

ITEM
MANAGER'S REPORT NO. 4
COUNCIL MEETING 68
85/10/21

RE: BUSINESS LICENCE FEES

MUNICIPAL MANAGER'S RECOMMENDATION:

1. THAT the recommendation of the Director Finance be adopted.

* * * * *

TO: MUNICIPAL MANAGER
FROM: DIRECTOR FINANCE
RE: BUSINESS LICENCE FEES

1985 October 22

RECOMMENDATION

1. THAT an average increase of 4% rounded, to the licence fees as set out in:
- a) Burnaby Trades Licence By-law No. 3089 (Schedule 1 attached)
 - b) Burnaby Cab & Commercial Vehicle By-law No. 3102 (Schedule 2 attached)
 - c) Burnaby Cabaret Regulation By-law No. 1481 (Schedule 3 attached)
 - d) Burnaby Club Regulation By-law No. 3065 (Schedule 4 attached)
 - e) Burnaby Automatic Vending Machine By-law No. 1914 (Schedule 5 attached)

be adopted for application on 1986 January 01.

SUMMARY

This report constitutes the annual review of business licence fees. A 4% average increase for all categories, with a minimum increase of \$5.00, is proposed for 1986. The \$5.00 minimum increase does not apply to vending machines or apartment licences because it would be inequitable to do so. The proposed fee structures would increase business licence fee revenue by approximately \$41,556 in 1986. Additionally, an amendment to the vending machine by-law is proposed to provide a new category (e) for a machine offering goods or services using a credit card.

1. FEE STRUCTURE

REPORT

Burnaby's licence fees are calculated to recover administration and inspectional costs of licencing businesses. These costs take into account inspectional and clerical staff salaries, supplies, transportation, and administrative and overhead costs of the various municipal departments involved in processing licences. Annually, licence fees are reviewed and adjusted to meet changes in inspectional requirements, and to ensure that all operational costs are recovered. This method of establishing licence fees has been in effect since 1978 January 01. The current basic resident licence fees in effect for 1985 are:

| | |
|-----------------------------|----------|
| Basic Resident Licence Fee: | |
| First licence | \$215.00 |
| Renewal licence | 105.00 |

This basic fee was established to recover the cost of minimal inspectional requirements to determine that operators of businesses are in compliance with applicable by-law or statutory requirements. The fee difference between a first licence and a renewal licence represents the costs incurred in processing a first or new licence, which are not incurred in issuing a renewal licence. Those businesses requiring more than the basic inspections have been categorized and their fees reflect the additional inspectional requirements and costs. In categories where it was determined that inspectional requirements are less than those provided for in the basic fee, a lower fee has been established, e.g. non-resident businesses such as contractors, peddlars, etc., for which the current 1985 fees are:

| | |
|---------------------------------|----------|
| Basic Non-resident Licence Fee: | \$105.00 |
| First Licence | 55.00 |
| Renewal Licence | |

2. PROPOSED 1986 FEES

Fees set out in the attachments for 1986 have been increased by an average 4%, with a minimum \$5.00 increase, and rounded to the nearest \$5.00. The proposed 4% increase is intended to cover increased salary costs and normal inflationary costs in materials and supplies. The 1986 increase of 4% is similar to the average 4% increase in 1985.

Based on an average 4% fee increase for 1986, the minimum licence fee increase for a renewal licence, except apartments and vending machines, is \$5.00, and the maximum fee increase is \$40.00. The 1986 basic licence fees compared to 1985 for the categories described above are as follows:

| | <u>Current 1985</u> | <u>Proposed 1986</u> |
|------------------------|---------------------|----------------------|
| Resident Business: | | |
| First Licence | \$215.00 | \$225.00 |
| Renewal Licence | 105.00 | 110.00 |
| Non-resident Business: | | |
| First Licence | 105.00 | 110.00 |
| Renewal Licence | 55.00 | 60.00 |

An apartment licence will increase by 25 cents per room, equalling \$1.00 on a four-room suite. Vending machines will increase by a minimum of 25 cents and a maximum of \$2.00 per machine.

Application of the proposed fee increase in 1986 is expected to increase revenue by an estimated \$41,556. This amount will be included in the 1986 provisional budget.

