

Bylaw 18604 - To Amend Fee Schedule in the Business Licence Bylaw 13138

Purpose

To amend the fee schedule in the Business Licence Bylaw, Bylaw 13138.

Readings

Bylaw 18604 is ready for three readings.

A majority vote of City Council on all three readings is required for passage.

If Council wishes to give three readings during a single meeting, then prior to moving third reading, Council must unanimously agree “That Bylaw 18604 be considered for third reading.”

Position of Administration

Administration supports this Bylaw.

Report Summary

This report proposes a 1.6 percent inflationary increase to business licence fees for 2019, to align with the revenue projections for business licensing as proposed in the 2019-2022 Proposed Operating Budget. This Bylaw will amend the fee schedule of the Business Licence Bylaw, Bylaw 13138 effective February 1, 2019. The report also proposes a maintenance amendment to reflect the new name of the Alberta Gaming, Liquor and Cannabis Commission.

Further review of the fee schedule associated with the Business Licence Bylaw will be undertaken as part of the Business Licence Bylaw review and the Program and Service review, which may result in more significant changes to the Business Licensing fee structure for the 2020 fiscal year.

Report

A summary of the amendments to the Business Licence Bylaw fee schedule is provided in Attachment 2. The majority of fee changes represent a 1.6 percent inflationary increase over 2018 fees.

As outlined in the 2019-2022 Proposed Operating Budget, the Business Licensing program is projected to contribute \$9.3 million to general revenues in 2019. Business Licensing provides a stable revenue source to the City on an annual basis and helps to cover the costs of a variety of programs and services which provide support to Edmonton’s business community.

In mid-2018, the Alberta Gaming and Liquor Commission formally changed their title to the Alberta Gaming, Liquor and Cannabis Commission. The Business Licence Bylaw’s “Schedule B - Fees and Consultations” references Alberta Gaming and Liquor Commission as an entity that is notified or consulted for certain business licence classifications. The proposed change simply reflects their new title.

In addition to a comprehensive review of the Business Licence Bylaw, Administration is conducting a review of the Business Licensing service through the Program and Service Review. One of the focus areas of the review is to examine what expenses are covered by business licensing fees. Administration will undertake an analysis and benchmarking of comparable municipalities and will recommend changes to ensure licensing fees represent the overall cost of service and demand on City resources. The Business Licence Bylaw fee schedule will be revised for all licence classifications. This work will inform a revised Business Licensing fee structure for the 2020 fiscal year.

Corporate Outcomes and Performance Management

Corporate Outcome(s): The City of Edmonton has a resilient financial position			
Outcome(s)	Measure(s)	Result(s)	Target(s)
Effective and efficient service delivery: revenue supports ongoing City operations.	Annual revenue transfer to corporate revenues.	2018 projection: \$9.7 million 2019 projection: \$9.2 million	2018 budget: \$9.8 million 2019 budget: \$9.3 million

Risk Assessment

Risk Element	Risk Description	Likelihood	Impact	Risk Score (with current mitigations)	Current Mitigations	Potential Future Mitigations

Financial risk	Insufficient revenues to cover inflationary increases could result in a lower revenue transfer to the Corporation.	2 - Unlikely	2 - Moderate	4 - Low	Current mitigations include administrative cost control, such as reducing discretionary spending and overtime, as well as seeking process improvements to minimize costs.	In addition to the current mitigations identified, Administration could consider reducing service levels to further reduce expense, or reduce the transfer to general revenues.
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Budget/Financial Implications

The proposed fee changes align with the revenue projections for business licensing presented in the proposed 2019-2022 Operating Budget.

Attachments

1. Bylaw 18604
2. Summary of Proposed Fee Changes

Others Reviewing this Report

- T. Burge, Chief Financial Officer and Deputy City Manager, Financial and Corporate Services
- C. Owen, Deputy City Manager, Communications and Engagement