



THE CORPORATION OF THE TOWN OF AMHERSTBURG

OFFICE OF THE CAO

MISSION STATEMENT: Committed to delivering cost-effective and efficient services for the residents of the Town of Amherstburg with a view to improve and enhance their quality of life.

Author's Name: Bill Tetler	Report Date: September 15, 2022
Author's Phone: 519 736-0012 ext. 2251	Date to Council: December 5, 2022
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To: Mayor and Members of Town Council

Subject: Amendment to By-law 2012-114, Respecting Taxi By-law – Rate Increase

1. **RECOMMENDATION:**

It is recommended that:

1. The report from the Manager of Licensing and Enforcement dated October 17, 2022 regarding **Amendment to By-law 2012-114, Respecting Taxi By-law – Rate Increase BE RECEIVED**; and,
2. Administration **BE DIRECTED** to amend By-law 2012-114 for the taxi rate increase as follows:

	Current	Recommended Rate
Initial Charge "Drop rate"	\$ 3.50	\$ 3.80
Per KM Charge	\$ 1.70	\$ 2.30
Incremental Level	\$ 0.17 for 1/10 <sup>th</sup> KM	\$ 0.230 for 1/10 <sup>th</sup> KM
Wait time	\$ 0.22/per min	\$ 0.25/per min
Taxi Hourly Rate (waiting)	\$ 25.00/hr	\$ 30.00

## 2. BACKGROUND:

Taxi rates are legislated in By-law 2012-114, “A By-law to provide for the licensing, regulating and governing of Taxicabs, Taxicab Drivers, Taxicab Owners and Taxicab Brokers in the Town of Amherstburg”. The actual rates are in schedule “A” of By-law 2012-114.

A review of the rates for By-law 2012-114 has not been undertaken since the By-law was passed in 2012. Council may at any time, by resolution, consider whether to modify the rates set out in the By-law.

A request was made by our local service provider to the Municipal Clerk for consideration of an increase due to rising fuel costs, rising insurance costs and inflation.

## 3. DISCUSSION:

The following factors were taken into consideration during the rate review;

- The last rate increase was in 2012, when the By-law was approved.
- A jurisdictional scan was completed of 58 Canadian municipalities. Based on the current rates, Amherstburg is below average when compared to the other municipalities. With the proposed increase, the rates are still lower than the comparable average. The comparable average for a taxi start rate is \$3.88. The comparable average for 1KM in a taxi is \$2.45. Lastly, the comparable average for having a taxi wait an hour is \$39.47.
- The taxi industry provided input to the review which is reflected in the recommended rate described below.

### Rates

In consideration of rate increases, the typical approach is to apply a consistent percentage value to each of the various components of the full fare; this approach is termed “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 the fare suggesting a balanced impact on all forms of ridership.

<b>(Table 1)</b>	Current	Recommended Rate
Initial Charge “Drop rate”	\$ 3.50	\$ 3.80
Per KM Charge	\$ 1.70	\$ 2.30
Incremental Level	\$ 0.17 for 1/10 <sup>th</sup> KM	\$ 0.230 for 1/10 <sup>th</sup> KM
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Taxi Hourly Rate (waiting)	\$ 25.00/hr	\$ 30.00/hr

## Recommended Rate

A blended rate approach, for comparison purposes, is as follows;

Distance	Current Fare	Recommended Rate	Increase	% Increase
3KM	\$ 8.60	\$ 10.70	\$ 2.10	24.41%
5KM	\$ 12.00	\$ 15.30	\$ 3.30	27.50%
10KM	\$ 20.50	\$ 26.80	\$ 6.30	30.73%

The resultant average increase for the blended rate option across a range of fares is 27.55%. The average trip in the Town of Amherstburg is roughly \$8.00 based on information provided by our local service provide. Based on this information the increase for an average ride in the Town of Amherstburg will be \$2.16.

From the taxi industry perspective, this option will allow them to be competitive with Transportation Network Companies for the longer trips while still be able to recoup costs for the unpaid work related to the wait times and the deadheading (unpaid time incurred in travel for picking up a fare) for the shorter distance.

#### 4. **RISK ANALYSIS:**

There is no risk analysis associated with this report.

#### 5. **FINANCIAL MATTERS:**


There is no financial impact associated with this report for the Municipality.

#### 6. **CONSULTATIONS:**

Amherstburg Taxi Service

#### 7. **CONCLUSION:**

Administration supports the increase of the taxi tariff rates to \$3.80 for the start rate and \$2.30 per kilometre as a means of ensuring a viable taxi service in the Town of Amherstburg effective December 19, 2022.



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Bill Tetler  
**Manager, Licensing and Enforcement**  
**Report Approval Details**

Document Title:	Amendment to By-law 2012-114, Respecting Taxi By-law - Rate Increase.docx
Attachments:	N/A
Final Approval Date:	Nov 24, 2022

This report and all of its attachments were approved and signed as outlined below:



Tracy Prince



Valerie Critchley



Kevin Fox