# Item No. 9.2 (i) <br> Halifax Regional Council 

October 2, 2012
October 23, 2012
TO: $\quad$ Mayor Kelly and Members of Halifax Regional Council

## Original Signed by Director

SUBMITTED BY:
Brad Anguish, Director of Community \& Recreation Services
DATE:
September 26, 2012
SUBJECT: Amendments to Administrative Order 39 and By-law T-108, Respecting the Regulation of Taxis

## Supplementary Information Report

## ORIGIN

- Regional Council meeting of September 25, 2012
- Transportation Standing Committee meeting of August 8, 2012


## BACKGROUND

A staff report dated July 13, 2012 was presented at the August 8, 2012 Transportation Standing Committee meeting. The Standing Committee approved a blended rate increase of a $8.9 \%$ which included an increase to the drop rate from $\$ 3.00$ to $\$ 3.09$. The Transportation Standing Committee brought forward the initial recommended meter rate increase to Regional Council on September 25, 2012 in their report dated August 20, 2012.

Staff subsequently submitted a Supplementary Report dated September 13, 2012 to Regional Council recommending the drop rate be increased to $\$ 3.10$ to account for the soon-to-be obsolete penny. The resulting impact of this increase was to raise the cost of a 10 km trip from $\$ 19.48$ to $\$ 19.49$, and raise the recommended blended rate increase from $8.9 \%$ to $9.1 \%$. During the Regional Council meeting of September 25, 2012, Council requested information from staff regarding the impact of increasing staff's recommended drop rate from $\$ 3.10$ to $\$ 3.30$.

## DISCUSSION

In consideration of rate increases, staff typically applies a consistent percentage value to each of the various components of the full fare; this approach is termed a "blended rate" increase. The basic components of a fare are: drop rate, travel rate, and waiting time per hour. This method evenly distributes the increased cost of a fare suggesting a balanced impact to all forms of ridership. It is possible, however, to add a disproportionate increase to any component of the fare. During the Regional Council meeting of September 25, 2012, Council requested information from staff regarding the impact of increasing staff's recommended drop rate from $\$ 3.10$ to $\$ 3.30$.

The additional 20 cent increase to the recommended drop rate has a varying effect on the total fare based on the distance travelled. With a total drop rate increase from 3.00 to 3.30 (not blended), the cost impact on the distances is as follows:

- $1 / 2 \mathrm{~km}$ trip increases by $14.4 \%$
- 5 km trip increases by $11.4 \%$
- 10 km trip increases by $10.1 \%$
- 35 km trip increases by $9.7 \%$

The resultant average increase across the full range of fares from 200 m to a 35 km trip is $11.0 \%$, which is $1.9 \%$ greater than staff's current recommended blended rate increase of $9.1 \%$.

Increases to individual components of the rate, and not the whole rate (i.e., blended) are typically discouraged. A disproportionate increase to the drop rate places a cost burden on short trips just as a disproportionate increase on the travel time rate would place a burden on long trips. Staff are concerned that the increase of 20 cents on the drop rate (only) will provide a disproportionate incentive for drivers to focus on short trips.

Should Council wish to increase fares by $11.0 \%$, rather than $9.1 \%$, staff would recommend a blended rate approach as opposed to just increasing the drop rate. Further, staff would recommend that consideration be given to providing a similar rate increase for the "Cruise Ship Passenger Taxi Rates Per Vehicle", "Taxi Rates To and From Airport", and the hourly rates for taxis and limousines.

If a rate increase of $11 \%$ was adopted by Council, HRM rates will continue to compare well, as shown in the Canadian Municipalities Rate Comparison Chart attached as Attachment A.

## BUDGET IMPLICATIONS

See the Budget Implications' section of the July 13, 2012 staff report (Appendix A of the Transportation Standing Committee Report dated September 13, 2012).

## FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Project and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Project and Operating reserves, as well as any relevant legislation.

## COMMUNITY ENGAGEMENT

See the Community Engagement section of the July 13, 2012 staff report (Appendix A of the Transportation Standing Committee Report dated September 13, 2012).

## ENVIRONMENTAL IMPLICATIONS

See the Environmental Implications' section of the July 13, 2012 staff report (Appendix A of the Transportation Standing Committee Report dated September 13, 2012).

