

TO: CITY MANAGER
FROM: DIRECTOR FINANCE
SUBJECT: 1993 BUSINESS LICENCE FEES
PURPOSE: To obtain approval of the 1993 business licence fees.

1992 OCTOBER 07
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 1993 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 prohibit the door to door solicitation of security services; and
3. THAT Burnaby Business Licence Bylaw No. 3089 be amended to permit businesses that function as an administrative office to relocate within the same building at no charge above the normal licence fees; and
4. THAT Burnaby Business Licence Bylaw No. 3089 be amended to clarify that non-resident businesses are required to be licenced; and
5. THAT Burnaby Business Licence Bylaw No. 3089 be amended to more reasonably administer licence renewals to non-resident contractors.

SUMMARY

This is the annual business licence fee report. A 2% inflationary increase is proposed for most new and some renewal licence categories where the costs of licencing exceed the current fees. The renewal fees for the general business licence will be maintained at the 1992 level. As a result, approximately 70% of Burnaby's existing businesses will receive no increase in their licence fee in 1993.

In addition, this report proposes changes to the Business Licence Bylaw that would prohibit the door to door solicitation of security services and permit office administration type businesses to relocate within the same building at no additional charge above regular fees.

This report also proposes the following: adjusting home based business licence fees to establish a more equitable and cost conscious approach; increasing the Hotel Pub licence fees equal to that of Neighbourhood Pubs; increasing Cabaret licence fees to the \$3,000 maximum in 1993; raising Arcade & Pool Hall licence fees to the \$3,000 maximum over four years; and improving non-resident contractor licence renewal procedures.

The proposed fee increases, in combination with the other changes proposed in this report, would result in a \$10,000 increase in revenue. This revenue will be included in the 1993 Provisional Budget.

REPORT

1. BACKGROUND

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

The current (1992) basic resident licence fees are \$397 for a new licence and \$123 for a renewal. The current fee for a non-resident or mobile business is \$220 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 city departments prior to issuing a business licence. 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.

The 1989 Business Licence Review identified the need for fee increases in excess of inflation for some business classifications in order to recover high administrative, inspectional and monitoring costs. Where these increases were substantial, they were phased in over the past three years (1990 to 1992).

2. PROPOSED 1993 FEES

a) General Fee Adjustments

An inflationary increase of 2% is proposed for most first year licence categories and some renewal categories where the cost of licencing exceeds the current licence fee. This increase is consistent with bank and public institution projections of inflation for 1993. The proposed fees are attached in Schedules A to E.

The proposed increase is necessary in order to keep operating on a cost recovery basis as the costs of supplies, transportation, inspections and administrative overhead of the city departments involved in processing licences will increase during 1993.

The renewal fees for the basic business licence will be maintained at the 1992 level as city costs continue to be recovered. As a result, approximately 70% of Burnaby's existing businesses will receive no increase in their licence fees.

The proposed basic 1993 licence fees compared to 1992 are:

	CURRENT FEES 1992	PROPOSED FEES 1993
RESIDENT BUSINESS		
First licence	\$397.00	\$405.00
Renewal licence	123.00	123.00
NON-RESIDENT BUSINESS		
First licence	\$220.00	\$225.00
Renewal licence	62.00	62.00

Vending machine licence fees and multiple unit accommodation fees which are calculated on a per unit basis, would also increase by 2%.

b) Specific Fee Adjustments

i) Liquor Establishments

The 1992 renewal licence fee for a hotel based liquor establishment is \$150 below that of a neighbourhood pub. An increase in the renewal fee for the hotel based liquor establishment is proposed to equate the fees of these two very similar classifications. The inflationary increase will also be applied to both classifications. The proposed fee increases for the hotel based liquor establishment and the neighbourhood pub classifications are included in the fees of Schedule A attached.

	Proposed	
	1992 Licence Fees New	1993 Licence Fees New
Hotel based liquor establishment	\$3,000	\$3,000
Neighbourhood Pub	\$3,000	\$3,000
	\$2,326	\$2,526
	\$2,476	\$2,526

ii) Cabarets, Arcades and Pool Halls

The Municipal Act limits the annual licence fees for a city of Burnaby's size to \$3,000. In 1992, Council approved fees at the maximum level for incinerators, hotel and neighbourhood pubs, and oil refineries and storage facilities.

