

ITEM	3
MANAGER'S REPORT NO.	67
COUNCIL MEETING	90/11/05

TO: MUNICIPAL MANAGER
 FROM: DIRECTOR FINANCE
 SUBJECT: 1991 BUSINESS LICENCE FEES
 PURPOSE: To obtain approval of 1991 fees.

1990 October 31
 File: L34

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RECOMMENDATIONS

1. THAT the following bylaws be amended to provide for the fees outlined in the attached Schedules A to E, effective 1991 January 01:
 - a) Burnaby Business Licence Bylaw No. 3089
 - b) Burnaby Cab and Commercial Vehicle Bylaw No. 3102
 - c) Burnaby Cabaret Regulation Bylaw No. 1481
 - d) Burnaby Club Regulation Bylaw No. 3065
 - e) Burnaby Automatic Vending Machine Bylaw No. 1914; and
2. THAT Burnaby Business Licence Bylaw No. 3089 be amended to require a minimum of \$2,000,000 for comprehensive public and automotive liability insurance.

SUMMARY

This is the annual business licence fee report. A 6% inflationary increase is proposed for all new licences and some renewal categories where the costs of licencing exceed the current licence fee. The renewal fees for a basic business licence will be maintained at the 1990 level. As a result, approximately 70% of Burnaby's existing businesses will receive no increase in their licence fee in 1991.

The proposed 1991 fees continue the phased adjustment of fees for businesses requiring a high level of municipal inspections and monitoring. These costs were identified in our 1989 Business Licence Review. Where these increases were substantial, Council in 1989 approved phasing in the increases over 3 years to reduce the short term impact. In 1991, the second stage of the increases will be applied.

The proposed fees will increase business licence revenue by an estimated \$35,000 in 1991. This revenue will be included in the 1991 provisional budget.

This report proposes to update the Burnaby Business Licence Bylaw by increasing the amount of liability insurance required for circuses, menageries, shows or carnivals to a minimum of \$2,000,000. This amendment is consistent with our risk management process, which is administered by the Purchasing Agent.

REPORT

1. BACKGROUND

Licence fees are reviewed and adjusted annually to reflect changes in the community, in inspectional requirements, and to ensure that all administrative and inspectional costs are recovered. These costs include inspectional and clerical staff salaries, supplies, and transportation and administrative overhead of municipal departments involved in processing licences.

The current (1990) basic resident licence fees are \$360 for a new licence and \$123 for a renewal. The current fee for a non-resident or mobile business is \$200 for a new licence and \$62 for a renewal.

The difference between the fee for a new licence and a renewal licence represents the non-recurring inspectional costs incurred by other municipal departments prior to a business operating. These inspections are required to determine whether operators of businesses are in compliance with applicable bylaws and statutory requirements which ensure public health and safety.

Businesses requiring more than the basic inspections (e.g. restaurants, chemical processing, auto paint facilities) have higher fees to reflect the additional costs. Conversely, where inspectional requirements are minimal, the licence fee is lower.

Licence fees for vending machines and multiple unit accommodation are applied on a per unit basis.

2. PROPOSED 1991 FEES

a) Fee Adjustments

A 6% inflationary increase is proposed for all first year licence categories, and some renewal categories where the cost of licencing exceeds the current licence fee. The proposed 1991 fees are outlined in the attached Schedules A to E.

The proposed increase is necessary in order to continue operating on a cost recovery basis, as the cost of supplies, transportation and inspectional and administrative overhead of the various municipal departments involved in processing licences will increase during 1991.

The renewal fee for a basic business licence will be maintained at the 1990 level as municipal costs are being recovered. As a result, approximately 70% of Burnaby's existing businesses will not receive an increase in their licence fee in 1991.

In accordance with our cost recovery approach to licencing, we are also proposing to reduce the business licence fee for a beer and/or wine store from a first year licence fee of \$2,932 and a renewal fee of \$825 to \$500 and \$235 respectively.

Operators of beer and wine stores have presented information which affects our cost recovery calculations. There is a Provincial regulation requiring these businesses to be operated in conjunction with a neighbourhood pub or hotel. As a result, the cost for policing originally factored into the 1990 licence fee is redundant. This is because policing costs have also been incorporated into both the Hotel (Class A liquor outlet) and Neighbourhood Pub licences (Class D liquor outlet).

The basic 1991 licence fees compared to 1990 are:

	Current <u>1990</u> \$	Proposed <u>1991</u> \$
Resident business:		
First licence	360.00	382.00
Renewal licence	123.00	123.00
Non-resident business:		
First licence	200.00	212.00
Renewal licence	62.00	62.00

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Vending machine licence fees, which are calculated on a per unit basis, would increase by 6%. Multiple unit accommodation fees would increase by \$.50 per room, resulting in a \$2.00 increase on a four room suite.

b) Continued Implementation of the 1989 Trades Licence Review

The 1989 Business Licence Review identified the need for renewal fee increases in excess of inflation for some businesses in order to recover high administrative, inspectional and monitoring costs. Where these increases were substantial, Council in 1989 approved phasing in the increases over 3 years to reduce the short term impact. In 1991, the second stage of the increases will be applied.

