SUBJECT: Amendments to the City of Hamilton Licensing Code By-law No. 07-170 – Schedule 25, Taxi Meter Fares (PED08154) (City Wide)

RECOMMENDATION:

That approval be given to:

(a) Increasing the Taxi Meter Fare by 22.6% in accordance with the Taxi Cost Index (TCI), to keep up with the increased operating costs of taxicabs and to ensure a sustainable taxicab industry in the City of Hamilton.

(b) That the address for citizen complaints relating to the taxi industry under Schedule 25 of the Licensing Code be changed to reflect the temporary re-location of City Hall.

(c) That the By-law, attached as Appendix ‘A’ to Report PED08154, which has been prepared in a form satisfactory to the City Solicitor, be enacted by Council.

EXECUTIVE SUMMARY:

Report PED08154 addresses proposed amendments to City of Hamilton Licensing Code By-Law 07-170 with respect to taxi meter fare adjustments to reflect increasing operating costs, as well as a general housekeeping amendment to Schedule 25 of the By-law to change the address of City Hall.
BACKGROUND:

a) Fare Adjustment

In 2006, staff working with the Taxi Industry Advisory Committee, developed and recommended the adoption of the Taxi Cost Index to be used as a basis for taxi meter adjustments. The Taxi Cost Index (TCI) divides the costs of operating a taxicab into the following six components: Licences, Rent, Insurance, Fuel, Routine Repairs and Maintenance; Amortized Cost of Vehicle, Radio and Equipment; and Earnings – all drivers and Other Taxi Cab Expenses. Components of the Taxi Cost Index are measured using the applicable Consumer Price Index published by Statistics Canada and weighed indicating on how Hamilton’s taxi industry allocates its total operating costs in the form of a percentage.

The Taxi Cost Index Calculation indicates that the percentage increase cost for operating a taxicab in Hamilton has increased by 22.66% since the last adjustment approved by City Council in 2006. The price of fuel is fluctuating between $1.20-$1.40 per litre in the Hamilton area. Therefore, the fuel price used to calculate the TCI at the time of this report was $1.27 per litre.

The findings of the current Taxi Cost Index Calculation have been analyzed and staff recommends a .20 cent increase in the drop rate, from $3.00 to $3.20. The per/kilometre rate increase from $1.40 to $1.82. The cost of a five (5) kilometre trip will increase from $9.90 to $12.22. Using the Taxi Meter Rate Adjustments formula (Appendix 6) of Schedule 25 and the Consumer Price Index Ontario (CPI) the rate has been recalculated (see Appendix ‘B’ to Report PED08154).

Staff have consulted with other Ontario municipalities and found that most have increased their meter rates or are in the process of doing so. With gas prices fluctuating, Toronto has increased the drop fee $1.00 from $3.00 to $4.00 as well as an increase in the running meter rate from $0.25/170 meters to $0.25/155 meters.

b) Housekeeping Amendment

The updating of the address listed in Passenger Bill of Rights is also required to reflect the relocation of the Licensing Office to 77 James Street North. This is merely a housekeeping amendment which in no way will impact the intent of the By-law as originally approved and enacted by Council.

ANALYSIS/RATIONALE:

Table 1 below indicates previous and currently recommended (22.6%) change in taxi meter rates in Hamilton.

<table>
<thead>
<tr>
<th>Year</th>
<th>Drop Rate</th>
<th>Rate per KM</th>
<th>5KM Trip</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previous</td>
<td>2003</td>
<td>$2.50</td>
<td>$1.40</td>
</tr>
<tr>
<td>Current</td>
<td>2006</td>
<td>$3.00</td>
<td>$1.40</td>
</tr>
<tr>
<td>Proposed</td>
<td>2008</td>
<td>$3.20</td>
<td>$1.82</td>
</tr>
</tbody>
</table>
ALTERNATIVES FOR CONSIDERATION:

While the recommended taxi meter fare increases address the concerns of the taxi industry, it may negatively affect persons with low income and disabilities who rely on these services, therefore, Committee could decide to take no action and leave rates as is or to not apply the Taxi Cost Index and approve only a “drop rate” or the “per km” increase but not both.

FINANCIAL/STAFFING/LEGAL IMPLICATIONS:

Financial/Staffing: Municipal Law Enforcement Officers will be required to reset taximeter rates and reseal the 430 taxicabs. Staff will be required to purchase 430 meter seals at .15 cent per unit which will be absorbed in the 2008 Budget. This will take two (2) Municipal Law Enforcement Officers approximately three weeks as part of their normal work program.

Legal: n/a

POLICIES AFFECTING PROPOSAL:

The Taxi Cost Index was developed in consultation with the Taxi Advisory Committee to provide a consistent method for recommending fare increases.

RELEVANT CONSULTATION:

Legal Services and Finance have been consulted in the preparation of Report PED08154.