An increase to the maximum licence fee for cabarets, arcades and pool halls is proposed to reflect the increasing time and resources necessary to monitor these businesses. The new and renewal fees for a cabaret would be increased to \$3,000 for 1993, while the new fee for arcades and pool halls would increase in equal proportions to the maximum fee over four years. The renewal fee for arcades and pool halls would increase by the same percentage over the same period of time. This proposed increase in fees would help offset the costs associated with the growing involvement the city has in these areas.

	Proposed	
	1992 Licence Fees New	1993 Licence Fees New
Cabaret	\$2,883	\$3,000
Arcade	\$1,338	\$1,739
Pool Hall	\$1,338	\$1,739
	\$2,477	\$3,000
	\$1,048	\$1,362
	\$1,048	\$1,362

The proposed fee increases for the cabaret, arcade and pool hall classifications are included in Schedules A and C attached.



iii) Home Based Businesses

There are currently three classifications of home based businesses in Burnaby and each is assessed a different licence fee as follows: 108

Classification	1992 Licence Fees		Proposed 1993 Licence Fees	
	First year	Renewal	First year	Renewal
Home Craft	\$257.00	\$ 52.00	\$257.00	\$ 52.00
Home Occupation	\$397.00	\$123.00	\$257.00	\$123.00
Contractor (home location)	\$220.00	\$ 62.00	\$257.00	\$123.00

The Home Craft and Home Occupation licences are issued following an inspection of the residence by a Property Use Coordinator. The cost recovery fee associated with this issuance procedure is the same as the Home Craft classification. We propose to reduce the first year fee for the Home Occupation classification to this level to more accurately reflect licencing costs. The renewal rate for Home Occupations will remain greater than that for Home Craft as there is a greater need for follow up with the more intensive business activities operating from homes.

In addition, we propose to increase the licence fees for home based contractors in Burnaby to match the proposed fees for the Home Occupation. With the new fees, an inspection will be conducted to ensure compliance with our bylaws and to advise the contractor of our home based business regulations (no storage of materials, no stock in trade and no employees at the residence). Renewal fees will increase to recover costs associated with the necessary follow-up required for this type of business operating from a home.

The proposed fee changes are included in Schedule A attached.

3. PROPOSED BYLAW TEXT CHANGES

a) Peddlers

Earlier this year, considerable concern was raised over a company peddling security services in Burnaby. The company solicited door to door to fund their neighbourhood security patrol operation. While there are other companies providing a similar service, it was the method by which the service was sold and the company's ability to fulfill its service obligation as advertised that was in question.

To prevent similar situations from occurring, we propose to amend the Business Licence Bylaw to prohibit the door to door solicitation of security services. This change eliminates "pressure sales" of security services which would benefit from any perceived or actual need for such a service. Sales of this nature are a concern, particularly with an intangible service such as intermittent security.

It is recommended that Burnaby Business Licence Bylaw No. 3089 be amended to prohibit the door to door solicitation of security services.

b) Non-Resident Business Licencing

Recently a private non-resident security company operating in Burnaby successfully appealed a Provincial Court conviction for carrying on business in Burnaby without a licence. The Supreme Court Judge's reasoning is not clear from the written transcript of his decision. However, the judge may have been of the view that the business, not being specifically classified under Schedule "A" of the bylaw, could only be covered under the general category and that the general category was not worded so as to include businesses having no premises in Burnaby.

To deal with this case and other possible problems that may arise from it, the City Solicitor suggests that two amendments be made to Schedule "A" of the Business Licence Bylaw for 1993:

1. That a new business classification be added to address security businesses;
2. That the second paragraph of general classification at the end of Schedule "A" be amended to read:

"Businesses occupying less than 10 square feet or having no premises in Burnaby"

These proposed changes are contained in Schedule "A" attached.

