THE CITY OF Waterloo

STAFF REPORT
Municipal Enforcement Services

Title:	Residential Rental Licensing Program Fees 2019
Report Number:	COM2018-025
Author:	Shayne Turner
Meeting Type:	Council Meeting
Council/Committee Date:	December 10, 2018
File:	37T
Attachments:	Appendix A Schedule of Current & Proposed Rental License Fees
Ward No.:	All

Recommendation:

1. That Council approves COM2018-025.

2. That Council approve the new stepped fee structure as outlined in Report COM2018-025, effective January 1, 2019.

A. Executive Summary

At the December 11, 2017 Council meeting, members of Council considered Report COM2017-031, relating to a comprehensive review of the City's Residential Rental Licensing Program. At the meeting, staff indicated the intent to transition the financial reviewing component of the program, to a practice of annual fees analysis, as is done with all other enterprise programs in the City. Subsequently, Council accepted the recommendations contained in the report, directing staff to move forward with implementing the proposed 10 improvements to the licensing program and to report back, as part of the 2019 Budget Process, with recommendations for a long term financial forecast.

The December 2017 meeting also provided Council the opportunity to continue its' support of the long term benefits of the rental licensing program and the two fundamental objectives, being the protection of the health and safety and human rights of persons living in low rise residential properties and to protect the residential amenity, character and stability of residential areas.

Further, it is significant to note that the administrative process is only one piece in achieving the overall program objectives. There are a number of issues that can arise relating to rental housing, both in terms of property maintenance and neighbourhood impacts. The licensing program fees were intended to also help fund the actions required by the City to respond to these. In other words, the fees cover more than just the licensing process itself.

It is also very important to note that there are complaint responses, service requests and investigations, relating to licensed rental properties, that are funded through the tax based operations within the Municipal Enforcement Services Division.

After a significant amount of data analysis undertaken by Finance and Municipal Enforcement staff, as well as identifying opportunities to reduce expenses where appropriate, without significant jeopardy to the objectives of the program, two options were formulated with regard to a 10 year financial forecast. As discussed in this report, staff have provided the recommended option for this financial model.

Staff believe that program fees must be adjusted in order to sustain the program and continue to meet the program objectives of health and safety and stability of residential neighbourhoods.

B. Financial Implications

After considering different approaches, staff recommends the stepped fee structure as it will have the average lowest incremental fee impact on rate payers. Based on the forecasted unit sales (new and renewal), on average 74% will pay $5.00 less and 26% will pay $11.00 more per year.

As per Table 7 on page 15, total revenues from 2019 to 2029 are expected to be $16,412,541 based on a total unit sales of 57,104 licenses (new and renewal) over that period of time. Total operating and capital expenses are forecasted to be $16,553,492 netting to an overall shortfall of $140,951. This forecasted shortfall is offset by the current forecasted reserve balance in 2018, resulting in a reserve balance (surplus) less than twenty-five thousand dollars at the end of the 10 year period.

The reserve balance will be monitored annually over the next 10 years to ensure that the shortfall will be absorbed by the Rental Housing Reserve. Most reserves carry a balance for future capital expenses and to address any unexpected year to year revenue shortfalls. This funding model is forecasting a very low surplus at the end of the 10 year period as the City wants to keep fees as low as possible.

If unit sales fall below forecasted levels or if the reserve falls into a deficit position that cannot be remedied through expense reduction or unit volume increases adjustments, it may be required to raise the fees (typically by the rate of inflation) to ensure that there is adequate funding for the program in the future. Additionally, if the revised fees generate more revenue than is required to keep the program fully funded, rates would be lowered. Fees will be reviewed annually as per city financial processes and adjusted if required.

C. Technology Implications

N/A

D. Link to Strategic Plan

This proposal links to the priorities of Corporate Excellence and Strong Community, as contained in the City's Strategic Plan.

E. Previous Reports on this Topic

COM-2017-031

F. Approvals

Name	Signature	Date
Author: Shayne Turner		
Director: Shayne Turner		
Commissioner: Mark Dykstra		
Finance: Keshwer Patel		

CAO

THE CITY OF Waterloo

Residential Rental Licensing Program Fees 2019
COM2018-025

At the December 11, 2017 Council meeting, members of Council considered Report COM2017-031, relating to a comprehensive review of the City's Residential Rental Licensing Program. At the meeting Council accepted the recommendations contained in the report, to direct staff to move forward with implementing the proposed 10 improvements to the licensing program and to report back, as part of the 2019 Budget Process, with recommendations for a long term financial forecast. This report is intended to present a recommended 10 year financial forecast for the program, along with the 2019 rates.

Since the program's inception in 2012, there had not been a full scale review of the program's financial model. This is due to the direction given to staff at the outset, to report back with a full program review after the initial 5 years. The December 2017 report and Council meeting served that purpose. Council has long agreed with the long term benefits of the rental licensing program and the two fundamental objectives, being the protection of the health and safety and human rights of persons living in low rise residential properties and to protect the residential amenity, character and stability of residential areas. Licensing is a proactive program aimed at mitigating potential risks that may exist within a particular business sector. Any fees associated with this exercise can be viewed as a user fee, applicable to those business owners who choose to participate in that particular business sector.

