

**CITY OF SAN ANTONIO
POLICE DEPARTMENT
CITY COUNCIL AGENDA MEMORANDUM**

TO: Mayor and City Council
FROM: Albert A. Ortiz, Chief of Police
SUBJECT: Consideration of a Taxicab Fuel Surcharge
DATE: August 25, 2005

SUMMARY AND RECOMMENDATIONS

This ordinance proposes the adoption of a seven-tier taxicab fuel surcharge which amends Section 33-981 of the San Antonio City Code and provides for an effective date of October 1, 2005.

Staff recommends approval of this Ordinance.

BACKGROUND INFORMATION

Taxicab rates were last updated in June 2004. However, no fuel surcharge has ever been established or implemented in San Antonio. During the study of rates in 2004, the goal was to provide a reasonable and fair rate adjustment, consider increases in the cost of living and dramatic rises in fuel prices at that time, minimize the impact on dependent customers, maintain competitive rates within the industry, and maintain optimal service accountability. A study was conducted internally in 2004 by City staff with the assistance of the taxicab industry. The following table summarizes the rates in effect prior to June 2004, results of the staff study from 2004, Taxicab Industry Proposal, and the recommendations of the City Council Quality of Life Committee which were subsequently approved by the City Council on June 24, 2004.

Description	Date Of Last Change	Rates Prior to June 2004	Staff Proposal	Industry Proposal	Rates Approved In 2004
Drop Rate	1991	\$ 1.60	\$ 2.15	\$ 1.70	\$ 1.70
Mileage	2000	1.50	1.60	1.70	1.80
Wait Time	2003	15.00	15.00	18.00	18.00
Airport Minimum	2000	8.00	8.50	8.00	8.00
Downtown Minimum	1994	3.00	3.70	3.00	3.00

As noted in the previous table, the rates approved in June of 2004 were the same as those proposed by the taxicab industry with the exception of the mileage charge which was increased an additional \$.10 to \$1.80 per mile. In formulating the recommendation to the City Council, the City Council Quality of Life Committee considered the impact on special populations, such as tourists and senior citizens, who primarily use taxicabs for short trips and the impact of fuel costs. The Committee determined that a fuel surcharge would not be considered at that time.

In April 2005, a request by the taxicab industry was submitted for the adoption of a fuel surcharge. The taxicab industry proposed a fuel surcharge of \$.25 when the price of gas reaches \$1.75 per gallon and \$.50 per trip when the price of gas reaches \$2.00 per gallon. The proposal further states that at the beginning of each calendar quarter, the cost of unleaded regular will be determined by consulting the Bureau of Labor Statistics. If the price exceeds the aforementioned thresholds, the applicable surcharge would be applied to all trips during that calendar quarter. The price would be reviewed at the beginning of all subsequent quarters to see if the surcharge should still apply.

In June 2004, the Quality of Life Committee recommended an additional \$.10 adjustment to the mileage charge above the industry proposal of \$1.70. While a portion, if not all, of this adjustment was intended to provide immediate relief, gasoline prices have risen and remained at levels above last summer. Staff and the industry have discussed the industry's proposal as well as several other options. Based upon a review of relevant information, City staff recommends a seven tier fuel surcharge as follows:

Surcharge Per Trip	Average Gas Price
\$0.25	Between \$2.00 and \$2.09
\$0.35	Between \$2.10 and \$2.19
\$0.50	Between \$2.20 and \$2.39
\$0.60	Between \$2.40 and \$2.54
\$0.70	Between \$2.55 and \$2.69
\$0.80	Between \$2.70 and \$2.79
\$0.90	Between \$2.80 and \$3.00

The average price of unleaded gas for a calendar quarter would be calculated based on the retail prices listed for regular unleaded issued by the "Oil Price Information Service" for the San Antonio area. The resulting average would determine if a fuel surcharge per trip should be in effect for the subsequent calendar quarter and if so, at what level based on the aforementioned tiers. For example, if the average price of unleaded gas were \$2.12 per gallon for the calendar quarter July through September, a fuel surcharge per trip of \$.35 would be in effect for the calendar quarter October through December. The average price of regular unleaded would be determined on a quarterly basis and the fuel surcharge would be adjusted or removed as necessary.

The implementation of the fuel surcharge will be programmed on the taxicab meters. When a change in the surcharge becomes effective, the taxi drivers will be required to make their vehicle available to the Ground Transportation Unit of the Police Department in order to have the appropriate change in the meter.

On January 25, 2005, the Transportation Advisory Board (TAB) submitted their recommended changes to Chapter 33, Vehicles for Hire, to City Staff, which included a fuel surcharge without recommended amounts or parameters. The Board has not been able to hold a meeting since that time due to 6 vacancies and 3 positions that expired in January 2005. The Board is unable to have a quorum, as mandated by City Ordinance #100199 passed December 17, 2004. City Staff is working with the City Attorney's Office on an ordinance to address this matter.

FISCAL IMPACT

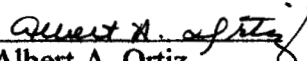
No City revenues or expenditures will be generated by the fuel surcharge if it is implemented.

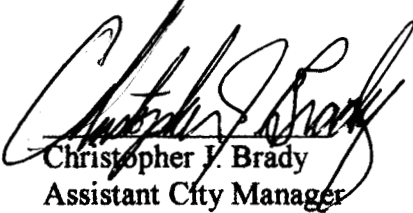
COORDINATION

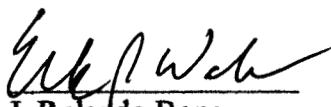
This item has been developed and coordinated with the Public Utilities Department.

SUPPLEMENTARY COMMENTS

The City of San Antonio Discretionary Contracts Disclosure form is not required.


Albert A. Ortiz
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Christopher J. Brady
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J. Rolando Bono
City Manager

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