It is recommended that Burnaby Business Licence Bylaw No. 3089 be amended to more clearly address the licencing of non-resident businesses and security businesses as included in Schedule "A" attached.

c) Licence Renewal for Non-Resident Contractors

Non-resident contractors have advised that many do not work in Burnaby every year. Some have objected to paying the renewal rate for one or more years when they do not work in Burnaby. By maintaining their licence at the renewal rate (\$62) over the year(s) of not working in Burnaby, non-resident contractors avoid the first year fee of \$220 when they get their next job in Burnaby.

In response to these concerns, we propose that once the first year fee is paid, non-resident contractors must renew their licence only for those years in which they do work in Burnaby. In effect, the licence would be established upon initial application for a business licence and then maintained in an active or inactive status depending on whether the contractor works in Burnaby. The contractors licence would be held as inactive for three consecutive years, after which time the higher initial fee will be charged for reinstating the business licence.

It is recommended that Burnaby Business Licence Bylaw No. 3089 be amended to more reasonably administer licence renewals for non-resident contractors.

4. RELOCATION LICENCE FEES

In June of this year, Council received correspondence from a local businessman regarding relocation licence fees. Arising from discussion, Council requested staff report on the "advisability of changing the business licence fee policy for businesses relocating within the same building". Having reviewed this subject, we propose the Business Licence Bylaw be amended to permit administrative offices to relocate within the same building at no additional charge above the normal renewal fee for the current year.

The relocation of a business initiates the same processing and inspections required for a new business. This is done to ensure public health and safety is not compromised at the new location of the business. Consistent with our cost recovery licence fee policy, relocation fees are charged at the first year rate less any renewal fees paid for the current year.

For a business relocating in the same building, the health and safety concerns remain as each individual space may undergo significant structural change to accommodate a new occupant. This is particularly apparent in malls and industrial parks where business functions are more diverse than in general office settings.

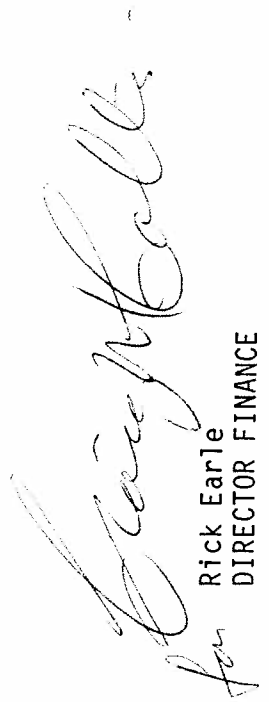
The standardized nature of office activities and office space within a building provides an opportunity to more reasonably apply fees to offices relocating in the same building. Those businesses which do not generally provide service to customers at the office would be permitted to relocate within the same building at no additional charge. Notification of the relocation would still be required in the Licence Office and the necessary referrals would be sent to other departments. We propose that these changes be effective 1993 January 01.

A survey of G.V.R.D. municipalities indicates that seven of thirteen areas charge some fee for relocating in the same building. Four of the thirteen municipalities use a relocation fee policy similar to Burnaby.

It is recommended that the Burnaby Business Licence Bylaw No. 3089 be amended to require no fees, above current licence fees, be charged to administrative offices relocating within the same building.

5. IMPACT ON LICENCE REVENUE

The proposed fee changes outlined in Section 2 would increase licence revenue by an estimated \$25,000. The change in licencing requirements for non-resident contractors outlined in Section 5 would result in a loss in revenue estimated at \$15,000. In total, the proposed changes in this report would result in an increase in revenue estimated at \$10,000. This revenue will be included in the 1993 Provisional Budget.


