

WINDSOR LICENSING COMMISSION

SUPPLEMENTARY AGENDA Wednesday, January 28, 2015 9:30 o'clock a.m. Council Chambers, 3rd floor, City Hall

COMMUNICATIONS

- Item 6 The report of the Deputy Fire Chief dated January 20, 2015 entitled "Information Bulletin Re: Increase of Fire Inspection Hourly Rate for Business Licences" – **attached**.

THE CORPORATION OF THE CITY OF WINDSOR
Office of the City Solicitor- Fire and Rescue Services



MISSION STATEMENT:

"Our City is built on relationships – between citizens and their government, businesses and public institutions, city and region – all interconnected, mutually supportive, and focused on the brightest future we can create together."

LiveLink REPORT #: 17535	Report Date: January 20, 2015
Author's Name: Deputy Fire Chief Brian McLaughlin	Date to Committee: January 29, 2014
Author's Phone: 519 253-3016 ext. 272	Classification#: COMMUNICATION
Author's E-mail: bmclaughlin@city.windsor.on.ca	

To: Windsor Licensing Commission

Subject: Information Bulletin Re: Increase of Fire Inspection Hourly Rate for Business Licences

1. RECOMMENDATION: City Wide: Ward(s): _____

THAT Windsor Licensing Commission **RECEIVE** this report communicating the increase of fire inspection hourly rates for the completion of business licences as approved in the 2015 operating budget. This increase **WAS APPROVED** by City Council on January 19, 2015 as part of the City's 2015 operating budget.

EXECUTIVE SUMMARY:

N/A

2. BACKGROUND:

In December 2013 a report entitled "Arbitration Award – Windsor Professional Fire Fighters Association (WPFPA) and the Corporation of the City of Windsor (Corporation) and Implementation Plan" was presented to Council outlining a strategic plan to address the fire interest arbitration award while remaining within the fiscal parameters as provided by Council. The arbitration award plan was accepted and steps were taken to initiate the plan (i.e. construction of new fire halls and operational changes such as the redeployment of fire suppression personnel).

One of the suggested ways outlined in the report to minimize the impact of the arbitration award was to create revenue by increasing the hourly rate charged by the fire service to perform business licence inspections to a full cost recovery rate of \$125. By increasing the hourly rate to a full cost recovery rate it is expected that annual revenue of approximately \$65,000 will be earned. The proposed increase in fire inspection hourly rates was approved in the 2015 budget.

The full cost recovery rate of \$125/hr was calculated using the total operating costs of the Fire Prevention Division and the number of available working hours of the division's Fire Prevention Officers. This rate was approved by Council in the 2014 budget process for fire general inspection services; however it had not been approved in the 2014 budget for application to business licences. In the past, an hourly fee of \$65 was levied for fire inspection services for business licensing purposes - 52% of the full cost recovery rate.

Council Report #16905 is attached as Appendix A. It includes the provision of additional business licence fee revenue see: Appendix A – Financial Matters: Fire Arbitration Ruling – Cost Impact Mitigation Strategy Chart on page 17 (lower chart last line “User Fees, Permits & Charges” indicating a charge of \$65,000).

3. DISCUSSION:

The following business licence classes currently require inspection by WFRS personnel, and would therefore be affected by an increase in the fire inspection services rate:

Description	Class	Inspection hours
Adult Entertainment Parlours	AE	1.5
Body Modification	BDM	1.0
Hospitality - Lunch Counters; Food Anc. Liquor	HF	1.0
Hospitality - Food/Liquor	HF-L	2.0
Hospitality - Liquor/Food	HL	2.0
Lodging House	LH	2.0
Bed & Breakfast	BBG	2.0
Entertainment Lounge	EL	2.0
Public Hall	HA	2.0
Massage Parlour	BRP	1.5

- Temporary Vendors – Firework/Pyrotechnic Only

4. RISK ANALYSIS:

- The fee increase to full cost recovery will generate approximately \$65,000 in revenue which will assist Windsor Fire and Rescue Services to meet the requirements of the interest arbitration award while remaining within the fiscal parameters as outlined by Council.
- The fee increase to full cost recovery will be borne by community businesses.

