Memorandum

MIAMI-DADE COUNTY

Date: June 3, 2008

To: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

Agenda Item No. 7(F)

From: George M. Burgess
County Manager

Subject: Ordinance amendment revising mechanism to authorize a taxicab rate fuel surcharge

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This item was amended on May 14, 2008 by the Economic Development and Human Services Committee to adjust the initial fuel surcharge amount to $1.00 when the price of gasoline is $3.50 per gallon with increases in $0.50 increments thereafter. In addition, the item clarifies that the surcharge may be decreased or removed when the price of gasoline falls below a level and that the surcharge shall be reflected on the taximeter as an extra charge.

RECOMMENDATION

It is recommended that the Board approve the attached ordinance amending Section 31-87 of the Code of Miami-Dade County, to revise the mechanism by which a taxicab rate fuel surcharge may be authorized in the event of an unforeseen, significant increase in gasoline prices.

SCOPE

This proposed ordinance applies countywide.

FISCAL IMPACT/FUNDING SOURCE

There is no fiscal impact to the County.

TRACK RECORD/MONITOR

The Consumer Services Department (CSD) is responsible for administering for-hire transportation regulations.

BACKGROUND

Section 31-87 of the Code sets forth the method for the establishment of taxicab rates in Miami-Dade County. These rates are set by Board resolution following a public hearing. The current taximeter rate has been in effect since September 22, 2005.

Section 31-87 (c) (6) contains a special provision that authorizes the County Manager to approve a per-trip taxicab rate surcharge in addition to the existing rate. The surcharge is based upon a formula and may be imposed when a change in the petroleum market causes an increase in the price of regular unleaded gasoline by $0.30 or more during any 90-day period. The surcharge is required to be a fixed per trip amount and may be in effect for a period of up to six months, unless extended by Board resolution. This provision, which replaced an earlier surcharge formula, was adopted on July 6, 2000 by Ordinance No. 00-88. The formula triggered a fuel surcharge once in 2004, and remained in effect until the new taxicab meter rates were approved in September 2005.

The Energy Information Administration (EIA), a statistical agency of the U.S. Department of Energy, recently reported that monthly average pump prices will approach $3.60 a gallon in June 2008, but could rise as high as $4 a gallon over the summer.

Under the current language, the fuel surcharge is determined by dividing the fuel increase per gallon of regular unleaded gasoline by the average number of taxicab trips per gallon over a 90-day period. The current surcharge formula does not work well for the following reasons:

- It restricts the price comparison to a 90-day window
- It is calculated using survey data obtained directly from taxicab drivers attending CSD chauffeur training programs and the accuracy of this data cannot be verified
- It can result in an odd number (i.e. $0.33) which cannot realistically be collected by drivers
- And, a surcharge of $0.30, the minimum that can result from the current formula, is not meaningful for drivers. According to anecdotal information, when a $0.30 surcharge was previously in effect, only a small percentage of drivers collected it.

The proposed amendment provide for a mechanism allowing greater flexibility in responding to fuel price increases, while implementing a reasonable and easily definable surcharge amount. Specifically, it establishes guidelines for the implementation of a per trip fuel surcharge upon regular unleaded gasoline, striking a benchmark price. Each benchmark price is set in $0.50 increments from a base price (stemming from the average price of regular unleaded gasoline at the time of the most recent taximeter rate adjustment). Each $0.50 increase in the price of regular unleaded gasoline may generate a cumulative per trip fuel surcharge. The starting base price is $3.00 per gallon, which is the price in effect on the date of the last meter rate adjustment. The table listed below provides the proposed schedule:

Gasoline Price	Trip Surcharge
$ 3.00	None
$ 3.50	$ 1.00
$ 4.00	$ 1.50
$ 4.50	$ 2.00
$ 5.00	$ 2.50
$ 5.50	$ 3.00

In order to implement a per trip fuel surcharge, the average weekly price of regular unleaded gasoline must stay at or above a level on the above chart for three consecutive weeks. Inversely, should the average weekly price of regular unleaded gasoline fall below a level on the above chart for three consecutive weeks the surcharge will be reduced accordingly. Additionally, any fuel surcharge will expire upon the effective date of any taximeter rate adjustment. The average weekly price of regular unleaded gasoline will be based on the data gathered by the EIA. Passenger notices will be posted inside the taxicab disclosing the surcharge.

