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ADMINISTRATIVE REPORT

Report Date: October 6, 2009
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Meeting Date: October 20, 2009

TO: Vancouver City Council
FROM: Chief Licence Inspector
SUBJECT: 2010 Business Licence, Vehicles for Hire and Animal Control Fees Report

RECOMMENDATION

- A. THAT Council approve amendments to the License By-Law, Vehicles for Hire By-Law and Animal Control By-Law to approve:
- (a) increases in business licence, vehicles for hire licence, dog licence, and service fees;
 - (b) increases in business license fees for marina operators who host live-aboard boats, reflecting an increase in residential property taxes in 2009; and
 - (c) housekeeping and miscellaneous amendments;
- generally in accordance with Appendix A, and
- B. THAT Council request the Director of Legal Services to bring forward for enactment the necessary amendments to the License By-Law, Vehicles for Hire By-Law, and Animal Control By-Law, generally in accordance with Appendix A, to take effect from and after January 1, 2010, except for the new food primary licence application fee which is to take effect on the date of enactment of the by-law.

GENERAL MANAGER'S COMMENTS

The General Manager of Community Services RECOMMENDS approval of the foregoing recommendations.

COUNCIL POLICY

It is Council policy that fees recover the full cost of providing services or are equivalent to competitive charges where the fee is of a market nature.

PURPOSE

The purpose of this report is to seek Council's approval for increases to business, vehicles for hire and dog licence fees, as well as service fees in the License By-Law, Vehicles for Hire By-Law and Animal Control By-Law for Year 2010.

Council is also being asked to approve other fee-related by-law amendments in the Licence By-Law, Vehicles for Hire By-Law and Animal Control By-Law.

BACKGROUND

In the fall of every year, the Licence office prepares administrative reports to Council proposing an inflationary adjustment in business licence fees and vehicles for hire licence fees which reflect the estimated growth in City costs for the following year. This year, fees in the Animal Control By-Law are also being included in this review.

DISCUSSION

As part of the City's budget-building process, a general inflationary adjustment of 4.0 percent for revenues has been established. As a result, a 4.0 percent increase is being proposed for most business licence fees, vehicles for hire licence fees, dog licence fees and service fees in the License By-Law, Vehicles for Hire By-Law and Animal Control By-Law. Exceptions include the following:

- Live-aboard licence fee increases which are based on increases in residential property taxes in 2009;
- Charitable or non-profit business licence categories in Appendix B;
- Certain service fees and charges proposed to be increased by a greater amount to achieve cost recovery as listed in Appendix A - Part II; and
- License fees (2010) for Dining Lounge, Restaurant, Restaurant Class 1 with Lounge and Restaurant Class 2 business categories have been addressed in a separate report entitled "Hours of Liquor Service and Revised Business License Categories and Fees for Restaurants", considered by Council on October 8, 2009.

In the past, the charitable and non-profit licence categories in Appendix B have been assessed fees well below an amount required to recover costs, and once again, no fee increase is being recommended for these licences.

The majority of fees will be increased by the single standard of approximately 4.0 percent.

Exceptions to this are noted below:

Live-Aboard Licence Fees

Since 1974, the City has levied a licence fee on marina owners for each live-aboard boat moored at a marina. The purpose of this fee is to ensure that those marina operators who permit residents to live aboard their boats contribute to the provision of public services in a manner similar to those who occupy assessable real property and pay property taxes. The comparison with property taxes is made as it is the mechanism through which other residents pay for public services.

As boats used for live-aboard purposes are not assessable under the Assessment Act, it is impossible to establish appropriate values on which to base property taxes. In order to provide a proxy on which to base fees, Council approved the use of waterline boat length as the basis for charging this fee.

In 1996, Council established the most appropriate way of adjusting live-aboard fees would be to base the increase in the fee on the change in property taxes paid by residential taxpayers the prior year. Using this methodology, it is recommended that the 2010 licence fees charged to marina operators who host live-aboard boats be increased by 7.89%. This is the same increase Council applied in calculating the 2009 residential property tax levy.

In order to ensure that the live-aboard fee is similar to fees paid by area residents, periodic comparisons are made to assessable residential premises in the Fairview Slopes and South False Creek area. The most recent comparison, done in 2009 showed property taxes in this area in the range of \$1,400 to \$2,300.

The current and recommended live-aboard fees are listed in Appendix A - Part I.

