

The Corporation of the City of Kawartha Lakes

Council Report

Report Number LIC2018-001

Date: January 30, 2018
Time: 2:00 p.m.
Place: Council Chambers

Ward Community Identifier: All

Subject: Taxi Rates

Author Name and Title: Alix Hick, Senior Licensing Officer

Recommendation(s):

That Report LIC2018-001, **Taxi Rates**, be received; and

That the taxi and limousine rates as outlined in Appendix A to Report LIC2018-001 be approved for immediate implementation; and

That Schedule B-1 of By-Law 2016-206 be amended to delete **Taxi Meter Fares, Limousine Fares, All Trips to Pearson International Airport**, and **Airport Parking Fees**; and

That Schedule B-2 of By-Law 2016-206, **Taxicab Surcharge Rates**, be deleted; and

That the by-law to replace By-law 2016-160, being a by-law to licence, regulate, and govern taxicab and limousine businesses and their owners, operators, and brokers and taxicab drivers in Kawartha Lakes, attached as Appendix B to Report 2018-001, be forwarded to Council for adoption.

Department Head:_____

Financial/Legal/HR/Other:_____

Chief Administrative Officer:_____

Background:

In light of the increases to the minimum wage effective January 1, 2018, staff was asked by taxi company owners to review taxi rates in the City of Kawartha Lakes. Although it is not the responsibility of the municipality to guarantee any private sector business a certain income, it is the responsibility of the municipality to enact ethical legislation that takes into account the factors affecting businesses and to maintain legislation that is not unduly punitive or infringes on free-market participation and a business's ability to thrive. A review of our rates and comparison to how taxi rates are applied in neighbouring municipalities indicated that taxi rates in the City should be adjusted further.

Additionally, staff are recommending that the taxi rates be removed from the Fee's By-law as the City does not collect these fees and therefore they should not be included in the by-law.

Rationale:

The City has always set taxi rates in an effort to ensure standardized pricing for consumers across the municipality as a means of consumer protection. A review of the rates set by the City and rates set by other municipalities revealed that our per kilometer rates do not differ significantly from other areas however our drop rate, the flat fee charged at the beginning of a journey, is lower than that of neighbouring municipalities.

Location	Year Rates Established	Drop Rate	Distance Rate	Waiting Time	Seniors Discount
City of Kawartha Lakes	2005	\$3.25	\$0.225/ 100m or part thereof	\$32.00/hour	\$3.25 start plus \$0.205 per 100m or part thereof
	2018	\$3.50	\$0.25/100m or part thereof	\$32.00/hour	\$3.50 start plus \$0.25/ 100m or part thereof
Orillia	2017	\$3.00	\$0.25/ 100m or part thereof	\$15.00/hour	20% for rides over \$10.00. Also for students.
Peterborough	2010	\$4.00	\$0.25/ 110m or part thereof	\$32.50/hour	None noted
Oshawa	2010	\$3.75	\$0.25/ 132m	\$27.19/hour	None

Location	Year Rates Established	Drop Rate	Distance Rate	Waiting Time	Seniors Discount
			or part thereof		noted
Uxbridge	2014	\$3.00	\$0.20 /100m or part thereof	\$27.00/hour	10% at company's discretion

During annual renewals at the end of 2017, staff spoke to each taxi company owner. All owners expressed that an increase is warranted and necessary in order to keep providing the expected level of service to consumers as the cost of doing business increases due to minimum wage increases and increasing maintenance costs for vehicles.

Given the disparity between the drop rates in the City of Kawartha Lakes as compared to neighbouring municipalities, staff are recommending that the drop rate be increased to \$3.75 per journey and the per 100 metre distance rate be increased to \$0.30 for each 100 metres traveled or part thereof. These rates bring City of Kawartha Lakes taxi rates closer in line with those of the City of Peterborough, our closest comparator. The \$0.30 per 100 metre rate accounts for the fact that the Peterborough rates were set in 2010 and will mean our rates are still comparable if theirs increase in the near future.

Discounts for Seniors

The City has always provided a discount for persons over the age of 65. This discount is not legislated nor is it standard across other municipalities. In keeping with the municipality's goal of not overregulating private industry, it is being recommended that the mandatory seniors discount be removed and that companies be able to implement their own discounting programs for seniors and other customers as they see fit. It is staffs belief that allowing companies the freedom to implement their own courtesy discounts is in keeping with the premise of allowing free market participation and will better serve the transportation needs of residents.

Rates Between Core Areas

In 2016, changes were made to the rates for journeys between core areas within the City. This change was made after feedback was received from company owners that they felt the previous fee structure was too costly for consumers, not universally applied across local companies, and did not allow for active free market participation. Staff agreed with the feelings of company owners and implemented a maximum flat rate fee schedule and the ability to discount tariffs for journeys between core areas within the City. Since that change was implemented, staff has heard feedback that the maximum flat rate fees are not effective for all locations or multiple stop trips. Therefore staff is recommending that the maximum rate for journeys between core areas be set at \$3.00 per kilometer, in keeping with the town per 100 metre of travel rate, and that companies be able to discount rides between core areas as they see fit. By

allowing companies to essentially set their own rates between core areas, we are allowing companies to stay competitive by being flexible to consumer needs and also providing them with increased autonomy to determine how they would like to conduct their business. By maintaining the in town rate as the maximum for journeys between core areas as a benchmark for the maximum a passenger can be charged, the City retains a mechanism to ensure consumers are being charged an appropriate rate and can review any fare disputes by easily calculating the distance between the starting and ending points of a journey and applying the maximum metered rate to determine if the fare charged was too high.

Toronto Pearson International and Limousine Rates

Staff are recommending that the rates for trips to Toronto Pearson International and for Limousines be removed to allow for greater flexibility for company owners. In the case of limousines, the definition of a limousine in the by-law will allow staff to ensure that these vehicles are being used appropriately.

Other Alternatives Considered:

Status quo is an option however it would mean that our local business are not given a fair chance at free market participation and are not able to conduct their businesses in a sustainable manner.

Financial/Operation Impacts:

N/A

Relationship of Recommendation(s) To The 2016-2019 Strategic Plan:

N/A

Review of Accessibility Implications of Any Development or Policy:

N/A

Servicing Implications:

N/A

Consultations:

Manager of Municipal Law Enforcement
Director of Corporate Services

Attachments:



Appendix A to 2018-XXXLicenceReg
Report LIC2018-001.ulateGovernTaxiLimo

Department Head E-Mail: critchie@kawarthalakes.ca

Department Head: Cathie Ritchie, City Clerk