

# Report to Council



**Date:** April 11, 2012  
**File:** 0245-10  
**To:** City Manager  
**From:** George King, Revenue Manager  
**Subject:** Amendment To The Fees & Charges By-law

---

## **Recommendation:**

THAT Council approves fee increases for Administrative Services and Police Services as detailed in the report from the Revenue Manager dated April 11, 2012;

AND THAT Bylaw No. 10684, being amendment No. 5 to the Fees And Charges Bylaw No. 9381 be forwarded for reading consideration.

## **Purpose:**

The by-law amendment provides for adjustments to fees for Administrative Services and Police Services, in comparison to the related costs of providing the respective service, which becomes an important strategy in maintaining appropriate levels of cost recovery.

## **Background:**

Services that have fees associated with them are, in most cases, also subsidized in various proportions by taxation revenues. Therefore it is important that fee adjustments are reviewed on a regular basis and in conjunction with a review of the respective service costs to ensure that the proportion of user fees and taxation subsidy is maintained.

When reviewing the administrative services fees, staff considered end user affordability, user flexibility, and municipal comparisons. As a result of the review, the following fee adjustments were considered part of the funding for various programs when preparing the 2012 recommended operating budget.

### **1. Tax Certificates**

#### **Electronic:**

The City of Kelowna's Online Tax Certificate System provides a secure and convenient means for customers to print property tax certificates on demand. This service is delivered in two distinct ways:

- To financial institutions, legal and notary firms who provide the City with the authority to automatically withdraw monthly usage charges from their designated bank account.

A handwritten signature in black ink, located at the bottom right of the page.

- To property owners who sign on using their roll number and access code. Payment is by Visa or MasterCard.

As noted in the operating budget for 2012 it is recommended to increase the Online Tax Certificate fee from \$10 to \$15.

**Manual:**

In contrast, manually produced tax certificates are labour intensive, far more costly to produce and access is limited to City Hall hours of operation.

As noted in the operating budget for 2012 it is recommended to increase the Manual Tax Certificates fee from \$20 to \$25.

These rate increases which would be a blended charge averaging closer to \$20 vs. the current \$15 is anticipated to increase revenues by \$40,000 annually beyond the existing budget of \$86,500.

## **2. Tax Roll Fee For Mortgage Companies**

The Tax Roll Fee for Mortgage Companies is a fee charged to mortgage companies to have the city maintain their respective mortgage listings

As noted in the operating budget for 2012 it is recommended to increase the Tax Roll Fee For Mortgage Companies from \$5 per roll to \$10 per roll. This is anticipated to increase revenues by \$35,450 annually beyond the existing budget of \$35,475.

## **3. Returned Payment Fee**

The Returned Payment Fee is a fee charged for processing returned items (NSF) like a manual cheque or pre-authorized payment.

As noted in the operating budget for 2012 it is recommended to increase the Returned Payment Fee from \$20 per returned item to \$25 per returned item. This is anticipated to increase revenues by \$2,250 annually beyond the existing budget of \$7,000.

## **4. Property Roll Refund**

There can be several reasons why a property roll could end up in a refund position but the two most common are:

- 1) Over the past few years the centralization of many mortgage company offices out of province has meant that many do not understand the complexity of BC's Provincial Home Owner Grant program. As a result, many mortgage companies over pay their clients' taxes to avoid penalties and then request a refund.
- 2) Both the mortgage lender and their client pay the taxes as a result of inadequate consultation which results in a request for a refund by one of the parties.

As noted in the operating budget for 2012 staff is recommending removing the limitation of only charging mortgage companies, to having a Property Roll Refund fee of \$25 for all requests. This is anticipated to increase revenues by \$6,800 annually beyond the existing budget of \$3,200.

The purpose of this fee would be to subsidize the following administrative costs:

- Property Tax staff
  - Investigation, processing and approval of overpayments for refund;
  - Updating, verifying and correcting mortgage listings;
  - Verifying, correcting, approving and processing tax payments;
- Accounts Payable staff
  - Costs related to processing tax refunds;
- Supply costs such as courier, long distance telephone calls, faxes, paper, etc.

### **5. Criminal Record Searches**

The Criminal Record Search is a fee charged for searches completed by Municipal Support Staff on RCMP databases in order to allow the applicant to compete for employment as well as being involved in volunteer work. The costs to provide this service are estimated at \$50 per search.

As noted in the operating budget for 2012 it is recommended to increase the Criminal Record Searches from \$40 per search to \$45 per search. This is anticipated to increase revenues by \$42,080 annually beyond the existing budget of \$207,000.

### **6. Police Reports**

The Police Reports is a fee charged for searches completed by Municipal Staff on RCMP files in order to satisfy requests from the general public, lawyers, insurance companies and the courts and to provide copies of police files as well as a cover letter pertaining to those files. The costs to provide this service varies as it could take as little as 15 minutes to produce a one page report or up to as long as 3 hours for a more in depth report.

It is recommended to increase the Police Report fee from \$40 per report to \$45 per report. This is anticipated to increase revenues by \$3,960 annually beyond the existing budget of \$16,960.

#### **Internal Circulation:**

City Clerks  
Police Services  
Financial Planning

**Legal/Statutory Authority:**

Pursuant to Section 194 of the Community Charter, S.B.C. 2003, c.26, Council may impose fees in respect of services provided by the municipality.

**Financial/Budgetary Considerations:**

The above changes in administrative fees have been reflected in the recommended operating budget for 2012 with a submission for revenue increase of \$84,500 in Administrative Services and \$46,040 in Polices Services.

**Considerations not applicable to this report:**

**Legal/Statutory Procedural Requirements:**

**Existing Policy:**

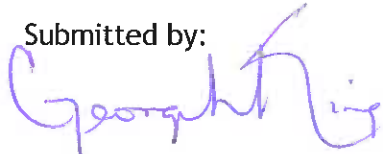
**Personnel Implications:**

**External Agency/Public Comments:**

**Communications Comments:**

**Alternate Recommendation:**

Submitted by:



G. King, CMA, Revenue Manager

Approved for inclusion:



(Keith Grayston, CGA, Director, Financial Services)

cc: Police Services Manager