

Admin Report - Taxi Cost Index Review .docx

ISSUE

The fares permitted to be charged for taxi trips are regulated in Bylaw No. 9651, The Vehicles for Hire Bylaw, 2019. In order to ensure taxi fares remain aligned with the costs of operating a taxi, the City of Saskatoon (City) undertakes an annual Taxi Cost Index review. The results of the Taxi Cost Index review for 2020 shows the costs of operating a taxi have increased and a fare increase is necessary to ensure fares remain aligned with costs.

RECOMMENDATION

That the Standing Policy Committee on Transportation recommend to City Council that the City Solicitor be requested to prepare bylaw amendments, effective October 5, 2020, to:

1. Retain the taxi meter minimum fare of \$3.75, decreasing the distance to the first 125 metres;
2. Increase the distance rate to \$0.27 for each additional 125 metres or portion thereof ; and
3. Retain the hourly fare rate of \$40.00 per hour up to 16 kilometres, and increase the fare to \$2.16 for each additional kilometre in excess of 16.

BACKGROUND

Taxis are an integral part of the City's public transportation service options and are heavily relied upon by both residents and visitors to the City. One of the purposes of The Vehicles for Hire Bylaw, 2019, is to establish taxi fares that are reasonable for both the travelling public and people employed in the taxi industry.

In 2011, the industry and Administration collaboratively developed a Taxi Cost Index (TCI). Change in the TCI is calculated on a monthly basis using data from Statistics Canada and provides an objective method for reviewing taxi operational expenses, for the purposes of ensuring fares are consistent with operating costs.

The current taxi fares were adopted by City Council in 2016 to align with the Taxi Cost Index. At its meeting on June 27, 2016, City Council resolved:

"That Bylaw No. 9070, The Taxi Bylaw, 2014, be amended to include the taxi industry's request to increase the taxi meter rate by 6% effective August 1, 2016."

DISCUSSION/ANALYSIS

Taxi Cost Index

The TCI measures expenses such as insurance, licence fees, vehicle maintenance and fuel. Some costs such as insurance and license fees are incurred annually, while others, such as fuel costs, fluctuate. The TCI factors in total costs over the course of a

year, to identify an average monthly change. TCI calculations for the past 24 months show an average increase of 14.8% over the base 2011 fare and a 7.8% increase since fares were last adjusted in 2016 (see Appendix 1).

Taxi Meter Rate Increase

The Taxi Cost Index review was completed by the Administration and results provided to the industry for their consideration.

Industry stakeholders reviewed the data with Administration and based on the findings, requested an increase to the metered fare rate through the following changes:

- reducing the distance covered by the minimum base fee of \$3.75 (referred to as the drop rate) from 130 to 125 metres; and
- increasing the distance rate from \$0.25 per 130 metres to \$0.27 per 125 metres.

In addition to the general meter fares, The Vehicles for Hire Bylaw, 2019, specifies an hourly fare rate of \$40.00 per hour for up to 16 kilometres and \$1.92 for each additional kilometre in excess of 16 kilometres. In line with the proposed metered fare increase, the taxi industry requested the hourly fare rate be increased by a proportionate amount. Administration is recommending the hourly fare rate remain at \$40.00 per hour for up to 16 kilometres but be increased to \$2.16 for each additional kilometre above 16 kilometres, reflective of the proposed distance rate.

The proposed change would result in a fare increase of 7.8% for a typical taxi trip of 5 kilometres. This is in line with the results of the Taxi Cost Index and would result in the cost of a 5 kilometre taxi trip increasing from approximately \$13.25 to approximately \$14.28.

The following table provides historical, existing and proposed taxi meter fares for Saskatoon:

| Date Implemented | Drop Rate | | Distance Rate | | Wait Time Rate | |
|---------------------------------|-----------|--------|---------------|--------|----------------|---------|
| | Rate | Metres | Rate | Metres | Rate | Seconds |
| August 2005 | \$3.20 | 72 | \$0.10 | 72 | \$0.10 | 15 |
| June 2007 | \$3.50 | 66 | \$0.10 | 66 | \$0.10 | 15 |
| May 2011 | \$3.75 | 142 | \$0.25 | 142 | \$0.25 | 35 |
| August 2016 (Existing rate) | \$3.75 | 130 | \$0.25 | 130 | \$0.25 | 35 |
| October 2020 (Proposed rate) | \$3.75 | 125 | \$0.27 | 125 | \$0.25 | 35 |

A review of other municipalities indicates the industry's proposed increase would result in a total fare which remains comparable to other Canadian jurisdictions. A municipal scan providing a comparison of fares based on a five kilometre taxi trip is provided in Appendix 2. Fares for a 5 kilometre taxi trip range from \$10.50 to \$15.89.

FINANCIAL IMPLICATIONS

There are no financial implications.

OTHER IMPLICATIONS

There are no other implications.

NEXT STEPS

Should City Council adopt the recommendations of this report, the City Solicitor would prepare the necessary bylaw amendments for adoptions, and information on the City's website will be updated to reflect the new fares. Community Standards and Communications will work together to ensure taxi industry stakeholders, residents, the media and other interested stakeholders are aware of City Council's decision.

APPENDICES

1. Taxi Cost Index
2. Municipal Scan – Taxi Fares across Canada

REPORT APPROVAL

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| Written by: | Wayne Sum, Taxi & Rideshare Manager |
| Reviewed by: | Mark Wilson, Licensing and Permitting Manager |
| Review by: | Jo-Anne Richter, Director of Community Standards |
| Approved by: | Lynne Lacroix, General Manager, Community Services |

SP/2020/CS/TRANS/Taxi Cost Index Review/pg