



## Council Report

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**Report Number:** ML2022-004  
**Meeting Date:** July 19, 2022  
**Title:** **Taxi Meter Drop Rate Increase**  
**Description:** Amendment to Schedule B, City of Kawartha Lakes By-Law 2018-010 being a By-Law to License, Regulate, and Govern Taxicab, Limousine, and Transportation Network Businesses and their Owners, Operators, Brokers and Drivers in the City of Kawartha Lakes.  
**Author and Title:** Aaron Sloan, Manager  
Joseph Aguanno, Licensing Enforcement Officer

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### Recommendation(s):

**That** Report **ML2022-004, Taxi Meter Rate Increase**, be received;

**That** the Taxi rates as outlined in Appendix "C" be approved for implementation;

**That** Schedule B of By-Law 2018-010 being a By-Law to License, Regulate, and Govern Taxicab, Limousine, and Transportation Network Businesses and their Owners, Operators, Brokers and Drivers in the City of Kawartha Lakes be deleted and replaced with a new Schedule B as detailed in Appendix "C"; and,

**That** the amending by-law be brought forward to Council for adoption.

**Department Head:** \_\_\_\_\_

**Financial/Legal/HR/Other:** \_\_\_\_\_

**Chief Administrative Officer:** \_\_\_\_\_

## **Background:**

The Taxi industry partners in our Municipality have been operating for many years and provide an essential service that is accessed by many people and businesses. These companies have maintained their level of service during the Covid 19 pandemic and continue to do so in the face of extraordinary inflationary increases that include fuel, insurance, staff costs, shop and repair rates and replacement vehicles.

These businesses have approached Council and staff to request that the meter drop rate be increased to better align with current inflation and rising services cost. (See **Appendix A**)

This report addresses their request.

## **Rationale:**

Influences such as inflation and increasing operational costs are considerations when proposing changes to the taxi fare drop rates. Staff discussed that fares are set to be fair and affordable to the consumer, and at the same time fares are set to protect the taxicab companies providing the service in a way to ensure that their operations are sustainable.

In 2022, Canadians saw the highest rate of inflation since 1991<sup>1</sup> the impacts are connected to how the world coped with the COVID-19 pandemic, supply chain disruptions, rebounding energy prices and more. The Consumer Price Index<sup>2</sup> (Canada, April) is set at 6.8%. CPI impacts many aspects of our lives including food, housing, household operations, furnishings and equipment, clothing and footwear, transportation, fuel (gasoline), health and personal care and others. Each of these individual items may have list an even higher inflation rate.

For example: Fuel CPI has seen an increase from January 2022 to April 2022 of approximately 19%.

Additional impacts to be considered are that Ontario is raising the general minimum wage to \$15.50 per hour, starting October 1, 2022. This eight per cent increase over

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<sup>1</sup> Consumer Price Index in review 2021 - **Appendix B**

<sup>2</sup> <https://www150.statcan.gc.ca/n1/daily-quotidien/220518/dq220518a-eng.htm>

one year will help workers keep up with rising costs and inflation but may also impact small business.

**Comparators:**

Setting taxi rates is a process that ensures standardized pricing for consumers across the municipality and a means of consumer protection. Other Municipalities have been reviewed and used as comparators, these comparators revealed that this request is in keeping with the range found in industry standard pricing.

| Location                      | Year Rates Established       | Drop Rate | Distance Rate                 | Waiting Time |
|-------------------------------|------------------------------|-----------|-------------------------------|--------------|
| <b>City of Kawartha Lakes</b> | 2018 Proposed in chart below | \$3.75    | \$0.30/100m or part thereof   | \$32.00/hour |
| <b>Gravenhurst</b>            | current                      | \$4.00    | \$0.35/ 100m or part thereof  | \$50.00/hour |
| <b>Peterborough</b>           | current                      | \$4.75    | \$0.30/ 100m or part thereof  | \$34.00/hour |
| <b>Oshawa</b>                 | current                      | \$4.00    | \$0.40/ 100m or part thereof  | \$30.00/hour |
| <b>Cobourg</b>                | current                      | \$5.88    | \$0.0138/100m or part thereof | \$45.00      |

Taxi fares researched using Numbeo which is an Internet database about taxi fares worldwide <sup>3</sup>

**Drop Rate:**

The Drop Rate or starting rate is the cost that occurs at the stage the meter is activated or when a customer enters a taxi. An additional fee is charged for each additional Kilometer travelled and for waiting time. Rate fees are subject to HST.

