



## COMMUNITY SAFETY STANDING POLICY COMMITTEE REPORT

**Date of Meeting** February 9, 2023

**Subject** Taxi Rates and Regulation Review Update

**Submitted By** Councillor Schmidt-Rempel, Chair Community Safety Standing Policy Committee

### **Recommendation from Community Safety Standing Policy Committee:**

BE IT RESOLVED THAT the Community Safety Standing Policy Committee recommends that City Council approve the proposed changes to License Bylaw No. 5658:

1. Support a moderate maximum meter rate increase as identified below:

Re trips in Lethbridge and within 16 km;

- a) 6.15(6)(a)(ii) change from \$0.31 to \$0.34 per 1/8 km (9% increase)
- b) 6.15(6)(a)(iii) change from \$0.75 to \$0.83 per minute wait time (10% increase)

Re trips outside Lethbridge and area above;

- c) 6.15(6)(g) change from \$1.92 to \$2.12 per km (10% increase)
- d) 6.15(6)(g) change from \$0.75 to \$0.83 per minute wait time (10% increase)

2. Increase the taxi cancellation trip charge as identified below:

- e) 6.15(6)(a)(iv) change from \$5 to \$8 (33% increase)

3. Include provision(s) to allow taxi drivers to charge deposits.

4. Include a \$30-meter inspection fee to offset a portion of City cost for inspection.

And further direct Administration to prepare an amending bylaw to capture said changes.

And further direct Administration to provide a report on the future of taxi regulation to the Community Safety Standing Policy Committee by Q3

And further that the taxi companies be engaged as part of that report.

**Vote:**

**Opposed:** 4-0 (defeated)

BE IT RESOLVED THAT the Community Safety Standing Policy Committee recommends that City Council amend the License Bylaw No. 5658 as follows:

1. That the regulated fares and charges for operation of taxi operators as well as any device associated with the fares and charges be removed;
2. That the requirement for a taxi to be equipped with a top light be removed;

And further direct Administration to prepare an amending bylaw to capture said changes by Q3 2023.

**Vote:**

**In favour:** 4-0 (unanimous)

**Public Speakers at the Meeting:** None

**Public Submissions:** None

**Submitted By** Duane Ens, General Manager - Regulatory Services

### **Purpose**

To provide a response to the request from four taxi companies in Lethbridge for amendments to the [License Bylaw 5658](#), as directed by the Community Safety SPC on [September 8, 2022](#).

**Item was postponed from the February 9, 2023 Community Safety Standing Policy Committee Meeting.**

### **Recommendation(s)**

That City Council approve the proposed changes to License Bylaw No. 5658:

5. Support a moderate maximum meter rate increase as identified below:

Re trips in Lethbridge and within 16 km;

- c) 6.15(6)(a)(ii) change from \$0.31 to \$0.34 per 1/8 km (9% increase)
- d) 6.15(6)(a)(iii) change from \$0.75 to \$0.83 per minute wait time (10% increase)

Re trips outside Lethbridge and area above;

- e) 6.15(6)(g) change from \$1.92 to \$2.12 per km (10% increase)
- f) 6.15(6)(g) change from \$0.75 to \$0.83 per minute wait time (10% increase)

6. Increase the taxi cancellation trip charge as identified below:

- f) 6.15(6)(a)(iv) change from \$5 to \$8 (33% increase)

7. Include provision(s) to allow taxi drivers to charge deposits.
8. Include a \$30-meter inspection fee to offset a portion of City cost for inspection.

And further direct Administration to prepare an amending bylaw to capture said changes.

### **Summary**

- Administration has reviewed the request from four taxi companies (Attachment 2) for an increase to the maximum taxi meter rate and noted the impact of multiple rising costs in the industry while also identifying that existing rates remain consistently higher than other communities within the Province. For clarification, the maximum taxi meter rate is a price cap where taxi operators have the option to charge below this set amount.
- Administration is requesting a \$30-meter inspection fee be introduced to offset a portion of the cost for inspection.
- Neither Administration nor the taxi industry are recommending a change to the maximum \$3.80 start rate for the first 125m (1/8 km).
- From the engagement process, five of the eight business owners did not support the requested maximum meter rate increase as outlined in the September 8<sup>th</sup>, 2022 submission. Given this feedback and further review Administration is recommending an alternate lower meter rate increase.

### **Strategic Alignment**

#### **[City Council 2022 Action Plan](#)**

- To develop and maintain safe and viable communities

### **Background and Prior Decisions**

- On September 8, 2022, a letter of request was [presented](#) by Michael Arend and Cheryl McMillan on behalf of four Lethbridge taxi companies, to the Community Safety SPC requesting Lethbridge License Bylaw 5658 be amended. See Attachment 2 – Letter of Request.
- The Community Safety SPC recommended that Administration provide a response to the proposed changes, by February 9, 2023.
- Following the September 8, 2022 meeting, it should be noted that A-Plus Taxi permanently closed and the business owners/investors with 94 Cabs purchased Fifth Avenue Cabs. For the purpose of this report, we have identified 94 Cabs and Fifth Avenue Cabs under one business owner given their recent acquisition.
- On November 28, 2016, City Council amended Bylaw 5658 to increase rates and

add the requirement for all taxi vehicles to be clearly identified by including top lights, company name and unit number.