At the December 2017 Council meeting, staff indicated, for 2018, the intent to transition the financial reviewing component of the program, to a practice of annual fees analysis, as is done with all other enterprise programs in the City.

It must be noted that there are several factors that are influencing the development of a long term financial forecast and the sustainability of the program. The most notable factors are that there have been no fee increases since the program was implemented in 2012, while there have been appreciable increases in expenses over this time. If inflation had been applied to those fees at an average of 1.5% per year since 2012, a Class A 1 Bedroom New license originally costing $449.78 in 2012 would be $491.80 in 2018. This represents a cumulative inflationary increase of nearly 9% that the city has absorbed.

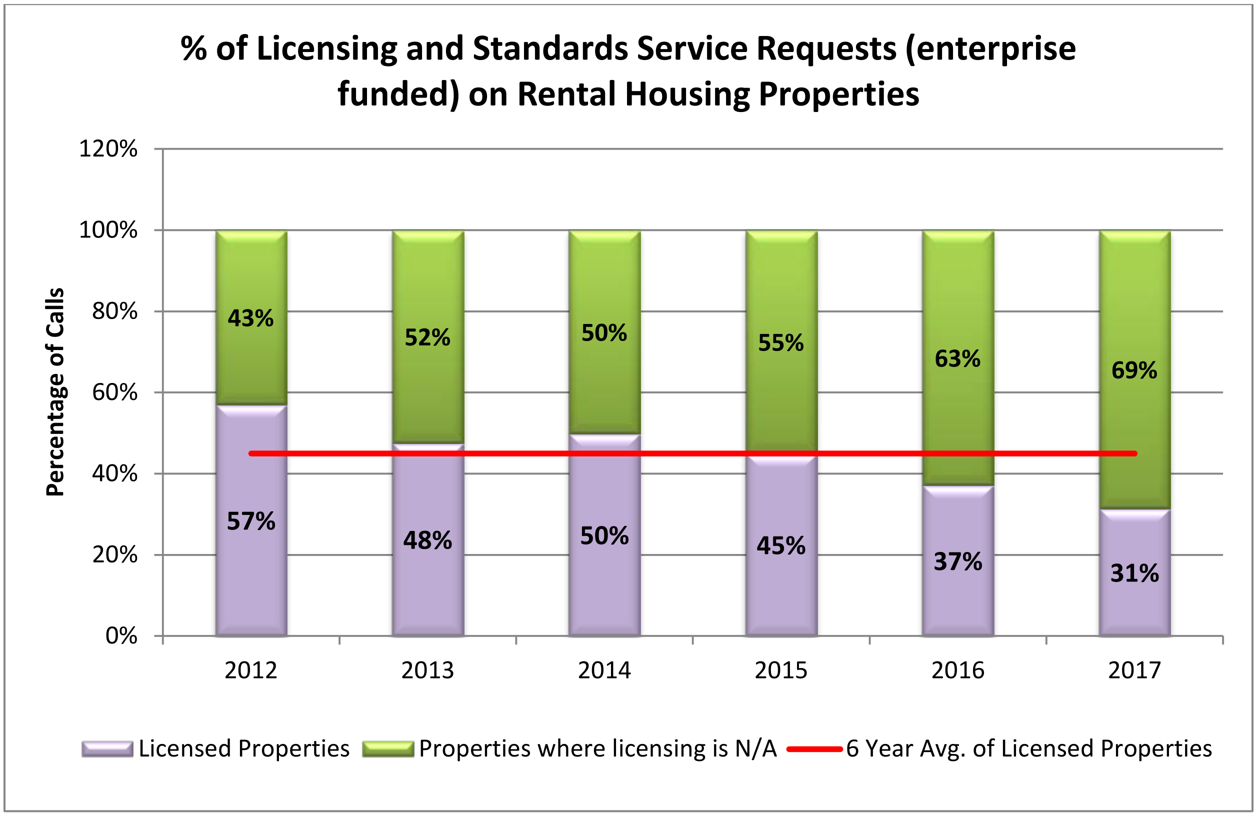
Further, there are additional foreseen challenges, to be explained in this report. In an effort to mitigate some of these challenges, staff have looked for efficiencies and cost reduction opportunities, which will also be explained in this report.

The financial analysis undertaken will show a noticeable decrease in the number of new licenses issued each year and that the majority of the licensing review and administrative efforts are focused on renewals. Given that there are more administrative review efforts on new versus renewal applications, a cursory review would suggest that the resources needed to administer the program should be reduced. However, it is critically important to note that the administrative process is only one piece in achieving the overall program objectives. In other words, the fees cover more than just the licensing process itself.

