



Report to: General Committee

Date Report Authored: October 3, 2013

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**SUBJECT:** Business Licensing and Service Fee Review Report  
**PREPARED BY:** C. Alexander, Supervisor, Licensing & Standards ext. 2128  
**REVIEWED BY:** W. Wiles, Manager, By-law Enforcement ext. 4851

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**RECOMMENDATION:**

- 1) THAT the Business Licensing and Service Fee Review Report be received; and,
- 2) THAT the Staff be authorized to implement Property Service Fees for property-related inspections as outlined in this report; and,
- 3) THAT Staff educate residents and property owners about the proposed Property Service Fees for the balance of 2013 and implement the Property Service Fees in January of 2014; and,
- 4) THAT the Mobile Sign Impound Retrieval Fee identified in this report be amended; and,
- 5) THAT the additional revenues of \$54,000 from the proposed New Property Service Fees and amended Mobile Sign Impound Fees be considered as part of the 2014 Budget Process; and,
- 6) THAT the by-law attached as Appendix "B" to amend the *Licensing, Permit and Service Fee By-law 2012-137* be adopted; and further,
- 7) THAT Staff be authorized and directed to do all things necessary to give effect to this resolution.

**PURPOSE:**

To obtain Council's endorsement to:

1. Introduce Property Service Fees for certain property-related inspections carried out by By-law Enforcement Officers relative to the Property Standards By-law, the Keep Markham Beautiful By-law and the Zoning By-law, as outlined in this report; and,
2. Amend the Mobile Sign Impound Retrieval Fee in the Licensing, Permit and Service Fee By-law as identified in the report.

**BACKGROUND:**

1. New Property Service Fees

The goal of Markham's By-law Enforcement Division is to seek compliance first. To accomplish this, Staff have been trained to use the "Three E's" in their work: Educate, Encourage, Enforce. Officers Educate a resident about the violation(s), provide the resident with an opportunity to change their behavior by Encouraging them to comply and, in circumstances where compliance is not received, use Enforcement to gain compliance.

In 2012, Staff investigated 5,792 property-related complaints and inquiries involving property maintenance and zoning. In investigating these complaints, an Officer attends a property and if there is a violation(s) observed and the property owner is home, they are advised of the violation(s) and given a reasonable period of time to correct the violation(s). Where the property owner is not home, a written warning is left with instructions as to how to correct the violation(s) and/or contact the Officer for clarification. The Officer will then re-attend the

property once the allotted time has elapsed to check for compliance. If voluntary compliance is received, the file is closed and no further action is required.

In 2012, 1,363 of the 5,792 property-related complaints required Officers to take more formal action in the form of a Notice or an Order being issued to the property owner resulting in the need for further inspections. It is in these cases where voluntary compliance is not achieved and the issuance of Notices and Orders is required that the proposed Property Services Fees would be applied. In cases where voluntary compliance is achieved, there will be no cost to the property owner for the investigation of the complaint. For a complete description of the complaint investigation process, please see Appendix "A" *Property Service Fee Process Map*.

The City of Barrie is the only municipality that currently has a Property Service Fee Program in place. The program has been operating successfully for almost ten years resulting in an increased compliance rate and revenue of approximately \$100,000 per year to partially offset the property-related inspection costs. Staff are proposing the implementation of a similar program for Markham to recover a portion of the costs involved in the inspections from those property owners who fail to voluntarily comply.

## 2. Amendment of Mobile Sign Permit and Mobile Sign Impound Fees

### Mobile Sign Permit

Currently Mobile Sign Permits are available in seven day increments at a cost of \$56 per week, with each business allowed six weeks of advertising per calendar year. Analysis of the permits issued to date demonstrates that the bulk of the permits applied for are for 21 days. Staff are proposing that the seven and 14 day permits be eliminated, leaving only a 21 day permit.

### Mobile Sign Impound Retrieval Fee

The current Mobile Sign Impound Retrieval Fee is \$103. The actual process of impounding a sign includes issuing the Notice, having a contractor tow the sign under City escort and required attendance during retrieval of the sign. The \$103 fee does not cover the costs associated with impounding a mobile sign. Staff are recommending that the fee be increased to represent the actual costs to the City.

## OPTIONS/ DISCUSSION:

### 1. New Property Service Fees

In 2012, Markham Council adopted a new Keep Markham Beautiful By-law (By-law # 2012-119). This By-law incorporated higher standards for property maintenance in an effort to protect the quality and beauty of existing City neighbourhoods and to help develop attractive and sustainable new communities. Since the introduction of By-law 2012-119, there has been a substantial increase in the number of property maintenance complaints received by the City, or proactively identified by Officers. Of the 5,792 property-related complaints received in 2012, 3,936 complaints were in a number of areas where significant increases have been seen as shown in the table below:

ACTIVITY	COMPLAINTS	VARIANCE FROM 2011
Long Grass (including boulevards)	2,860	+ 123%
Property Standards/Maintenance	937	+35%
Standing Water (WNV)	59	+74%
Outdoor Storage	80	+33%

Staff are proposing the implementation of Property Services Fees to offset the costs of property complaint investigations, where voluntary compliance is not achieved (1,363 occurrences in 2012).