The largest increases in renewal fees would be experienced by businesses having a higher draw on municipal resources. Most of the increased costs relate to businesses which have potentially greater environmental and/or social impacts on the community, and which require additional inspections and monitoring to ensure public health and safety. These include: Arcade, Auto Body Repair and Painting, Hotel Liquor establishment, Neighbourhood Pub, Pool Hall, Restaurant - 40 seat or take-out, Cabaret, Club, Oil Refinery and Oil Distribution/Storage.

The proposed fees will increase business licence revenue by an estimated \$35,000 in 1991. This revenue will be included in the 1991 provisional budget.


It is recommended that the following bylaws be amended to provide for the fees outlined in the attached Schedules A to E effective 1991 January 01:

- a) Burnaby Business Licence Bylaw No. 3089
- b) Burnaby Cab and Commercial Vehicle Bylaw No. 3102
- c) Burnaby Cabaret Regulation Bylaw No. 1481
- d) Burnaby Club Regulation Bylaw No. 3065
- e) Burnaby Automatic Vending Machine Bylaw No. 1914.

c) Liability Insurance

We are proposing to update the Burnaby Business Licence Bylaw by increasing the amount of liability insurance required for circuses, menageries, shows or carnivals to a minimum of \$2,000,000. This amendment is consistent with our risk management process, which is administered by the Purchasing Agent.

It is recommended that Burnaby Business Licence Bylaw No. 3089 be amended to require a minimum of \$2,000,000 for comprehensive public and automotive liability insurance.


Howard Karras
for DIRECTOR FINANCE

TJ:gw
Attach.

cc: Municipal Solicitor
Purchasing Agent

BURNABY BUSINESS LICENCE BYLAW NO. 3089

	New Licence		Renewal Licence	
	Existing	Proposed	Existing	Proposed
	<u>1990</u>	<u>1991</u>	<u>1990</u>	<u>1991</u>
	\$	\$	\$	\$
Agent	200.00	212.00	62.00	62.00
Arcade	1,214.00	1,287.00	506.00	773.00
Auto Body Repair & Painting	594.00	630.00	193.00	278.00
Bowling Alley	530.00	562.00	252.00	252.00
Cart	62.00	66.00	62.00	62.00
Contractor	200.00	212.00	62.00	62.00
Contractor - yard, shop, office	360.00	382.00	123.00	123.00
Curling/Ice Rink	530.00	562.00	252.00	252.00
Discotheque (Teen)	723.00	766.00	401.00	401.00
Dry Cleaning/Laundry Plant	426.00	452.00	137.00	159.00
Exercise Studio/Gym	435.00	461.00	139.00	165.00
Home Craft	233.00	247.00	52.00	52.00
Incinerator	3,000.00	3,000.00	2,262.00	3,000.00
Junk Dealer	573.00	607.00	252.00	252.00
Liquor Establishment				
Class A Hotel	2,783.00	2,950.00	1,123.00	1,714.00
Class D Neighbourhood Pub	3,000.00	3,000.00	1,016.00	1,729.00
Beer and Wine Store	2,932.00	500.00	825.00	235.00
Manufacturer - General				
1 to 50 persons	502.00	532.00	162.00	212.00
51 to 150 persons	529.00	561.00	228.00	262.00
151 persons and over	626.00	664.00	289.00	346.00
Manufacturer - Processing				
Chemical or Flammables				
1 to 50 persons	750.00	795.00	493.00	493.00
51 to 150 persons	1,029.00	1,091.00	755.00	755.00
151 persons and over	1,211.00	1,284.00	857.00	857.00
Manufacturer - Processing Food				
1 to 50 persons	632.00	670.00	281.00	328.00
51 to 150 persons	819.00	868.00	375.00	477.00
151 persons and over	1,040.00	1,102.00	477.00	648.00
Multiple Unit Accommodation	7.85	8.30	7.85	8.30
Oil Refinery	3,000.00	3,000.00	3,000.00	3,000.00
Oil Storage & Distribution	3,000.00	3,000.00	2,947.00	3,000.00
Peddler - Food	273.00	289.00	123.00	129.00
Peddler - General	200.00	212.00	62.00	62.00