There are a number of issues that can arise relating to rental housing, both in terms of property maintenance and neighbourhood impacts. The licensing program fees were intended to also help fund the actions required by the City to respond to these. Each new license, along with existing renewals, builds the customer base that needs to be monitored. The end result is that, even though some licensing administration costs may be reduced over time, the need for an adequate response to community impact concerns will remain steady or increase over time.

The Division's Licensing and Standards Unit is 57% (4 of 7 officers) funded by the enterprise program. Graph 1 (below) is an indication of all investigations conducted by this unit, as a comparison between properties to which the rental program applies and those where it does not. Over the course of 6 years, on average, 44.7% of the service requests they have responded to relate to properties to which the rental program applies. It is significant to note, and cannot be overlooked, that the above noted comparison relates specifically to the number complaints received and proactive investigations conducted. It does not reflect actual time and effort associated with each complaint and investigation.

Graph 1 – Comparison of Licensing and Standards Action Requests



The service requests at rental properties relate mostly to licensing compliance and monitoring, zoning violations, property standards, lot maintenance and sidewalk snow/ice complaints. These types of investigations require a variety of time and effort, that can last over the course of several days, weeks or months, depending on the complexity of the issue, the level of interaction and cooperation with the property owners and whether legal action is involved to gain compliance.

There is a tax based and enterprise funded component to the investigation and compliance activities of each of the seven Licensing and Standards Officers. It has been difficult to accurately quantify the amount of time and effort that is required to investigate and resolve the variety of complaints, by category. An officer's typical day can involve a variety of files (tax based and enterprise activity), with fluctuating levels of time and effort. However, based on experiences, staff have attempted to estimate typical levels of time/effort, by complaint category, as indicated below:

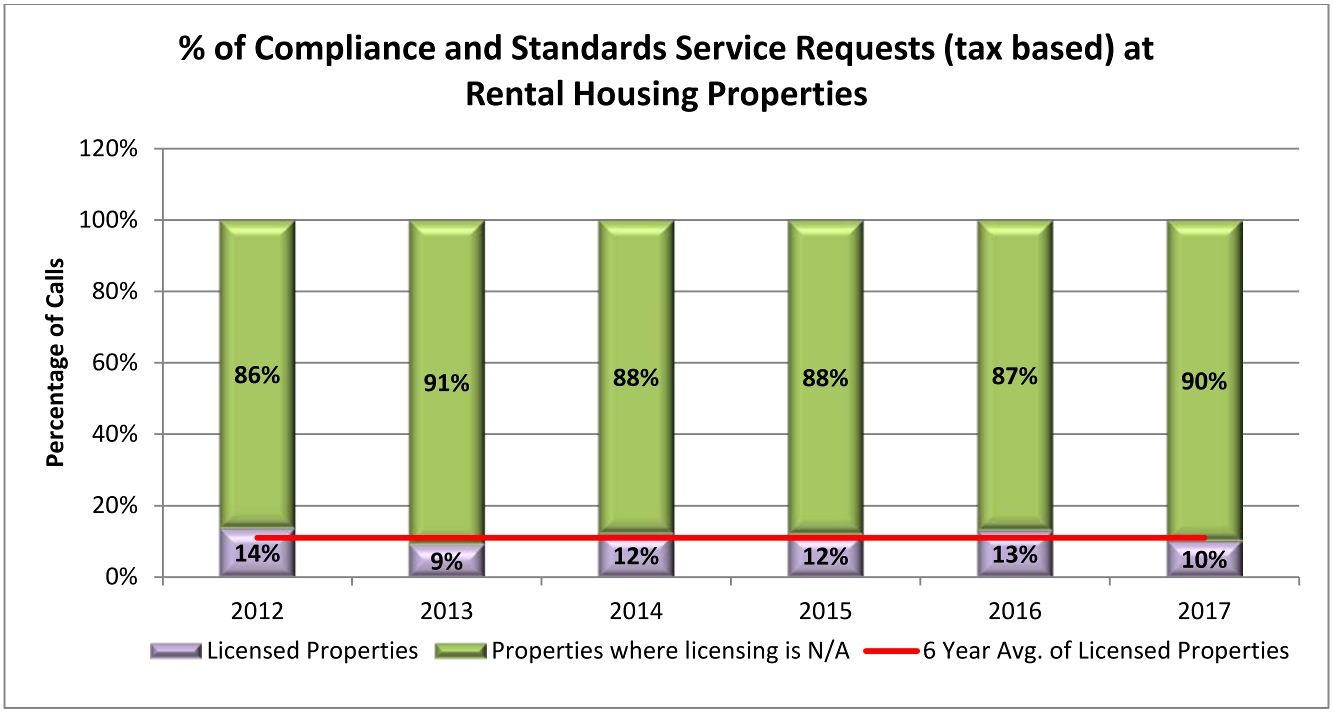
- A typical residential rental complaint/investigation can require an average of 3 hours of staff time, depending on complexity, levels of interaction/cooperation or legal action;

- A typical property standards complaint/investigation can require an average of 3.75 hours of staff time, depending on complexity, levels of interaction/cooperation or legal action;
- A typical lot maintenance complaint/investigation can require an average of 2 hours of staff time, depending on complexity, levels of interaction/cooperation or legal action;
- A typical zoning complaint/investigation can require an average of 5 hours of staff time, depending on complexity, levels of interaction/cooperation or legal action; and
- A typical sidewalk snow/ice complaint/investigation can require an average of 1 hour of staff time, depending on complexity, levels of interaction/cooperation or legal action.

