

ITEM 2  
MANAGER'S REPORT NO. 13  
COUNCIL MEETING 90/02/19

RE: LETTER FROM BONNY'S TAXI, 5525 IMPERIAL STREET, BURNABY, B.C., V5J 1E8  
TAXICAB RATE INCREASE

ACTING MUNICIPAL MANAGER'S RECOMMENDATION:

1. THAT the recommendations of the Director Finance be adopted.

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TO: MUNICIPAL MANAGER 1990 February 14  
FROM: DIRECTOR FINANCE File: V17-4-1  
SUBJECT: TAXICAB RATE INCREASE

PURPOSE: To inform Council of the taxicab rate increase request submitted to the Motor Carrier Commission by Bonny's Taxi Ltd.

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RECOMMENDATION:

1. That a copy of this report be sent to the Motor Carrier Commission as input to their taxicab rate analysis; and
2. That a copy of this report be forwarded to Mr. Barr Turner, manager of Bonny's Taxi Ltd., 5525 Imperial Street, Burnaby, B.C. V5J 1E8.

SUMMARY

Bonny's Taxi Ltd has made application to the Motor Carrier Commission (M.C.C.) for a rate increase. If approved, it will result in an 18.2% increase in the average taxi trip of 5.6 km. Bonny's Taxi Ltd. states that the increase is necessary because of inflation and the increased cost of propane.

We have reviewed their submission and cannot support the magnitude of increase requested by Bonny's Taxi Ltd. in their submission to the M.C.C.

REPORT

Appearing under correspondence in this agenda is a letter from Mr. Barr Turner advising that Bonny's Taxi Ltd. has made application to the Motor Carrier Commission (M.C.C.) for a rate increase to be effective 1990 May 01.

This report provides information on the process by which taxicab rates are changed, outlines Bonny's justification for a rate increase and presents staff's position on their request.

Process by Which Taxicab Rates are Changed

The Motor Carrier Commission (M.C.C.) regulates fares charged by taxicab operators throughout the G.V.R.D. when providing service across municipal boundaries. To change taxicab rates, the M.C.C. requires taxi companies to make application to the M.C.C., to advertise the proposed rates, and to inform local councils. This process allows for public comment on the new rates, and ensures that local councils are aware of changes in taxicab rates. The correspondence received by Council from Bonny's Taxi Ltd. was submitted as fulfillment of the M.C.C.'s requirement to notify Council.

To be consistent with other communities in the region, and to allow our taxicabs to carry trips to and from other communities, our Burnaby Cab and Commercial Vehicle Bylaw requires that the taxicab rates used in Burnaby be those approved by and registered with the M.C.C.

Review of Taxicab Rates

The current and proposed taxicab rates as submitted to the Motor Carrier Commission by Bonny's are as follows:

	Flag Rate	Per Km Rate	Waiting Time		Cost Per 5.6 Km Trip
			Per Hour		
Current Rates	\$1.50	\$1.05	\$17.00		\$7.38
Submitted Rates	\$2.00	\$1.20	\$22.00		\$8.72
Percent Increase	33.3%	14.3%	29.4%		18.2%

The current taxicab rates were established on 1989 June 01. The present submission by Bonny's Taxi Ltd. represents an 18.2% increase for the average taxi fare (based on a 5.6 km trip).

We contacted Bonny's manager, Mr. Barr Turner, to obtain an explanation for the proposed rate increase. Mr. Turner stated that the increase is necessary to offset inflation and an increase in the cost of propane. The cost of propane is significant to their operation as all of their taxicabs operate with this fuel.

We contacted the Motor Carrier Commission, the City of Vancouver and the Vancouver International Airport in order to obtain comments on the proposed rate increase. The following summarizes the responses that we received:

1. The Motor Carrier Commission confirms that they have received Bonny's request. They advise that no other requests for increases have been filed at this time.
2. The City of Vancouver has received a submission from the Vancouver Taxi Owner's Association that is similar to Bonny's. Preliminary discussions with staff indicate that an 18% increase may not be supported, and that no increase will be considered until June. The City of Vancouver controls taxicab fares in their commercial vehicle bylaw and therefore, Council must approve any request for a fee increase.

3. The Vancouver International Airport has not received notification of the rate increase from Bonny's or the M.C.C. The Commercial Vehicle Officer at the airport states that they would not support an 18% fare rate increase.

Municipal Concerns

We are concerned over the magnitude of the increase proposed by Bonny's. Bonny's state that the requested increase reflects inflation and a rise in the cost of propane.

We believe the proposed increase, in total, is greater than inflation and the increased cost of propane. Inflation was 5-6% in 1989. While the cost of propane did increase for a short period, we have been advised by a local supplier that it was a temporary fluctuation. This is supported by the recent price decrease at a number of stations.

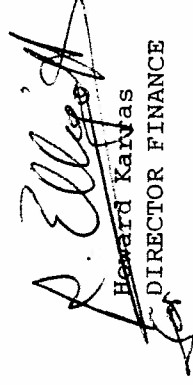
Based on this information, we cannot support the increase requested by Bonny's.

Conclusions

While we realize that Bonny's Taxi Ltd. may require an increase to reflect inflation and associated costs, we cannot support the magnitude of increase requested in their submission to the Motor Carrier Commission.

It is recommended that a copy of this report be sent to the Motor Carrier Commission as input to their taxicab rate analysis; and

That a copy of this report be forwarded to Mr. Barr Turner, manager of Bonny's Taxi Ltd., 5525 Imperial Street, Burnaby, B.C. V5J 1E8.

  
Howard Karvas  
DIRECTOR FINANCE

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