BURNABY BUSINESS LICENCE BYLAW NO. 3089

	New Licence		Renewal Licence	
	Existing 1990 \$	Proposed 1991 \$	Existing 1990 \$	Proposed 1991 \$
Personal Care Facility (Adult Nursing Home)	530.00	562.00	252.00	252.00
Personal Care Facility (Child Care)	246.00	261.00	123.00	123.00
Personal Service Establishment	395.00	419.00	126.00	137.00
Photographic Studio	496.00	526.00	160.00	208.00
Pool Hall	1,214.00	1,287.00	485.00	761.00
Private Hospital	1,384.00	1,467.00	602.00	914.00
Private School	527.00	559.00	199.00	246.00
Public Hall	428.00	454.00	214.00	246.00
Restaurant				
40 seats or takeout	668.00	708.00	218.00	315.00
41 seats to 150 seats	668.00	708.00	293.00	355.00
151 seats and over	701.00	743.00	404.00	431.00
Retail Trader - General				
1 to 10 persons	360.00	382.00	123.00	123.00
11 to 50 persons	530.00	562.00	209.00	209.00
51 persons and over	867.00	919.00	867.00	867.00
Retail Trader - Food				
1 to 10 persons	496.00	526.00	188.00	224.00
11 to 50 persons	659.00	699.00	361.00	402.00
51 persons and over	920.00	975.00	867.00	867.00
Service Station	460.00	488.00	148.00	183.00
Telephone Communications Facility				
1 to 50 persons	426.00	452.00	137.00	159.00
51 to 150 persons	573.00	607.00	300.00	300.00
151 persons and over	852.00	903.00	493.00	493.00
Trailer Camp or Court	471.00	499.00	252.00	252.00
Theatre - Indoor	573.00	607.00	300.00	300.00
Warehouse - General				
1 to 50 persons	426.00	452.00	137.00	159.00
51 to 150 persons	428.00	454.00	209.00	209.00
151 persons and over	471.00	499.00	252.00	252.00
Warehouse - Chemicals or Flammables				
1 to 50 persons	592.00	628.00	310.00	339.00
51 to 150 persons	723.00	766.00	439.00	439.00
151 persons and over	884.00	937.00	621.00	621.00
Wholesaler - General				
1 to 50 persons	426.00	452.00	137.00	159.00
51 to 150 persons	460.00	488.00	209.00	209.00
151 persons and over	494.00	524.00	252.00	252.00

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BURNABY BUSINESS LICENCE BYLAW NO. 3089

	New Licence		Renewal Licence	
	Existing 1990 \$	Proposed 1991 \$	Existing 1990 \$	Proposed 1991 \$
Wholesaler - Food, Chemicals or Flammables				
1 to 50 persons	530.00	562.00	300.00	300.00
51 to 150 persons	723.00	766.00	439.00	439.00
151 persons and over	1,029.00	1,091.00	653.00	653.00
Christmas Tree Permit	172.00	182.00	93.00	141.00
Carnival or Circus				
First day	494.00	524.00	N/A	N/A
Second and following days	165.00	175.00	N/A	N/A
All businesses not hereinbefore classified shall pay the following fees				
10 sq.ft. and over	360.00	382.00	123.00	123.00
Under 10 sq.ft.	200.00	212.00	62.00	62.00

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SCHEDULE B

CAB AND COMMERCIAL VEHICLE BYLAW NO. 3102

	<u>New Licence</u>		<u>Renewal Licence</u>	
	<u>Existing</u>	<u>Proposed</u>	<u>Existing</u>	<u>Proposed</u>
	<u>1990</u>	<u>1991</u>	<u>1990</u>	<u>1991</u>
	\$	\$	\$	\$
For each Class "A" Taxi Cab	298.00	316.00	182.00	182.00
For each Cab Premises	360.00	382.00	123.00	123.00
For operating each of the following businesses:				
Class "C" Funeral Cab	360.00	382.00	123.00	123.00
Class "D" School Cab	360.00	382.00	123.00	123.00
Class "E" Charter Cab	360.00	382.00	123.00	123.00
Class "F" Self-Drive Cab	360.00	382.00	123.00	123.00
Class "H" Wheelchair Accessible Cab	298.00	316.00	182.00	182.00
Driving Instruction Cab	360.00	382.00	123.00	123.00
Vehicles for hire not hereinbefore enumerated	360.00	382.00	123.00	123.00
Taxi Service Broker	360.00	382.00	123.00	123.00
Taxi Cab/Vehicle Transfer	N/A	N/A	91.00	96.00

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SCHEDULE C

CABARET REGULATION BYLAW NO. 1481

112

	<u>New Licence</u>		<u>Renewal Licence</u>	
	<u>Existing</u>	<u>Proposed</u>	<u>Existing</u>	<u>Proposed</u>
	<u>1990</u>	<u>1991</u>	<u>1990</u>	<u>1991</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Cabaret	2,615.00	2,772.00	978.00	1,709.00

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SCHEDULE D

CLUB REGULATION BYLAW NO. 3065

	<u>New Licence</u>		<u>Renewal Licence</u>	
	<u>Existing</u> <u>1990</u> \$	<u>Proposed</u> <u>1991</u> \$	<u>Existing</u> <u>1990</u> \$	<u>Proposed</u> <u>1991</u> \$
Club	2,306.00	2,444.00	881.00	1,550.00
Club Manager	193.00	205.00	88.00	88.00

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SCHEDULE E

AUTOMATIC VENDING MACHINE BYLAW NO. 1914

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	Existing <u>1990</u> \$	Proposed <u>1991</u> \$
Newspaper vending machine	26.75	28.35
Coin operated washer, dryer, or dry cleaning machine located in residential premises containing more than 2 dwelling units	14.20	15.05
A machine that sells goods or services for 25 cents or less	8.15	8.65
more than 25 cents and less than 76 cents	26.75	28.35
more than 75 cents	31.00	32.85
Any amusement or recreation vending machine	58.25	61.75
Any machine offering goods or services using a credit card	57.75	61.20