It is important to note that the above noted information are estimates only, based on experiences. Staff have committed to developing a software based time/effort tracking mechanism, which is feasible for staff to use. This work is not completed yet, and is included in a variety of software improvements completed and underway.

The Division's Compliance and Standards and Parking Units are tax base funded. It is important to note that there is a percentage of the service requests that they respond to that relate to rental licensed properties. Graph 2 (below) is an indication of all service requests and investigations conducted by these units, as a comparison between properties to which the rental program applies and those where it does not. Over the course of 6 years, on average, 11.2% of the service requests they have responded to relate to licensed rental properties. In simple terms, there are components of by-law compliance that are not funded by the enterprise program.

Graph 2 – Comparison of Compliance & Standards and Parking Enforcement Action Requests



Financial Review and Forecast Development

The following is an in-depth explanation of the financial review undertaken by staff along with two options relating to the fee model going forward.

Background

The rental licensing program model was based upon a five year cycle such that the program is full cost recovery over the five years from 2012 to 2016. The model was based on staffing costs of 6 full-time people and 2 part-time people which included one program administrator, three property standard officers, one fire prevention officer, one full-time and one part-time planning position and one part-time Amanda program administrator (1 full time equivalent (FTE) for two years and then 0.5 FTE ongoing). The model also included a business support charge of $215,000 to address management and support costs. Support costs at that time included the CAO's Office, Clerks, Financial Services, Human Resources, Information Services, Managerial and administrative support.

The revenue forecast was based on processing 17,006 rental housing applications and 4,630 consultations (for first time applicants) for a total of 21,636 applications over a five year period.

Subsequent to the implementation of this program in 2012, in August 2013 a sixth class of license, Class ‘Z’ was added to appropriately capture residential units that are similar in nature to apartments but do not meet all the aspects of the definition. This class will capture rental units that meet two of the three criteria for being an apartment but do not have an interior common hallway. The license rates for Class Z are the same as a Class A license fee as the work required to process the same classes is similar.

See Appendix A for the current rental licensing fees and the proposed 2019 stepped fees.

2011 to 2017 Actuals and Reserve Status

Table 1 – Program Actuals and Reserve Balance per year

	ACTUALS						
	2011	2012	2013	2014	2015	2016*	2017*
Expenses	$ 48,756	$ 1,112,826	$ 920,043	$ 1,182,218	$ 1,401,015	$ 1,175,859	$ 1,135,507
Revenues*	$ (48,756)	$ (1,457,290)	$ (1,174,370)	$ (1,167,277)	$ (1,139,655)	$ (1,384,111)	$ (1,281,565)
Net Balance (Surplus)/Deficit	$ -	$ (344,464)	$ (254,327)	$ 14,942	$ 261,360	$ (208,252)	$ (146,058)
RESERVE							
Opening Balance	$ -	$ -	**$ (123,798)**	**$ (378,125)**	**$ (363,183)**	**$ (60,823)**	**$ (228,589)**
Tax Rate Stabilization Fund	$ (211,572)	$ -	$ -	$ -	$ -	$ -	
(Surplus)/Deficit	$ -	$ (344,464)	$ (254,327)	$ 14,942	$ 261,360	$ (208,252)	$ (146,058)
Miscellaneous	$ -	$ (8,538)	$ -	$ -	$ -	$ (515)	
Total In Flows	**$ (211,572)**	**$ (353,002)**	**$ (378,125)**	**$ (363,183)**	**$ (101,823)**	**$ (269,589)**	**$ (374,647)**
Amanda System	$ 162,816	$ -	$ -	$ -	$ -	$ -	$ -
Tax Rate Stabilization Fund	$ -	$ 211,572	$ -	$ -	$ -	$ -	$ -
Misc.	$ 48,756	$ 17,632	$ -	$ -	$ 41,000	$ 41,000	
Total OutFlows	**$ 211,572**	**$ 229,204**	**$ -**	**$ -**	**$ 41,000**	**$ 41,000**	**$ -**
Net Balance (Surplus)/Deficit	**$ 0**	**$ (123,798)**	**$ (378,125)**	**$ (363,183)**	**$ (60,823)**	**$ (228,589)**	**$ (374,647)**

***Note**: Revenues for 2016 and 2017 are higher due to one- time revenues such as prosecution revenue. These one-time revenues in each year were $117,600 and $95,000 respectively.

