

Special Council Monday, November 7, 2016

Place:	Anderson Room Richmond City Hall
Present:	Mayor Malcolm D. Brodie Councillor Chak Au Councillor Derek Dang Councillor Carol Day Councillor Ken Johnston Councillor Alexa Loo Councillor Bill McNulty Councillor Harold Steves Corporate Officer – David Weber
Absent:	Councillor Linda McPhail
Call to Order:	Mayor Brodie called the meeting to order at 4:01 p.m.
RES NO. ITEM	

FINANCE AND CORPORATE SERVICES DIVISION

Carli Edwards, Manager, Customer Services and Licencing, offered comments relating to all three business licence suspensions, stating that over the past six months, staff have been dealing with complaints related to therapeutic touch clinics staying open past permitted hours of operation. Ms. Edwards further stated that a summary of staffs' actions is attached to each of the staff reports relating to the corresponding business licence suspensions and that two of the three business owners wished to address Council.

Councillor Johnston inquired about the varying lengths of suspensions being recommended, as the cases appear similar.



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In response, Ms. Edwards stated that some of the businesses had incurred more warnings and that one of the businesses, King Feet Massage, was observed having a large number of staff operating after hours and also offered inspectors an appointment after hours and that the suspensions were based on the circumstances.

Councillor McNulty questioned whether past cases of business licence suspensions had been reviewed as the staff recommended suspensions appeared to be forgiving.

Ms. Edwards commented that past suspensions often involved criminal matters and police involvement and the allegations involving the three businesses in question have had no criminal involvement to date. Ms. Edwards further stated that since the inspections, all three businesses have appeared to be in compliance with operating hours and the proposed suspensions would be appropriate.

In response to a query from Councillor Day, Ms. Edwards advised that the suspension days were based on the days of the week with the most issues relating to operating after permitted hours.

1. BUSINESS LICENCE SUSPENSION – LUCKY FEET REFLEXOLOGY CENTRE

(File Ref. No.: 12-8275-20-2016739937) (REDMS No. 5184526 v. 3, 4972855, 5172347)

A representative for Lucky Feet Reflexology Centre was in attendance but declined to speak.

SP16/7-1 It was moved and seconded

That the business licence of 1015616 BC Ltd., doing business as Lucky Feet Reflexology Centre, operating from premises located at 3086 St Edwards Drive Unit 103, Richmond BC, be suspended for a period of 3 consecutive days from November 17th, 2016 to November 19th, 2016, inclusive.

CARRIED

2. **BUSINESS LICENCE SUSPENSION – MACRO HEALTH CENTRE** (File Ref. No.: 12-8275-20-2016736287) (REDMS No. 5184522, 4972890, 5166717)



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> Lin Guo, a representative for Macro Health Centre and whose husband is an owner, stated that the business had operated past permitted hours and assured Council that the business was now following policy and regulations and would not violate operating hours in the future. Ms. Guo further commented that the business occasionally would make an appointment prior to close of business but a customer would arrive late and insist on receiving full services, causing staff to operate late. Ms. Guo also stated that as they are a new business, they did not want to turn away customers who did arrive late. She asked Council to consider a business licence suspension for a period of three days instead of the proposed seven.

SP16/7-2 It was moved and seconded That the business licence of Jin Ming Che, Zhi Hong Chen and Xiao Ji Lui,

doing business as Marco Health Centre, operating from premises located at 4400 Hazelbridge Way Unit 100, Richmond BC, be suspended for a period of 7 consecutive days from November 14th, 2016 to November 20th, 2016, inclusive.

CARRIED

3. **BUSINESS LICENCE SUSPENSION – KING FEET MASSAGE** (File Ref. No.: 12-8275-20-2016746648) (REDMS No. 5184523, 4973036, 5164444)

In response to a question from Mayor Brodie, Carli Edwards commented that King Feet Massage had been observed by inspectors operating after hours once and that staff had received a receipt from someone who made a complaint indicating that the business had been operating after hours. Ms. Edwards further clarified that staff believe that the complaint came from another similar business that has been in compliance with operating hours but that complaints are common from other businesses and residents in the area.

M. Wang, legal representative for Euginia Chan, owner of King Feet Massage, read a summary from a prepared written submission to Council (attached to and forming part of these minutes as Schedule 1) and offered the following comments:

her client purchased the business in 2011 and currently employs seven therapists who are independent contractors, including one day shift manager and one night manager, who are supervised by Ms. Chan;



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- King Feet Massage is proposing that the recommended suspension be varied to five days from December 23, 2016 to December 28, 2016 inclusive, or that the proposed ten day suspension take place from December 23, 2016 to January 1, 2017, as set out in page two and three of the written submission;
- Ms. Chan has taken various steps to assure that King Feet Massage adheres to the allowable hours of operation since the City's inspection, including moving staff management hours, personally supervising staff, and ensuring appointments do not extended past 9:15 p.m.;
- as stated on page three of the written submission, closing for a ten day period over the recommended dates would lead to a 30% loss of revenue as well as a loss in income for staff as they work as contractors, closing during a quieter business period in December would cause less financial damage to the employees and business; and
- King Feet Massage intends to apply for a different business licence as a body-rub studio, as described in Part Seven of Bylaw No. 7538, which would allow King Feet Massage to stay open until midnight each day.

