

# PEG CITY CAR CO-OP LTD.

**Providing a Safe, Reliable and Inclusive  
Carsharing Program**



## Who is Peg City Car Co-op?

*An Interview with Philip Mikulec*

The Manitoba Cooperative Association had the pleasure of interviewing Philip Mikulec, the Managing Director of Peg City Car Co-op who explained to us the importance of being a co-op and how they abide by the cooperative principles. Peg City Car Co-op is a consumer co-op where members pay a one-time refundable \$500 share to gain access to cheaper rates and a bunch of perks. They also serve non-members through their casual account, which doesn't require a \$500 share. They were incorporated in 2010 and launched in June of 2011 and have nearly 800 co-op members and a total of nearly 2,000 drivers.

While their office is located in Winnipeg's historic Exchange District, their product (carsharing vehicles) are placed around town for convenient access. They have over 60 cars strategically located in 11 Winnipeg neighbourhoods. They have cars in South Osborne, Osborne and Corydon Village, Downtown, West Broadway and many more neighbourhoods. You can find a map of all of their cars on their website.

# Co-op Formation

## A Service Gap Needed to be Filled

As explained by PEG City Car Co-op, “We’re celebrating 12 years this June. Thinking like co-op took a couple years before this official date. We were incorporated a year and a half before we launched. During our creation phase for our co-op, our founding directors and the community members were looking to fill a transportation void in Minneapolis. We wanted to create a service that was **affordable** for people to use **their** current vehicles or perhaps owning a car, and become a part of a transportation ecosystem that **allows** people to have more of a choice rather than a private, standard ownership **relationship**. Seeing that it was done elsewhere, many decided, ‘well, why not HOPCME that, here?’”

The framework chosen by Peg City Car Co-op was the consumer co-op model. “The reason for choosing a consumer co-op was both pragmatic and principled. People wanted to have a say in governance through a democratic model. In doing so, it **allowed** people to share in equity investments to help us grow rather than one individual who has the **liquid capital** and financial control. In this situation, you either have the money yourself or you go to private investors who fund your company with an expectation of return. We felt that a consumer co-op model was better as it **allowed** people to put a bit of money with their share as equity to help grow the company.”

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# Democratic Functions

## Meetings, Voting Rights, Etc.

Peg City Car Co-op has many different ways in which they provide democratic governance through their operations. “In terms of our democratic functions, we have an annual general meeting where our members can vote on special resolutions, vote on board members and nominate themselves to join the board. That’s our annual process where members can join the meeting and actively participate by electing the board who governs the co-op. In addition, we have committees that serve at the pleasure of the board. Those committees are open to people who are general members who want to participate but don’t necessarily want to be on the board. If they still want to provide a voice, they have the opportunity to do that through our committees.”



## Supporting Members

In terms of their members, Philip explained a number of things their co-op does to ensure member participation and overall support. "In general, we provide our members with the opportunity to own money and not own a car, which can be very expensive. We are very closely connected to the community and have a number of nonprofits who are members and use our services. There are a lot of community groups that rely on our services to be able to get there. For example, the Citi Grace Housing Co-op, who so happens to be one of our residents, building members bought a member share for the entire building. This allows the residents to use our service without having to purchase their own \$800 share. Our members can be individuals or organizations and we work with them to make sure they get the most out of their Peg City membership."



## The Uniqueness of Peg City Car Co-op

### Scarcity of Car Co-ops and Prompt Business Models

"Unfortunately, there are not many carsharing co-ops left standing in Canada," explained Philip. "When we started 10 years ago, there were car share co-ops out west and multiple car share. Our service makes us somewhat unique. We are now the second largest car sharing co-ops in Canada. That is something we're very proud of." Peg City has a sound business model, but what keeps them unique and able to thrive is the fact that they are a community-owned co-op. "A big thing that co-ops need to understand is that they must follow the same economic framework that everyone else does. It doesn't mean that we don't be regenerative. We care about our members, staff and all of the people that we affect. But, a [warning] you can't short circuit the numbers. The business model needs to be very sound and you need to understand that without a good business model you risk going out of business. Ours, we've been financially pragmatic and understood the realities in which we operate. We've worked hard to ensure we can be successful and survive in a business where the margins are very tight and where you need a lot of cash to be able to grow."

# Pandemic Challenges

For Reg City Car Co-op, around a year ago, when COVID hit, their co-op was hit hard. In general, people drastically changed their behavior and started to stay at home. 'In April we lost about 50% of our revenue compared to what our projections were. We ran a little bit low into May and June. By the time summer hit, we found that people were really taking advantage of our services as case numbers remained low and people weren't travelling internationally.' This led to a significant increase in usage beyond what the co-op originally projected. Since then, 'things have been up and down with the various [lockdowns]. We've done our best to communicate to our members the things we're doing to ensure that they stay safe, even if it's something as small as providing hand sanitizer in all of our vehicles. On our end, we needed to communicate that riding in a shared vehicle is not actually physically sharing a vehicle with another person, unless you want to have them along in the car with you. Research has shown that touch points on a vehicle have not been a high-risk way of transferring COVID. In addition, we've developed other programs in terms of pre-sanitization and we monitor our vehicles that have gone to COVID testing sites. These of our members feels as if they are at high risk, we will clean the car for them before they use it as long as they give us enough notice. Ultimately, we are an essential service, and people need to have access to transportation. We want those to use their best judgement on how and where they need to go.'

