

ITEM	14
MANAGER'S REPORT NO.	77
COUNCIL MEETING	1979 11 13

RE: LETTER FROM THE BURNABY CHAMBER OF COMMERCE WHICH APPEARED ON THE AGENDA FOR THE 1979 NOVEMBER 05 MEETING OF COUNCIL (ITEM 4i) BURNABY BUSINESS LICENCE FEES (ITEM 9, REPORT NO. 69, 1979 OCTOBER 15)

Appearing on the agenda for the last meeting of Council was a letter from Mr. Angus J. Macdonald, Manager of the Burnaby Chamber of Commerce, regarding licence fees. Following is a report from the Municipal Treasurer on this matter.

The Chief Licence Inspector has discussed the information contained in this report with Mr. Macdonald.

RECOMMENDATION:

1. THAT the recommendation of the Municipal Treasurer be adopted.

* * * * *

1979 November 07

TO: MUNICIPAL MANAGER

File: L34

FROM: MUNICIPAL TREASURER

RE: BURNABY BUSINESS LICENCE FEES
(ITEM 9, REPORT NO. 69, 1979 OCTOBER 15)

RECOMMENDATIONS

1. THAT Item 2 of the resolution adopted pursuant to Item 9, Report No. 69, 1979 October 15, be rescinded; and
2. THAT a copy of this report be forwarded to Mr. A. Macdonald, Burnaby Chamber of Commerce.

REPORT

On 1979 October 15 Council received the above report regarding business licence fees for 1980 and adopted the following recommendations:

1. THAT the recommended revised system of classifying licences and fees as shown on the schedule attached to the report of the Chief Licence Inspector, as concurred in by the Municipal Treasurer, be approved to take effect 1980 January 01; and
2. THAT the fee for a special resident business coming into operation after July 31 each year be the basic fee for a general resident business plus 50% of the difference between the special resident business fee for that business and the basic fee for a general resident business; and
3. THAT a general increase of 7% be added to the revised fee schedule for application in 1980; and
4. THAT (i) Class "A" taxicabs be licenced by the vehicle at the recommended 1980 rate;
 - (ii) Cab premises and taxi service brokers be licenced at the general resident business rate;
 - (iii) Class "B" School Cabs, Class "C" Funeral Cabs, Class "E" Charter Cabs, Class "F" Driver Self Cabs, Driver Instruction Cabs and Vehicles for Hire not hereinbefore enumerated, be no longer licenced by the vehicle, and instead the operator be classified as a business subject to a general resident business rate.

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Council also instructed that a copy of the report go to the Burnaby Chamber of Commerce and interested individuals.

On 1979 November 05 Council received a letter from the Chamber of Commerce suggesting that four points be considered before making changes in the rates.

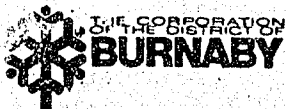
The Chief Licence Inspector has examined the four points and his report is attached, which I believe satisfactorily resolves the matter.

Under the circumstances, the amending by-laws are being brought forward on November 19 for consideration of Council under the assumption that Council will approve the deletion of Item 2 as recommended by the Chief Licence Inspector.


MUNICIPAL TREASURER

BM:gw
Attach.

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INTER-OFFICE COMMUNICATION

TO: MUNICIPAL TREASURER DEPARTMENT:) DATE: 79 11 07
FROM: CHIEF LICENCE INSPECTOR DEPARTMENT: OUR FILE #
SUBJECT: BURNABY BUSINESS LICENCE FEES YOUR FILE #

At the meeting of 1979 November 05 Council received correspondence from the Burnaby Chamber of Commerce concerning the revised system of classifying licences and fees that Council resolved to adopt for application in 1980 (Item 9, Municipal Manager's Report No. 69, 1979 October 15). It was stated that the Chamber agrees in principle with the system, however, they raised four points for consideration (copy attached).

Chamber of Commerce letter

Item 1

The activities comprising special resident businesses were determined to have extraordinary inspectional requirements resulting in higher costs in most cases. To establish a system of licencing to recover extraordinary inspectional costs from the licencees of each classification means that the scale of fees must be applicable to the entire classification. It would be discriminatory to licence the operators of such as small warehouse or wholesale businesses under the fee schedule applicable to general resident businesses, and licence the larger operators of the same classification under the fee schedule applicable to special resident businesses.

Item 2

I am advised by the office of the U.B.C.M. that preliminary planning for a review of the entire Municipal Act is proceeding, and that specific information on this matter should be available in the near future. Also, we will be invited to make submissions at the appropriate time.