The schedule of categories contained in the by-law is also reviewed annually to determine if revision is required to meet changing circumstances. No new categories are being added and no categories are being deleted for 1986. However, the Burnaby Automatic Vending Machine By-law requires an amendment to add a section which provides for a new category (e) for a machine offering goods or services using a credit card. The proposed fee for this category, starting in 1986, is \$50.00, similar to that for an amusement or recreation vending machine.

The system of licencing businesses in Burnaby is considered to be equitable for the licensee because it is structured to recover only the licencing inspectional and administrative costs incurred by Burnaby.

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3. PARTNERS IN ENTERPRISE

Burnaby has signed a Partners in Enterprise Agreement with the Province. The Provincial-Municipal Partnership Act, Section 05, states:

Business licence reduction

5. The council of a municipality may reduce, to the extent it considers desirable, the business licence fee under Part II of the Municipal Act or in the case of the City of Vancouver, Part VI of the Vancouver Charter, payable by any person who is the owner or lessee of improvements in respect of which taxes are reduced under this Act.

Only the owners of industrial class improvements added to the assessment roll after 1985 September 29 would be eligible for licence reductions.

In 1986 we expect that there will only be a few industrial properties that could qualify for a tax reduction under the program.

The 1986 licence fee schedule for industrial class licences contained in Schedule 1 of this report does not allow for any licence fee reductions permissible under the Partners in Enterprise Program.

It is recommended that the licence fees set out on the attached schedules be adopted for application in 1986.



Howard Karras
DIRECTOR FINANCE

Attach.
cc: Municipal Solicitor

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| <u>CLASSIFICATION</u> | <u>First Licence 1985</u> \$ | <u>Proposed 1986</u> \$ | <u>Renewal 1985</u> \$ | <u>Proposed 1986</u> \$ |
|--|-------------------------------------|--------------------------------|-------------------------------|--------------------------------|
| Advertising Agency | 215.00 | 225.00 | 105.00 | 110.00 |
| Advertising Distributor | 105.00 | 110.00 | 55.00 | 60.00 |
| Agent | 105.00 | 110.00 | 55.00 | 60.00 |
| Apartment (Licences calculated per room) | 6.50 | 6.75 | 6.50 | 6.75 |
| Arcade | 460.00 | 480.00 | 245.00 | 255.00 |
| Auction House | 215.00 | 225.00 | 105.00 | 110.00 |
| Auctioneer | 105.00 | 110.00 | 55.00 | 60.00 |
| Auto Court (Licences calculated per room) | 6.50 | 6.75 | 6.50 | 6.75 |
| Auto Towing Yard | 215.00 | 225.00 | 105.00 | 110.00 |
| Book Agent - Office | 215.00 | 225.00 | 105.00 | 110.00 |
| Book Agent | 105.00 | 110.00 | 55.00 | 60.00 |
| Bowling Alley | 460.00 | 480.00 | 220.00 | 230.00 |
| Canvasser | 105.00 | 110.00 | 55.00 | 60.00 |
| Contractor - Yard, Shop, Office | 215.00 | 225.00 | 105.00 | 110.00 |
| Contractor | 105.00 | 110.00 | 55.00 | 60.00 |
| Curling Rink or Ice Rink | 460.00 | 480.00 | 220.00 | 230.00 |
| Discotheque | 630.00 | 655.00 | 350.00 | 365.00 |
| Home Occupation | 55.00 | 60.00 | 45.00 | 50.00 |
| Hotel (Class "A" Liquor Outlet) | 700.00 | 730.00 | 425.00 | 445.00 |
| Hotel Rooms (Licences calculated per room) | 6.50 | 6.75 | 6.50 | 6.75 |
| Junk Dealer | 500.00 | 520.00 | 220.00 | 230.00 |
| Manufacturer - General | | | | |
| 1 to 50 persons | 285.00 | 295.00 | 105.00 | 110.00 |
| 51 to 150 persons | 410.00 | 430.00 | 180.00 | 190.00 |
| 151 persons and over | 460.00 | 480.00 | 220.00 | 230.00 |
| Manufacturer - Processing Chemicals or Flammables | | | | |
| 1 to 50 persons | 655.00 | 680.00 | 425.00 | 445.00 |
| 51 to 150 persons | 895.00 | 930.00 | 660.00 | 685.00 |
| 151 persons and over | 1,055.00 | 1,095.00 | 745.00 | 775.00 |