The **current drop rates** are:

| Type of Journey                             | (Start) Drop Rate                | Per Kilometer Rate |
|---------------------------------------------|----------------------------------|--------------------|
| Taxicab Meter Rate for In-Town Journeys     | \$3.75                           | \$3.00             |
| Taxicab Meter Rate for Out-Of-Town Journeys | \$3.75                           | \$3.00             |
| Taxicab Waiting Rate                        | \$0.53 per minute (\$32.00/hour) |                    |

<sup>3</sup> <https://www.numbeo.com/taxi-fare/>

**Proposed Rate Changes:**

Considering the drop rates in the City of Kawartha Lakes as compared to neighbouring municipalities, staff are recommending that the drop rate be increased from \$3.75 to \$4.25 per journey, the per 100 metre distance rate be increased from \$0.30 to \$0.35 for each 100 metres traveled or part thereof and the waiting rate be increased from \$32.00 to \$35.00/hour as detailed in the charts below.

|                                             |                                |                    |
|---------------------------------------------|--------------------------------|--------------------|
| Type of Journey                             | <b>Proposed</b><br>Start Rate  | Per Kilometer Rate |
| Taxicab Meter Rate for In-Town Journeys     | \$4.25                         | \$3.50             |
| Taxicab Meter Rate for Out-Of-Town Journeys | \$4.25                         | \$3.50             |
| Taxicab Waiting Rate                        | \$58 per minute (\$35.00/hour) |                    |

|                | <b>1 Kilometre Trip</b> | <b>2½ Kilometre Trip</b> | <b>5 Kilometre Trip</b> |
|----------------|-------------------------|--------------------------|-------------------------|
| Proposed Rates | \$7.75                  | \$13.00                  | \$21.75                 |
| Current Rates  | \$6.75                  | \$11.25                  | \$18.75                 |
| Difference     | \$1.00                  | \$1.75                   | \$3.00                  |
| % Increase     | 14%                     | 15%                      | 16%                     |

Should Council choose to adopt this increase Schedule “B” of By-Law 2018-010 being a By-Law to License, Regulate, and Govern Taxicab, Limousine, and Transportation Network Businesses and Their Owners, Operators and Brokers and Drivers in Kawartha Lakes will require an amendment the Schedule “B” which is substantially attached as **Appendix C**.

**Other Alternatives Considered:**

No other option has been considered.

**Alignment to Strategic Priorities**

The strategic priorities found within the **2020-2023 Kawartha Lakes Strategic Plan** serve to guide municipal services and our interaction with the public and community. Delivery of this report to Council considers the transportation options that are available within our community and as provided by our community partners.

Good government is considered when bringing forward a report that recommends increasing service cost (profit vs. affordability) and finding a balance that also continues to support the local users of the service.

**Financial/Operation Impacts:**

There would be no revenue gains or losses to the City based upon the recommendations of this report.

**Consultations:**

Poppa Ed's Taxi

Kawartha Lakes Taxi

Licensing Enforcement Officer

**Attachments:**

**Appendix A – Rate Change Request letters**



Kawartha Lakes  
Taxi.pdf



Poppa Ed's Taxi.pdf

**Appendix B – Consumer Price Index in review 2021**



Consumer Price  
Index 2021 in review

**Appendix C – Schedule "B" of By-Law 2018-010 being a By-Law to License, Regulate, and Govern Taxicab, Limousine, and Transportation Network Businesses and Their Owners, Operators and Brokers and Drivers in Kawartha Lakes**



Schedule B  
2018-010.docx

**Department Head email:**

**Department Head:**