

CITY OF KELOWNA

MEMORANDUM

Date: May 7, 2003
File No.: 6530-12; BL9012
To: City Manager
From: Director of Planning and Corporate Services
Subject: INFORMATION REPORT REGARDING THE CITY'S OUTDOOR FOOD AND BEVERAGE PROGRAMS AND RELATED TRAFFIC BYLAW AMENDMENTS

RECOMMENDATION

THAT Bylaw No. 9012 (Amendment No. 1 to Traffic Bylaw No. 8120) be considered for adoption.

BACKGROUND

On May 5, 2003, Council considered a staff recommendation that the liability insurance requirement for mobile vendors be increased from \$2,000,000.00 to \$5,000,000.00. This increase would be consistent with the recommendation of the City's former Risk Manager to require \$5,000,000.00 for all operations where there is a risk associated with the storing and handling of food. Amendments relating to this recommendation were subsequently given first, second, and third reading under Bylaw No. 9012. Prior to bylaw adoption, Council indicated that they wanted more information on the costs associated with the new requirement.

DISCUSSION

It was not possible for staff to obtain an estimate of the insurance costs associated with mobile food operations. The reason for this is that the premium is based not only on the general level of risk associated with a particular activity, but also on the specific level of risk associated with that activity. That is, the more food sold by a mobile vendor, the higher the risk. The level of activity is measured by the gross receipts for the business for the past reporting period. That information is not readily available to staff.

Although specific information relating to the impact on individual operators is not available, clarification regarding the approach used to calculate premiums does convey that there is generally a relationship between volume of sales and premiums. In theory, the greater the sales volume, the greater the premiums, but presumably with that increase in sales activity, would also come an increase in the vendor's ability to pay (assuming reasonable margins).

A discussion with a staff member at Whillis-Harding Insurance Agencies Ltd. confirmed that the \$5,000,000.00 requirement is consistent with industry standards for businesses that prepare and/or serve food.

SUMMARY

Staff recommend that the proposed changes to the Traffic Bylaw to increase the insurance requirements for mobile vendors from \$2,000,000.00 to \$5,000,000.00 be endorsed by Council.

Signe K. Bagh, MCIP
Long Range Planning Manager

PJM/pm

Approved for inclusion	
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R.L. (Ron) Mattiussi, ACP, MCIP
Director of Planning & Development Services

Attachment