RECOMMENDATION

That no further action be taken with respect to increasing the taxi meter rates until such time as the consultant’s comprehensive review of the taxi industry (approved by Council October 30, 2012) is completed and staff report back to the Planning Committee in early 2014.

EXECUTIVE SUMMARY

At the July 9, 2013 Planning Committee, staff “were directed to work with the taxi consultant to present a plan of action to address the serious problem of escalating insurances rates to the Planning Committee no later than September 17, 2013.” This motion followed Jagtar Singh Chahal’s delegation respecting challenges faced by the taxi industry because of “escalating insurance rates”.

The City has no authority over insurers or the private insurance industry. However, staff has spoken with an insurance industry expert who has indicated that corrective measures are being considered by insurers which should make insurance rates more
affordable. A representative from the insurance industry is expected at the October 15, 2013 Planning Committee meeting to provide more information as it relates to these corrective measures.

Alternatives for Consideration – See Page 4

FINANCIAL / STAFFING / LEGAL IMPLICATIONS

Financial/Staffing/Legal: N/A

HISTORICAL BACKGROUND

Council directed staff on October 30, 2012 to “to hire a consultant….to conduct a review of the taxicab industry in Hamilton, including stakeholder consultation” which includes taxi trip rates (refer to Report PED10063(e) dated September 18, 2012). The consultant was retained in June 2013 and the study is now underway.

At the July 9, 2013 Planning Committee, Mr. Jagtar Singh Chahal appeared seeking economic relief due to the current taxi insurance climate by means of revision to the Taxi Meter Rate, namely:

- increasing the Initial Pick Up Rate to $3.90 for the first part of 71.4 metres or part thereof;
- reduce the Each Kilometer Rate to $1.80; and,
- for each additional 71.4 metres or part thereof $0.13.

Based on this delegate’s request staff "were directed to work with the taxi consultant to present a plan of action to address the serious problem of escalating insurance rates to the Planning Committee no later than September 17, 2013."

Planning Committee was verbally informed on September 4, 2013, that this item would not be put forward until October 15, 2013 due to heavy agendas.

POLICY IMPLICATIONS/LEGISLATED REQUIREMENTS

N/A

RELEVANT CONSULTATION

Risk Management was consulted in the preparation of this Report as was the Taxi Consultant retained to conduct the Taxicab Industry Review as per Report PED10063(e).
ANALYSIS / RATIONALE FOR RECOMMENDATION

Although the City does not have any authority over insurers, the City does have authority over the taxi meter rates which, as suggested by the delegate, could be raised to help offset the increase in insurance rates.

The Consultant retained to complete the Taxi Industry Review advises that it would not be prudent to change the taxi meter rate before thorough stakeholder consultation, planned as part of the comprehensive review. The staff report resulting from this review will include consideration of the taxi meter rate including factors such as insurance rates, HST and gas prices.

The delegate also requested that Council consider increasing the taxicab age restriction as an additional cost-cutting measures. The current By-Law 170, Schedule 25 states a taxicab shall be no more than six years old, excluding the manufactured year and the delegate recommended that this be increased to ten years. At this time, staff does not support this recommendation. However, once the comprehensive Taxi Industry Review is completed, staff will be able to make an informed recommendation on the topic of ideal taxicab age restriction.

In addition to the delegation, a petition was received from the Taxi Workers Union on July 22, 2013 supporting an increase to the meter rate. However, there are some discrepancies with the two requested rate changes as the Taxi Workers Union have requested:

- increasing the Initial Pick Up Rate to $4.50 for the first part of 71.4 metres or part thereof;
- for each additional 71.4 metres or part thereof $ 0.18 (equating to an increase of the Each Kilometre Rate to $2.52); and,
- increasing the waiting time while under engagement to $0.18 for each 14 seconds.

Despite these discrepancies, both parties are seeking an increase due to “escalating insurance rates”.

Also, staff have been informed by a representative of the insurance industry that corrective measures are being considered by insurers which should make insurance rates more affordable. More information as it relates to these corrective measures will be presented at the October 15, 2013 Planning Committee meeting.
ALTERNATIVES FOR CONSIDERATION

Preliminary research indicates that consideration could be given to increasing the taxi meter rate in the short term by directing staff to prepare an amendment to Licensing By-law 07-170, including Schedule 25, in a form satisfactory to the City Solicitor and enacted by Council that will:

- increase the Initial Pick Up Rate to $3.90 for the first part of 71.4 metres or part thereof; and,
- reduce the Each Kilometre Rate to $1.80 (or revising the “for each additional 72.1 metres or part thereof $ 0.13”).

However, in view of the fact that there are differing opinions in the industry about what the rate increase should be, staff recommends that any increases should be part of the comprehensive Taxi Industry Review currently being undertaken which will include thorough stakeholder consultation.

ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN:

Strategic Priority #1
A Prosperous & Healthy Community
WE enhance our image, economy and well-being by demonstrating that Hamilton is a great place to live, work, play and learn.

Strategic Objective

1.6 Enhance Overall Sustainability (financial, economic, social and environmental).

APPENDICES / SCHEDULES

N/A

SDJ/dt