
City of Kelowna

MEMORANDUM

DATE: June 20, 2006
FILE: 2000-02

TO: City Manager

FROM: Director of Financial Services

SUBJECT: **GST INCLUSIVE FEES AND SERVICES**

PREPARED BY: LILI MURPHY, FINANCIAL ANALYST

RECOMMENDATION:

THAT Council approve City controlled fees and services that include GST remaining at the present level pending a more detailed fees and charges review of each type subsequent to the GST rate reduction from 7% to 6% beginning on July 1, 2006.

BACKGROUND AND COMMENTS:

The May 2, 2006 federal budget announced a reduction in the GST rate to 6% (from 7%). A review has been undertaken by the Financial Services department to ensure that the various City processes impacted by this change will in fact be compliant with the July 1 effective date.

As part of this review, it has been determined that there are a few City controlled fee structures that are published and charged as GST inclusive. Specifically, all on and off street parking rates (including Airport parking and the employee payroll deduction parking) and the Kelowna sport and recreation program fees, admission fees and facility rates.

At this time it is recommended that these programs reflect the GST change in their net revenues that will partially recognize inflationary impacts. Once a detailed review has been completed, it will allow the City to properly reflect the GST rate reduction along with any other necessary cost adjustments that need to be addressed.

Paul Macklem