

	2018	2019	2020	2021	2022 (YTD)
# PTP Trips Submitted	71,513	2,369,849	1,505,571	1,395,729	479,071

	2018	2019	2020	2021	2022(YTD)
PTP Fee Collected	\$48,067	\$68,000	\$40,827	\$94,011	\$28,744

	2018	2019	2020	2021	2022 (YTD)
# Accessible Taxi Trips Submitted	7,296	26,277	14,113	13,849	4,266

	2018	2019	2020	2021	2022(YTD)
# Accessible Taxi Trips Paid	4963	24,977	2,819	6,046	3,882

	2018	2019	2020	2021	2022 (YTD)
Amount Paid to Accessible Drivers	\$24,993	\$114,852	\$22,296	\$18,826	\$19,410

In 2018 and 2019 the PTP fee revenue was based off the original fee structure where the PTP provider would pay a one-time annual fee in lieu of accessible transportation.

In 2019 there was a \$3,000 short fall from the fees recovered to the fees paid. Based on opening year balances of \$43,000 from 2018 and the PTP platform 2019 one time payments of \$68,000 the \$111,000 total was not able to withstand the payments made to Accessible Taxi Drivers participating in the program (\$114,000). LBS was not able to support the program in full. This shortfall was supported by the LBS Operating budget. These fees were recovered through the new fee structure the following year.

The fee structure was changed due to staff identifying the 2018 - 2019 program in place was not able to sustain the program as is. The fees were changed within 2020 to stabilize the program and increase revenue where the PTP platform would pay \$0.06 per trip to the City to fund the Accessible Taxi Financial Incentive Program. This was changed from the PTP platform paying the one-time fee based on the Class of PTP service they provided. There was a noticeable increase in the revenue through PTP fees 2021 even with lower rides reported through the PTP platforms. Revenue from

these fees are put towards the in-lieu of accessible service fund the PTP platform do not provide and shared based on the current program to the Accessible Taxi Drivers.

COVID-19 provided some challenges in 2020 and 2021 as ridership was down. However, as the new fee structure stabilized in 2021, staff were able see the fee changed supported the improvement and sustainability of the program.

With the new fee structure in place the program is sustainable and can withstand the additional incentives that staff are recommending forming part of this pilot program. The current usable funds within the PTP fee balance sheets stands at \$85,072.

Accessible Taxi Financial Incentive Program Enhancement

Staff are recommending modifications to the program to include an additional incentive that would encourage operators to take on additional accessible trips.

The City licenses 108 accessible taxi drivers. There are 50 registered and approved for participation in the Accessible Taxi Financial Incentive Program. Of the 50 registered, only 26 are submitting trips to receive the funds provided through the program.

A tiered financial incentive is recommended to be put in place for the remainder of the pilot to assess if the enhancement will increase the number of accessible drivers participating in the program, if more drivers registered in the program; this will increase the number of rides accepted if the wait times for accessible rides are decreased and if there is a lower rate of cancellation or no-shows.

The tiered system would provide the following annual incentives:

Step 1-5:

- 1) 0-74 trips per year – stay at \$5 per trip incentive only
- 2) 75-124 trips – additional \$100 plus incentive annually
- 3) 125-174 trips – additional \$250 plus incentive annually
- 4) 175-224 trips – additional \$400 plus incentive annually
- 5) 225 trips and over – additional \$500 plus incentive annually

Currently within each step the percentage of drivers that fall into each category are:

- 1) 31%
- 2) 31%
- 3) 11%
- 4) 0%
- 5) 27%

One of the goals of this enhancement would be to have Step 1-3 drivers increase service levels to bring them into Step 4 or Step 5. This would result in a 73% increase in the number of rides completed by the end of the pilot program. If the majority of drivers

are in Step 4 and 5 would be an enhancement that would see increased service to the accessible community while simultaneously providing further financial incentive to drivers.

A City Accessible Taxi Drivers Licence is \$111 annually (subject to municipal annual 2% increases). Should the driver achieve Step 3 results, it would offset the cost of an annual licence to drive an accessible vehicle. Should the driver achieve Step 4 and Step 5, this would offset further upfront costs including training, fuel, and cost of traveling to the customers location.

Staff will continue to track stats to assess the success of the pilot program and provide a recommendation to Planning Committee prior to April 1, 2024.

Advisory Committee for Persons with Disabilities (ACPD)

This information also serves as a response to the February 8, 2022 Advisory Committee for Persons with Disabilities meeting where item 11.8, Report 22-022 respecting the City's Accessible Taxi Financial Incentive Program was received. The items within item 11.8 have been reviewed by staff and addressed through the recommended Accessible Taxi Financial Incentive Program enhancement.

Promotional Schemes

Members of the Taxi industry including a paralegal that is representing some of the Taxi Industry drivers have provided delegations to Council expressing concerns over the use of the Promotional Scheme that is permitted within Schedule 25.

Schedule 25, Section 52 (1) provides that a Taxi broker may offer, and the Taxicab driver may agree to accept the trip at a rate lower than the approved tariff for the Taxi cab trip. This is up to a maximum of 20%. The trip must be booked through a software application and the Taxi meter in the Taxicab will calculate and display the discount.

This scheme is not mandatory for the Taxi broker to use and it is not mandatory for the driver to accept the trip.

Staff discussed these provisions within the By-law with the Taxi brokers that are currently using the promotion to ensure that it is being used as regulated within the By-law and confirmed that the discount opportunity is being used as intended.

Staff send a quarterly newsletter out to the Taxi industry. These newsletters include information related to changes within Schedule 25, reminders about renewals and clarification on items. In 2022, a Taxi newsletter had information on the Promotional Scheme and provided the clarification on the wording and the responsibilities and options for both the Taxi brokers and Taxi drivers.

Staff spoke with the paralegal who represented multiple Taxi drivers that had a concern with the promotional schemes.

Currently Staff are not recommending any changes to section 52(1).

Assistance to the Taxi Industry from the Pandemic

Over the last six years, the City and LBS have provided the following supports or changes for the Taxi industry in advance of as well as throughout the COVID-19 pandemic:

- Reduction of fees in 2016-2017
- Introduction of Financial Incentive Program in 2018
- Freeze of fees in 2021 (COVID impacts)
- Introduction of Taxi Inactive Plate fee program in Dec 2020 (COVID impacts)
- All late fees waived in 2020 and 2021 (COVID impacts)
- Review by AF&A regarding Municipal Relief of Fees (Reports FCS20067, LS21020)
- Review completed regarding Insurance rates for Taxis resulting in advocacy on behalf of the industry to the Province through the City. (Information report – Taxi Insurance, March 19, 2020)
- Allowance to waive the 30-day insurance cancellation requirement under the By-law at the onset of the pandemic (COVID impacts)
- Updated PTP (Personal Transportation Provider) fee structure to further level the playing field and support Accessible Taxi Financial Incentive Program for Accessible Taxicabs

ALTERNATIVES FOR CONSIDERATION

Council may choose to modify the staff recommendations, including changing the scope or amounts recommended, or Council may choose to maintain the status quo and not make changes to the taxi regulations at this time. Council may also choose to not extend the Taxi Inactive Plate Fee program until December 31, 2022.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Economic Prosperity and Growth

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

Healthy and Safe Communities

Hamilton is a safe and supportive City where people are active, healthy, and have a high quality of life.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report PED22055 – Amendment to Schedule 25 of the Licensing
By-Law 07-170 – Van Surcharge Fee