

DECISION/DIRECTION NOTE

Title: Taxi Rate Increase

Date Prepared: October 26, 2021

Report To: Committee of the Whole

Councillor and Role: Councillor Maggie Burton, Transportation & Regulatory Services

Ward: N/A

Decision/Direction Required:

A decision is required on a proposed increase in taxi rates.

Discussion – Background and Current Status:

The City's role in the taxi industry is to:

- ensure the vehicle is licensed by the Government of Newfoundland & Labrador as a taxi pursuant to the Highway Traffic Act (i.e.: the vehicle has a "T" license plate);
- ensure the vehicle has a valid inspection certificate from a licensed garage recognized by the Province;
- ensure the vehicle has appropriate insurance coverage;
- ensure the taxi license decals are properly affixed to the vehicle;
- ensure the taxi meters are properly calibrated; and
- set the maximum taxi fare rates.

Taxi fare rates are reviewed by Council from time to time at the request of industry. Recently the majority of taxi owners representing approximately 95% of all taxi licenses (City Wide, Bugden's, Newfound, Jiffy and Independent) approached the City requesting an increase in rates. The last increase in rates was in 2011. Since that time minimum wage has increased by 28% and the CPI for Transportation for NL has increased by 19% from December 2011 to December 2020 (the increase for 2021 is not yet available). The CPI includes the cost of gas but gas has risen considerably since December 2020 and therefore the 19% does not reflect this additional increase. Furthermore, the CPI for transportation does not account for the substantial increases in taxi insurance since 2011. Since 2011 taxi insurance rates have increased by over 200%.

The current rates with tax included (HST was 13% at that time) are:

- Flag Rate: \$3.75 (which includes the first 1/8th of a km or part thereof)
- Distance Rate: \$2.00 per kilometer (charged at \$0.25 per 1/8th of a km or part thereof)
- Waiting Rate: \$32.50 per hour waiting time while under engagement

The proposed rates with tax included (15% HST) are:

- Flag Rate: \$4.50 (which includes the first 1/10th of a km or part thereof)
- Distance Rate: \$2.50 per kilometer (charged at \$0.25 per 1/10th of a km or part thereof)

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- Waiting Rate: \$40.50 per hour waiting time while under engagement

For cash transactions it is important for both the driver and the customer that the meter increases by \$0.25 intervals, therefore rather than increase the 1/8th of a kilometer rate it is necessary to reduce the distance over which the \$0.25 rate applies. This has been reduced from 1/8th to 1/10th.

The percentage increases are summarized as follows:

	Current Rate	Proposed Rate	Increase
Flag Rate	\$3.75	\$4.50	20%
Distance Rate per KM	\$2.00	\$2.50	25%
Waiting Rate per Hour	\$32.50	\$40.50	25%

A number of trial runs were conducted to see what impact this would have on the cost of a typical taxi ride. As expected the overall cost increased by about 23%. For example:

- Downtown to Airport Departures increased 22% from \$21.25 to \$26.00;
- Downtown to Southlands Community Centre increased 23% from \$30.00 to \$37.00
- Downtown to Health Science Centre increased 24% from \$12.50 to \$15.50

Key Considerations/Implications:

1. Budget/Financial Implications:

There are no budget or financial implications for the City. There are financial implications for users of taxis and for the taxi industry with the cost of a taxi ride increasing by approximately 23%.

It should be noted that such an increase could be implemented as one single increase or as a two step increase over a period of months.

2. Partners or Other Stakeholders:

Taxi industry

Users of the taxi industry

3. Alignment with Strategic Directions/Adopted Plans:

Having a sustainable taxi industry aligns with the City Strategic Plan goal of having a City that moves by ensuring a balanced transportation network.

4. Legal or Policy Implications:

A revision will have to be made to Schedule A of the Taxi By-Law.

5. Privacy Implications: N/A

6. Engagement and Communications Considerations:

The City will have to create a communications strategy to advise residents prior to any rate changes coming into affect.

7. Human Resource Implications: N/A

8. Procurement Implications: N/A

9. Information Technology Implications: N/A

10. Other Implications:

Recommendation:

That Council approve an increase in taxi rates to:

- Flag Rate: \$4.50 (which includes first 1/10th of a km or part thereof);
- Distance Rate: \$2.50 per kilometre (charged at \$0.25 per 1/10th of a km or part thereof; and
- Waiting Rate: \$40.50 per hour waiting time while under engagement

Prepared by: Jason Sinyard

Approved by: Jason Sinyard

Report Approval Details

Document Title:	Taxi Rate Increase.docx
Attachments:	
Final Approval Date:	Oct 28, 2021

This report and all of its attachments were approved and signed as outlined below:

No Signature - Task assigned to Randy Carew was completed by workflow administrator Karen Chafe

Randy Carew - Oct 28, 2021 - 7:55 PM

Jason Sinyard - Oct 28, 2021 - 7:59 PM