In response to a question from Council, Ms. Chan stated that the business is not normally closed during the Christmas and New Year's holidays.

Ms. Wang, in response to a query from Mayor Brodie, stated that King Feet Massage did not ignore the regulation, but indicated that when the business was sold from the previous owner, the proper way of conducting the business was not clearly communicated to her client due to language barriers and that misinformation about King Feet Massage's operating hours caused customers to book late appointments. Ms. Wang further commented that the circumstances of the violation were not caused by King Feet Massage intentionally.

Ms. Wang offered further clarification that a typical massage is 30 minutes to one hour in length and appointments would end by 9:15 p.m. to allow sufficient time for staff to close the business and that Ms. Chan would be there to supervise the night manager at closing.



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SP16/7-3

It was moved and seconded

That the business licence of A & K Health Enterprises Ltd., doing business as King Feet Massage, operating from premises located at 4940 No. 3 Road Unit 132, Richmond BC, be suspended for a period of 10 consecutive days from November 14th, 2016 to November 23rd, 2016, inclusive.

CARRIED

The meeting was recessed at 4:21 p.m.

The meeting reconvened at 5:50 p.m. following the Open General Purposes Committee meeting and the Open Finance Committee with all members of Council present except for Councillor Dang and Councillor McPhail.

GENERAL PURPOSES COMMITTEE

4. MUNICIPAL AND REGIONAL DISTRICT TAX IMPOSITION BYLAW NO. 9631 AND METRO VANCOUVER LETTER OF SUPPORT

(File No.: 12-8060-20-009631) (REDMS No. 5183432, 5154740, 5184827)

SP16/7-4 It was moved and seconded

- (1) That the Municipal and Regional District Tax (MRDT) Imposition Bylaw No. 9631 be introduced and given first, second and third readings; and
- (2) That staff be directed to seek the support of Metro Vancouver for the City's intention to renew the MRDT at the rate of 3% on the price of accommodation in Richmond, starting July 1, 2017 and effective for five years.

CARRIED



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ADJOURNMENT

SP16/7-5 It was moved and seconded *That the meeting adjourn (5:51 p.m.).*

CARRIED

Certified a true and correct copy of the Minutes of the Special meeting of the Council of the City of Richmond held on Monday, November 7, 2016.

Mayor (Malcolm D. Brodie)

Corporate Officer (David Weber)

Schedule 1 to the Minutes of the Special meeting of Richmond City Council held on Monday, November 7, 2016.

A&K Health Enterprises Ltd. 4940 No. 3 Road, Unit 132 Richmond, B.C., V6X 3A5

November 7, 2016

By Hand

City of Richmond 6911 No. 3 Road, B.C., V6Y 2C1

WRITTEN SUBMISSION by A&K Health Enterprises Ltd. dba King Feet Massage ("King Feet")

Dear Sirs/Mesdames:

Re: Business Licence Suspension by the City of Richmond (the "City") – King Feet Massage (operating from premises located at 4940 No. 3 Road Unit 132, Richmond, B.C.)(the "Premises").

It has been determined by the City that King Feet has violated part 14.1.1(b) of the "Business Regulation" Bylaw No. 7538 of the City of Richmond (the "City"), which stipulated:

14.1.1 Every Therapeutic Touch Clinic operator must:

[...]

(b) permit such business to be open only between the hours of 8:00 a.m. and 9:30 p.m. each day; and

[...]

26.1 In this bylaw, unless the context requires otherwise:

[...]

THERAPEUTIC TOUCH CLINICSmeans a building, structure or premises in
which clients receive Therapeutic Touch

Treatments

THERAPEUTIC TOUCH TREATMENTS includes but is not limited to shiatsu, reflexology, biokineisiology, hellework, polarity, reiki, rolfing and trager approach.¹

(the "Bylaw").

The City Staff recommended that the City suspend the Business License of A&K doing business as King Feet Massage ("King Feet") for a period of 10 consecutive days from November 14th, 2016 to November 23rd, 2016, inclusive (the "Proposed Suspension").

Suite 600 Randall Building, 555 West Georgia St, Vancouver, BC V6B 1Z6, Tel: 604.682-1066 Fax: 604.682-8036 www.forresterbarristers.ca

¹ City of Richmond, Business Regulation Bylaw No. 7538 [the "Bylaw"].