This fuel surcharge methodology is patterned after the City of Seattle. A similar mechanism was recently implemented in Chicago. A number of other jurisdictions, including Dallas, St. Louis, Philadelphia, and Washington D.C., have implemented or are in the process of implementing taxicab fuel surcharges ranging from $0.50 to $1.00 per trip.

Assistant County Manager

Energy Information Administration
Official Energy Statistics from the U.S. Government

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Note: These data are available in spreadsheet format by clicking the "Download Series History" link on the previous page (with drop-down menu bar at top).

View History: ◉ Weekly ○ Monthly ○ Annual

Miami, FL Regular All Formulations Retail Gasoline Prices (Cents per Gallon)

	Week 1		Week 2		Week 3		Week 4		Week 5	
Year-Month	End Date	Value	End Date	Value	End Date	Value	End Date	Value	End Date	Value
2003-May							05/26	151.5		
2003-Jun	06/02	151.2	06/09	152.3	06/16	151.4	06/23	152.6	06/30	151.3
2003-Jul	07/07	150.2	07/14	155.3	07/21	156.7	07/28	156.7		
2003-Aug	08/04	156.8	08/11	159.0	08/18	163.1	08/25	170.7		
2003-Sep	09/01	173.0	09/08	170.6	09/15	170.0	09/22	168.6	09/29	165.2
2003-Oct	10/06	163.1	10/13	160.6	10/20	161.2	10/27	156.4		
2003-Nov	11/03	155.6	11/10	154.7	11/17	154.6	11/24	154.5		
2003-Dec	12/01	152.5	12/08	151.3	12/15	151.6	12/22	151.1	12/29	151.0
2004-Jan	01/05	155.0	01/12	163.1	01/19	166.8	01/26	168.1		
2004-Feb	02/02	170.8	02/09	170.5	02/16	169.4	02/23	171.7		
2004-Mar	03/01	173.0	03/08	178.3	03/15	178.9	03/22	180.7	03/29	181.8
2004-Apr	04/05	183.3	04/12	183.6	04/19	186.0	04/26	187.0		
2004-May	05/03	186.5	05/10	195.7	05/17	203.4	05/24	208.1	05/31	209.7
2004-Jun	06/07	209.0	06/14	207.8	06/21	202.9	06/28	201.0		
2004-Jul	07/05	198.3	07/12	198.1	07/19	198.3	07/26	197.4		
2004-Aug	08/02	190.5	08/09	187.6	08/16	186.6	08/23	187.7	08/30	186.3
2004-Sep	09/06	193.0	09/13	192.4	09/20	192.2	09/27	197.1		
2004-Oct	10/04	198.8	10/11	202.4	10/18	208.0	10/25	207.4		
2004-Nov	11/01	208.3	11/08	208.3	11/15	207.2	11/22	205.2	11/29	204.2
2004-Dec	12/06	203.2	12/13	201.9	12/20	198.1	12/27	195.3		
2005-Jan	01/03	192.7	01/10	191.0	01/17	191.3	01/24	193.1	01/31	197.6
2005-Feb	02/07	198.8	02/14	198.1	02/21	197.7	02/28	197.9		
2005-Mar	03/07	204.0	03/14	212.4	03/21	217.7	03/28	224.0		
2005-Apr	04/04	229.5	04/11	236.5	04/18	234.1	04/25	234.5		
2005-May	05/02	232.9	05/09	231.0	05/16	229.3	05/23	226.1	05/30	224.9
2005-Jun	06/06	223.7	06/13	223.3	06/20	224.1	06/27	229.0		
2005-Jul	07/04	229.6	07/11	235.2	07/18	237.2	07/25	235.6		
2005-Aug	08/01	235.9	08/08	241.7	08/15	260.3	08/22	271.0	08/29	271.4
2005-Sep	09/05	300.4	09/12	297.5	09/19	289.0	09/26	289.3		
2005-Oct	10/03	300.1	10/10	296.0	10/17	290.5	10/24	283.0	10/31	282.8
2005-Nov	11/07	271.7	11/14	260.1	11/21	248.0	11/28	244.5		
2005-Dec	12/05	238.8	12/12	239.2	12/19	239.5	12/26	237.2		
2006-Jan	01/02	237.0	01/09	242.9	01/16	244.6	01/23	246.1	01/30	247.0
2006-Feb	02/06	247.0	02/13	244.8	02/20	241.0	02/27	236.3		
2006-Mar	03/06	241.1	03/13	246.0	03/20	263.7	03/27	265.5		
2006-Apr	04/03	271.9	04/10	280.6	04/17	290.4	04/24	299.0		
2006-May	05/01	298.2	05/08	297.6	05/15	297.9	05/22	295.0	05/29	291.3
2006-Jun	06/05	290.9	06/12	291.6	06/19	290.8	06/26	290.2		
2006-Jul	07/03	294.3	07/10	297.0	07/17	299.4	07/24	302.5	07/31	304.5
2006-Aug	08/07	307.1	08/14	307.7	08/21	304.7	08/28	297.9		
2006-Sep	09/04	292.3	09/11	284.0	09/18	271.9	09/25	262.3		
2006-Oct	10/02	253.4	10/09	243.6	10/16	237.1	10/23	233.0	10/30	231.3
2006-Nov	11/06	229.5	11/13	230.1	11/20	230.7	11/27	231.6		
2006-Dec	12/04	237.5	12/11	238.8	12/18	238.4	12/25	239.5		
2007-Jan	01/01	239.2	01/08	236.8	01/15	231.3	01/22	225.7	01/29	223.2
2007-Feb	02/05	222.3	02/12	226.3	02/19	232.6	02/26	241.0		
2007-Mar	03/05	255.9	03/12	261.2	03/19	261.0	03/26	264.7		
2007-Apr	04/02	272.1	04/09	284.4	04/16	293.9	04/23	294.5	04/30	300.6
2007-May	05/07	302.6	05/14	308.3	05/21	316.8	05/28	319.5		