- [Bylaw 6154](#) , which set business license rates effective [January 1, 2019](#) was the latest amendment.

## **Analysis and Options**

Administration has reviewed several municipalities in the Province to compare regulatory requirements and fee structures. See Attachment 3 –Comparisons with other Alberta Cities.

Administration is proposing an alternate 9% - 10% maximum meter rate increase in line or lower than other recent rate increases from the City of Airdrie, the City of Calgary, the City of Edmonton and the City of Medicine Hat.

While the City of Lethbridge maximum meter rates have not increased since 2017, we are recommending a lower increase given the current rate comparisons indicate Lethbridge rates are higher than other communities.

With respect to the increase for the taxi cancellation fee, Administration has no objection to this increase given this fee does not impact responsible ridership. As identified in License Bylaw 5658, this fee can only be applied if the customer cancels the service upon arrival of the taxi.

In relation to deposits, Administration has heard the concerns from both taxi owners and drivers regarding ride-and-dash customers. Administration supports the amendment to License Bylaw 5658 to include a general provision allowing taxi drivers to request a deposit based on an estimated fare.

The inspection fee analysis included reviewing fees charged by other municipalities for taxi inspections, inclusive of meter calibration and re-calibration.

## **Options**

1. Amend License Bylaw 5658 (Recommended Option):

1. Support a moderate maximum meter rate increase as identified below:

Re trips in Lethbridge and within 16 km;

- 6.15(6)(a)(ii) change from \$0.31 to \$0.34 per 1/8 km (9% increase)
- 6.15(6)(a)(iii) change from \$0.75 to \$0.83 per minute wait time (10% increase)

Re trips outside Lethbridge and area above;

- 6.15(6)(g) change from \$1.92 to \$2.12 per km (10% increase)
  - 6.15(6)(g) change from \$0.75 to \$0.83 per minute wait time (10% increase)
2. Increase the taxi cancellation trip charge as identified below:
    - 6.15(6)(a)(iv) change from \$5 to \$8 (33% increase)
  3. Include provision(s) to allow taxi drivers to charge deposits.
  4. Include a \$30-meter inspection fee to offset a portion of City cost for inspection.
2. No further amendments to License Bylaw No. 5658 at this time.
  3. City Council to provide direction for the amendment of License Bylaw No. 5658.
  4. Amend License Bylaw 5658 as per the request of the four taxi companies (Attachment 2).

## **Implications**

### **Community/Citizen**

- Social –N/A;
- Economic - Administration is proposing a lower maximum taxi meter rate increase (approx. 10%) to allow taxi business owners the opportunity to increase rates, while considering the affect for customers, particularly those on low or fixed incomes.

### **Financial**

- The \$30-meter inspection fee is a nominal fee with a low financial impact to business owners. This fee would provide an insignificant source of revenue for the City of Lethbridge, but ensure business owners are more accountable for meter accuracy and City staff time.

### **Risk**

- There is a risk that costs will continue to rise and without any increase business owners and taxi drivers could struggle to remain viable in the future. Administration will continue to monitor the effects of increased fuel costs, inflation, vehicle maintenance and the provincial changes to the automobile livery insurance industry.
- Additionally, with the current economic climate, taxi drivers are encountering more incidents of non-payment from customers. Allowing for deposits prior to departure should reduce the financial risk to business owners and taxi drivers.

### **Corporate**

- With supply chain issues we have some concerns in sourcing a sufficient supply of meter seals. If approved, we will need to discuss implementation dates with business owner(s) opting to increase rates.

## **Engagement**

Administration engaged with 8 of the 10 taxi business owners in the industry to obtain feedback regarding the September 8, 2022 public submission. See Attachment 4 - Engagement with Local Taxi Business Owners Summary

Note: There are 10 business owners, but two independent taxi operators (owning one taxi each) were unavailable for comment.

As noted in Attachment 4, the majority of taxi owners did not support the 18% - 33% increase to the maximum meter rate, but stated these changes would have no impact on their business operation given the rate increase is not mandatory. From the feedback we gathered, the majority of business owners stated the gas prices have lowered and the current maximum meter rates are sufficient at this time.

The question regarding the \$30 taxi meter inspection fee proposed by Administration was well received and supported by most.

## **Implementation and Communication Plan**

An information letter will be mailed out to all taxi companies outlining any changes.

## **Attachment(s)**

1. License Bylaw 5658
2. Letter of Request
3. Comparisons to other Alberta Cities
4. Engagement with Local Taxi Business Owners Summary

### **Approvals**

<b>City Treasurer:</b>	Darrell Mathews
<b>City Solicitor:</b>	Brian Loewen
<b>Department Director:</b>	Michael Fox
<b>City Manager:</b>	Lloyd Brierley