Animal Control By-Law

The animal control service fees in Table 2 below are being increased by more than 4.0 percent to better reflect the actual cost of care. All of these fees, with the exception of the adoption fees which are applied through policy, are in the Animal Control By-Law. The adoption fee for older dogs and special needs dogs is being reduced to better facilitate adoption. With the exception of cremation under 11 pounds which is being increased by 4.0 %, the proposed higher cremation costs are more reflective of cremation fees in the private sector.

Table 2 - Animal Control Service Fee Exceptions

Service	2010 Proposed Fee	2009 Fee
Animal Adoptions (Currently not in By-Law)		
Dogs		
Regular dog adoptions (age up to 7 yrs);	\$250	\$200
Senior dogs (7+ yrs) and dogs with on-going medical conditions	\$75	\$200
Rat, Mouse, Hamster, Gerbil & Degu	\$5	\$5 - \$10
Farm Poultry (chicken, rooster & duck)	\$5	n/a
Pigeon & Dove	\$5	n/a
Budgie & Finch	\$10	n/a
Parakeet & Lovebird	\$16	n/a
Guinea Pig	\$16	\$15
Rabbit, Chinchilla & Hedgehog	\$26	\$20
Ferret	\$52	\$90
Maintenance Fees		
Maintenance of Dog	\$20/day	\$15/day
Maintenance of Aggressive Dog	\$25/day	\$20/day
Cremation Fees		
General Cremation		
< 11 lbs	\$26	\$25
11-65 lbs	\$50	\$40
66 - 150 lbs	\$80	\$65
Private cremation		
< 11 lbs	\$57	\$55
11-65 lbs	\$90	\$70
66 - 150 lbs	\$120	\$95

License By-Law

Service fees in Table 3 below are being increased by more than 4.0 percent to more closely reflect actual administrative costs.

Table 3 - Service Fee Exceptions

Service	2010 Fee	2009 Fee
Liquor Licences		
Application Fee - Later closing hours of operation (temporary)	\$0.35 per night per seat Subject to: minimum fee \$52.00 maximum fee \$520.00	\$0.30 per night per seat Subject to: minimum fee \$50.00 maximum fee \$500.00
Application Fee - Earlier opening hours of operation or other change (temporary)	\$75	\$50
Application Fee - any other change to a liquor licence (temporary)	\$75	\$50
Business Licences		
Administration Fee - New licences	\$50 (non-prorated)	The current additional fee of \$50 is prorated resulting in a fee that does not cover administrative costs for processing applications.

New By-Law Provisions

The new by-law provisions identified in Table 4 below are intended to improve timeliness of licence renewal payments, streamline the business licence renewal process and ensure full cost recovery related to new business licence applications

Table 4 - New By-Law Provisions

By-Law	Proposed Provisions
License By-Law	
Late Payment	<ul style="list-style-type: none"> Implement a single late payment date of January 15th of each year at 10% of the licence fee or \$40.00, whichever is greater. This would encourage more timely payment of licence renewals and reduce administrative processing time by reducing the number of payment dates from two to one and setting an earlier renewal date.
New Application fee for comments on Food Primary Liquor applications	<ul style="list-style-type: none"> Incorporate a new application fee category in Schedule B, with a fee of \$75, for comments on a new food primary liquor licence, or a temporary/permanent amendment to food primary liquor licence, requesting hours of liquor service past midnight or patron participation entertainment. (Conditional upon Council's approval of "Hours of Liquor Service and Revised Business Licence Categories and Fees for Restaurants" report on October 8, 2009.) This fee would come into effect upon enactment of the by-law amendment.
Animal Control By-Law	
Late Payment	<ul style="list-style-type: none"> Implement a late payment fee of \$10 to owners who have not submitted payment more than one month past their renewal date.

Note: The proposed provisions are generally in keeping with Appendix A - Part I.

Housekeeping Amendments

The proposed housekeeping amendments listed in Table 5 below serve to clarify correct spelling and the nature of some fees, to move existing fees to a Schedule at the rear of a By-Law, and ensure that all fees currently being charged are included in the by-law.

Table 5 - Proposed Housekeeping Amendments

By-Law	Housekeeping Amendments
License By-Law	<ul style="list-style-type: none"> • Move fees in the Sections 7.1, 7.2, 7.3 and 7.4 to Schedule B. • In Schedule B, delete the last column labelled Total Fee as the liquor licence application fees are based on the type of review process required and are not incremental.
Animal Control By-Law	<ul style="list-style-type: none"> • Clarify that all maintenance fees in Schedule B are per day. • Include new maintenance fee category of "Exotic Bird (Amazon Parrots; African Grey; Cockatoos, Conures, Lorikeets and Macaws)" at a fee of \$15/day. • Include all animal adoption fees, as shown in Appendix A and B, into Schedule B of the by-law. • Include the additional \$25 cost charged for picking up animal carcasses for cremation into Schedule B and refer to the same in Section 8.3. • Include a \$21 cremation urn fee in Schedule B.