In 2011, King Feet was purchased by Ms. Eugenia Chan ("Ms. Chan"). King Feet currently employs 7 massage therapists in addition to managerial staff. The managerial staff are on either a day-shift or evening shift. The dayshift hours are between 8:00 a.m. and 5:30 p.m. (the "Day Shift Hours") while evening shift hours are typically between 5:30 p.m. and 9:30 p.m. (the "Evening Shift Hours") Currently, Ms. Chan personally supervises her staff during Evening Shift Hours.

A&K makes the following submissions with respect to the Proposed License Suspension ("King Feet's Proposal Plans"):

- 1. that the Proposed License Suspension be varied to 5 full business days from December 23rd to December 28th, inclusive, or payment in lieu of a full license suspension; or
- 2. further or in the alternative, that the City's Proposed License Suspension takes place between December 23rd and January 1st, inclusive.

King Feet Massage makes the above submissions in support of King Feet's Proposal Plans:

Business and Policy Implementations made by King Feet

- 1. Since the City's September 2, 2016 evening inspection, King Feet Massage has implemented the following measures at its Premises:
 - a. the previous evening shift manager has been switched to Day Shift Hours that end at 5:30 p.m.;
 - b. Ms. Chan now personally supervises staff during Evening Shift Hours and/or acts as the Evening Shift Manager herself;
 - c. It will be Ms. Chan and/or another managerial staff that will close shop promptly by 9:30 p.m.;
 - d. all customers and employees have been reminded that the King Feet Premises will close by 9:30 p.m. and customers are encouraged to arrive early for their prescheduled appointments so that their sessions can end earlier, in time for the next customer;
 - e. Employees and managerial staff have been advised not to book any appointments that will extend beyond 9:15 p.m., thus providing customers sufficient time to exit the Premises before 9:30 p.m.;
 - f. Ms. Chan will be present during most or all closing hours, including weekends, in addition to being present at the shop during the Day Shift Hours;
 - g. Employees will no longer have access to keys to the Premises. Only managerial staff that open or close the shop will have access to keys to the Premises.

- h. Given that King Feet has never endorsed nor paid for any search engine advertisement, any customer citing incorrect information found on any search engines will be advised of the correct information by King Feet's employees;
- King Feet has already asked Yellow Pages to take down or correct any misinformation shown in yellowpages.ca with respect to its closing time or any other information about its business. Although beyond King Feet's control (City's materials: Attachment 3), customers that rely on information from search engines such as Google that show a different closing time than King Feet's own website will be advised of the correct closing time by King Feet.

Financial Impact and Hardship on King Feet's Bottom-Line

- 1. The City's Proposed Suspension will lead to a loss of 30% revenue if business is shut down during the proposed period at the end of November 2016.
- 2. Closing down the Premises for a period of 10 days will also deprive massage therapists of their normal earnings during November of 2016;
- 3. The City's Proposed Suspension may cause irreparable harm to King Feet beyond the 10-day suspension because King Feet may lose employees or massage therapists to competition in the surrounding area during that period of time.
- 4. Despite any period of License Suspension, King Feet must continue to pay fixed costs such as rent and maintenance fees;
- 5. Without prior ability to warn King Feet's regular customers, King Feet would have no choice but to cancel its client's pre-booked appointments.

Specific and General Deterrence met with King Feet's Proposal Plans

- i. As opposed to the City's Proposed Suspension, King Feet's Proposal Plan of suspending business for 5 days meets the underlying principles and effects of specific and general deterrence that is no less effective than the City's Proposed Suspension.
- ii. Subsequent to the September 2, 2016 Inspection that was conducted by the City, King Feet has implemented various policy and training measures to avoid future violations of the Bylaw.
- iii. King Feet further submits that the 10-day suspension period as proposed by the City is excessive in scale, when compared to the previous fine paid by King Feet in April 2016. It is unlikely the case that it is the City's intention to shut down King Feet through the suspension of its business license but suspending its business license for 10 days will cause King Feet's business to lose revenue. King Feet's employees will lose wages and earn 30% less in the month of November as a result.

iv. Lastly, allowing King Feet to close shop during the Christmas season and provide its customers with ample time to re-schedule appointments will enable King Feet to suffer less damage. King Feet will also be able to renovate the Premises during the Christmas Period during the Proposed Business Suspension period.

Intention to Apply for a different business license

- 1. King Feet intends to apply for a different business license, namely the Body-Rub Studio described in Part Seven of Bylaw No. 7538, which would allow King Feet Massage to open until midnight each day.
- 2. Therefore, in the future and given the above policy and business implementations, it is unlikely the case that King Feet will re-offend the Bylaw in question.

Given the foregoing reasons, it is respectfully submitted that the King Feet Proposal is the most just and appropriate penalty for its breach.

Yours truly,

"Eugenia Chan"

A&K Health Enterprises Ltd.