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2007-Jun	06/04	316.7	06/11	313.7	06/18	309.3	06/25	304.6		
2007-Jul	07/02	300.1	07/09	300.2	07/16	305.3	07/23	304.4	07/30	299.7
2007-Aug	08/06	293.0	08/13	286.3	08/20	284.1	08/27	281.5		
2007-Sep	09/03	281.8	09/10	286.1	09/17	287.1	09/24	289.6		
2007-Oct	10/01	290.8	10/08	288.0	10/15	289.5	10/22	289.5	10/29	293.2
2007-Nov	11/05	308.7	11/12	318.5	11/19	320.0	11/26	320.0		
2007-Dec	12/03	318.8	12/10	317.2	12/17	314.9	12/24	314.4	12/31	316.6
2008-Jan	01/07	320.1	01/14	320.6	01/21	317.7	01/28	312.7		
2008-Feb	02/04	310.0	02/11	308.4	02/18	316.2	02/25	329.4		
2008-Mar	03/03	329.9	03/10	333.7	03/17	339.2	03/24	337.2	03/31	339.1
2008-Apr	04/07	341.6	04/14	348.2	04/21	361.9	04/28	372.8		
2008-May	05/05	371.7	05/12	384.7	05/19	392.3				

Updated on 5/19/2008
Source: U.S. Energy Information Administration

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MEMORANDUM

(Revised)

TO: Honorable Chairman Bruno A. Barreiro and Members, Board of County Commissioners

DATE: June 3, 2008

FROM: R. A. Cuevas, Jr. County Attorney

SUBJECT: Agenda Item No. 7(F)

Please note any items checked.

