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# Deputation

For June 04, 2012 Council Meeting

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## Reference Staff Report

LGL014-12 May 28, 2012

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### Taxi Industry

### Transportation By-Law

### 2006-265

*TAXI TARIFFS AND TAXI INDUSTRY CONSULTATION*

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Prepared By

**Erwin Giles - President**

**BARRIE TAXI LTD.**

37 Saunders Rd., Barrie. On. L4N 9A7

**705.721.7777**

1. My name is Erwin Giles, President of Barrie Taxi Ltd.  
I am also the Vice President of the Canadian Taxi Association.  
I have been involved in the Taxi Industry in Barrie since 1988.
2. At the council meeting on May 28, 2012 members of council had indicated they did not know that much about the taxi industry.
3. It is my intent to offer some details on how the taxi industry specifically in Barrie operates.
4. The taxi industry in Barrie is comprised of 3 components.
  - a. TAXICAB COMPANY/BROKERAGE
  - b. TAXICAB OWNER/BROKER
  - c. TAXICAB DRIVER
5. **TAXICAB COMPANY – BROKERAGE**
  - 5.1 The taxicab company is located in a properly zoned commercial area and provides a 24 hour call taking and dispatch service to licensed taxicab owners/brokers and is in compliance with all by-law requirements and is a HST registrant.
  - 5.2 Generally speaking the Taxicab Company – Brokerage does not derive revenue from taxi rides but from taxicab owners/brokers who pay the taxicab company a fee to receive dispatched calls.

## **6. TAXICAB OWNER - BROKER**

- 6.1 The taxicab owner – broker must be in compliance with the by-law requirements and be a HST registrant and operate their vehicle through a licensed taxicab company - brokerage
- 6.2 Generally speaking the taxicab owner – broker operates the cab by himself and collects ALL the fares including the HST and they are responsible for the remittance of such.
- 6.3 Or the taxicab owner – broker rents out the taxicab to a licensed taxi driver for a flat rate fee including all taxes.
- 6.4 The taxi driver then collects all the taxi fares including the HST and it is the taxi drivers responsibility to remit HST collected.

## **7. TAXICAB DRIVER**

- 7.1 The taxicab driver must be in compliance with the by-law requirements and be a HST registrant or show proof they are an employee of the taxicab owner – broker whose taxicab they are driving

- 8. Ref: CCRA # RC4125(e) Rev.02 states that:

All taxi and limousine operators whose fares are regulated by federal or provincial laws **HAVE TO REGISTER FOR HST**, regardless of their annual revenue.

9. In April 2002 there were :

11 TAXI COMPANIES

108 TAXICABS

241 DRIVERS

10. In November 2006 there were:

10 TAXI COMPANIES @ 250.00 EACH = 2,500.00

187 TAXICABS @ 250.00 EACH = 46,750.00

352 TAXIDRIVERS @ 100.00 EACH = 35,200.00

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TOTAL = 84,450.00

11. As of MAY 30, 2012 there were:

13 TAXI COMPANIES @ 419.08 EACH = 5,448.04

261 TAXICABS @ 209.52 EACH = 54,684.72

327 TAXIDRIVERS @ 335.23 EACH = 109,620.21

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148,982.38

12. NEW TAXICAB LICENSE FEES AS AMENDED IN BY-LAW  
WILL BE  $340.42 \times 261 = 88,849.62$  INCREASE OF 38 %
  
13. CURRENT REVENUE FOR CITY = .....\$148,982.38  
WITH THE APPROVED INCREASE  
IN TAXICAB LICENSING REVENUE WILL BE \$169,752.97
  
14. From 2006 to 2012 revenue from the taxi industry has  
increased to the city from 84,450.00 to 169,752.97 this  
this represents a 50% increase or 8.3 % p/year for the last 6  
years.
  
15. Plus every year all fees are increasing for each segment of the  
taxi industry. Accordingly not more than CPI of 3%.

## **TAXI FACTS**

16. In November 2000 the average trip was 3.5 km and the cab travelled 10.3 km to generate a 7.00 GST included fare.
  
- 17 In February 2005 the average trip was 3.8 km and the cab travelled 11.2 km start to finish which includes the unloaded, unpaid distance required to reach the pick up point to generate a 8.05 GST included fare.
  
18. In April 2012 the average trip was 4.1 km and the cab travelled 14.1 km to generate a 15.05 HST INCLUDED fare.  
(72 trips per week average) hours booked on 72 hrs.  
Gross Revenue \$ 1,100.00 INCLUDING HST
  
19. in May 2012 the average trip was 4.4 km and the cab travelled 15.2 km to generate a 16.20 HST INCLUDED fare.  
(64 trips per week average) hours booked on 76 hrs.  
Gross Revenue \$ 1050.00 INCLUDING HST

## TAXI FACTS

20. The costs involved to operating a taxicab in the city of Barrie

20.1	Taxi driver license with city/police cost	7.45
20.2	Taxicab license with city/police/mto	8.00
20.3	2 way radio/debit/roof light lease	26.55 + 3.45 HST
20.4	Vehicle replacement cost	45.00 + 5.20 HST
20.5	Vehicle maintenance average	100.00 + 13.00 HST
20.6	Insurance \$ 7329 / 52	140.94
20.7	Gasoline @ 17 % of gross	164.51 + 21.39 HST
20.8	Computerized Dispatch fees	265.75 + 34.55 HST
20.9	HST due to Rev/Can	48.21

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EXPENSES PER WEEK TOTAL INCLUDING HST = \$ 879.00

21.	April/May 2012 average weekly gross	\$ 1075.00
22.	Expenses .....	879.00
		<hr/>
23.	NET .....	196.00
24.	Average hours booked on the road	74 hrs.
25.	196.00 / 74 hrs =	\$ 2.65 p/hr
26.	26 % of MINIMUM WAGE.	

## **27. SENIOR DISCOUNTS**

- 27.1 The fact that council is in agreement with lowering the current taxi tariff by apprx. 15 % will have a significant impact on revenue, but on the other side of the coin if it helps generate more taxi rides then it was a positive decision.
- 27.2 In the staff report of May 28<sup>th</sup> 2012 of the cities surveyed only 2 of the 9 cities(22 %) offered seniors a discount on their ride.
- 27.3 We are in agreement with offering seniors a 10% reduction on their fare, however because of the cost associated with “plastic” ie: credit cards etc. of around 6% this would further cost the driver a total of 30 % + with reduction in the current fare. INCLUDING 13 % HST

28. Amend the by-law to read as follows :

#### TAXI TARIFF

28.1 Seniors who produce ID will be entitled to a 10 % discount on their cab ride within the city of Barrie when payment is made by CASH ONLY and the fare will be rounded up to the next 10 cent increment.

28.2 Example : total fare \$ 15.50 less 10% = 1.55

15.50 - 1.55 = 13.95 round up to \$ 14.00 13% HST INCL.

29. There really has not been a lot of time allowed to present taxi industry issues but I am very appreciative of the time allowed thus far. I am in agreement there should be some type of working group involving the City of Barrie to discuss issues in the industry and I would be very willing to sit on a working group to bring forth, discuss and provide input and resources to resolve anything that might come up.

30. In closing, thank you very much Mayor Lehman, members of council and staff for your time. You have demonstrated to the industry that you will listen to our concerns and make informed decisions. If there are any concerns or questions you may have about the taxi industry in Barrie after this evening please do not hesitate to contact me.

This concludes my deputation.

Respectfully

A handwritten signature in black ink that reads "Erwin Giles". The signature is written in a cursive style with a large initial "E".

Erwin Giles – President  
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