In recommending the implementation of a service fee for property-related investigations, Staff are not proposing any changes to the current "Three E" enforcement model described above. The change is focused instead on who pays for the additional inspections required when a property owner fails to voluntarily comply.

Staff are recommending that for the balance of 2013, Officers educate residents and property owners of the implementation of the proposed Property Service Fees in 2014. This would be done through complaint investigations, advertising on the City Page and the website, as well as on all Notices and Orders that are issued.

## 2. Amendment of Mobile Sign Permit and Mobile Sign Impound Fees

### Mobile Sign Permit

Currently Mobile Sign Permits are available in seven day increments with each business allowed six weeks of advertising per calendar year. Analysis of the permits issued to date demonstrates that the bulk of the permits applied for are for 21 days. Staff are recommending that the 7 and 14 day permits be eliminated and that the Mobile Sign Permits be issued in 21 day increments only to reflect the industry's use of the permitting process, and to improve the administration of issuing the Mobile Sign Permits.

### Mobile Sign Impound Retrieval Fee

The current Mobile Sign Impound Retrieval Fee ("Retrieval Fee") is \$103 and does not recover the costs associated with impounding a mobile sign. The actual process of impounding a sign includes issuing the Notice, having a contractor tow the sign under City escort and required attendance during retrieval of the sign (costs are estimated to be \$315 per occurrence). Staff are recommending that the Retrieval Fee be increased to \$315 to recover the associated costs, to help encourage compliance and is reasonable based on a review of what other municipalities are charging (see table below).

MUNICIPALITY	MOBILE SIGN IMPOUND RETRIEVAL FEE
Vaughan	\$333
Barrie	Full Cost Recovery (\$250+)
Oakville	Cost of Towing the Sign (\$150+)

## FINANCIAL CONSIDERATIONS AND TEMPLATE:

### 1. New Property Service Fees

The introduction of the proposed Property Service Fees will be limited to the investigation of complaints involving the Property Standards By-law, the Keep Markham Beautiful By-law and the Zoning By-law. In 2012, the City received 5,792 complaints involving these three by-laws resulting in 1,363 violations being identified where the property owner failed to comply with the Officer's initial instructions creating the need for the issuance of Notices and Orders.

Staff are proposing an escalating Inspection Service Fee Model based on the program in Barrie. The fees used in Barrie can be seen in the Table below along with the proposed fees for Markham.

PROPERTY SERVICE FEE	PROPOSED FEE	BARRIE FEE
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First Notice/Order	\$60.00	\$61.50
Second Notice/Order	\$120.00	\$309.00
Final Notice/Order	\$250.00	\$309.00
Contractor	Invoice + 7%	

The Barrie fees are based on a full cost-recovery model for the Second and Final Notice/Order. Staff are not proposing full cost-recovery in our fee structure at this point until a detailed analysis of the costing can be completed. This analysis is included in Legislative Services' Business Unit Plan for 2014.

Based on the number of violations in 2012 (1,363), requiring the issuance of Notices or Orders to achieve compliance, the cost recovery would have been \$81,780 based on the fee for a "First Notice". Staff are anticipating, with an increased focus on the "three Es" that the number of habitual offenders will decrease, and are projecting a cost recovery from Property Service Fees of \$50,000.

In cases where the property owner continuously refuses to comply (after the 5<sup>th</sup> Notice), a contractor would be hired by the City to perform the work and the cost plus, an additional 7%, would be charged to the property owner. The property owner would be invoiced for the issuance of the Notice or Order and given a period of time to remit payment. In cases where the invoice is not paid, it would be placed on the property owner's taxes for collection as authorized by the Municipal Act 2001.

## 2. Amendment of Mobile Sign Permit and Mobile Sign Impound Fees

Staff do not anticipate any impact on the Mobile Sign Permit revenue with the elimination of the seven and 14 day Mobile Sign Permits.

In 2012, Staff impounded 19 mobile signs and collected \$1,957 in revenue from the impounding of these signs. Staff are proposing that the Mobile Sign Impound Retrieval Fee be increased from \$103 to \$315 per occurrence to align with what other municipalities are charging for the impounding of a mobile sign. Based on the number of mobile signs impounded in 2012, it is projected that the new fee would result in an incremental annual revenue of approximately \$4,000 if non-compliance continues at the same rate.

Staff recommend that the additional revenues of \$54,000 from the proposed New Property Service Fees and amended Mobile Sign Impound Fees be considered as part of the 2014 Budget Process.

## **HUMAN RESOURCES CONSIDERATIONS:**

None

## **ALIGNMENT WITH STRATEGIC PRIORITIES:**

The proposed report recommendations align with providing excellence in municipal service to ensure that services are cost-effective and responsive to the needs of our residents.

## **BUSINESS UNITS CONSULTED AND AFFECTED:**

Finance

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**RECOMMENDED BY:**

10/18/2013

18/10/2013

X



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Kimberley Kitteringham  
City Clerk

X



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Trinela Cane  
Commissioner, Corporate Services

**ATTACHMENTS:**

Property Service Fee Process Map  
2013 Fees and Services By-law and Schedules