



P.O. Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

**Item No. 8.1 (i)**  
**Halifax Regional Council**  
**October 2, 2012**

**TO:** 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**

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## **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:

- ½ 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 200m 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).



Canadian Municipalities Rate Comparison Chart

Attachment A

HRM at a 10.99% & 9.07% Rate Increases

City	Updated	Status	Date Rate Implemented	Initial Drop		Increment Charges		Waiting Time		Trip Cost *			Waiting Time per Hour
				Rate	for ____ (Distance in metres)	Rate	per ____ (Distance in metres)	Rate	per ____ (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	2008-08-01, affirmed 2011 March	\$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