

Taxi Tariff Rates and Taxi Fares

Presentation to
Operations Committee
August 11, 2014

Background

- New Taxi By-law
 - Effective May 13, 2014
 - Tariff Rates regulated
 - Intentionally omitted Tool used to calculate changes in Costs to Operate a Taxi – Schedule C in the by-law
 - No changes in Tariff Rates

Tool used to Calculate Tariff Rates

- Previous tool used since 2008 considered fluctuation in gas prices only
- Taxi Consultant Dr. Hara – Review in February 2014
 - Current method is unsustainable – considers only one cost factor of taxi operation
 - Recommends a Taxi Cost Index

Taxi Cost Index – (TCI)

- Hara Report recommended multi-factored indexing reflecting true costs of running taxi business including:
 - Fuel, Repairs and Maintenance, Employed Driver Returns, Insurance, Depreciation and Return on Investment
- Previous Council – Taxi Cost Index 2003 reviewed and had provided this model.
- Challenge to Finance staff to update old CPI Indices to new current 2014 CPI Indices.

Calculations of Current TCI

- Base Values from 2002 where compared to current values of CPI in June, 2014.
- Factors such as previous fare increases given by Council and harmonized tax impact were accounted.
- Indicates an 11% increase in Tariff Rates
- Council now has a current tool for future comparisons.

Consultation Process

- Staff met with Taxi Owners on July 29/14
- Discussed proposed Taxi Cost Index
- Presented proposed increase in Taxi Tariff Rates – 11%
- Discussed and agreed upon amendments to the by-law to recommend increase and Taxi Cost Index

Taxi Tariff Proposed Increase

Taxi Tariff Rates		
	Current Fares (2010)	Proposed - Sep 1/14
Drop Rate	\$3.50 - 1 st 112 m	\$3.75 – 1 st 100 m
Distance	\$0.25 - each 112 m	\$0.25 – each 100 m
5 km trip	\$14.50	\$16.00
Wait Time	\$36.75 / hr - .57 / min	\$40.75 / hr - .67 / min

- Last increase due to taxi costs was 6 years ago in 2008
- Taxi meters may be calibrated during annual renewal inspections

Recommendation

- That Council authorize through amendments to the taxi by-law
 - 11% increase in the taxi tariff rates as shown in the report;
 - Implementation of the Taxi Cost Index to compare costs of operating a taxi on an annual basis.

Conclusion

- Upon approval of these recommendations staff will
 - Calibrate taxi meters prior to September 1 during annual renewal inspections at no additional cost to the industry;
 - Review, annually, costs using the proposed TCI
 - Consult with the industry and provide results to Council with recommended changes
 - Provide Council with a review of the newly enacted by-law as directed in 2015