



**RCA  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.:** 11  
**AGENDA DATE:** Thu 10/27/2005  
**PAGE:** 1 of 2

**SUBJECT:** Approve an ordinance amending Chapter 13-2 of the City Code to create a taxicab fuel surcharge and provide for reimbursement of toll road fees.

**AMOUNT & SOURCE OF FUNDING:** N/A

**FISCAL NOTE:** There is no unanticipated fiscal impact. A fiscal note is not required.

**REQUESTING** Public Works  
**DEPARTMENT:**

**DIRECTOR'S**  
**AUTHORIZATION:** Sondra Creighton

**FOR MORE INFORMATION CONTACT:** Morris Poe, 974-1562; Laura Bohl, 974-7064

**PRIOR COUNCIL ACTION:** N/A

**BOARD AND COMMISSION ACTION:** Recommended by the Urban Transportation Commission.

**PURCHASING:** N/A

**MBE / WBE:** N/A

The taxicab franchise holders have filed a request to amend the City Code to include a method for adjusting the taximeter rate of fare due to escalating gasoline prices.

The ordinance describes the proposal to increase the taximeter rate by \$0.10 per paid mile when the average price of regular unleaded gasoline in Austin is \$2.45 per gallon or higher. The fuel cost recovery fee will remain in effect until the price decreases to \$2.10 or less per gallon or increases by an additional \$0.75 per gallon to \$3.20. Each subsequent \$0.75 per gallon increase will warrant an additional \$0.10 per paid mile increase in the taximeter rate. If the fuel price decreases by \$0.35 per gallon below each implementation price, the recovery fee will be reduced accordingly to the corresponding fuel price. The following table outlines the proposal.

Taximeter Fuel Cost Recovery Fee				
	Low end price for each gallon	High end price for each gallon	Rollback price for each gallon	Applicable fuel cost recovery fee
Price range 1	\$2.45	\$3.20	\$2.10	10 cents
Price range 2	\$3.20	\$3.95	\$2.85	20 cents
Price range 3	\$3.95	\$4.70	\$3.60	30 cents
Price range 4	\$4.70	\$5.45	\$4.35	40 cents
Price range 5	\$5.45	\$6.20	\$5.10	50 cents
Price range 6	\$6.20	\$6.95	\$5.85	60 cents
Price range 7	\$6.95	\$7.70	\$6.60	70 cents
Price range 8	\$7.70	\$8.45	\$7.35	80 cents
Price range 9	\$8.45	\$9.20	\$8.10	90 cents



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<b>Price range 10</b>	<b>\$9.20</b>	<b>\$9.95</b>	<b>\$8.85</b>	<b>\$1.00</b>
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The average price of gasoline in the Austin area as reported by the American Automobile Association will be reviewed quarterly by the department. The taximeter rate will be adjusted according to the average price at the time of the quarterly review.

The ordinance also describes a proposed toll road fee policy. The proposed policy requires a taxicab driver to give a passenger the option of using a toll road or a different route when a toll road is the most direct route to a passenger's destination. If the passenger chooses to travel a toll road, then the passenger will be responsible for paying the toll road fees incurred by the driver. The toll road fees must be posted in each taxicab.

The Public Works Department recommends approval of the proposed policies. The Urban Transportation Commission considered the proposed policies on September 19, 2005 and unanimously (9-0) recommended approval of both policies.

**A. Approve Proposed Taxicab Related Policies Regarding a Fuel Cost Recovery Fee, Toll Road Fee Payment, and Acceptable Methods of Taximeter Fee Payment**

Mr. Morris Poe, Transportation Regulatory Manager with the Public Works Department, stated he was approached by the taxicab franchise holders to amend the City Code to include a method for adjusting the taximeter rate of fare due to escalating gasoline prices. He stated they also discussed two other issues; a policy regarding payment of toll road fees, and a proposal related to the acceptable methods of payment of the taximeter fee. Mr. Poe stated staff is recommending all three proposed changes.

Mr. Poe then referred to the memo sent out and explained the table which outlines the proposed changes in the taximeter rate. The proposal will increase the taximeter rate by ten cents per mile when the price of regular unleaded gasoline is \$2.45 per gallon or higher. He also explained that if the price of gasoline were to go down, then the taximeter rate would be adjusted accordingly, within certain parameters.

Mr. Tepper asked for further explanation of the cost recovery fee. Mr. Poe referred him to the table included in the memo and explained how the recovery fee will be implemented.

