



Taxi Fare Increase

Date	July 6, 2022
To	Executive Committee
From	City Solicitor's Office
Service Area	Licensing & Parking Services
Item No.	EX22-83

RECOMMENDATION

The Executive Committee recommends that City Council:

1. Approve the taximeter rates as follows:
 - a. That the initial meter drop rate for the first 120 metres be increased from \$4.00 to \$4.25.
 - b. That the distance rate be changed from \$0.25 for each additional 138 metres to \$0.25 for each additional 127 metres.
 - c. That the rate for taxicabs hired by the hour be increased from \$36.00 per hour to \$39.00 per hour.
2. Instruct the City Solicitor to prepare the necessary bylaw amendment to give effect to the recommendations, to be brought forward to a subsequent meeting of City Council following approval of these recommendations by City Council.
3. Approved these recommendations at its meeting on July 13, 2022.

ISSUE

Administration received a request from the taxicab brokers that operate in the city of Regina to increase maximum taxicab fare rates to offset increases in fuel costs. The taxicab fares are prescribed by *The Taxi Bylaw, 1994 No. 9635* and are calculated using the taxicab cost fare model. Changes to the taxicab fare schedule requires City Council approval.

IMPACTS

Accessibility Impacts

The taxicab rate changes recommended in the report will also apply to accessible taxicabs.

Policy/Strategic Impacts

The proposed taxicab fare increase has been determined by using the taxi cost fare model policy.

Financial Implications

The cost to print new tariff decals is approximately \$1,200 - \$1,500 and would be covered through the Licensing & Parking Services budget.

Other Impacts

Taxicab operators will be able to recover some of the increased input costs. This will aide in maintaining taxi operators and ensure taxicabs are available for residents that use these services.

There are no environmental impacts arising from this recommendation.

OTHER OPTIONS

Council may choose to approve another fare option or maintain the current fare schedule. Other fare options that were shared with the taxi industry and will achieve taxi rates as per the Taxi Cost Fare Model Policy are provided in Table 1: TCFM Options.

Table 1: TCFM Options Shared with Taxi Brokers

Fee Type	Measure	Option 1	Factor 1	Option 2	Factor 2
Drop Rate	Meters	4.30	120	4.00	120
Additional Rate	Meters	0.25	127	0.25	125
Wait Time	Seconds	0.25	25	0.25	25
Hourly Rate	Hour	39.00	1	39.00	1
Average Trip increase		8.20%		7.90%	

The most recent updates to the Consumer Price Index (CPI) obtained during the submission of this report provides for a 12.3 per cent increase to taxi fares. Due to when the CPI was available, feedback for option three was not received from the taxi brokers in advance of this report being finalized and therefore not included as the recommended option. This option would be in alignment with the TCFM and provide the best option to offset the increased costs faced by the taxicab industry.

Table 2: TCFM Option 3

Fee Type	Measure	Option 3	Factor 3
Drop Rate	Meters	120	4.50
Additional Rate	Meters	123	0.25
Wait Time	Seconds	25	0.25
Hourly Rate	Hour	1	39.00
5 kilometre trip	total cost		\$ 14.50
10 kilometre trip	total cost		\$ 24.50

COMMUNICATIONS

The new taxicab rates will be posted on the City's website and new tariff decals will be printed and posted within each taxicab operating within the city of Regina.

DISCUSSION

The City of Regina reviews taxicab rates on an annual basis by applying the latest Statistics Canada Consumer Price Index data to the Taxi Cost Fare Model (TCFM) for the city's taxi industry. Fuel costs, insurance, vehicle purchase price, commercial rent, wages, and vehicle repairs and maintenance are the factors used in determining rate adjustments. When the cumulative weighted per cent change in these factors exceeds three per cent, a fare increase is recommended. Licensing & Parking Services will provide the rate change options to the taxicab industry and may incorporate any comments and/or suggestions in the recommendations brought before City Council.

