



**Special Council Agenda  
May 30, 2011 – 3:30 p.m.  
Conference Room  
8645 Stave Lake Street, Mission, BC**

**1. NEW BUSINESS**

- (a) Business Licence Fee Workshop

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**2. QUESTION PERIOD**

**3. ADJOURNMENT**



## Inspection Services Memorandum

**To:** Chief Administrative Officer  
**From:** Manager of Inspection Services  
**Date:** May 26, 2011  
**Subject:** Business Licence Fee Workshop

### Purpose

Staff were requested to arrange a workshop with Council to review the District's annual business licence fee.

### Background

Historically the District of Mission business licence program had 32 business classifications. Some of the classifications paid an annual base fee while others started at varying base rates plus a fee based on one of these factors: the number of persons employed, the number of rental units available for letting, floor area or the number of seats. In addition, another factor considered was the ability for a business to pay a higher fee due to the revenue created by the company, such as banks. Other businesses also paid higher fees based upon nuisance factors such as liquor sales creating additional policing costs.

Appendix 1 outlines the numerous classifications which existed in our Business Licence Bylaw and those of neighbouring communities. This appendix demonstrates the various fees which the District required and those which were and still are being charged within the neighbouring communities. Many of the fees in this appendix cannot be justified.

In 2005, Council initiated a review of the business licence fees and, following considerable discussion, the District determined a business licence purpose is to provide a permit to operate and, as such, each business should pay the same fee (currently \$148.00).

### Cost of Service Provided

In revisiting this discussion, Council may wish to consider the parameters of Section 194 of the Community Charter that provides direction for business licence fees. Fees should be set based upon the cost of the service provided.

Bearing this in mind, staff has structured the business licences into four categories. The four categories of licences are: Non-resident, Home Based, Assembly / Commercial / Industrial / Institutional, and Support Recovery Homes.

The staffing cost to the District for business licencing is approximately \$138,000 per year. In 2010, there were 1,852 business licences issued. Therefore, the base cost of the service provided in 2010 by licencing staff was \$75.00 per business licence (\$138,000 / 1852 business licences). The \$75.00 per licence covers the minimum staff time to administer the bylaw (50% of the Administrative Clerk and bylaw officers' time, 1/3 of the senior bylaw officers' time and 20% of the managers' staff time).

The following fees breakdown is intended to reflect all municipal staff time costs of service provided by the District to set up and approve each account for each business type:

- Non-resident: \$75.00
  - Business licencing staff spends the minimum amount of time on this type of application (generally, no other department is involved).
- Home Based Businesses: \$168.00
  - An average of approximately 1.5 hours of additional staff time above the base cost is required for home based business by other departments (\$75.00 base fee + \$93.00 = \$168.00)
- Assembly / Commercial / Industrial / Institutional Businesses: \$290.00
  - An average of approximately 3.5 hours of additional staff time is required for assembly / commercial / industrial / institutional business by other departments (\$75.00 base fee + \$215.00 = \$290.00).
- Support Recovery Homes: \$750.00
  - An average of approximately 14.5 hours of additional staff time by licencing and other departments is required for support recovery homes (\$75.00 base fee + \$675.00)

\*district costs to renew licences are estimated at \$75.00

### Options for Fee Structure

The following are a number of options for Council's consideration:

#### Option 1

Business licence fees stay status quo. Currently business licence fees are \$148.00.

Total revenue in 2010 was \$268,593

#### Option 2

Business Licence fees would be structured into the four categories with the fees identified above. In this option there are four set fee amounts for business licences: non-resident, home based businesses, assembly / commercial / industrial / institutional businesses and support recovery home businesses. This option allows the District to recover costs incurred.

This option would require some additional staff time to set up. However, the increase in revenue should offset any costs. It would be very prudent to develop a communications plan with the business community to gain their input and buy-in.

Staff anticipates an increase of approximately \$64,771.00 in revenue.

#### Option 3

The initial business licence application fee would be as shown above and, each year thereafter, the fee would be reduced to reflect the cost of the service provided and would be charged a lower renewal fee of \$75.00.

This option allows the District to recover costs incurred, however, would have a negative impact on the district budget. It would also be very prudent to develop a communications plan with the business community to gain their input and buy-in.

Staff anticipates a decrease in revenue of approximately of \$100,000.00.

#### Option 4

This option would recognize multiple categories of business licences similar to that in place in 2005 (See Appendix 1). Various classifications would pay an annual base fee while others would start at differing base rates, but would be subject to an increase dependent on the number of persons employed, and the number of rental units available for letting. Consideration would be given if the business had a potential for nuisance factors where increased service is required such as liquor sales.

This option would require a lot of communication with businesses and additional staff time, increasing our costs, which may be offset by additional revenue.

While this option provides business with a proportionate fee based upon floor area, seating or number of employees, etc., it really does not address the community charter concept of cost recovery.

#### Conclusion

Business licence fees are a challenge to establish and are considered a pain by the business community. A more detailed report can be generated once staff have some direction from Council on the preferred option they would like to consider.