Note: These proposed housekeeping amendments are generally in accordance with Appendix A - Part I.

Financial Implications

The proposed inflationary adjustments for Year 2010 business, vehicles for hire and dog licence fees and proposed adjustments to service fees/charges in the License By-Law, Vehicles for Hire By-Law and Animal Control By-Law are shown in Table 6 below. It must be noted that the 2010 pro forma forecast is based on the 2009 budget and results may vary based on 2009 actuals.

Table 6 - Financial Implications

By-Law	Year 2009 Budget (\$)	Year 2010 Pro Forma Forecast (\$)	Forecasted Increase	
			\$	%
License By-Law	12,532,000	13,633,300 (see Note 1 below)	1,101,300	8.8
Vehicles for Hire By-Law	468,000	486,700	18,700	4.0
Animal Control By-Law	810,000	853,100 (see Note 2 below)	43,100	5.3
Total	13,810,000	14,973,100	1,163,100	8.4%

Notes:

1. Includes the following:
 - \$450,000 for all new Food Primary Restaurant categories which is conditional upon Council's approval of recommendations in the "Hours of Liquor Service and Revised Business License Categories and Fees for Restaurants" report considered on October 8, 2009. This amount is to offset increased enforcement costs.
 - Increase of \$150,000 from the application of a non-prorated \$50 processing fee for an approx. 6,000 new licences.
2. Includes \$10,000 in late fees based on assumption that approx. 1000 licence holders will pay \$10 late payment fee.

It should also be noted that business licence, vehicles for hire and dog licence fees are not subject to GST and thus would not be impacted by the introduction of the Provincial Harmonized Sales Tax (HST) when it comes into effect on July 1, 2010. All annual fees which become due on January 1 of each year would also not be impacted by the HST due to its mid-year introduction. The only service fees in this report which are currently subject to GST are maintenance and cremation fees at the Animal Control Shelter. As a result, these particular service fees would be subject to the HST when it comes into effect. Current city policy is that any applicable taxes are applied after establishment of city fees and charges.

CONCLUSION

Business licence fees and vehicles for hire licence fees are adjusted annually to ensure full cost recovery of City administration and enforcement costs. This year, the Animal Control By-Law has also been included in the review. With some exceptions, this report recommends an across-the-board increase in licence fees, as well as most service fees, of 4.0 percent for Year 2010. This increase was established as a general inflationary adjustment through the City's budget-building process. An increase of 7.89 percent, reflecting the increase in residential property taxes in 2009, is recommended for live-aboard licence fees.

The report also recommends other fee related by-law amendments in the License By-Law, Vehicles for Hire By-Law and Animal Control By-Law.

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DRAFT LICENSE BY-LAW AMENDMENTS

- With the exception of live-aboard boats, the charitable or non-profit categories in Appendix C, and any dining lounge or restaurant business licence category, increase the business licence fees in Schedule A by approximately 4.0 percent, to be effective January 1, 2010.
- Increase the business licence fees charged to marina operators who host live-aboard boats by 7.89 percent, to be effective January 1, 2010, as indicated in the table below:

Length of Boat at Waterline	Proposed 2010 Fee	2009 Fee
<=21 feet	\$1,070	\$992
> 21 feet and <=26 feet	\$1,295	\$1,200
> 26 feet and <=31 feet	\$1,458	\$1,351
>31 feet and <= 37 feet	\$1,663	\$1,541
> 37 feet	\$1,834	\$1,700