_____ **"4-Day Rule" ("3-Day Rule" for committees) applicable if raised**

_____ **6 weeks required between first reading and public hearing**

_____ **4 weeks notification to municipal officials required prior to public hearing**

_____ **Decreases revenues or increases expenditures without balancing budget**

_____ **Budget required**

_____ **Statement of fiscal impact required**

_____ **Bid waiver requiring County Manager's written recommendation**

_____ **Ordinance creating a new board requires detailed County Manager's report for public hearing**

_____ **Housekeeping item (no policy decision required)**

_____ **No committee review**

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 7(F)
6-3-08

ORDINANCE NO. _____

ORDINANCE AMENDING SECTION 31-87 OF THE CODE OF MIAMI-DADE COUNTY, FLORIDA, AUTHORIZING DIRECTOR TO IMPLEMENT A PER TRIP TAXICAB RATE SURCHARGE DUE TO AN UNFORESEEN INCREASE IN THE PRICE OF GASOLINE; PROVIDING SEVERABILITY, INCLUSION IN THE CODE, AND AN EFFECTIVE DATE

BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA:

Section 1. Chapter 31 of the Miami-Dade County Code is hereby amended to read as follows:[1]

CHAPTER 31

VEHICLES FOR HIRE

* * *

ARTICLE II. LICENSING AND REGULATION OF FOR-HIRE MOTOR VEHICLES

* * *

Sec 31-87. Rate regulation.

* * *

[1]Words stricken through and/or [[double bracketed]] shall be deleted. Words underscored and/or >>double arrowed<< constitute the amendment proposed. Remaining provisions are now in effect and remain unchanged.

(C) Except as otherwise provided herein, the Board of County Commissioners of Miami-Dade County, Florida, shall establish all rates for taxicabs and for-hire vehicles operating in Miami-Dade County. From and after the effective date of this article, rates shall be established, altered, amended, revised, increased or decreased in accordance with the following procedures:

* * *

(6) The [[~~County Manager~~]] >>Director<< shall be authorized to approve a per trip taxicab rate surcharge in addition to the existing rates then in effect. [[~~Such surcharge shall be in effect for a period up to six months unless extended by resolution of the Commission.~~]] Such surcharge, which is to be a fixed amount, may be imposed upon the occurrence of an unforeseen change in petroleum market conditions which [[~~, utilizing the surcharge formula provided for herein ("surcharge formula"), causes an increase in the price of regular unleaded gasoline of 30 cents or more during any ninety (90) day period. The surcharge formula is as follows: divide the fuel increase per gallon of regular, unleaded gasoline by the average number of taxicab trips per gallon. The gasoline surcharge shall be rounded up to the nearest penny.~~]] >>causes the price of regular unleaded gasoline to increase by 50 cents from the base price. The base price shall be the average price of regular unleaded gasoline in effect as of the most recent taximeter rate adjustment. Upon reaching the first benchmark dollar value a $1.00 surcharge may be implemented. Following the initial surcharge, each additional increase of 50 cents of regular unleaded gasoline may trigger an increase in the dollar value of the surcharge by 50 cents. The average weekly price of regular unleaded gasoline must remain at or above a level, as described above, for three (3) consecutive

weeks before a surcharge, or an increase in the surcharge, may be authorized by the Director. The fuel surcharge shall expire upon the effective date of any taximeter rate adjustments. The fuel surcharge may be decreased or removed, by the Director, should the average weekly price of regular unleaded gasoline remain at or below a level, as stated above, for three (3) consecutive weeks. The average price of regular unleaded gasoline shall be based on the retail prices listed for regular unleaded gasoline by the United States Department of Energy, Energy Information Administration. The surcharge may be added to the taximeter rate or flat fare rate and, if added, shall be reflected on the taximeter as an extra charge on vehicles so equipped.<< Notice of a surcharge approved pursuant to this section must be prominently displayed within the taxicab, as required by regulations promulgated by CSD.

* * *

Section 2. If any section, subsection, sentence, clause or provision of this ordinance is held invalid, the remainder of this ordinance shall not be affected by such invalidity.

Section 3. It is the intention of the Board of County Commissioners, and it is hereby ordained that the provisions of this ordinance, including any sunset provision, shall become and be made a part of the Code of Miami-Dade County, Florida. The sections of this ordinance may be renumbered or relettered to accomplish such intention, and the word "ordinance" may be changed to "section," "article," or other appropriate word.

Section 4. This ordinance shall become effective ten (10) days after the date of enactment unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

Section 5. This ordinance does not contain a sunset provision.

PASSED AND ADOPTED:

Approved by County Attorney as to form and legal sufficiency:

Prepared by:
Gerald K. Sanchez

GKS