Beverly Endersby  
Manager of Inspection Services



	Kennel	Carnival	Funeral Home	Golf	Home Occ	Pub/Hotel	Manufacturer	Water	Practitioner	Realtor	Insurance	Restaurant	Retail Merchant
<b>Mission</b>													
Min. Fee	\$151.75	\$121.00	\$603.00	\$603.00	\$121.00	\$2,040.00	\$121.00	\$121.00	\$121.00	\$603.00	\$361.00	\$121.00	\$121.00
Max. Fee							\$2,040.00					\$842.00	\$2,040.00
<b>Abbotsford</b>													
Min. Fee	\$115.00	\$280.00	\$115.00	\$115.00	\$115.00	\$500.00	\$115.00	\$118.00	\$115.00	\$115.00	\$115.00	\$210.00	\$115.00
Max. Fee						\$1,500.00	\$175.00					\$260.00	
<b>Maple Ridge</b>													
Min. Fee	\$10.00	\$185.00	\$95.00	\$95.00	\$95.00	\$95.00	\$95.00	N/A	\$95.00	\$95.00	\$95.00	\$95.00	\$95.00
Max. Fee						add \$1.40 for over 15 chairs				+\$70.00 each realtor		add \$1.20 for over 35 chairs	
<b>Port Moody</b>													
Min. Fee	N/A	\$319.50	N/A	N/A	\$67.00	\$1,545.00	\$144.50	N/A	\$175.50	\$175.00	\$510.00	\$68.00	\$144.50
Max. Fee							\$2,000.00					\$129.00	\$666.50
<b>Langley City</b>													
Min. Fee	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$3,500.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$185.00	\$125.00
Max. Fee												\$585.00	
<b>Pitt Meadows</b>													
Min. Fee	N/A	\$150.00	N/A	\$111.00	\$48.00	\$160.00	\$111.00	N/A	\$127.00	\$159.00	\$80.00	\$80.00	\$80.00
Max. Fee		per day		\$250.00			\$450.00			\$240.00		\$159.00	add .40 over 93m
<b>Coquitlam</b>													
Min. Fee	N/A	\$30.00	N/A	\$420.00	\$80.00	\$80.00	\$185.00	N/A	\$205.00	\$195.00	\$205.00	\$80.00	\$80.00
Max. Fee		per day and per ride					\$630.00					\$110.00	add 16.00 ov 300
<b>Chilliwack</b>													
Min. Fee	\$100.00	\$50.00	100.00	100.00	\$100.00	\$1,000.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
	*add .25 Per m2 floor area												
	**add .50 per m2 floor area												
	***add .10 per m2 floor area												
<b>White Rock</b>													
Min. Fee	N/A	\$210.00	320.00	N/A	N/A	\$2,000.00	\$320.00	N/A	\$320.00	\$320.00	\$320.00	150.00	\$150.00
Max. Fee		per day											
	* add \$25.00 for add. Employees												
<b>Surrey</b>													
Min. Fee	75.00	24.50	257.00	185.00	65.00	1,500.00	185.00		298.00	100.00	140.00	75.00	195.00
Max. Fee	150.00				140.00					919.00		500.00	
	* per day per machine												
<b>Langley Township</b>													
Min. Fee	N/A	120.00	120.00	120.00	90.00	2,500.00	120.00		120.00	120.00	120.00	175.00	120.00
Max. Fee		per day											

	Sand and Gravel	Taxi	Transient	Trucker	Misc.
<b>Mission</b>					
Min. Fee	\$2,010.00	\$300.25	\$121.00	\$151.00	\$121.00
Max. Fee		\$2,040.00			
<b>Abbotsford</b>					
Min. Fee	\$115.00	\$115.00	\$75.00	\$115.00	\$115.00
Max. Fee					
<b>Maple Ridge</b>					
Min. Fee	N/A	\$95.00	\$95.00	\$95.00	\$95.00
Max. Fee					
<b>Port Moody</b>					
Min. Fee	N/A	\$184.50	\$136.00	\$206.00	\$144.50
Max. Fee					
<b>Langley City</b>					
Min. Fee	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00
Max. Fee					
<b>Pitt Meadows</b>					
Min. Fee	N/A	\$48.00	\$96.00	\$48.00	\$111.00
Max. Fee					\$335.00
<b>Coquitlam</b>					
Min. Fee	N/A	\$95.00	\$170.00	\$170.00	\$170.00
Max. Fee					
<b>Chilliwack</b>					
Min. Fee	\$100.00	\$100.00	\$100.00	\$100.00	100.00
<b>White Rock</b>					
Min. Fee	N/A	\$320.00	\$150.00	\$150.00	150.00
Max. Fee					
* add \$25.00 for add. Employee					
<b>Surrey</b>					
Min. Fee	N/A	100.00	75.00	100.00	195.00
Max. Fee				195.00	
<b>Langley Township</b>					
Min. Fee	N/A	120.00	120.00	90.00	90.00
Max. Fee				120.00	120.00