Overall, expenditures have increased 0.4% on average per year from 2012 to 2017. Since 2011 is not representative of the program operating at full capacity, it was excluded from the average. Changes in expenses year over year are due to:

- 2011 start-up expenses were legal and information technology related and do not represent the program working at full capacity.

- 2012 expenses were higher than in 2013 as 2012 was the first year of the program and many one-time set-up costs such as furnishings and equipment were purchased from operating dollars.
- 2013 expenses are lower as one support unit did not fully expense costs to the rental housing program that year.
- 2014 expenses are higher because of higher legal prosecution fees than 2013
- 2015 expenses are higher than 2014 due to higher than normal legal fees and an increase of one licensing officer, one administrative position and additional legal overhead.
- 2016 expenses dropped mainly due to lower legal costs and some staff vacancies.
- 2017 expenses dropped further due to staff vacancies in the rental housing program.

Overall revenues have decreased 2.5% on average per year from 2012 to 2017. Since 2011 is not representative of the program operating at full capacity, it was excluded from this average. Changes in revenue from year to year are due to:

- 2011 start-up revenue was from the Tax Rate Stabilization Reserve and does not represent program activity
- Revenue was higher in 2012 as the initial license fee is much higher than renewal fees as it takes less time to process a renewal. There was an influx of 1,579 new licenses in the first year of the program which has not been repeated in subsequent year.
- Revenue fell in 2013 primarily due to fewer new licenses being bought and the lower cost of renewals licenses.
- Revenue from 2014 to 2015 remained relatively flat.
- Revenue for 2016 take a small upswing due to increased license applications resulting from the settlement of court cases and the collection of unbudgeted fine revenue ($117,600) related to legal settlements which are one-time in nature.
- Revenue for 2017 was much lower than expected. Included in the 2017 revenue of $1,281,565 were one-time prosecution fines of $95,000. Core rental license revenue (excluding this one-time revenue) actually **decreased 6%** from 2016.

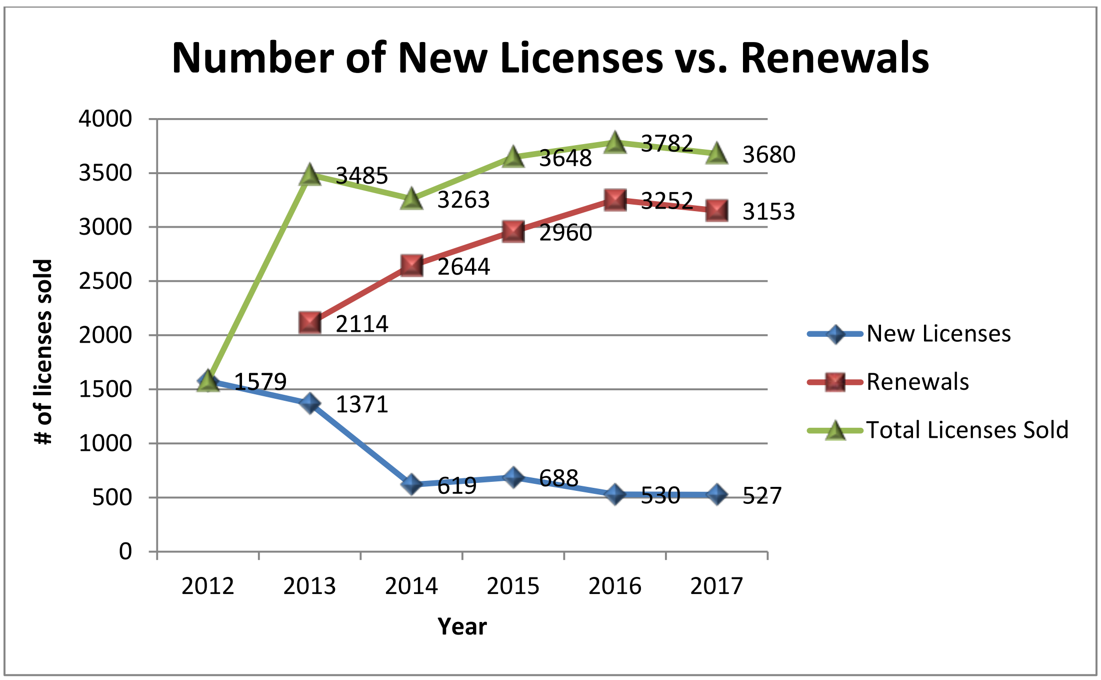
The current balance in the rental housing reserve is $374,647.

2012-2017 Actual License Sales

The number of licenses sold each year is increasing but at a decreasing rate up until 2016. In 2017 results suggest that the market has reached a peak as growth in total licenses has decreased for the first time since 2012. New licenses have been declining year over year since the inception of the program as it is a one-time event. The factors that are contributing to the sales plateau include:

- A noticeable shift in the rental market more high rise and purpose rental housing; and
- On-line and internet app advertising practices, can make it more difficult to identify unlicensed rental properties to bring them into compliance.