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SCHEDULE 1 (cont'd)

| CLASSIFICATION | First Licence | Proposed | Renewal | Proposed |
|--|---------------|------------|------------|------------|
| | 1985 \$ | 1986 \$ | 1985 \$ | 1986 \$ |
| Manufacturer - Processing Food | | | | |
| 1 to 50 persons | 410.00 | 430.00 | 220.00 | 230.00 |
| 51 to 150 persons | 500.00 | 520.00 | 260.00 | 270.00 |
| 151 persons and over | 630.00 | 655.00 | 300.00 | 310.00 |
| Neighbourhood Pub | 695.00 | 725.00 | 350.00 | 365.00 |
| Oil Refinery | 1,455.00 | 1,515.00 | 970.00 | 1,010.00 |
| Oil Storage and Distribution | 1,455.00 | 1,515.00 | 970.00 | 1,010.00 |
| Peddler - Food | 215.00 | 225.00 | 105.00 | 110.00 |
| Peddler - General | 105.00 | 110.00 | 55.00 | 60.00 |
| Personal Care Facility (Adult Nursing Home) | 460.00 | 480.00 | 220.00 | 230.00 |
| Photographer - Mobile | 105.00 | 110.00 | 55.00 | 60.00 |
| Photographic Studio | 215.00 | 225.00 | 105.00 | 110.00 |
| Pool Hall | 460.00 | 480.00 | 220.00 | 230.00 |
| Private Hospital | 655.00 | 680.00 | 300.00 | 310.00 |
| Private Patrol and Guard Service - Office | 215.00 | 225.00 | 105.00 | 110.00 |
| Private Patrol and Guard Service | 105.00 | 110.00 | 55.00 | 60.00 |
| Private School | 375.00 | 390.00 | 145.00 | 150.00 |
| Public Hall | 375.00 | 390.00 | 185.00 | 195.00 |
| Radio and T.V. Repair - Shop | 215.00 | 225.00 | 105.00 | 110.00 |
| Radio and T.V. Repair - Mobile | 105.00 | 110.00 | 55.00 | 60.00 |
| Restaurant | | | | |
| 40 seats or take-out | 255.00 | 265.00 | 120.00 | 125.00 |
| 41 seats to 150 seats | 365.00 | 380.00 | 220.00 | 230.00 |
| 151 seats and over | 530.00 | 550.00 | 350.00 | 365.00 |
| Retail Trader - General | | | | |
| 1 to 10 persons | 215.00 | 225.00 | 105.00 | 110.00 |
| 11 to 50 persons | 460.00 | 480.00 | 180.00 | 190.00 |
| 51 persons and over | 755.00 | 785.00 | 755.00 | 785.00 |
| Retail Trader - Food | | | | |
| 1 to 10 persons | 255.00 | 265.00 | 145.00 | 150.00 |
| 11 to 50 persons | 500.00 | 520.00 | 300.00 | 310.00 |
| 51 persons and over | 755.00 | 785.00 | 755.00 | 785.00 |
| Scavenger | 105.00 | 110.00 | 55.00 | 60.00 |
| Sign Painter | 105.00 | 110.00 | 55.00 | 60.00 |
| Telephone Communications Facility | | | | |
| 1 to 50 persons | 340.00 | 355.00 | 105.00 | 110.00 |
| 51 to 150 persons | 500.00 | 520.00 | 260.00 | 270.00 |
| 151 persons and over | 740.00 | 770.00 | 425.00 | 445.00 |

| <u>CLASSIFICATION</u> | First Licence 1985 \$ | Proposed 1986 \$ | Renewal 1985 \$ | Proposed 1986 \$ |
|---|-----------------------------|------------------------|-----------------------|------------------------|
| Theatre - Indoor | 500.00 | 520.00 | 260.00 | 270.00 |
| Towing Service | 105.00 | 110.00 | 55.00 | 60.00 |
| Trailer Camp or Court | 410.00 | 425.00 | 220.00 | 230.00 |
| Warehouse - General | | | | |
| 1 to 50 persons | 285.00 | 295.00 | 105.00 | 110.00 |
| 51 to 150 persons | 375.00 | 390.00 | 180.00 | 190.00 |
| 151 persons and over | 410.00 | 425.00 | 220.00 | 230.00 |
| Warehouse - Chemicals or Flammables | | | | |
| 1 to 50 persons | 460.00 | 480.00 | 260.00 | 270.00 |
| 51 to 150 persons | 630.00 | 655.00 | 385.00 | 400.00 |
| 151 persons and over | 770.00 | 800.00 | 545.00 | 565.00 |
| Wholesaler - General | | | | |
| 1 to 50 persons | 285.00 | 295.00 | 105.00 | 110.00 |
| 51 to 150 persons | 375.00 | 390.00 | 180.00 | 190.00 |
| 151 persons and over | 410.00 | 425.00 | 220.00 | 230.00 |
| Wholesaler - Food, Chemicals or Flammables | | | | |
| 1 to 50 persons | 460.00 | 480.00 | 260.00 | 270.00 |
| 51 to 150 persons | 630.00 | 655.00 | 385.00 | 400.00 |
| 151 persons and over | 895.00 | 930.00 | 570.00 | 590.00 |
| Christmas Tree Permit | 45.00 | 50.00 | N/A | N/A |
| Carnival or Circus | | | | |
| First day (whichever greater) | 255.00 | 265.00 | N/A | N/A |
| Second and following days (whichever greater) | 90.00 | 95.00 | N/A | N/A |

