

Roberto Rossini
 Deputy City Manager & Chief Financial Officer

Financial Planning Division
 City Hall, 7th Fl.
 100 Queen St. West
 Toronto, ON M5H 2N2

 Tel: (416-397-4229)
 Fax: (416-397-4465)
jlavita@toronto.ca
www.toronto.ca

2016 OPERATING BUDGET BRIEFING NOTE

Municipal Licensing & Standards – Taxicab Renewal Fees

Issue/Background:

Budget Committee, at its meeting of January 18, 2016 placed Motion #8 from Councillor Berardinetti, which recommended "That City Council suspend all Taxi renewal fees pending the completion of the fee review." and requested:

"the Deputy City Manager and Chief Financial Officer, in consultation with the Executive Director, Municipal Licensing and Standards, to report to the January 26, 2016 meeting of the Budget Committee on offsets to the increases in the 2016 Preliminary Budget, including both possible budget reductions and/or increases in revenue sources, proposed in Motion 8 by Councillor Michelle Berardinetti."

The above motion will be considered by Budget Committee at its Final Budget Wrap-up meeting to be held on January 26, 2016.

Key Points:

In accordance with Chapter 441 of the Municipal Code, Municipal Licensing & Standards charges Taxicab Renewal Fees as follows:

Category	2015 Fee	2016 Fee	% Increase	\$ Change
Taxicab Broker	\$264.04	\$270.80	2.56%	\$6.76
Taxicab Driver Licence	\$329.43	\$337.86	2.56%	\$8.43
Ambassador Owner Licence	\$789.63	\$809.84	2.56%	\$20.21
Standard Taxicab Owner Licence	\$1,247.39	\$1,279.32	2.56%	\$31.93
Toronto Taxicab Owner Licence	\$1,247.39	\$1,279.32	2.56%	\$31.93

Pursuant to the Toronto Municipal Code Chapter 441, Fees and Charges and in accordance with the City's User Fee Policy, there has been an automatic annual inflationary fee increase to Municipal Licensing & Standards fees, including those for the renewal of taxicab driver and owner licenses.

- Budget Committee will consider Motion # 4 from Councillor Gary Crawford during the Final Budget Wrap-up meeting on January 26, 2016, which recommends that City Council amend City of Toronto Municipal Code Chapter 441, Fees and Charges to maintain Taxi Licensing

Fees at 2015 rates, retroactive to January 1, 2016 and until such time as the Ground Transportation Review report is considered by City Council.

The 2016 Taxicab Renewal fees are anticipated to generate revenue of \$3.6 million in the first 4 months of 2016 and \$8.9 million annually. These fees are based on cost recovery, reflective of the MLS' activities in administering the licensing regime, including: administration, enforcement, training and scheduled vehicle inspections, which will need to continue throughout the year.

- Any suspension of renewal taxi fees would result in a 2016 budget pressure to MLS of \$3.6 million (first 4 months of the year) or \$8.9 million (full year impact).

The Executive Director of Municipal Licensing and Standards has identified expenditure offsets within the Business Licensing and Permitting Service for the anticipated loss of \$0.222 million in 2016 revenue arising from maintaining Taxi Licensing fees at 2015 rates (Motion #4).

There are currently no offsets to be offered for the remaining potential loss in revenue (\$3.4 million in first 4 months and \$8.7 million for 2016 full year) that would arise from the suspension of all Taxi Renewal fees, as contemplated in Motion 8. In the event that the fees are suspended, it is important to note that the costs of administering the licensing regime, including administration, enforcement, training and scheduled vehicle inspections, will continue to be required.

- Accordingly, any loss in fee revenue will place additional pressure to increase property taxes beyond current estimated levels.

Prepared by: Stephen Conforti, Manager, Financial Planning Division, 416-397-0958
sconfor@toronto.ca

Further information: Annalisa Mignardi, Director – Business Licensing & Regulatory Services, Municipal Licensing & Standards Division, 416-392-3070 amignard@toronto.ca

Date: January 22, 2016