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Item 3

The initial licence fee of \$155 represents an estimated \$70 Licence Department costs plus three units of inspection by other departments at a cost of \$80 (approximately \$28 per unit). Licence Department costs comprises inspectional and administration costs including a proportioning of wages and benefits, supplies and equipment, accounting, data processing and overhead.

The reference to four inspections per day in the second paragraph of Item 3 apparently relates to the inspections carried out by other departments when dealing with new licence applications. It should be clearly understood that inspections are normally carried out as part of an inspector's regular workload and are integrated into their daily routine as required.

Item 4

In the majority of cases, new commercial and industrial buildings are not built for a specific occupant. Therefore, the inspections carried out as a result of an application for licence are to determine that operators and their premises, and the procedures employed in the operation of the business are in compliance with applicable regulations for the specific business that is to be licenced.

This, in my opinion, answers the questions raised by the Chamber of Commerce.

A further problem arising from the report of 79 10 15

With respect to Council's resolution to amend the various licencing by-laws, Item 2 of the recommendations submitted under Item 9, Municipal Manager's Report No. 69, 1979 October 15 reads:

Recommendation No. 2

"THAT the fee for a special resident business coming into operation after July 31 each year be the basic fee for a business plus 50% of the difference between a special resident business fee for that business and the basic fee for a general resident business."

In the period between August 01 and December 31 this provision would have application to an estimated 40 new licences classified as special resident businesses.

In preparing the amending by-law the Municipal Solicitor has reviewed the recommendation and advised that, in his opinion, the Municipal Act does not empower Council to make such provision.

Under the circumstances, it is therefore recommended that Item 2 of the recommendation adopted by Council be rescinded.


CHIEF LICENCE INSPECTOR

CLI:jh

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Licenses
Copy for Mr. Bart McCafferty

Burnaby
CHAMBER OF COMMERCE

10 - 6035 SUSSEX AVENUE, BURNABY, B.C. V5H 3C1 Telephone 437-8464

October 31, 1979

Mayor and Council,
The Corporation of the District of Burnaby,
4949 Canada Way,
Burnaby, B. C.

Re: Burnaby Business License Fees

Dear Sirs and Madam:

Thank you for your letter of the 19th October, in which you request our opinion on the proposed increase in Business License fees for the year 1980.

The report dealing with this change is quite long and detailed, with considerable information. We wish to direct Council's attention to four points which we consider are worthy of consideration before making changes in the rates:

1. We agree with the attempt to reduce the number of different classifications of licenses and the efforts to do away with dual licenses for similar operations. We would suggest that even further attempt should be made to reduce the businesses that must be licensed under Schedule "A". For instance, most small wholesalers and warehouses need no further inspections than most others who are now classified as "general business." This is evidenced by the rate for renewal licenses which is the same as for the general business group.
2. The report indicates some duplicate licenses are required by the Municipal Act. The

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BURNABY CHAMBER OF COMMERCE

Mayor and Council

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October 31, 1979

Municipal Act is now under review and it is advisable to make a submission to the Minister of Municipal Affairs seeking any necessary changes to remove such difficulties.

3. We note the minimum for a new license will be \$155.00 and that each new license requires three inspections by the various departments of the municipality. The 1979 Municipal Budget indicates the costs of the License Department are \$188,000. As there are about 6,000 business licenses this indicates a cost of about \$30.00 to service each license, leaving the remainder of the budget to care for dog and bicycle licenses and other duties.

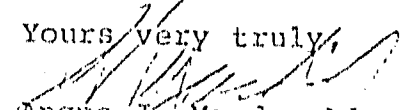
It appears three inspections cost \$125.00, or an average of about \$42.00 each. Even at to-day's cost this indicates, at most, four inspections per day, per inspector, including supervision and overhead.

Either Council should consider reducing the fees so that they only recover costs, or take a look at the work load of the inspectors.

4. We have difficulty in understanding the cost for licensing in a new building. Certainly, all the same inspections would be made prior to the issuance of an occupancy permit and the additional inspection is a straight duplication of effort and cost.

We understand the concept of zero base budgeting is being pursued. It might well be possible to show the revenue from licenses attributable to the departments as a credit to the inspecting departments.

In general we agree with the principles outlined in the report but we hope that Council will take our views into consideration before setting the new rates.

Yours very truly,

 Angus J. Macdonald,
 MANAGER