
CITY OF KELOWNA

MEMORANDUM

Date: January 2, 2008
File No.: 2000-02
To: City Manager
From: Financial Accounting Manager
Subject: GST inclusive fees and services

RECOMMENDATION:

THAT City controlled fees and services that are set inclusive of GST remain at the present level, pending a more detailed fees and charges review of each type, notwithstanding the GST rate reduction from 6% to 5% which was effective on January 1, 2008.

BACKGROUND:

On October 30, 2007, the Minister of Finance proposed a 1% reduction to the GST rate. The proposal received first reading on November 21, 2007 and final approval on December 14th, 2007. This will reduce GST from 6% to 5%. A review has been completed by the Financial Services department to ensure that the various City processes impacted by this change will in fact be compliant with the Jan 1, 2008 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.

Considerations that were not applicable to this report:

LEGAL/STATUTORY AUTHORITY:
FINANCIAL/BUDGETARY CONSIDERATIONS:
LEGAL/STATUTORY PROCEDURAL REQUIREMENTS:
INTERNAL CIRCULATION TO: N/A
EXISTING POLICY: N/A
PERSONNEL IMPLICATIONS: N/A

PR

TECHNICAL REQUIREMENTS: N/A
EXTERNAL AGENCY/PUBLIC COMMENTS: N/A
ALTERNATE RECOMMENDATION: N/A

Submitted by:



J. Dueck, CMA
Financial Accounting Manager

Approved for Inclusion:



Paul Macklem, CMA, Director of Financial Services