CITY STRATEGIC COMMITMENT:

By evaluating the “Triple Bottom Line”, (community, environment, and economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

Community Well-Being is enhanced.  ☑Yes  ☐No
Ensures that a sustainable taxi industry operates for the City of Hamilton

Environmental Well-Being is enhanced.  ☑Yes  ☐No
Operates as part of a comprehensive transportation service

Economic Well-Being is enhanced.  ☑Yes  ☐No
Provide supports to many industries and services throughout the City

Does the option you are recommending create value across all three bottom lines?  ☑Yes  ☐No

Do the options you are recommending make Hamilton a City of choice for high performance public servants?  ☐Yes  ☑No

MH:VO:jcs - Attachs. (2)
CITY OF HAMILTON

BY-LAW NO. __________

To Amend By-law No. 07-170, a By-law to License and Regulate Various Businesses

WHEREAS Council enacted a by-law to license and regulate various businesses being City of Hamilton By-law No. 07-170;

AND WHEREAS this By-law provides for amendments to By-law 07-170 as hereinafter set out;

NOW THEREFORE the Council of the City of Hamilton enacts as follows:

1. Appendix 1 of Schedule 25 is deleted and replaced with the following new appendix:

Schedule 25

Appendix 1 (Taxicab Tariff/Fares)

Meter and By Agreement Rates

- The Meter and By Agreement Rates as approved by Council are set as follows:
  
  For the first 71.4 meters or part thereof $3.20
  
  For each additional 71.4 meters or part of thereof $0.13 ($1.82/km)
  
  For waiting time while under engagement $0.13 for each 14 (fourteen) seconds
Livery or meter cabs by agreement (per hour) $37.00

Senior Citizens receive a 10% reduction on the above Meter Rates calculated on the highest FULL dollar registered on the taxi meter.

The above rates include the Federal Goods and Services Tax.

In accordance with section 68 of this By-law, promotional discount fares are prohibited subject to the written consent of the Issuer of Licences.

2. The second section 5 of Appendix 4 of Schedule 25 entitled “Passenger Bill of Rights” is renumbered as “7”.

3. Section 7 of Appendix 4 of Schedule 25 entitled “Passenger Bill of Rights” is renumbered as “8” and amended by deleting the address:

Standards & Licensing
City Hall
71 Main Street West, 3rd Floor
Hamilton, ON L8P 4Y5

and replacing it with the following new address:

Municipal Law Enforcement
77 James Street North, Suite 400
Hamilton, ON L8R 2K3

4. This By-law comes into force on the date it is passed.

PASSED this day of , 200 .

____________________________________  ____________________________________
MAYOR                                        CLERK
### 2003 - 2007: Taxicab Fare Calculation Table

<table>
<thead>
<tr>
<th>Components</th>
<th>Weight</th>
<th>Hamilton percentage change 03-07</th>
<th>Hamilton rate change acc to Ottawa weights</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fuel</strong></td>
<td>Fuel</td>
<td>17.1%</td>
<td>22.50% 3.85%</td>
</tr>
<tr>
<td><strong>OHIP</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Automobile Cost</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxicab Equip</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leasing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insurance</td>
<td>Insurance</td>
<td>7.5%</td>
<td>8.00% 0.60%</td>
</tr>
<tr>
<td>Maintenance</td>
<td>Maintenance</td>
<td>4.5%</td>
<td>16.50% 0.74%</td>
</tr>
<tr>
<td>Accident Repairs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cab License Plate Lease</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overhead Expense</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brokerage Membership</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortized Cost</td>
<td></td>
<td>7.7%</td>
<td>11.30% 0.87%</td>
</tr>
<tr>
<td>Personal time</td>
<td>Earnings</td>
<td>52.0%</td>
<td>29.20% 15.18%</td>
</tr>
<tr>
<td></td>
<td>Stand rent, license, union dues, other</td>
<td>11.3%</td>
<td>12.50% 1.41%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>100.0%</td>
<td><strong>22.66%</strong></td>
</tr>
</tbody>
</table>
## Taxi Rates Hamilton

<table>
<thead>
<tr>
<th>City</th>
<th>Date Implemented</th>
<th>Initial Drop Distance (meters)</th>
<th>Increment Rate per Distance (meter)</th>
<th>Trip Cost * 5 Km</th>
<th>10 Km</th>
<th>35 Km</th>
<th>Rate per Time (Sec)</th>
<th>Waiting Time per Hour</th>
<th>Fuel Surcharge/ Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hamilton</td>
<td>2003-May</td>
<td>$2.50</td>
<td>71.4</td>
<td>$9.50</td>
<td>$16.50</td>
<td>$51.50</td>
<td>$0.10</td>
<td>14.0 sec</td>
<td>$25.71</td>
</tr>
<tr>
<td>Hamilton</td>
<td>2008-May</td>
<td>$3.07</td>
<td>71.4</td>
<td>$11.53</td>
<td>$20.12</td>
<td>$63.07</td>
<td>$0.12</td>
<td>14</td>
<td>$31.54</td>
</tr>
<tr>
<td>Hamilton</td>
<td>2008</td>
<td>3.208786</td>
<td>71.4</td>
<td>$12.07</td>
<td>$21.06</td>
<td>$66.00</td>
<td>$0.13</td>
<td>14</td>
<td>$33.00</td>
</tr>
</tbody>
</table>

**Assumptions:**

- The Taxi Cost Index has year 2003 as Base Year.
- The rate of increase of 22.66% is based on Ottawa Model with given weights.
- The source of Taxi Cost Index is from 'Bylaw to Licence and Regulate Various Businesses', page 307.