5. FINANCIAL MATTERS:

The increase in fees to a cost recovery of \$125 per hour is expected to generate additional revenue which will assist to offset the effects of the fire service arbitration award. Based on 2011-2014 business licence activity, it is projected that WFRS will conduct between 850-900 inspections for business licences in 2015, and will log between 1,000 and 1,200 inspection hours. The fire inspection fee increase to \$125/hr will generate an additional \$60,000 to \$72,000 in revenue.

	Hourly rate	Revenue @ 1,000 hours	Revenue @ 1,200 hours
2014	\$ 65.00	\$ 65,000	\$ 78,000
2015	\$ 125.00	\$ 125,000	\$ 150,000
Incremental revenue		\$ 60,000	\$ 72,000

Table 1 demonstrates the effect of the increased rate on total business licence fee rates:

Table 1: Comparison of Affected Business Licence Fees

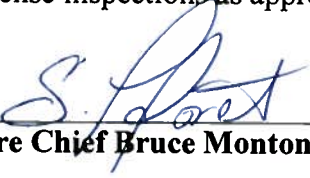
Fee / Service	Unit of Measure	2014 fee	2015 fee	Increase \$	Increase %
Adult Entertainment Parlours - Owner	initial	\$286	\$376	\$90	31%
Adult Entertainment Parlours - Owner	per year	\$246	\$336	\$90	37%
Bed & Breakfast	initial	\$398	\$518	\$120	30%
Body Modification	initial	\$253	\$313	\$60	24%
Body Rub Parlour	initial	\$366	\$456	\$90	25%
Entertainment Lounge	initial	\$358	\$478	\$120	34%
Entertainment Lounge	per year	\$278	\$398	\$120	43%
Hospitality - Food	initial	\$293	\$353	\$60	20%
Hospitality - Food	per year	\$213	\$273	\$60	28%
Hospitality - Food / Liquor	initial	\$358	\$478	\$120	34%
Hospitality - Food / Liquor	per year	\$278	\$398	\$120	43%
Hospitality - Liquor / Food	initial	\$358	\$478	\$120	34%
Hospitality - Liquor / Food	per year	\$278	\$398	\$120	43%
Hospitality - Lunch Counter	initial	\$293	\$353	\$60	20%
Hospitality - Lunch Counter	per year	\$213	\$273	\$60	28%
Lodging House	initial	\$398	\$518	\$120	30%
Lodging House	per year	\$358	\$478	\$120	34%
Public Hall	initial	\$398	\$518	\$120	30%
Public Hall	per year	\$358	\$478	\$120	34%

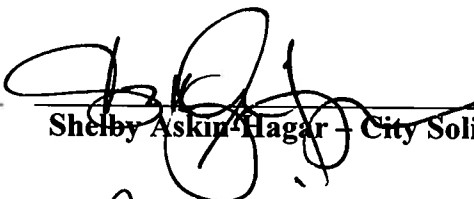
6. CONSULTATIONS:

FPA Chantelle Anson

7. CONCLUSION:

Increase the fire inspection hourly rates to a cost recovery, \$125 for the completion of business license inspections as approved by Council in the 2015 budget.

for 
Fire Chief Bruce Montone


Shelby Askin Hagar - City Solicitor

Deputy Fire Chief Brian McLaughlin



Onorio Colucci-Chief Financial Officer & City Treasurer/Corporate Leader Finance and Technology *CA*

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APPENDICES:
Appendix A: DEPARTMENTS/OTHERS CONSULTED: Appendix A: Livelink #16905: Arbitration Award: Windsor Professional Fire Fighters Association (WPFPA) and The Corporation of the City of Windsor (Corporation) and Implementation Plan
Name:
Phone #: 519 ext.