

Date: 2022-09-02

Subject: Taxicab Tariff Review

Contact: James Bisson, Manager, Licensing Enforcement, Enforcement and By-law Services, Legislative Services, 905-458-3424 Ext.63222

Report Number: Legislative Services-2022-860

Recommendations:

1. THAT the report from James Bisson, Manager, Licensing Enforcement, Legislative Services, dated September 2, 2022, to the Vehicle for Hire Committee Meeting of September 21, 2022, re: Taxicab Tariff Review, ALL WARDS, be received.
2. THAT the Committee consider the options set forth by staff in the report for changes to the taxicab tariff and recommend a new taxicab tariff to be implemented for the taxicab industry in the City of Brampton.

Overview:

- The Taxicab Tariff rate outlined in the Mobile Licensing By-Law 67-2014 Appendix H has not been adjusted in over eight years.
- The costs of fuel and insurance for a taxicab in the City of Brampton have increased significantly over the past eight years.
- The consumer price index (CPI) has also increased 16.2% from 2013 to 2021. As of June 2022, the percentage change for the CPI was 7.5%.
- Staff provided options for consideration and adoption by the Committee for taxicab tariff increases.

Background:

The current taxicab tariff rate was implemented by Council on November 4, 2013. At the request of the Taxicab industry, this rate has not been increased for many years in hopes that they remained competitive for their customers.

Over the last few years, the cost of insurance has increased significantly. Many new operators are required to pay facility insurance rates as many insurers for the taxicab industry have moved away from insuring taxicabs.

The consumer price index (CPI) has also increased to 16.2% from 2013 to 2021. As of June 2022, the percentage change for the CPI was 7.5%.

Consumer Price Index by group, month, percentage change, not seasonally adjusted, Toronto*

TIME PERIOD	PERCENTAGE CHANGE
September 2013 to September 2014	2.7
September 2014 to September 2015	1.4
September 2015 to September 2016	2.1
September 2016 to September 2017	2.1
September 2017 to September 2018	2.2
September 2018 to September 2019	1.7
September 2019 to September 2020	.2
September 2020 to September 2021	3.8
July 2021 to July 2022	<u>7.5</u>
TOTAL	23.7

*Statistics Canada. [Table 18-10-0004-12 Consumer Price Index by product group, monthly, percentage change, not seasonally adjusted, provincial cities](#)

Based on these increases, we believe that the taxicab tariff rate should be increased by approximately 24%.

Current Situation:

Staff have been approached by three of the four Brampton taxi brokers requesting a tariff rate increase to help offset the costs of operating a taxicab.

Here are several options using reduced distance and increase price in drop fee:

	Meter Adjustments	1km	5km	10km	15km	20km	avg % Increase
Current Rate	4.25(141m), 0.25 (141m)	\$ 6.00	\$ 13.00	\$ 21.75	\$ 30.75	\$ 39.50	
Option 1	4.35(141m), 0.35(141m)	\$ 6.80	\$ 16.60	\$ 28.85	\$ 41.45	\$ 53.70	29%
Option 2	4.25(113m), 0.25(113m)	\$ 6.25	\$ 15.25	\$ 26.25	\$ 37.25	\$ 48.25	17%
Option 3	4.25(141m), 0.35(141m)	\$ 6.70	\$ 16.50	\$ 28.75	\$ 41.35	\$ 53.60	28%
Option 4	4.25(105m), 0.25(105m)	\$ 6.50	\$ 16.00	\$ 28.00	\$ 39.75	\$ 51.75	24%
Option 5	4.25(109m), 0.25(109m)	\$ 6.50	\$ 15.50	\$ 27.00	\$ 38.50	\$ 50.00	21%
Option 6	4.25(110m), 0.25(110m)	\$ 6.50	\$ 15.50	\$ 26.75	\$ 38.25	\$ 49.50	20%

*These options are based solely on distance, there is no consideration for the time.

Waiting Time can be adjusted by reducing the number of seconds per price increase while under engagement.

0.25/30 seconds is the current time rate= \$30/hour
0.25/25 seconds = \$36/hr (20%) increase in wait time.

Staff are requesting that the Committee consider these options and recommend an option to be used to amend Appendix H Taxicab Tariff of the Mobile Licensing By-law.

Moving forward in an effort to keep the taxicab tariff updated, staff suggest that the meter rate be increased yearly on November 30th by the consumer price index percentage change for the time period ending September 30th of that year. The taxicab brokers will have the option of implementing the new rate or to continue to use the previous rates. The broker would be required to inform the licence issuer of the rate they will be using. A change to the tariff by the brokerage may be done 30 days after the licence issuer is informed of the change to the tariff.

Corporate Implications:

Financial Implications: There would be no significant financial implications

Term of Council Priorities:

This report aligns with the City of Brampton 2018-2022 Priorities:

Brampton is a City of Opportunities: Providing small business owners and operators an opportunity for competitive pricing and an opportunity for cost recovery while providing transportation services for the residents.

Conclusion:

Staff support the request of the taxicab industry to increase the taxicab tariff rate. The consumer price index has increased by nearly 24 percent since the tariff rate was last set by Council.

Staff propose that, on average, the new rate be increased by 24%, however additional options have been provided that average higher than 24%. It is recommended that the committee chose one of the options provided by staff or recommend a reasonable tariff rate agreeable to by the Committee for Council's consideration. Appendix H - Taxicab Tariff of the Mobile Licensing By-law would then be amended to reflect the agreed rate.

It is also recommended that the tariff rate be amended yearly, with the understanding that the taxicab brokers would have the option to adopt the new rate or use a lower rate for their brokerage. The new rate would be based on the consumer price index percentage change for the time period ending on September 30th of that year. The effective date of the tariff rate would be November 30th of each year. This will allow for the taxicab industry the opportunity to recover cost increases.

Authored by:

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