for Rick Earle
DIRECTOR FINANCE

CMC:vm

cc: City Solicitor

BUSINESS LICENCE BYLAW NO. 3089

	New Licence		Renewal Licence	
	Existing 1992	Proposed 1993	Existing 1992	Proposed 1993
	\$	\$	\$	\$
Agent	220.00	225.00	62.00	62.00
Arcade	1,338.00	1,739.00	1,048.00	1,362.00
Auto Body Repair & Painting	655.00	668.00	366.00	373.00
Bowling Alley	584.00	596.00	252.00	257.00
Cart	62.00	62.00	62.00	62.00
Contractor	220.00	225.00	62.00	62.00
Contractor - yard, shop, office	397.00	405.00	123.00	123.00
Curling/Ice Rink	584.00	596.00	252.00	257.00
Discotheque (Teen)	766.00	781.00	415.00	423.00
Dry Cleaning/Laundry Plant	470.00	479.00	181.00	185.00
Exercise Studio/Gym	479.00	489.00	190.00	194.00
Home Based Business	n/a	257.00	n/a	123.00
Home Craft	257.00	257.00	52.00	52.00
Incinerator	3,000.00	3,000.00	3,000.00	3,000.00
Junk Dealer	697.00	711.00	252.00	257.00
Liquor Establishment				
Hotel	3,000.00	3,000.00	2,326.00	2,526.00
Neighbourhood Pub	3,000.00	3,000.00	2,476.00	2,526.00
Beer and Wine Store	520.00	530.00	242.00	247.00
Manufacturer - General				
1 to 50 persons	553.00	564.00	263.00	268.00
51 to 150 persons	583.00	595.00	294.00	300.00
151 persons and over	691.00	705.00	400.00	408.00
Manufacturer - Processing Chemical or Flammables				
1 to 50 persons	795.00	811.00	493.00	503.00
51 to 150 persons	1,091.00	1,113.00	755.00	770.00
151 persons and over	1,102.00	1,124.00	857.00	874.00
Manufacturer - Processing Food				
1 to 50 persons	697.00	711.00	373.00	380.00
51 to 150 persons	903.00	921.00	579.00	591.00
151 persons and over	1,147.00	1,170.00	822.00	838.00
Multiple Unit Accommodation per room	8.63	8.80	8.63	8.80
Oil Refinery	3,000.00	3,000.00	3,000.00	3,000.00
Oil Storage & Distribution	3,000.00	3,000.00	3,000.00	3,000.00

BUSINESS LICENCE BYLAW NO. 3089

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	New Licence		Renewal Licence	
	Existing 1992	Proposed 1993	Existing 1992	Proposed 1993
Peddler - Food	301.00	307.00	134.00	137.00
Peddler - General	220.00	225.00	62.00	62.00
Personal Care Facility (Adult Nursing Home)	584.00	596.00	262.00	267.00
Personal Care Facility (Child Care)	271.00	276.00	123.00	123.00
Personal Service Establishment	436.00	445.00	146.00	149.00
Photographic Studio	547.00	558.00	257.00	262.00
Pool Hall	1,338.00	1,739.00	1,048.00	1,362.00
Private Hospital	1,526.00	1,557.00	1,236.00	1,261.00
Private School	581.00	593.00	295.00	301.00
Public Hall	472.00	481.00	246.00	251.00
Restaurant				
40 seats or take-out	736.00	751.00	415.00	415.00
41 seats to 150 seats	736.00	751.00	415.00	415.00
151 seats and over	773.00	788.00	452.00	452.00
Retail Trader - General				
1 to 10 persons	397.00	405.00	123.00	123.00
11 to 50 persons	562.00	573.00	209.00	213.00
51 persons and over	919.00	937.00	867.00	884.00
Retail Trader - Food				
1 to 10 persons	547.00	558.00	256.00	261.00
11 to 50 persons	727.00	741.00	438.00	447.00
51 persons and over	1,014.00	1,034.00	867.00	884.00
Security Service (Non-resident)	220.00	225.00	62.00	62.00
Service Station	508.00	518.00	217.00	221.00
Telephone Communications Facility				
1 to 50 persons	470.00	479.00	181.00	185.00
51 to 150 persons	607.00	619.00	300.00	306.00
151 persons and over	903.00	921.00	493.00	503.00
Trailer Camp or Court	508.00	518.00	252.00	257.00
Theatre - Indoor	607.00	619.00	300.00	306.00
Warehouse - General				
1 to 50 persons	470.00	479.00	181.00	185.00
51 to 150 persons	470.00	479.00	209.00	213.00
151 persons and over	507.00	517.00	252.00	257.00

