

R. 77-90

RESOLUTION NO. 216591 AUG 11 1976


RESOLUTION ESTABLISHING COUNCIL POLICY NO. 500-5  
REGARDING TAXICAB RATES OF FARE.

BE IT RESOLVED, by the Council of The City of San Diego,  
as follows:

That Council Policy No. 500-5 regarding Taxicab Rates  
of Fare be and is hereby established as set forth in the form  
of Council Policy filed in the office of the City Clerk as  
Document No. 756349.

BE IT FURTHER RESOLVED, that the City Clerk be and he is  
hereby instructed to add the aforesaid to the Council Policy  
Manual.

APPROVED: JOHN W. WITT, City Attorney

By   
Curtis M. Fitzpatrick  
Sr. Chief Deputy City Attorney

CMF:sml:011.1, 504  
7-14-76  
Or. Dept.: Councilman Williams

SUBJECT: Taxicab Rates of Fare

BACKGROUND

Regulation of taxicab rates within the City of San Diego is in the interest of the citizens of San Diego. It is imperative that rates be established at reasonable levels for the citizens of San Diego, while at the same time providing a flow of revenue sufficient to cover the operator's cost of providing the service plus a return in line with the annual money cost of capital investment in taxicabs and pertinent facilities.

PURPOSE

To establish guidelines for the review and adjustment of taxicab rates of fare on an annual basis.

POLICY

It shall be the policy of the City Council that all taxicab operations within the City of San Diego be reviewed on an annual basis, at the beginning of the calendar year, for the purpose of determining if an adjustment of rates of fare is required.

IMPLEMENTING PROCEDURE

The following procedure should be adhered to in implementing the above policy:

1. All operators will maintain the following documentation, as a necessary prerequisite to the annual rate of review:

A. Tripsheets: A tripsheet shall be prepared for each shift of operation of a taxicab, showing "from" and "to" destination, metered charge for each trip, and the total miles and paid miles for each shift. In case there are any supplementary or additive charges in connection with any trip, space shall be provided for showing an explanation of the reason for such added charge. After summarization of the financial and statistical data on each tripsheet and transference to a summary sheet, individual tripsheets shall be kept open for inspection for six months before destroying.

B. Monthly Reports: Each operator, on or before the 15th day of the month, shall provide a summary of the prior month's operations to the City's Transportation Department showing the following quantities and amounts:

a) Operating Statistics

Paid Trips	No. _____
Taxicab Miles	No. _____
Paid Miles	No. _____

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 SAN DIEGO, CALIFORNIA

Revenue - Taxicab Operations	\$ _____
Other Revenues	\$ _____
Gasoline Cost	\$ _____
Gas - Gallons Used	No. _____

b) Computed Unit Revenues and Gasoline Costs

Taxicab Revenue Per Paid Trip	\$ _____
Paid Miles Per Trip	No. _____
Taxicab Miles Per Trip	No. _____
Gallons of Gas Per Trip	No. _____
Taxicab Miles Per Gallon	No. _____
Gasoline Cost Per Gallon	\$ _____

C. Annual Reports: Each operator shall prepare and file an annual report of operations within sixty days after the first day of the calendar year, on a form provided by the City Manager's office, showing the annual number of trips, paid miles, total miles, revenues, expenses, total investment in plant and equipment, operating ratio, certificate utilization, and rate of return.

2. An annual review will be held. All of the necessary documents prerequisite to the review must be submitted by the operators, to the City Manager, no later than March 1 of each calendar year. It will consist of reviewing all submitted documents of the taxi industry, then applying the rate making criteria. The City Manager's findings and recommendations shall be completed within 60 days of date of submission, no later than May 1, and shall be placed on the docket of the first City Council meeting thereafter. Final Council action is to be taken on rate adjustments no later than July 1. The following rate making criteria will be used in the review.

A. Operating Ratio: The operating ratio is the ratio derived by dividing the operating expenses, plus depreciation and taxes, (exclusive of interest on other than rolling stock, but including reasonable interest cost on rolling stock), by the revenue. An operating ratio of approximately 96% shall be considered reasonable. In addition to the operating ratio, consideration will be given to the return on rate base in establishing rate levels.

B. Rate Base: The rate base consists of the operator's investment in plant and equipment, less accumulated depreciation, plus an allowance. The working chash allowance is a judgement allowance and consists of items like: incorporaiton fees, initial license fees, and one week's wages representing money which a new operator would have to advance before revenues start flowing in to offset expenses. No allowance is included for "goodwill" or for mark-up on sale or transfer of property.

- C. Rate of Return: The rate of return permitted for taxicab operation is in lieu of the annual interest cost which the operator pays on any borrowed capital and includes a margin to cover dividends on stockholders investment. The rate of return has to be sufficient to cover the operator's cost-of-money which cost includes interest on indebtedness and dividends on owner's equity or risk capital.
  - D. Revenue and Expense Summary: For a recent 12 month's period, including operating ratio and rate of return.
  - E. Revenue and Expense Projection: For a current or forward looking 12-month period, including operating ratio and rate of return, company by company and total.
  - F. Comparative Taxicab Rates: For 1, 2, 3, and 4 mile trips in the following cities: Bakersfield, Coronado, Chula Vista, El Cajon, El Centro, Escondido, Fresno, La Mesa, Las Vegas, Los Angeles, Oceanside, Oakland, Palm Springs, Phoenix, Reno, Sacramento, San Bernardino, San Francisco, Santa Ana, Santa Barbara, Yuma, and San Diego under present and proposed rates.  
  
Comparable taxicab rates should be applied only after an in-depth study of economic conditions, restrictive regulations, topography, and other influences affecting the industry.
3. Failure of an operator to submit necessary documents prerequisite to the review, may subject that operator to suspension of certification until such time as the necessary required information is forthcoming.

Passed and adopted by the Council of The City of San Diego on AUG 11 1976,  
by the following vote:

Councilmen	Yeas	Nays	Excused	Absent
Gil Johnson	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Maureen F. O'Connor	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lee Hubbard	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Leon L. Williams	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Floyd L. Morrow	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tom Gade	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jim Ellis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Jess D. Haro	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayor Pete Wilson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AUTHENTICATED BY:

PETE WILSON  
Mayor of The City of San Diego, California.

EDWARD NIELSEN  
City Clerk of The City of San Diego, California.

By Edward J. Helter, Jr. Deputy.

(Seal)

RECEIVED  
CITY CLERK'S OFFICE  
1976 JUL 30 PM 2:00  
SAN DIEGO, CALIF.

Office of the City Clerk, San Diego, California

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