## ATTACHMENTS

Attachment A - Canadian Municipalities Rate Comparison Chart

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## Original Signed

HRM at a $10.99 \%$ \& $9.07 \%$ Rate Increases

| City | Updated | Status | Date Rate Implemen ted | Initial Drop |  | Increment Charges |  | Waiting Time |  | Trip Cost * |  |  | Waiting Time per Hour |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Rate | for $\qquad$ <br> (Distance in metres) | Rate | per $\qquad$ <br> (Distance in metres) | Rate | per $\qquad$ <br> (Time in sec) (sec) | 5 km | 10 km | 35 km |  |
| Niagara Falls | update requested | Current | Aug-08 | \$3.50 | 110 | \$0.25 | 110 | \$24.50 | 3600 | \$14.50 | \$25.75 | \$82.75 | \$24.50 |
| Oakville | Jun-11 | Current | Apr-11 | \$4.33 | 140 | \$0.26 | 140 | \$0.26 | 30 | \$11.50 | \$22.63 | \$69.33 | \$31.20 |
| London | update requested | New | Jul-10 | \$3.50 | 57 | \$0.25 | 130 | \$0.25 | 26 | \$13.00 | \$22.62 | \$70.70 | \$32.14 |
| Victoria | Jun-11 | Current | Jun-11 | \$3.30 | 52.04 | \$0.10 | 52.04 | \$0.10 | 8.70 | \$12.80 | \$22.40 | \$70.40 | \$41.39 |
| Vancouver \& GVRD | Jun-11 | Current | Jun-11 | \$3.30 | 52.84 | \$0.10 | 52.84 | \$0.10 | 10.63 | \$12.65 | \$22.10 | \$69.35 | \$33.86 |
| Ottawa | Jun-11 | Current | Jul-10 | \$3.45 | 150 | \$0.16 | 86 | \$0.16 | 24 | \$12.47 | \$21.78 | \$68.29 | \$24.00 |
| Mississauga | Jun-11 | New | Dec-10 | \$4.25 | 141 | \$0.25 | 141 | \$0.25 | 30 | \$12.75 | \$21.75 | \$66.25 | \$30.00 |
| Hamilton | Jun-11 | Current | Jul-08 | \$3.20 | 71.4 | \$0.13 | 71.4 | \$0.13 | 14 | \$12.30 | \$21.40 | \$66.80 | \$33.41 |
| Saskatoon | Jul-11 | Current | May-11 | \$3.75 | 142 | \$0.25 | 142 | \$0.25 | 35 | \$12.50 | \$21.25 | \$65.25 | \$25.50 |
| Toronto | Jun-11 | New | Jul-10 | \$4.25 | 143 | \$0.25 | 143 | \$0.25 | 29 | \$12.00 | \$20.00 | \$60.25 | \$31.00 |
| HRM 10.99\% |  | Alternative |  | \$3.30 | 0 | \$0.13 | 79.3 | \$0.215 | 30 | \$11.50 | \$19.69 | \$60.68 | \$25.85 |
| HRM 9.07\% |  | Proposed |  | \$3.10 | 0 | \$0.13 | 79.3 | \$0.215 | 30 | \$11.30 | \$19.49 | \$60.43 | \$25.85 |
| North Bay |  | Current |  | \$4.19 | 100 | \$0.10 | 55.2 |  |  | \$11.30 | \$19.40 | \$59.90 | \$25.29 |
| Montreal \& All of Quebec | Jul-11 | Current | $\begin{gathered} \hline 2008-08- \\ 01, \\ \text { affirmed } \\ 2011 \\ \text { March } \end{gathered}$ | \$3.30 |  | \$0.05 | 31.25 | \$0.05 | 5 | \$11.30 | \$19.30 | \$59.30 | \$36.20 |
| Brampton | Jul-11 | Current | Mar-07 | \$4.25 | 155 | \$0.25 | 170 | \$0.25 | 33 | \$11.50 | \$18.75 | \$55.50 | \$27.25 |
| Edmonton | Jun-11 | Current | Jan-08 | \$3.60 | 135 | \$0.20 | 135 | \$0.20 | 0.24 | \$10.80 | \$18.20 | \$55.20 | \$30.00 |
| Calgary | Jun-11 | Current | Jun-08 | \$3.40 | 135 | \$0.20 | 135 | \$0.20 | 0.24 | \$10.60 | \$18.00 | \$55.00 | \$30.00 |
| HRM | Jun-11 | Current | Oct-05 | \$3.00 | 54 | \$0.12 | 80 | \$0.15 | 0.246 |  | \$17.88 |  | \$22.00 |
| Windsor | Jun-11 | Current | Feb-2009 | \$3.50 | 105 | \$0.10 | 69 |  |  | \$10.59 | \$17.84 | \$54.07 | \$25.00 |
| Regina | Jun-11 | Current | Jun-11 | \$3.40 | 120 | 10¢ | 70 |  |  | \$10.30 | \$17.50 | \$53.20 | \$30.00 |
| Winnipeg | Jun-11 | Current | Apr-10 | \$3.50 | 72.5 | \$0.10 | 72.5 | \$0.10 | \$13.18 | \$10.30 | \$17.20 | \$51.70 | \$27.30 |

\$20.44 10 Km Average
Excluding HRM Proposed Rates


[^0]:    A copy of this report can be obtained online at http://www.halifax.ca/council/agendasc/cagenda.html then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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