There was one taxicab driver, Ms. Hannah Riddering, who spoke on this issue. She supports this proposal, stating the cost of gasoline is hurting the drivers. She said the drivers, cab companies, and city staff are all in agreement on this proposal and they are trying to avoid having a surcharge added to each ride, like many other cities have done. She stated she doesn't want customers, such as the elderly who need a short ride to the store, to have to pay an additional fee just for a short ride. They all felt it was better to have the fee associated with the number of miles and amount of gasoline involved in a trip. She said the only other issue is that this called a fuel cost recovery fee, which means it is for the people buying the fuel, and she hopes the cab companies do not increase their leases since they think the drivers will be making more money.

Ms. Brinkman asked if the City has any authority over the lease arrangements made between the taxicab companies and the drivers. Mr. Poe stated the City does not.

Mr. Williams asked if there are any costs incurred by the taxicab companies related to the increase in rates. Mr. Poe stated it entails re-signage and having the meters in each vehicle reset.

Mr. Rozycki asked about the roll back triggers, and why they are needed. Mr. Poe stated that the drivers were concerned that the average gasoline prices could fluctuate daily and the fee being adjusted due to a one day low in the price on the day it was reviewed. Any adjustments made are locked in until the next quarters review. Mr. Jim Connolly, President of Yellow Cab Company, stated that the roll back trigger also allows the drivers to recover a little of the expense they have absorbed since the last increase.

Mr. Poe stated that this proposal is scheduled to be presented to the City Council on October 20. Ms. Brinkman asked if there was any way to expedite this change. Mr. Poe stated not without a request from a couple of Council members. Ms. Brinkman asked to be notified when the Ordinance is ready so the Commission can contact their Council members to move this forward.

**Motion by:** Dana Lockler  
**Seconded by:** Scott Williams

**Motion:** To approve staff recommendation on the fuel cost recovery fee.

**Ayes:** Brinkman/Lockler/Clements/Goetz/Harden/Rozycki/Sapire/Tepper/Williams  
**Nays:** None  
**Abstain:** None  
**Absent:** None

Mr. Poe stated in regards to the toll road fee payment, the driver is responsible for giving the customer the option of taking the toll road or an optional route, with the understanding that the customer will pay the toll fee.

Ms. Riddering stated she is in favor of this.

Mr. Clements asked if it was definite that the toll road agencies were going to charge taxis. Ms. Riddering stated yes, taxis will be charged.

**Motion by:** Dana Lockler  
**Seconded by:** Scott Williams

**Motion:** To approve staff recommendation on toll road payments.

**Ayes:** Brinkman/Lockler/Clements/Goetz/Harden/Rozycki/Sapire/Tepper/Williams  
**Nays:** None  
**Abstain:** None  
**Absent:** None

Mr. Poe stated that currently the ordinance does not include any policy or requirements in regard to what is an acceptable method of payment of the taximeter fee. They are asking that a policy be adopted that requires the franchise holders adopt a policy for their franchise. That policy would be to require drivers accept cash, and have the option to accept checks, credit cards, or voucher payments. If a company does not accept checks or credit cards it should be posted on the vehicles, if they do accept credit cards then they would not be able to charge the passenger an additional fee or establish a minimum purchase amount.

Ms. Brinkman asked if this will make any practical change in current procedures. Mr. Poe stated none that he was aware of.

Ms. Riddering stated that Yellow Cab has recently established that all of their cabs must accept credit cards. Previously it was up to the driver. She said the drivers are all individual businesspeople and the cab companies charge the driver a portion of the credit cards. She said most of the drivers would prefer to make that choice themselves. Ms. Riddering also stated that this involves checks, which can be a big problem because of the number of bad checks they have dealt with in the past. She does not support this proposal.

Ms. Brinkman asked if there is any way to write into the Ordinance that if the cab company required the drivers to accept checks and if the check is returned as insufficient funds, that the cab company takes the hit and not the driver. Mr. Poe stated he feels it could be written

into the Ordinance.

Mr. Sapire asked why all taxis for a company need uniformity in payment policies. Mr. Connelly stated that it is a marketing issue, so that they can advertise that all their cabs take whichever payment methods.

Mr. Robert Velasquez, with Roy's Taxi, stated their company policy is that their drivers sign a contract that they will take any form of payment. He said this is done for good customer service and is a marketing tool.

Mr. Williams asked the purpose of this change. Mr. Poe stated the primary purpose is to establish a consistent policy and to ensure a company does not charge additional fees for using a credit card or establish a minimum fare if a customer uses a credit card.

**Motion by:** Dan Rozycki

**Seconded by:** Greg Sapire

**Motion:** To recommend against the staff recommendation on the fee payment issue.

**Ayes:** Brinkman/Lockler/Clements/Harden/Rozycki/Sapire/Tepper/Williams

**Nays:** None

**Abstain:** Goetz

**Absent:** None