



Legislation Text

File #: 11-0540, Version: 3

Resolution Approving an Increase in the Standard Taximeter Rates for the City of Ann Arbor  
On April 28, 2011, a regularly scheduled Taxicab Board meeting was held. A meeting notice was posted and all taxicab companies were notified. Six taxicab companies were present.

The Taxicab Board received a request from several taxicab companies to increase taxicab fares to cover the increased cost of fuel. All companies present supported an increase in rates. The Board listened to comments and ideas on how to best deal with higher costs and the increased volatility of gas prices.

The existing rate structure was approved by Council May 19, 2008. Since that time, gas prices have risen over \$4.00 per gallon and are expected to continue to rise, resulting in an increased cost to do business. Given the volatility in gas prices and the length of time it takes for rates changes to be discussed and approved through the Taxicab Board and City Council, the Board opted to recommend a significant rate increase with the understanding that the ordinance describes this as a maximum rate for which companies can charge. If and when fuel prices are lower they may differentiate themselves by charging a lower rate.

With this in mind, the Board voted unanimously to recommend to council an increase of \$0.25/mile (from \$2.25 to \$2.50/mile). The Board indicated with this increase, it did not anticipate considering another rate change until the gas prices were over \$5.00 for at least two consecutive months.

The current and proposed rate increase is shown as follows:

<u>Service</u>	<u>Current</u>	<u>Proposed</u>
Flag Drop	\$3.00	\$3.00
<b>Mileage</b>	<b>\$2.25</b> (\$0.25 per 1/9 mile)	<b>\$2.50</b> (\$0.25 per 1/10 mile)
Waiting Time	\$24.00 per hour	\$24.00 per hour

It is also recommended that this increase go into effect upon Council’s approval and that all rate cards reflect the new standard taximeter rates.

Prepared by: Sarah Singleton, Taxicab Board Secretary

Approved by: Tom Crawford, Interim City Administrator

Whereas, The Taxicab Board received a request from several taxicab companies to increase taxicab fares to cover the increased cost of fuel;

Whereas, On April 28, 2011, the Taxicab Board met at a Taxicab Board meeting to discuss a proposed rate change for the City of Ann Arbor standard taximeter rates;

Whereas, All taxicab companies licensed to operate in the City of Ann Arbor were notified and six taxicab companies were present;

Whereas, The current standard taximeter rates have been in effect since May 19, 2008;

Whereas, Since the last rate increase, gas prices have exceeded over \$4.00 per gallon and are expected to continue to rise;

Whereas; Given the volatility in gas prices the Board recommended increasing the rate so that companies can compete by charging less than the full rate if desired;

Whereas, the Board voted unanimously to recommend to council an increase of \$0.25/mile (from \$2.25 to \$2.50/mile);

Whereas, City Council held a public hearing on May 16, 2011; and

Whereas, The current and proposed rate increase is shown as follows:

<u>Service</u>	<u>Current</u>	<u>Proposed</u>
Flag Drop	\$3.00	\$3.00
<b>Mileage</b>	<b>\$2.25</b> (\$0.25 per 1/9 mile)	<b>\$2.50</b> (\$0.25 per 1/10 mile)
Waiting Time	\$24.00 per hour	\$24.00 per hour

RESOLVED, That City Council approved the recommended increase to the standard taximeter rates as stated above, effective May 16, 2011; and

RESOLVED, That all rate cards issued on or after May 16, 2011 reflect the new standard taximeter rates and be filed in the City Clerk's Office available to the public.

Sponsored by: Councilmember Kunselman

**As Amended by City Council on May 16, 2011**