ITEM 2
 MANAGER'S REPORT NO. 64
 COUNCIL MEETING 92/10/13

BUSINESS LICENCE BYLAW NO. 3089

	New Licence		Renewal Licence	
	Existing 1992	Proposed 1993	Existing 1992	Proposed 1993
	\$	\$	\$	\$
Warehouse - Chemicals or Flammables				
1 to 50 persons	653.00	666.00	364.00	371.00
51 to 150 persons	766.00	781.00	439.00	448.00
151 persons and over	937.00	956.00	621.00	633.00
Wholesaler - General				
1 to 50 persons	470.00	479.00	181.00	185.00
51 to 150 persons	507.00	517.00	217.00	221.00
151 persons and over	545.00	556.00	254.00	259.00
Wholesaler - Food, Chemicals or Flammables				
1 to 50 persons	562.00	573.00	300.00	306.00
51 to 150 persons	766.00	781.00	439.00	448.00
151 persons and over	1,091.00	1,113.00	653.00	666.00
Christmas Tree Permit	189.00	194.00	190.00	194.00
Carnival or Circus				
First Day	545.00	556.00	n/a	
Second and following days	182.00	186.00	n/a	
All businesses not hereinbefore classified shall pay the following fees				
Businesses occupying 10 sq.ft. and over	397.00	405.00	123.00	123.00
Business occupying less than 10 sq.ft. or having no premises in Burnaby	220.00	225.00	62.00	62.00

SCHEDULE B

ITEM 2
MANAGER'S REPORT NO. 64
COUNCIL MEETING 92/10/13

CAB AND COMMERCIAL VEHICLE BYLAW NO. 3102

114

	New Licence		Renewal Licence	
	Existing	Proposed	Existing	Proposed
	1992	1993	1992	1993
	\$	\$	\$	\$
For each Class "A" Taxi Cab	329.00	336.00	190.00	194.00
For each Class "H" Wheelchair Accessible Cab	329.00	336.00	190.00	194.00
For each Cab Premises	397.00	405.00	123.00	125.00
For operating each of the following business:				
Class "C" Funeral Cab	397.00	405.00	123.00	125.00
Class "D" School Cab	397.00	405.00	123.00	125.00
Class "E" Charter Cab	397.00	405.00	123.00	125.00
Class "F" Self-Drive Cab	397.00	405.00	123.00	125.00
Driving Instruction Cab	397.00	405.00	123.00	125.00
Vehicles for hire not hereinbefore enumerated	397.00	405.00	123.00	125.00
Taxi Service Broker	397.00	405.00	123.00	125.00
Taxi Cab/Vehicle Transfer	n/a	n/a	100.00	100.00

SCHEDULE C

ITEM	2
MANAGER'S REPORT NO.	64
COUNCIL MEETING	92/10/13

CABARET REGULATION BYLAW NO. 1481

	New Licence		Renewal Licence	
	Existing	Proposed	Existing	Proposed
	<u>1992</u>	<u>1993</u>	<u>1992</u>	<u>1993</u>
	\$	\$	\$	\$
Cabaret	2,883.00	3,000.00	2,477.00	3,000.00

SCHEDULE D

ITEM 2
MANAGER'S REPORT NO. 64
COUNCIL MEETING 92/10/13

CLUB REGULATION BYLAW NO. 3065

New Licence Renewal Licence
Existing 1992 Existing 1992 Proposed 1993 Proposed 1993
\$ \$ \$ \$

Club 2,542.00 2,593.00 2,252.00 2,297.00

Club Manager 213.00 217.00 88.00 90.00

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SCHEDULE E

AUTOMATIC VENDING MACHINE BYLAW NO. 1914

ITEM	2
MANAGER'S REPORT NO.	64
COUNCIL MEETING	92/10/13

	<u>Existing</u> <u>1992</u> \$	<u>Proposed</u> <u>1993</u> \$
For a newspaper vending machine	29.49	30.00
For a coin-operated washer, dryer or dry cleaning machine located in residential premises containing more than 2 dwelling units	15.65	16.00
For a machine that sells goods or services for: 25 cents or less	9.00	9.20
More than 25 cents and less than 76 cents	29.48	30.00
More than 75 cents	34.16	34.80
For any amusement or recreation vending machine	64.22	65.50
For any machine offering goods or services using a credit card	63.65	64.90

Finance Department
File: L34
1992 October 07

