

Staff Report



To **Committee of the Whole**
Service Area Public Services
Date Tuesday, June 7, 2022
Subject **Taxicab Rate Increase 2022**

Recommendation

1. That Council direct staff to amend City of Guelph By-law (2018) 20272 (Taxicab) to reflect an approximate 6.7 percent increase in taxicab rates, effective July 1, 2022

Executive Summary

Purpose of Report

To provide Council with information supporting a recommended increase in taxicab fare rates, of approximately 6.7 percent due to changing economic circumstances, increased costs, and a joint request from representatives of Guelph's taxicab companies for a fare increase.

Key Findings

The City regulates the taxicab industry in accordance with City of Guelph By-law (2018) 20272. There are two taxicab companies operating in the City of Guelph, Red Top Taxi and Canadian Cab. The taxicab companies have not requested a fare increase since 2010.

Economic circumstances have changed substantially since 2010, and quite substantially in the year 2022. Fuel and operating costs have increased, prompting the taxicab companies to request an increase in fare rates. The request is for an approximate 6.7 percent increase in fare rates.

Financial Implications

This change will result in nominal financial implications to the Operations budget due to the cost to recheck the taxicab meters. Costs not budgeted for would include seals to lock the taxicab meters and staff time needed to conduct the resealing.

Report

There are two taxicab companies that are licensed in the City of Guelph, Red Top Taxi and Canadian Cab. Elected representatives from each company contacted the City requesting an increase in the taxicab fares. The taxicab companies have not requested or received an increase in fares since 2010. The representatives have made a joint submission requesting an approximate increase of 6.7 percent from the current fares. The chart below represents the current and requested fares:

	Drop Fee	Fee per distance	Wait time per hour
Present fares	\$ 3.00	\$ 2.40	\$ 32.00
Proposed fares	\$ 3.20	\$ 2.60	\$ 34.00

The requested increase from the taxicab companies is a conservative and modest increase. In consideration of the extended time since the last fare increase, and the competitive rates as compared to other municipalities (Attachment "1"), staff recommend that Council approve the request received from the taxicab companies for an increase in taxicab fares.

Staff have had preliminary discussions with the taxicab representatives on whether the City should continue to regulate taxicab fare rates given the industry's competitive nature and the number of ride sharing companies who provide this service. Unfortunately, the taxicab representatives are not prepared to transition to de-regulation of fare rates or set a higher maximum fare rate at this time. Staff will continue discussions and will update Council in Q3 of 2023 with respect to options to deregulate the setting of taxicab fare rates.

Financial Implications

This change will result in nominal financial implications to the Operations budget due to the cost to recheck the taxicab meters. Costs not budgeted for would include seals to lock the taxicab meters and staff time needed to conduct the resealing. The cost would be \$1,760, based on 80 taxicab meter seals and 32 hours of staff time. These costs can be absorbed within the Council approved 2022 Operations Department budget.

Consultations

- Mr. Mohammad Iqbar – President, Red Top Taxi
- Mr. Joseph Morrison – Secretary, Canadian Cab

Strategic Plan Alignment

Navigating our Future - Provide attractive, affordable and reasonable transportation options for everyone

Attachments

Attachment 1- Taxicab Fares for Comparator Municipalities

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