

FINANCIAL MANAGEMENT COMMITTEE

*HIS WORSHIP, THE MAYOR
AND COUNCILLORS*

**SUBJECT: SUPPLEMENTARY UTILITY FEES ANNUAL DECLARATION PROGRAM
UPDATE**

RECOMMENDATION:

1. THAT Council receive this report for information.

REPORT

The Financial Management Committee, at its meeting held on 2022 March 15, received and adopted the attached report providing an update on the 2022 Supplementary Utility Fees Declaration Program.

Respectfully submitted,

Councillor Dhaliwal
Chair

Councillor Gu
Vice Chair

Copied to:	Chief Administrative Officer Acting CFO GM Corporate Services GM Community Safety
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TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE **DATE:** 2022 March 07

FROM: ACTING CHIEF FINANCIAL OFFICER **FILE:** 7000-15

SUBJECT: SUPPLEMENTARY UTILITY FEES ANNUAL DECLARATION PROGRAM UPDATE

PURPOSE: To provide an update on the 2022 Supplementary Utility Fees Declaration Program.

RECOMMENDATION:

1. **THAT** the Financial Management Committee recommend Council receive this report for information.

REPORT**1.0 INTRODUCTION**

Annual Supplementary Utility Fees are charged to homeowners of Single and Two Family Dwellings who rent out a suite in their home. These fees contribute towards the increased cost of water and sewer services resulting from rental of the suite. Homeowners who rent out their home, but do not occupy the property, are also required to obtain an annual House Rental Licence.

Each year the City of Burnaby sends reminder letters to owners of Single and Two Family Dwellings, instructing them to inform the City if there have been any changes in the status of the property, such as a change in ownership, occupancy, rental use, suite addition or removal. A change in status requires completion of a new declaration. Utility fees are updated for January 1 of the new-year to reflect the updated status recorded in the declaration.

2.0 POLICY SECTION**Goal**

- A Thriving Organization
 - Financial viability –
Maintain a financially sustainable City for the provision, renewal and enhancement of City services, facilities and assets

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3.0 BACKGROUND

Declaration letters were sent to homeowners in late 2021 September, and were due back by 2021 November 30, in order to inform utility charges for 2022. Declaration forms were provided for new properties, properties for which the City did not have a previous declaration or where a change in ownership had occurred. A declaration form was not required where there was no change in status. An electronic fillable copy of the declaration form is also made available on the City's website for use by homeowners to report changes.

For the 2022 program, any change in status reported on the annual declaration has been applied to the 2022 utility notices, effective from 2022 January 1. Utility notices were mailed to customers on 2022 February 07. (89,851 in total, including 18,982 e-bills emailed on 2022 January 26). The following table shows the current and prior year utility fees, with 2022 representing a 2% increase:

Status	2021			2022		
	Water	Sewer	Total	Water	Sewer	Total
Single Family Dwelling	\$595.65	\$563.29	\$1,158.94	\$607.56	\$574.56	\$1,182.12
Suite	\$297.83	\$281.65	\$579.48	\$303.78	\$287.28	\$591.06
Single Family Dwelling and Suite	\$893.48	\$844.94	\$1,738.42	\$911.34	\$861.84	\$1,773.19
Two Family Dwelling Stratified	\$446.69	\$422.48	\$869.17	\$455.62	\$430.92	\$886.54
Suite (Based on 1 suite)	\$223.35	\$210.71	\$434.06	\$227.81	\$214.93	\$442.74
Two Family Dwelling and Suite	\$670.04	\$633.19	\$1,303.22	\$683.44	\$645.85	\$1,329.28

4.0 2022 PROGRAM

4.1 Notification Letters

The following table shows the 2022 annual declaration letters issued in 2021 September:

2021 Letters	Amount
Homeowners that previously submitted a declaration	30,931
Homeowners that did not return a declaration	78
Homeowners of new properties	40
New homeowners (new for 2021/22)	1036
Total	32,085

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Utility account information continues to be updated on a weekly basis, as and when the City receives information pertaining to either new property owners, and / or new properties as well as any changes in rental status.

4.2 Acceptance

As property owners become more familiar with receiving annual declaration reminders, we are seeing a drop in the number of enquiries and fewer billing issues. For the most part, property owners do not need to send a declaration back to the City of Burnaby as their status has not changed from the previous year. When property owners do send a declaration back, the City is receiving a significant volume of declarations via email, taking advantage of the online forms and guidance made available via the City’s website.

As of 2022 February 18, the number of properties for which a declaration has never been returned is down to 68 (2021 - 78). To date fines have not been raised for these non-conforming properties. Work is now in progress to obtain compliance and raise bylaw violation notices (including fines) where, despite continued efforts by Licence Property Use staff, property owners have failed to submit a declaration.

4.3 Revenue

2022 Supplementary Utility Fee revenue for accounts billed in February 2022 is \$4.30 million, compared to final 2021 year end revenue of \$4.33 million. The drop in revenue is due to a 3% fall in the overall number of properties declaring a rental suite.

Year	Revenue (\$)	Declared Rental Suites (#)
2022	4,300,963.50	7143
2021	4,333,862.54	7362
Difference	(32,899.04)	(219)
Change	- 0.8%	- 3.0%

4.4 House Rental Licences

The owner of a “rental house” is required to obtain a business licence and pay the applicable yearly fee. Throughout 2021, the Licence Office and Revenue Services worked to coordinate data collection and enforcement processes in regards to declarations and required business licences.

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In 2021 November, the Licence Office mailed out renewal invoices for the 3,234 rental house business licences on record. Upon payment of the renewal licence a property owner(s) is then permitted to continue to operate a rental home business throughout 2022. Of the 3234 renewal invoices mailed out 270 remain outstanding as of 2022 February 18. Business licence accounts outstanding 30 days after the due date of December 31 may be cancelled by the City. The Licence Office will undertake escalation proceedings if property owners are found to be operating a rental home without the required business licence.

5.0 RECOMMENDATION

It is recommended that the Financial Management Committee receive this report for information.



Bob Klimek
ACTING CHIEF FINANCIAL OFFICER

BK:RR/md

Copied to: Chief Administrative Officer
General Manager Community Safety