



City of Richmond

Report to Committee

To: Finance Committee **Date:** September 14, 2020
From: Jerry Chong **File:** 03-1240-01/2020-Vol
Director, Finance 01
Re: **Deferring the CPI Increase to the Consolidated Fees Bylaw to 2021**

Staff Recommendation

That the annual CPI increase to the Consolidated Fees Bylaw be deferred to 2021.

Jerry Chong
Acting General Manager, Finance and Corporate Services
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REPORT CONCURRENCE	
SENIOR STAFF REPORT REVIEW	INITIALS: CJ
APPROVED BY CAO 	

Staff Report

Origin

As part of the City's Long Term Financial Management Strategy Policy 3707, fees and charges have been adjusted annually based on projected Vancouver Consumer Price Index increases.

This report supports Council's Strategic Plan 2018-2022 Strategy #5 Sound Financial Management:

5.3 Decision-making focuses on sustainability and considers circular economic principles.

5.4 Work cooperatively and respectfully with all levels of government and stakeholders while advocating for the best interests of Richmond.

Analysis

Annually, staff updates the Consolidated Fees Bylaw using CPI estimates provided by the Conference Board of Canada. The Conference Board's last Vancouver 2021 CPI forecast was provided in March of this year during the early stages of the pandemic. The next forecast is not expected until November of this year, however, there would still be uncertainty due to the pandemic.

Historically CPI increases have always been around 1.75% to 2.25%. A 2% increase to the rates is estimated to bring in an additional \$225,000 to the City annually.

Currently a large portion of the fees in the Consolidated Fees Bylaw are related to commercial activities such as annual business license fees, filming fees, and development application fees. With many businesses still impacted by COVID, various social distancing restrictions, and changes in Provincial legislations due to infection rate increases, increasing City fees may will additional burden to many struggling businesses.

Since a CPI estimate is not available for 2021, staff proposes that the annual rate increase for the Consolidated Fees Bylaw is deferred to 2021 when an accurate Vancouver CPI rate available. At that time, Council can determine whether to increase rates for both 2021 and 2022 or to forego the 2021 rate increase entirely.

Financial Impact

The City will be foregoing an approximate revenue increase of \$225,000.

Conclusion

That the annual CPI increase to the Consolidated Fees Bylaw be deferred to 2021.



Ivy Wong
Manager, Revenue
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