- In Section 29(2), amend (a) to read that a person who is required to be licensed by the 1st day of January in any year, be required to pay on or before January 15 of any year.
- In Section 29(3), delete (a) and (b) and replace with a single provision that if the prescribed fee is not paid by January 15 of that year, a penalty of the following amount will apply in addition to the prescribed licence fee.....10% of the licence fee or \$40.00, whichever is greater.
- In Section 6(3), incorporate a \$50 fee for all new licence applications by deleting “the greater of” at the end of the paragraph in Section 6(3).
- Delete the second column in Schedule A which is labelled “New Licence” .
- Incorporate a new application fee category in Schedule B, with a fee of \$75, for comments on a new food primary liquor licence, or a temporary/permanent amendment to food primary liquor licence, requesting hours of liquor service past midnight or patron participation entertainment. (Conditional upon Council’s approval of recommendations in “Hours of Liquor Service and Revised Business License Categories and Fees for Restaurants” report, considered on October 8, 2009.) Specify that this fee category/fee will take effect upon enactment of the By-law amendment.
- In Section 7.1, replace fee with “specified in Schedule B” of this By-law.
- In Section 7.2, replace fee with “specified in Schedule B” of this By-law.
- In Section 7.3, replace fee with “specified in Schedule B” of this By-law.
- In Section 7.4, replace fee with “specified in Schedule B” of this By-law.
- Add fees in Sections 7.1, 7.2, 7.3 and 7.4, inflated by 4%, into Schedule B.
- In Schedule B (Part 1), from the second column, delete the title “Fee Increment” and substitute “Fee”; and delete the last column labelled “Total Fee” .
- Amend service fees/charges as per Part II of Appendix A.

DRAFT VEHICLES FOR HIRE BY-LAW AMENDMENTS

- Increase the vehicles for hire licence fees in Schedule A by approximately 4.0 percent, to be effective January 1, 2010.
- Amend service fees/charges as per Part II of Appendix A.

DRAFT ANIMAL CONTROL BY-LAW AMENDMENTS

- Incorporate a provision that if the prescribed fee is paid more than 30 days from the fixed payment date, a penalty of \$10.00 will apply, in addition to the prescribed licence fee.
- Incorporate the following adoption fees into Schedule B:

Animal	Adoption Fee (\$)
Dog	250 for regular dog adoptions (age up to 7 years) 75 for senior (7+ years) and dogs with on-going medical conditions
Rat, Mouse, Hamster, Gerbil & Degu	\$5
Farm Poultry (chicken, rooster, duck)	\$5
Pigeon & Dove	\$5
Budgie & Finch	\$10
Guinea Pig	\$16
Parakeet & Lovebird	\$16
Rabbit, Chinchilla & Hedgehog	\$26
Ferret	\$52

- In Schedule B under the "Fees for Services" section, add a fee of \$25 for the pick up of animal for cremation and make reference to this in Section 8.3.
- In Schedule B under the "Fees for Services" section, add a fee of \$21 for a cremation urn.
- In Schedule B under the "Maintenance Charges" section, insert "per day" after the fees for "Maintenance of dog" and "Maintenance of aggressive dog".
- In Schedule B, include new maintenance fee category of "Exotic Bird (Amazon Parrot, African Grey, Cockatoo, Conure, Lorikeet and Macaw) at a fee of \$15 per day.
- Amend service fees/charges as per Appendix B.

APPENDIX A - PART II

Proposed 2010 Amendments to Service Fees
(License By-Law, Vehicles for Hire By-Law & Animal Control By-Law)

FEES & CHARGES	2010 Proposed (\$)	2009 Current (\$)	Justification for increase
LICENSE BY-LAW NO. 4450			
Schedule B - Miscellaneous Service Fees - Part 1			
Application fee for comments on a new liquor license or a permanent amendment to the liquor license: Base Fee	\$780	\$750	Inflationary Adjustment
Incremental Fees:			
Neighbourhood notification	\$936	\$900	
Staff held neighbourhood public meeting	\$1,612	\$1,550	
Telephone survey	\$884	\$850	
Schedule B - Miscellaneous Service Fees - Part 2			
Application fee for comments on a temporary amendment to liquor licence requesting later closing hours of operation	\$0.35 (per night per seat except that, despite the number of seats or the number of nights, the minimum fee will be \$52.00 and the maximum fee will be \$520.00)	\$0.30 (per night per seat except that, despite the number of seats or the number of nights, the minimum fee will be \$50.00 and the maximum fee will be \$500.00)	Updated cost of service provision
Application processing fee for comments on a temporary amendment to liquor licence requesting earlier opening hours of operation	\$75	\$50	Updated cost of service provision
Application processing fee for comments on a temporary amendment to liquor licence requesting any other change to a liquor licence	\$75	\$50	Updated cost of service provision
New application processing fee for comments on new liquor license or a permanent or temporary amendment to a liquor licence requesting liquor service hours past midnight, or patron participation entertainment, for food primary establishments	\$75	Not in by-law (conditional upon Council approval of "Hours of Liquor Service and Revised Business License Categories and Fees for Restaurants")	N/A - new fee category
By-law text			
Request for copy of licence (Sec. 7.1)	\$5	\$5	Inflationary Adjustment
Request for change of business name or business trade name (Sec. 7.2)	\$10	\$10	Inflationary Adjustment
Request for change of business address under licence (Sec. 7.3)	\$21	\$20	Inflationary Adjustment
Request for change in business licence category (Sec. 7.4)	\$10	\$10	Inflationary Adjustment
Temporary license for standard hours liquor establishment (Sec. 19.2A(10))	\$75	\$75	No change to fee in order to match increased fee for application processing fees in Schedule B - Part 2
VEHICLES FOR HIRE BY-LAW NO. 6066			
Schedule A - Administrative Costs			

