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City of Kelowna  
**MEMORANDUM**

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DATE: February 24, 2006  
FILE: 1970-50  
  
TO: City Manager  
  
FROM: Revenue Manager  
  
RE: **Permissive Tax Exemption Task Force**

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**RECOMMENDATION:**

THAT Council appoint Councillor Carol Gran, City of Kelowna; Shelley Cook, John Howard Society/Howard Fry Housing Society; Vonnie Lavers, Kelowna Community Food Bank; Dr. Alan Jenks, Mission Park Chiropractic; Clint McKenzie, Downtown Kelowna Association; David Porteous, Rutland Residents Association; Dave Thomas, Kelowna South Central Association of Neighbourhoods to the Permissive Tax Exemption Task Force a Select Committee of Council and Terms of Reference as attached;

AND THAT costs for the Task Force meetings and a Task Force facilitator in the amount of \$3,000 be funded from Council contingency.

**BACKGROUND:**

On October 25, 2005 Council resolved:

- THAT a process be developed to review the merits of all exemptions prior to the adoption of the 2007 Tax Exemption Bylaw
- THAT a committee be formed to undertake the review process

Council has the authority to grant permissive tax exemptions to organizations who meet the criteria set-out under Division 7 of the Community Charter.

Over the last several years the City has experienced an increase in applicants resulting from increased social needs; recreational development; and general awareness of the availability of the exemptions. In the spring of 2005 staff updated the profiles of the currently exempted applicants by asking all applicants to complete a re-designed application form. Prior to this process being introduced, all applicants were perpetually exempted unless they sold the property or advised the City of a change of use of the property. Concurrent to the reapplication process, staff developed a draft "City of Kelowna Permissive Tax Exemption Policy" which was adopted by Council in July, 2005.

Strict application of the new policy may result in changes to some of the previously exempted properties and changes in the handling of new applications. Generally, this would include long term care residences where the stay is greater than 1 year; renting of a building by a non-profit to a non-profit; caretaker residences; applicant's actual benefit

to the community; competition with for-profit businesses; not for profit organizations with areas that serve alcohol.

In the spirit of fairness to both the applicants and to our citizens it was determined that no immediate changes be implemented late in October 2005 that would be effective for 2006. Council recommended that a committee be formed to undertake a review of the criteria for permissive tax exemption that would include public consultation and due notice to potentially affected organizations. Staff has acted upon this request and now presents the attached Terms of Reference for the Permissive Exemption Task Force for Council approval.

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Genelle Davidson

Approved for inclusion



Paul Macklem, CMA  
Director of Financial Services

**City of Kelowna  
Terms of Reference  
Permissive Exemption Task Force**

## INTRODUCTION

The City of Kelowna recognizes the significant value of volunteers, volunteer groups and agencies to the social, spiritual, cultural, educational and physical well-being of the community by providing partial or complete permissive property tax exemptions that are subject to review of property utilization.

Given that many of the organizations are one of a kind and provide specialized, often unique services, it is difficult to measure to what extent, if at all, a use conforms to the Permissive Tax Exemption Policy.

On October 25, 2005 Council resolved:

- THAT a process be developed to review the merits of all exemptions prior to the adoption of the 2007 Tax Exemption Bylaw
- THAT a committee be formed to undertake the review process

## OBJECTIVE

The objective of the Task Force is to provide an addendum to Council Policy #327 clarifying the Permissive Tax Exemption Eligibility Criteria as defined in said policy  
AND

That Council will adopt the addendum in order to amend the Policy resulting in consistent and unified application of the policy.

## SCOPE OF WORK

To achieve this objective the Task Force will undertake the following:

- background and training session
- evening Public Meeting for all currently exempted organizations
- full day workshop to determine criteria for acceptance and/or denial of application
- draft report – task force to review to ensure consensus
- finalize report to Council and present for resolution and adoption by May 15, 2006
- after Council adoption provide policy change to staff for implementation in the 2007 Permissive Tax Exemption Bylaw.

## MEMBERSHIP

In order to provide representation from the community the Task Force is as follows:

- 1 Council member
- 2 Business representatives
- 2 Residents Association representatives
- 2 Non-profit organization representatives

Facilitator:

Jeannette Matson, Catalysis Consulting

Ms. Matson is based out of Kamloops. She is an independent human relations specialist who consults in the areas of public consultation, mediation, team building and workshop design and facilitation. In February of 2005 she led a similar process for the City of Kamloops when they were endeavoring to manage the permissive tax exemption process.

Staff Support:

Genelle Davidson, Revenue Manager

## APPOINTMENT AND TERM

Members shall be appointed by Council and shall serve for a 3 month term, beginning March 2006 until the final report is presented to Council in May.

Council may, at any time, remove any member of the Task Force. A member of the Task Force may resign at any time upon sending written notice to the Chairperson of the Task Force.

Task Force members who are absent for three consecutive meetings shall forfeit their appointment, unless such absence is authorized by resolution of the Task Force.

Members of the Task Force shall serve without remuneration.

In the event of a vacancy occurring during the 3 month term, the vacancy may be filled upon resolution of Council.

## CHAIR

The Council member shall be the Chair of the Task Force.

## MEETING PROCEDURES

Unless otherwise authorized by Division 3 of Part 4 of the Community Charter or City of Kelowna Council Procedure Bylaw No. 9200, all meetings will be held in open session and in a location accessible to the public.

Unless otherwise authorized by the Task Force, the public shall only address the Task Force when they are a scheduled delegation on the Task Force meeting agenda.

A majority of the Task Force shall represent a quorum.

The order of business is to be set out in an agenda package to be provided to the members in advance of the meeting date. A copy of the agenda will be forwarded electronically to the Clerks Department at least three complete working days prior to the meeting date. Minutes of the meeting will be prepared and then signed by the Chairperson.

Task Force members have a responsibility to make decisions based on the best interests of the City-at-large referring to the existing Permissive Tax Exemption Council Policy and the Community Charter legislation.

Voting:

- all members of the Task Force, including the Chair, vote on every question
- any member who does not indicate how they vote, or has left the meeting is counted as having voted in favour.

When speaking in public or to the media on an issue, Task Force members must distinguish whether they are speaking as a member, or as a representative of another agency or community group, or as an individual.

## REPORTING TO COUNCIL

Recommendations of the Task Force must be adopted by Task Force resolution prior to presentation to Council. The Chair will report to Council on behalf of the Task Force.

## BUDGET

The routine operations of the Task Force shall be funded by the Financial Services Department budget.

The cost of the Facilitator will be funded by Council contingency.

## STAFF SUPPORT

The Revenue Manager shall serve as staff liaison to the Task Force.

The Financial Services Department will provide all staff support for the Task Force. Typical support functions include the following:

- help to organize and prepare the agenda, in conjunction with the Task Force Chairperson, staff liaison and facilitator
- forward the agenda to the City Clerk for posting as a public notice

- distribute the agenda package to the Task Force members
- help to edit and/or take draft minutes and provide the final minutes to the City Clerk and Task Force members
- manage the files of the Task Force
- maintain a list of outstanding items/issues for Task Force action
- in conjunction with the Chairperson, staff liaison, and facilitator help to draft Task Force report(s) to Council
- provide historical knowledge and practical application from a staff perspective