Graph 3 – Number of New Licenses vs. Renewals / Total License Sales



Growth Forecast in Rental Licenses

These trends have informed a very cautious growth outlook for the next 10 year period of 2019-2029. MPAC data shows that, for the City of Waterloo, there are 30,383 private households in 2017 (singles and semi -detached and multiple dwellings). These types of dwellings would be considered part of the potential rental market. In 2017, the city sold 3680 licenses which are 12% of the 30,383 households.

Growth predicted in the 2017 Development Charges By-law for the City of Waterloo for these households are as follows:

Table 2 – Development Charges By-Law Table of City of Waterloo Market Growth in Rental Type Dwellings

TOTAL MARKET 2017-2031				
	Singles & Semi-detached	**Multiple Dwellings**	**Total New Units**	**12%**
2017-2022	1753	906	2659	319
2022-2027	1865	527	2392	287
2027-2031	894	271	1165	140
Total	4512	1704	6216	746

It is estimated that in total 6216 units will be added between 2017 and 2031. With a 12% share of those new units, approximately 746 new units will likely be used for rental purposes (or 562 licenses between 2019 and 2029). In addition student occupied low density housing is expected to decrease by 722 units and be replaced by purpose built housing. If we are to assume that there are no drop-offs in license holders the estimated size of the market is estimated to be as follows by 2029:

Table 3 – Best Case Scenario Forecast of Rental License Market

	2019-2029
Current Market (# 2017 licenses)	3,680
New Business	562
Repeat Business from New	4,646
Student Occupied low density	(722)
Total Rental Units	8,166

This would be the most optimistic estimate of the market size as it assumes everyone holding a license today will hold one in the future and that all new licensees will continue to renew their rental license each year.

To test the reasonability of achieving this many license sales by 2029, 2017 license counts were extrapolated by historical growth rates over 10 years. New licenses have been decreasing at a historical rate of nearly 20% per year. Therefore if we were to apply that rate to the 2017 count of new licenses of 527, we can expect to issue only 26 new licenses annually by 2029. Similarly, renewals have been growing at a historical rate of 10.5% per year since 2013. Although this growth percentage seems robust, renewal unit sales actually shrunk by 3.0% between 2016 and 2017. This suggests that the 10.5% growth rate is unsustainable in the medium to longer term. Therefore, the renewal growth rate has been set at a modest 3.3% per year until 2029. With these two growth rates in place it is estimated that by 2029 total rental licenses (new and renewal) will reach 5,564 licenses. This appears to be a more realistic estimate as it will account for a drop off rate in license holders throughout the term. This is the estimate that is used in the model.

Cost Pressures

Since the inception of the program 7 years ago, the city has not increased fees. During that time wages have continued to grow as per agreements. The city has also conducted an overhead allocation study for operating expenses and found that some enterprises were not bearing an adequate share of costs that support the program such as CAO's Office, Clerks, Finance, Human Resources, Information Services, Managerial and administrative support. The rental housing overhead allocation needs to be increased by $100,000 to assume its fair share of costs based on the support it needs from these other units. The city intends to implement this increase over five years starting in 2019. Capital increases are included for space planning and other corporate capital projects (e.g. cyber security, technology disaster recovery plan, external fiber network structures and enterprise application Integration software) from which the rental housing program will reap benefits. The computer system that handles all the rental licensing data, Amanda, requires a refresh in 2020. A rental housing vehicle needs to be replaced in 2020 and in 2025. These investments are necessary to keep the program running efficiently and effectively.

Cost Reduction Efforts Incorporated into New Model

Since the start of the program activity has changed. Most licenses are now renewals which take less time to process**.** In addition the market is smaller than originally forecasted which affects workload of the officers enforcing the program. Therefore, in 2020 the city plans to reduce partial FTEs in rental housing enforcement and planning review. This will amount to nearly a $100,000 reduction in staffing costs. These changes are subject to Council approval in the 2020-2023 budget cycle and have been included in the 10 year forecast.

Option 1 – Flat Fee

Option 1 is a flat fee model, meaning there will be one fee for new applications, regardless of the Class of license applied for and one for all renewals regardless of the Class of license. All new licenses will be $400 and renewals will be $285.

With this fee structure, on average 61% of the licenses will cost less by $35 and 39% of licenses will cost more by $50. Total revenue over the 10 year period is forecasted to be $16,369,650.

Table 4 – Option 1 Fee Impact

	% Portion of Licensee Population	Average (decrease) / increase in Cost
Licensees who pay less	61%	($35.00)
Licensees who pay more	39%	$50.00

The pros to this approach are that this is a greatly simplified fee plan which is easier to understand and administer. The drawback of this plan is that the average increase and decrease are quite large, which means that reductions in price and increases are not spread as evenly amongst license holders.

Option 2 – Stepped Fee

Option 2 is a stepped fee plan. This pricing structure breaks out the fees into similar steps as per the prior fee schedule. Total revenue over the 10 year period is forecasted to be $16,412,541.

