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10/8/13

City of La Crosse
Common Council
400 La Crosse St.
La Crosse WI 54601



Dear City Council Members,

This letter is concerning the proposed changes in the Code of Ordinances concerning Public Vehicles for Hire. I would first like to apologize for missing last Tuesday's meeting concerning this issue. I was out of town on business.

I am very happy to see these Ordinance changes! These changes should have happened many, years ago. I actually proposed most of these changes to City Council back in June 1989, but the council did not feel the changes were needed at that time.

I would like to propose a few more changes.

The office, dispatch center, and/or maintenance garage of a taxi business must be located at a business or commercial zoned address. The office, dispatch center, and/ or maintenance garage cannot be located in a residential zoned address.

I propose this change due to the fact that a business should not be in a residential area. There is a reason properties are zoned differently by the City. Residential zoning is for homes and families, not businesses. A taxi company operates 24/7, so there is added noise all of the time compared to a business that operates 8a to 5p. This noise can be people talking, vehicle doors opening and closing, engines starting, phones ringing etc. There is also more trash and different types of trash (oil cans, tires, belts etc.) at a taxi company than at a residential address. A taxi company would add vehicle traffic in a residential area which could cause safety issues.

All taxis must have sealed meters.

With a meter, the clients can readily see their fares. With a zone system there is no visual. Most clients do not know the City so they do not know where the zone starts or ends. The client is at the mercy of the driver to be charged the proper fare.

Until a few years ago all meters were measured and sealed by the City Department of Weights and Measures. At this time, taxi companies are charged \$25.00 per vehicle annually for these services, but the meters are never checked or sealed.

One million liability insurance

I totally agree with increasing the liability insurance requirements to one million dollars. Our company has had one million liability insurance for many years. This coverage costs CTS taxi an average of \$4,483.00 per vehicle per year. At the present time, we do not have umbrella insurance on the taxis due to the expense. Taxis are rated at a much high premium then a non-emergency medical vehicle (Access Medical Transit), a sales person's vehicle (Access Mobility Products), or a private person's vehicle. Most insurance companies will not even insure taxis. The insurance industry considers taxis a high risk due to the nature of the business.

Umbrella or excess insurance with limits of \$1 million or \$2 million.

I have contacted our current insurance company and one other insurance company concerning purchasing a \$5 million umbrella/excess policy. The estimated premium for a \$1 million policy would be between \$200.00 and \$400.00 per vehicle per year. Five million dollar policy would be about \$1,000.00 to \$2,000.00 per vehicle per year. This would cost CTS Taxi between \$10,000 and \$20,000 per year for our ten vehicles. This is a very big increase in expense for any company. Unfortunately, this added expense may require us to ask for a fare increase. According to both insurance agents there is not another taxi company in Wisconsin that has an umbrella/excess insurance policy of this nature/cost.

I feel an umbrella policy of \$1 million or \$2 million is more attainable for all companies. This would give a total coverage per accident of \$2 to \$3 million.

Thank you for your time and consideration. I will be at the meeting tonight if you have any questions or comments for me.

Sincerely,



Beverly Scott
President