All businesses not hereinbefore classified shall pay the following fees

| | | | | |
|--|--------|--------|--------|--------|
| | 215.00 | 225.00 | 105.00 | 110.00 |
|--|--------|--------|--------|--------|

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SCHEDULE 2

CAB & COMMERCIAL VEHICLE BY-LAW NO. 3102

| <u>CLASSIFICATION</u> | <u>First Licence</u> <u>1985</u> <u>\$</u> | <u>Proposed</u> <u>1986</u> <u>\$</u> | <u>Renewal</u> <u>1985</u> <u>\$</u> | <u>Proposed</u> <u>1986</u> <u>\$</u> |
|--|--|---|--|---|
| 1. For each Class "A" Taxi Cab | 160.00 | 170.00 | 160.00 | 170.00 |
| 2. For each Cab Premises | 215.00 | 225.00 | 105.00 | 110.00 |
| 3. For operating each of the following businesses: | | | | |
| a) Class "C" Funeral Cab | 215.00 | 225.00 | 105.00 | 110.00 |
| b) Class "D" School Cab | 215.00 | 225.00 | 105.00 | 110.00 |
| c) Class "E" Charter Cab | 215.00 | 225.00 | 105.00 | 110.00 |
| d) Class "F" Self-Drive Cab | 215.00 | 225.00 | 105.00 | 110.00 |
| e) Driving Instruction Cab | 215.00 | 225.00 | 105.00 | 110.00 |
| f) Vehicles for hire not hereinbefore enumerated | 215.00 | 225.00 | 105.00 | 110.00 |
| g) Taxi Service Broker | 215.00 | 225.00 | 105.00 | 110.00 |

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SCHEDULE 3

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CABARET REGULATION BY-LAW NO. 1481

| <u>CLASSIFICATION</u> | First Licence 1985 \$ | Proposed 1986 \$ | Renewal 1985 \$ | Proposed 1986 \$ |
|-----------------------|-----------------------------|------------------------|-----------------------|------------------------|
| Cabaret | 540.00 | 560.00 | 300.00 | 310.00 |

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SCHEDULE 4

CLUB REGULATION BY-LAW NO. 3065

| <u>CLASSIFICATION</u> | First Licence 1985 \$ | Proposed 1986 \$ | Renewal 1985 \$ | Proposed 1986 \$ |
|-----------------------|-----------------------------|------------------------|-----------------------|------------------------|
| Club | 460.00 | 480.00 | 260.00 | 270.00 |
| Club Manager | 130.00 | 135.00 | 80.00 | 85.00 |

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SCHEDULE 5

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AUTOMATIC VENDING MACHINE BY-LAW NO. 1914

| | 1985 Fee <u> </u> \$ | Proposed 1986 Fee <u> </u> \$ |
|---|----------------------------------|---|
| (a) for a newspaper vending machine | 22.00 | 23.00 |
| (b) for a coin-operated washer, dryer or dry cleaning machine located in residential premises containing more than 2 dwelling units | 11.00 | 12.00 |
| (c) for a machine that sells goods or services for 25 cents or less | 6.50 | 7.00 |
| for more than 25 cents and less than 76 cents | 22.00 | 23.00 |
| for more than 75 cents | 27.00 | 28.00 |
| (d) for an amusement or recreation vending machine | 48.50 | 50.50 |
| (e) for any machine offering goods or services using a credit card | N/A | 50.00 |