The last rate increase was applied in March 2015, for an increase of 3.62 per cent on an average taxi trip (using September 2014 data). No rate increases were recommended between 2016 and 2019 because the per cent change of the factors were below three per cent. During a fulsome review of the taxi regulations in June 2020, *The Taxi Bylaw* was amended to provide taxi brokers the ability to charge pre-arranged rates through a mobile application, but the taxi brokers did not want a rate increase at that time. A pre-arranged trip is one that is booked through a mobile application as described in the bylaw and an agreed upon taxi fare is accepted by the customer in advance of the trip. Throughout the pandemic the TCFM was not reviewed.

The TCFM, for the period since the last rate review in 2014, suggests the cost of operating a taxicab in the community has increased by eight per cent, as shown in Table 3 of this report. The rise in costs is mostly driven by increases in fuel and vehicle cost. Administration is recommending an eight per cent increase in taxicab rates to offset the increased costs faced by the taxicab industry.

Table 3: Taxi Cost Fare Model

Component	Index	Cost Index Weight	Sep-14	Feb-22	% Change	Weighting (%)
Standard rent, licences & other	CPI Regina - All items index	12%	130.2	149.7	14.98%	1.80%
Insurance	Passenger Vehicle Insurance Premiums	8%	137.5	118.8	-13.60%	-1.09%
Fuel	CPI Sask - Gasoline	20%	174.9	203.5	16.35%	3.27%
Repairs & Maintenance	CPI Sask - Passenger Vehicle parts, maintenance & repairs	10%	136	155	13.97%	1.40%
Cost of Vehicle & Equipment	CPI Sask - Purchase & leasing of passenger vehicles	10%	92.2	122.9	33.30%	3.33%
Wage/Earnings	CPI Sask - (LFS) Avg hrly rate, full-time emp, sales & service occupations	40%	20.26	19.9	-1.78%	-0.71%
Total						8.00%

The TCFM calculation suggests a rate increase of eight per cent would adequately cover the increased costs faced by the taxicab industry. Due to limitations in the way taxi meters calculate total trip fares, it is difficult to calculate a rate change that will meet the exact target of eight per cent for both a five-kilometre trip and a 10-kilometre trip, as required by the TCFM. The increase will be applied to the drop, distance, and hourly rates. The taxi industry did not see a need to adjust the charge applied for wait time. Administration shared the rate options to the taxi industry. The proposed rate shown in Table 4 was the preferred rate for all taxicab brokers. See Appendix A for broker acceptance letter.

Table 4: Proposed Rate Change

Fee Type	Measure	Current Factor	Current Rate	Proposed Rate	Proposed Factor
Drop Rate	Meters	120	4.00	4.25	120
Additional Rate	Meters	138	0.25	0.25	127
Wait Time	Seconds	25	0.25	0.25	25
Hourly Rate	Hour	1	36.00	39.00	1

The taxi meter rates listed in the bylaw are the maximum amount a taxi broker or taxi driver may charge a customer. The broker may choose to charge a lower fare or discount any trip. When applying the maximum proposed new taxi meter rates, a five-kilometre and 10-kilometre fare comparison can be found in Table 5. The proposed taxi meter rates, when applied to a standard five-kilometre trip, results in an increase cost of \$1.00 or a 7.8 per cent increase and \$1.75 or a 7.9 per cent increase on a 10-kilometre trip. This confirms that the proposed meter rates, outlined above, have increased in line with the increase in costs of eight per cent as found by the TCFM.

Table 5: Trip Cost

	5 km trip	10 km trip
Current	\$12.75	\$22.00
Proposed	\$13.75	\$23.75

The proposed rate increase was agreed upon by Regina taxi brokers, is in alignment with the TCFM and will provide the taxi industry the ability to recover rising cost of fuel and other vehicle costs.

DECISION HISTORY

The recommendations contained within this report require City Council approval.

Respectfully Submitted,



Dawn Schikowski,
Manager Licensing & Parking Services

Respectfully Submitted,



Cheryl Willoughby,
Acting City Solicitor

Prepared by: Dawn Schikowski, Manager, Licensing & Parking Services

ATTACHMENTS

Appendix A Broker Rate Acceptance Letter