



TO:	COMMUNITY AND PROTECTIVE SERVICES April, 21,2015
FROM:	G. KOTSIFAS, P. ENG. MANAGING DIRECTOR OF DEVELOPMENT AND COMPLIANCE SERVICES AND CHIEF BUILDING OFFICIAL
SUBJECT:	TAXICAB AND LIMOUSINE LICENSING BY-LAW – FARE REVIEW AND HOUSEKEEPING MATTERS PUBLIC PARTICIPATION MEETING

RECOMMENDATION

That on the Recommendation of the Managing Director, Development and Compliance Services and Chief Building Official, the proposed attached by-law amendment to implement an incremental vehicle for hire annual fare increase utilizing the Ontario Consumer Price Index and minor housekeeping matters **BE INTRODUCED** at the Municipal Council meeting to be held on April 28, 2015, noting that the fare increase will reported annually to Council.

PREVIOUS REPORTS

Taxicab and Limousine Licensing By-law – Fare Review Report – CPSC October 6, 2014

BACKGROUND

On October 14, 2014 Council resolved that a public participation meeting be held to receive comments annually adjusted fare increases based on the Consumer Price Index.

The municipal purpose of regulating vehicle for hire fares is consumer protection. In the absence of fare regulation, consumers would not be able to predict the cost of transportation and could be subject to overcharging during peak demand periods (surge pricing). Municipal regulations must also recognize the variable costs of operating vehicles for hire in an effort to balance incremental fare adjustments and consumer protection.

The cost of operating a vehicle for hire can be divided into the following components:

- Licence fees
- Plate leases and dispatch fees
- Fuel
- Insurance
- Vehicle maintenance and repairs
- Vehicle and equipment (meter, camera)

Some of the costs are static while others are impacted by national or global economic factors such as fuel costs. In addition, variables among vehicle models (i.e. hybrid vehicles)result in differential costs.

In 2004, the drop rate for taxis was \$3.00. In 2008, the rate was increased by \$0.25. Similarly in 2010, the rate was also increased by \$0.25 to recognize implementation of the harmonized sales tax (HST) . The current drop rate is \$3.50. For limousines, the zone fare structure was increased on July 1, 2012 and again on July 1, 2013.

Several municipalities (Brampton, Oakville) have chosen to implement an incremental fare increase utilizing the Consumer Price Index published by Statistics Canada. This index is commonly used by a number of agencies in fairly distributing expenses based on a number of variables collected and analyzed by Statistics Canada. For the vehicle for hire sector,

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applicable expenses (basket of goods) which are included in the index are fuel costs and vehicle costs. The index is released on a monthly basis for both Canada and the provinces.

Based on the consultation with the industry and discussions with the City's Corporate Services area, the most efficient and effective process would be an annual review based on the Ontario Consumer Price Index. The data is readily available, accurate and staff resources to implement annual incremental fare increases would be minimal. The fee increase would be implemented annually during the vehicle licensing renewal period. The June Ontario Consumer Price Index will be used to allow vehicle owners to make meter adjustments prior to the fall licence renewal period. The fees will be rounded to the highest \$0.10. (for example if the Ontario CPI is 2%, then the drop rate will increase from \$3.50 to \$3.60 (taxicab) and the zone map increase (one zone) will increase from \$9.50 to \$9.70 (limousine). The fare increase will be reported annually to Council via a by-law amendment.

The minor housekeeping matters refer to hours of work, a by-law definition and wording which does not impact the enforcement of the by-law.

PREPARED BY:	SUBMITTED BY:
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