Transfer of Licence - Sec 11(4)	\$121	\$118	Proposed increase less than inflationary adjustment to match the licence transfer fee in License By-Law
Replacement Plate - Sec 12(4)	\$22	\$21	Inflationary adjustment
Bicycle Courier Testing - Sec 15(1)	\$32	\$31	Inflationary adjustment
ANIMAL CONTROL BY-LAW NO. 9150			
Schedule B - Fees and Charges			
Adoption Fees - currently applied through policy			
Dog	\$250 (for all regular dog adoptions ie. Age up to 7 yrs): \$75 (for senior dogs and special needs dogs ie. 7 yrs+ and dogs with ongoing medical conditions)	Not in By-Law \$200	Updated cost of service provision
Mouse, rat, hamster, gerbil and degu	\$5	Not in By-Law \$5 - \$10	N/A
Guinea pig	\$16	Not in By-Law \$15	N/A
Rabbit, chinchilla and hedgehog	\$26	Not in By-Law \$50	N/A
Ferret	\$52	Not in By-Law \$90	N/A
Farm poultry (chicken, rooster, duck)	\$5	Not in By-law	N/A
Pigeon & Dove	\$5	Not in By-Law	N/A
Budgie & Finch	\$10	Not in By-Law \$10	N/A
Parakeet & Lovebird	\$16	Not in By-Law \$15	N/A
Impound Fees			
Licensed dog	\$78	\$75	Inflationary Adjustment
Unlicensed dog	\$156	\$150	Inflationary Adjustment
Licensed aggressive dog	\$286	\$275	Inflationary Adjustment
Unlicensed aggressive dog	\$364	\$350	Inflationary Adjustment
Fowl, other bird, rabbit or rodent	\$16	\$15	Inflationary Adjustment
Reptile or other animal	\$78	\$75	Inflationary Adjustment
Maintenance Fees			
Dog	\$20 per day	\$15 per day	Updated cost of service provision
Aggressive dog	\$25 per day	\$20 per day	Updated cost of service provision
Fowl, other bird, rabbit, or rodent	\$5 per day	\$5 per day	Inflationary Adjustment
Reptile or other animal	\$26 per day	\$25 per day	Inflationary Adjustment
Exotic Bird (Amazon Parrots, African Grey, Cockatoos, Conures, Lorikeets and Macaws)	\$15 per day	Not in By-Law	N/A
Cremation Fees			
General cremation under 10 pounds	\$26	\$25	Inflationary Adjustment
General cremation 11 to 65 pounds	\$50	\$40	Updated cost of service provision
General cremation 66 to 150 pounds	\$80	\$65	Updated cost of serviced provision
Private cremation under 10 pounds	\$57	\$55	Inflationary Adjustment
Private cremation 11 to 65 pounds	\$90	\$70	Updated cost of service provision
Private cremation 66 to 150 pounds	\$120	\$95	Updated cost of service provision
Additional cost to pick up of animal for cremation under 150 pounds	\$26	Not in By-law \$25 (applied through policy)	Inflationary Adjustment
Urn	\$21	Not in By-Law \$20 (through policy)	Inflationary adjustment

CHARITABLE AND NON-PROFIT LICENCE CATEGORIES

Charitable and Non-Profit Business Licence Category	Business Licence Fee
Blind Peddler	\$1
Blind Retail Dealer	\$1
C.N.I.B. Concession Stand	\$1
Club Manager of a Community Association which pays a \$3.00 license fee under this Schedule	\$2
Community Association or similar organization incorporated under the "Societies Act"	\$2
Farmer's Market	\$10
Junior Achievement of B.C.	\$10
Soliciting for Charity	\$10