Table 5 – Stepped Fee Schedule

NEW	Cost per License	RENEWALS	Cost per License
Class A&Z - 1 BDRM	$ 430.00	Class A&Z - 1 BDRM	$ 250.00
Class A&Z - 2 BDRM	$ 450.00	Class A&Z - 2 BDRM	$ 270.00
Class A&Z - 3 BDRM	$ 470.00	Class A&Z - 3 BDRM	$ 295.00
Class A&Z - 4 BDRM	$ 500.00	Class A&Z - 4 BDRM	$ 325.00
Class B&E - 1 BDRM	$ 380.00	Class B&E - 1 BDRM	$ 218.00
Class B&E - 2BDRM	$ 400.00	Class B&E - 2BDRM	$ 235.00
Class B&E - 3BDRM	$ 420.00	Class B&E - 3BDRM	$ 246.00
Class B&E - 4BDRM	$ 440.00	Class B&E - 4BDRM	$ 257.00
Class C	$ 650.00	Class C	$ 351.00
Class D	$ 600.00	Class D	$ 340.00
Townhomes - 1 &2 BDRM	$ 400.00	Townhomes - 1 &2 BDRM	$ 210.00
Townhomes - 3 BDRM	$ 420.00	Townhomes - 3 BDRM	$ 230.00
Townhomes - 4 BDRM	$ 450.00	Townhomes - 4 BDRM	$ 260.00

Table 6 – Option 2 Stepped Fee Impact

	% Portion of Licensee Population	Average (decrease) / increase in Cost
Licensees who pay less	74%	($5.00)
Licensees who pay more	26%	$11.00

By adding more levels to the structure the average cost impact is much lower per license. With this fee structure, on average, 74% of licenses will cost less by $5.00 and 26% of licenses will cost more by $11.00. Please refer to the Appendix for a full schedule of current fees and the new proposed fees.

Reserve Impact

The new fee structure is estimated to generate $16,412,541 in revenue over the next 10 years (if the city achieves the forecasted license volumes). Operating and capital expenses combined will come to $16,553,492 over the 10 year period. Therefore, the new fees will create a shortfall of $140,951. This forecasted shortfall is offset by the current forecasted reserve balance in 2018, resulting in a reserve balance (surplus) less than twenty-five thousand dollars at the end of the 10 year period. Most reserves carry larger balances for future capital expenses and to address any year to year revenue shortfalls. If unit sales fall below forecasted levels or if the reserve falls into a deficit position that cannot be remedied through expense reduction or unit volume increases adjustments, it may be required to raise the fees (typically by the rate of inflation) to ensure that there is adequate funding for the program in the future. Additionally, if the revised fees generate more revenue than is required to keep the program fully funded rates would be lowered. Fees will be reviewed annually as per city financial processes and adjusted if required. See Table 7 below for the entire expense/revenue forecast and reserve impact.

<u>Proposed Recommendation</u>

Staff believe that Option 2, the Stepped Fee model, is the most appropriate to ensure the long term viability of the rental licensing program, thereby continuing to meet the overall program objectives of safe low rise rental housing and balancing the impacts on the residential neighbourhoods.

Staff will continue to move forward with implementing the program improvements identified previously, as well as looking for efficiencies aimed at controlling program costs.

As part of the go forward piece, staff will be monitoring any potential impacts related to the City's new Zoning By-law, which was enacted in September of this year. This by-law includes permissions for second residential units, in certain housing types, in certain zones. These secondary units, when rented, would be subject to the rental licensing requirements. It is premature to forecast this potential impact with certainty, however it will be monitored and any impacts will be factored into any future adjustments to staff's forecast.

Communications

The Municipal Act 2001 requires municipalities maintain a notice policy and the City of Waterloo Notice Policy requires public notice of fees and charges changes. Notice of the proposed rate changes were provided in the Waterloo Chronicle November 29th.

The communication of the 2019 Rental Housing Licensing recommendation is consistent with municipal practice regarding user fee changes. The City of Waterloo's normal practice of releasing rate information is to provide advertisement approximately 7 to 14 days prior to the rates being considered by Council for approval.

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Table 7 - Rental Housing Reserve Forecast 2019-2029

