



**Minneapolis**  
City of Lakes

**Regulatory Services  
Department**

**Traffic Control/Taxi Enforcement**

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To: Public Safety and Regulatory Services Committee,  
Chair Dan Niziolek

Re: Taxicab Meter Rate Increase Summary

Date: August 23, 2005

The following is a summary of the statements sent to staff by Senior Ombudsman Office, Mayor's Committee on People with Disabilities, Greater Minneapolis Conventions & Visitors Association and The Minneapolis Hotel Association in conjunction with a staff analysis of comparative expenses, rate structure and justification on the taxicab meter rate increase.

### **Senior Ombudsman's Office**

The Senior Ombudsman's Office supports the taxicab meter rate increase as proposed. Two concerns are they would like to see drivers certified before they are allowed to driver a taxicab and would like to see the senior discount to encompass people with permanent disabilities and those with limited income.

### **Mayor's Committee on People with Disabilities**

The Transportation Subcommittee supports the increase of the minimum fare from \$4.00 to \$5.00 to be comparable with St. Paul and the Mileage increase to \$1.70 per mile. However, they would like to see the flag rate set-aside at this time. One reason is Metro Mobility has just increase their fares so a peek time charge is now \$3.50 and off peek fares are \$2.50. One concern noted is the committee would like staff continue to monitor complaints that arise with respect to service dogs and their handlers and continue to have this topic addressed to all new driver at Cab College.

### **Greater Minneapolis Conventions & Visitors Association (GMCVA)**

The GMCVA supports the taxicab industries request for a meter rate increase. "We believe that a majority of our attendees are not "price sensitive" and the proposed rate increase will not have a significant impact on our industry". However the GMCVA does have service concerns:

- Refusal of short trips/fares
- Lack of Geographical knowledge
- Lack of personal hygiene, clean attire, dirty interior cabs
- Low quality and understanding of customer service expectations
- No performance standards for industry

## **Minneapolis Hotel Association**

In addition to the organization the committee requested staff reports from; the Minneapolis Hotel Association provided a letter in supports a fare increase for the taxicab industry. Some of the concerns they would like addressed are, driver image, vehicle cleanliness and safety. They would like to see the industry commit to raising the level of service to guests.

### **Staff Analysis**

Staff revisited the meter rates for the cities listed on the initial spread sheet and include the City of Chicago as directed by the committee. Chicago current charges, Flag drop \$2.25, Mileage \$1.80 per mile and they also charge \$1.00 for a 2<sup>nd</sup> passenger and \$0.50 for each addition passenger after the 2<sup>nd</sup> person. Staff also found other charges that are added to the fare such as personal service and a different charge for evening time. These additional charges can raise a passenger(s) final fare from \$1.00 to \$5.00.

Staff reviewed the cost of gasoline per gallon for the State of Minnesota and found the average cost currently at \$2.60 per gallon. When we compared this to cities on the spread sheet staff found Huston, TX, at \$2.65; Seattle, WA, at \$2.78; Chicago, IL, at \$2.88; Boston, MA, at \$2.71 and New York, NY at \$2.72. Even though the other cities are a little higher the cost of gasoline has increase \$0.83 in Minnesota since this time last year.

Checking insurance rates Minneapolis falls in the middle of the cities surveyed from the spread sheet. The lowest charge quoted was \$1200 per year from Amalgamated Causality Insurance of Montgomery Cty, MD to the highest charge of \$13,000 per year from Alaskan Pacific Insurance of Anchorage, AK. Staff checked with an insurance specialist in Minneapolis to inquire as to why some owner and or companies are paying the higher rates and was advised it is due to the high amount of claims submitted by specific drivers who continue to have accidents.

Minneapolis Taxicab Meter Rate Increase  
Follow Up Report for PS&RS Committee  
August 19, 2005

The taxicab meter rate increase proposed is a cap on the amount a Taxicab Service Company may charge a passenger to receive a ride. The Minneapolis taxicab ordinance allows a Taxicab Service Company to charge less than the maximum. If a company chooses to charge less than the maximum rates, they may by submitting in writing what the amounts will be for their entire fleet.

The PS&RS committee directed staff to check the taxicab rates currently being charged in Chicago, IL, and staff found the Meter Flag at \$2.25 and the mileage at \$1.80. However, they also charge \$1.00 for the first additional person and \$0.50 for each additional person after that. (i.e. one passenger the flag is \$2.50, 2<sup>nd</sup> person \$3.50, 3<sup>rd</sup> person \$4.00 and each additional person is \$0.50.)

Staff took another look at the rates charged across the country and noted that 5 of the cities on the spread sheet have granted meter rate increase since the first inquiry. Two such cities were Grand Forks, ND, raising the meter flag from \$1.75 to \$2.25 and adding a \$1.00 charge for each additional passenger and Duluth, MN, raising the flag charge from \$1.50 to \$2.00 and the mileage charge from \$1.80 to \$2.00.

Further review of taxicab rates found that the meter flags maybe misleading on the surface. Of the cities surveyed 5 of them provide an additional charge of \$1.00 per each additional person, which increases the flag drop \$1.00 per additional person. (i.e., base flag \$2.50, 2<sup>nd</sup> person \$3.50, 3<sup>rd</sup> person \$4.50, 4<sup>th</sup> person \$5.50, etc.)

Montgomery County, MD, also allows drivers to charge an additional \$1.00 for personal services, loading of luggage. Houston, TX, charges 2 different flag rates, during the day the meter flag is \$2.50 and during the evening hours the meter flag rate is \$3.50.

Looking at the changes in meter flag rates going on through out the country, Minneapolis do not appear to be out of line with the proposed request because our flag rate would be the same charge for 1 or more people using the same taxicab