



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Date: October 1, 2007
Author: P Teichroeb
Phone No.: 604.873.7545
RTS No.: 6946
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Meeting Date: October 18, 2007

TO: Standing Committee on City Services and Budgets
FROM: Chief Licence Inspector in consultation with the Director of Finance
SUBJECT: Year 2008 Business Licence Fee Amendments

RECOMMENDATION

- A. THAT with the exception of liveboards and the charitable or non-profit categories detailed in Appendix A, Council approve an across-the-board increase in business licence fees for Year 2008 of approximately 2.75 percent (when rounded) for an inflationary adjustment reflecting the estimated growth in City costs; and
- B. THAT the Director of Legal Services be requested to prepare the necessary By-law amendments to the License By-law to be effective January 1, 2008.

GENERAL MANAGER'S COMMENTS

The General Manager of Community Services RECOMMENDS approval of A and B.

COUNCIL POLICY

It is Council policy that fees and charges be established on the basis of the cost of providing the associated services.

It is Council policy that new or expanded service costs be fully offset by expenditure reductions or new revenues.

PURPOSE

The purpose of this report is to seek Council approval for Year 2008 business licence fees. A fee increase of 2.75 percent (when rounded) reflecting inflationary costs is being recommended for all business licence categories with the exception of liveboards and the charitable or non-profit categories in Appendix A.

BACKGROUND

Inflationary Adjustments

In the fall of every year, the Licence Office prepares an administrative report to Council proposing an across-the-board inflationary adjustment in business licence fees which reflects the estimated growth in City costs for the following year. Although this adjustment is appropriate for most businesses, a higher fee increase may be required for certain businesses that incur higher inspection or administrative costs or possess fees that are no longer appropriate in comparison to other Lower Mainland municipalities.

DISCUSSION

Year 2008 Business Licence Fees

This report recommends that business licence fees for year 2008 be increased by approximately 2.75 percent (when rounded) as an inflationary adjustment reflecting the estimated growth in City costs. This increase would apply to all fee categories with the exception of liveboards and the charitable or non-profit categories detailed in Appendix A. Liveboard licence fees are to be addressed in a separate report from Corporate Services.

In the past, a number of charitable and non-profit licence categories have been assessed fees that are well below an amount required to recover costs. These fees are listed in Appendix A. As in previous years, no fee increase is recommended for these licences.

FINANCIAL IMPLICATIONS

Inflationary Adjustment

The proposed inflation adjustment fee of 2.75 percent for Year 2008 business licence fees, with the exception of liveboards and the charitable or non-profit categories detailed in Appendix A, will result in additional 2008 business licence revenue of approximately \$308,000.

CONCLUSION

Business license fees are adjusted annually to ensure full cost recovery of City administration and enforcement costs. This report recommends an across-the-board increase, with some exceptions, of 2.75 percent for Year 2008 to recover estimated inflationary cost increases resulting in the growth of City expenses.

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Current Exceptions to Fee Increases

It is recommended that fees for the following license categories not be increased. Historically these fees have remained constant.

Blind Peddler	\$1 per annum
Blind Retail Dealer	\$1 per annum
C.N.I.B. Concession Stand	\$1 per annum
Community Association or similar organization incorporated under the Societies Act	\$2 per annum
Farmer's Market	\$10 per annum
Junior Achievement of BC	\$10 per annum
Soliciting for Charity	\$10 per annum