




CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Licensing and By-law Services Division

TO:	Chair and Members Planning Committee
COMMITTEE DATE:	April 25, 2022
SUBJECT/REPORT NO:	Taxi Meter Rate Increase (PED22105) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Dan Smith (905) 546-2424 Ext. 6435
SUBMITTED BY:	Monica Ciriello Director, Licensing and By-law Services Planning and Economic Development Department
SIGNATURE:	

RECOMMENDATION

- (a) That Appendix 1 (Taxicab Tariff/Fares) of Schedule 25 (Taxi Cabs) of the Licensing By-law 07-170 be amended to identify that *the first 71.4 meters or part thereof* be set to \$4.90; and,
- (b) That the draft By-law attached as Appendix "A" to Report PED22105 to amend the City of Hamilton's By-Law 07-170 which has been prepared in a form satisfactory to the City Solicitor, be enacted.

EXECUTIVE SUMMARY

At the March 22, 2022 Planning Committee, a motion was brought forward by Councillor Pearson which asked Staff to review a change in the Taxi meter drop rate from \$3.90 to \$4.90.

Staff reviewed multiple other municipalities to gauge the current Taxi meter rates. Additionally, Staff reviewed fuel prices over eight years from the date of the last meter rate increase.

Both Taxi brokerages within the City have identified a negative impact on the industry and their operations due to the increase in the cost of fuel.

With the increase in fuel prices over the past eight years, Staff are recommending the Taxi meter drop rate be raised from \$3.90 to \$4.90 for the first 71.4 meters or part thereof.

Alternatives for Consideration – See Page 5

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: N/A

Staffing: N/A

Legal: N/A

HISTORICAL BACKGROUND

The taxi industry has not had an increase in the Taxi meter drop rate since 2014.

In the eight years since the previous amendment, fuel prices have steadily increased creating a pressure on the Taxi industry.

Staff met with both Taxi brokers in the early months of 2022 to discuss multiple aspects of the Taxi industry. It was shared that the recent fuel price increases are having a negative impact on their operations. It was suggested that a \$1.00 increase in the meter drop rate would greatly assist the industry in its recovery from the COVID-19 pandemic as well as allow necessary operation improvements due to inflated fuel prices.

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The motion was passed, and Staff were to report back to Planning Committee with a recommendation on the motion.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

- Licensing By-law 07-170 (Schedule 25)
- Fees and Charges By-law 20-168

RELEVANT CONSULTATION

- Meeting with Taxi brokerages
 - Hamilton Cab

- Blue Line Taxi

- Consultation with multiple municipalities - Details are identified in the Analysis and Rationale section of this report.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

Municipality comparisons on Drop Rates and Action Plans:

Brampton

- \$4.25 fare
- No review / plan in place for drop rates, but Staff are looking into the matter.

Mississauga

- \$4.25 fare
- Fare review scheduled for June 21st Public Advisory Committee meeting .

Oakville

- \$4.50 fare *if Taxi company does not set their own rate.
- Permits Taxi companies to set their own rates.

Ottawa

- \$3.45 fare
- Looking into an increase for Taxi fares and will bring a report forward in May.

Toronto

- \$3.25 fare
- Staff report on potential increase to go before the General Government and Licensing Committee on April 29th.

Markham

- \$4.25 fare
- Currently under review with other Taxi regulations.

Sarnia

- \$4.59 fare

Windsor

- \$3.80 fare
- Currently under review with other Taxi regulations.

Some municipalities including Chatham-Kent, Barrie, Sudbury and North Bay do not regulate Taxi rates or have a flexible meter rate based on zones, while the City of London sets a minimum trip of \$3.50 but no maximum.

Should Council accept the recommendation to increase the drop rate, it would be the highest current drop rate based on the municipalities Staff reviewed. However, each municipality is either looking into the situation or has planned reports returning to their Councils with an expected increase to be recommended.

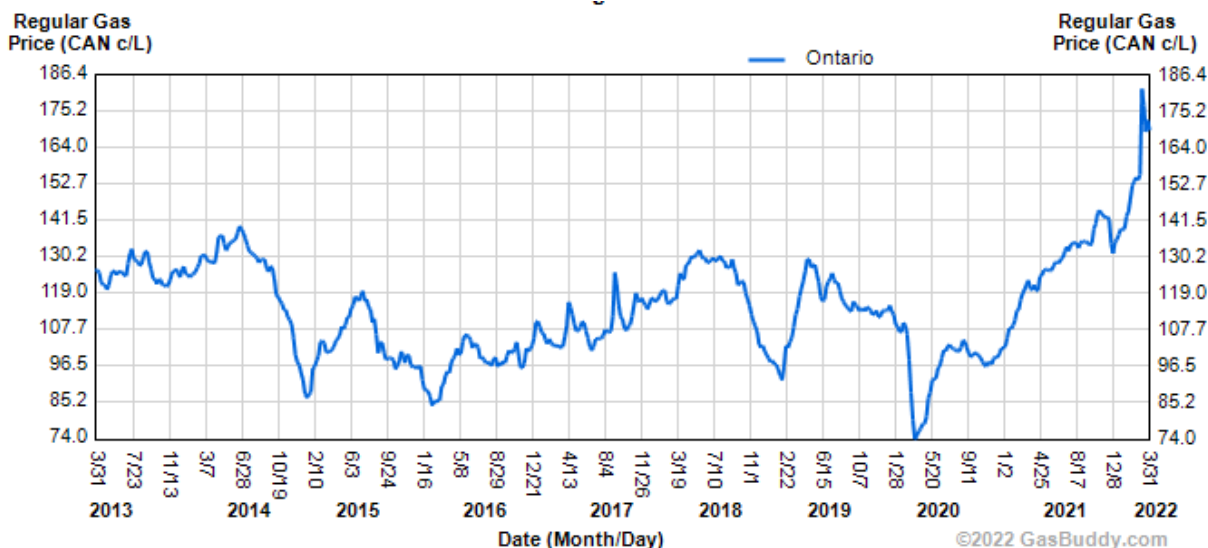
Fuel price trends (through ontariogasprices.com):

At the end of March 2022, the average fuel price for regular unleaded fuel was identified as 169.8 cost per litre (c/L).

The previous review and increase to the taxi meter drop rate occurred in 2014. In a report published by *Natural Resources Canada* titled, *Fuel Focus – Understanding Gasoline Markets in Canada and Economic Drivers Influencing Prices* in 2014, the identified average fuel cost was 128 c/L. This equates to an approximate 33% increase in fuel prices over that period of time.

Increasing the meter drop rate from \$3.90 to \$4.90 is a 26% increase from the previously set mark in 2014.

This chart shows the average fuel c/L over the previous nine years in Ontario as provided by ontariogasprices.com:



ALTERNATIVES FOR CONSIDERATION

- (a) That Council decide to maintain the current taxi meter drop rate at \$3.90
- (b) That Council refer back to Staff to consider a flexible taxi meter rate to be included in the Q2 Taxi Report as seen in other municipalities.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Economic Prosperity and Growth

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

Our People and Performance

Hamiltonians have a high level of trust and confidence in their City government.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report PED22105 - Draft By-law to amend the City of Hamilton’s By-Law 07-170

DS:eo