Option 2 - Stepped Fee Reserve Impact

	Forecast												
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total 2019 - 2029
Expenses	$ 1,085,624	$ 1,345,019	$ 1,317,159	$ 1,376,517	$ 1,411,146	$ 1,445,445	$ 1,465,617	$ 1,496,148	$ 1,541,897	$ 1,557,945	$ 1,574,296	$ 1,590,956	$ 16,122,143
Revenues	$ (900,220)	$ (1,316,168)	$ (1,376,836)	$ (1,426,843)	$ (1,466,139)	$ (1,497,654)	$ (1,521,238)	$ (1,539,466)	$ (1,553,828)	$ (1,564,498)	$ (1,571,708)	$ (1,578,163)	$ (16,412,541)
Net Balance (surplus)/deficit	$ 185,404	$ 28,851	$ (59,677)	$ (50,326)	$ (54,993)	$ (52,209)	$ (55,621)	$ (43,318)	$ (11,931)	$ (6,553)	$ 2,588	$ 12,793	$ (290,398)
RESERVE													
Opening Balance	$ (374,646)	$ (164,742)	$ (16,842)	$ **4,481**	$ **(25,845)**	$ **(66,838)**	$ **(98,048)**	$ **(136,669)**	$ **(128,988)**	$ **(107,918)**	$ **(91,471)**	$ **(56,884)**	
Annual (surplus)/deficit	$ 185,404	$ 28,851	$ (59,677)	$ (50,326)	$ (54,993)	$ (52,209)	$ (55,621)	$ (43,318)	$ (11,931)	$ (6,553)	$ 2,588	$ 12,793	
Sub-total	**$ (189,242)**	**$ (135,891)**	**$ (76,519)**	**$ (45,845)**	**$ (80,838)**	**$ (119,048)**	**$ (153,669)**	**$ (179,988)**	**$ (140,918)**	**$ (114,471)**	**$ (88,884)**	**$ (44,091)**	
AMPs Project	$ 24,500	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Amanda Upgrade	$ -		$ 35,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 35,000
Space Planning	$ -	$ 106,049	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 106,049
Vehicle	$ -	$ -	$ 32,000	$ -	$ -	$ -	$ -	$ 35,000	$ -	$ -	$ -	$ -	$ 67,000
Corp. Capital Project Contribution	$ -	$ 13,000	$ 14,000	$ 20,000	$ 14,000	$ 21,000	$ 17,000	$ 16,000	$ 33,000	$ 23,000	$ 32,000	$ 20,300	$ 223,300
Total OutFlows	**$ 24,500**	**$ 119,049**	**$ 81,000**	**$ 20,000**	**$ 14,000**	**$ 21,000**	**$ 17,000**	**$ 51,000**	**$ 33,000**	**$ 23,000**	**$ 32,000**	**$ 20,300**	**$ 431,349**
Net Balance (surplus)/deficit	**$ (164,742)**	**$ (16,842)**	**$ 4,481**	**$ (25,845)**	**$ (66,838)**	**$ (98,048)**	**$ (136,669)**	**$ (128,988)**	**$ (107,918)**	**$ (91,471)**	**$ (56,884)**	**$ (23,791)**	**$ 140,951**

Total Expense	
Operating	$ 16,122,143
Capital	$ 431,349
	$ 16,553,492

Appendix A
to COM2018-025

Fees and Charges – Current and Proposed

Residential Rental Licensing Program	2018 Fee ($)	Proposed 2019 Fee *Effective Date Jan 1, 2019 ($)
Initial Application Fee		
Preliminary Consultations	68.15	0
New Licenses A 4 Bedroom	598.66	500.00
New Licenses A 3 Bedroom	544.23	470.00
New Licenses A 2 Bedroom	494.76	450.00
New Licenses A 1 Bedroom	449.78	430.00
New Licenses D Class 1	688.45	600.00
New Licenses D Class 2	625.87	600.00
New Licenses B &E - 4 bedroom	498.88	440.00
New Licenses B &E - 3 bedroom	453.53	420.00
New Licenses B &E - 2 bedroom	412.30	400.00
New Licenses B &E - 1 bedroom	374.82	380.00
New Licenses C	757.30	650.00
Renewal Fee		
Annual Renewals A 4 Bedroom	326.54	325.00
Annual Renewals A 3 Bedroom	296.85	295.00
Annual Renewals A 2 Bedroom	269.87	270.00
~~Annual Renewals A 1 Bedroom~~	~~245.33~~	~~250.00~~
Annual Renewals D Class 1	375.52	340.00
Annual Renewals D Class 2	341.38	340.00
Annual Renewals B&E 4 Bedroom	272.12	257.00
Annual Renewals B&E 3 Bedroom	247.38	246.00
Annual Renewals B&E 2 Bedroom	224.89	235.00
Annual Renewals B&E 1 Bedroom	204.45	218.00
Annual Renewals C	413.07	351.00

Fees for Townhouses in Block Ownership

New Licenses

Townhome Complexes - 1 Bedroom No of Units		
4-10	374.86	400.00
11-20	368.04	400.00
21-30	361.23	400.00
31-40	354.41	400.00

Fees for Townhouses in Block Ownership
New Licenses

Residential Rental Licensing Program

	2018 Fee ($)	Proposed 2019 Fee *Effective Date Jan 1, 2019 ($)
41-50	347.60	400.00
50+	340.78	400.00
Townhome Complexes - 2 Bedroom		
No of Units		
4-10	412.34	400.00
11-20	404.84	400.00
21-30	397.35	400.00
31-40	389.85	400.00
41-50	382.35	400.00
50+	374.86	400.00
Townhome Complexes - 3 Bedroom No of Units		
4-10	453.58	420.00
11-20	445.34	420.00
21-30	437.09	420.00
31-40	428.84	420.00
41-50	420.60	420.00
50+	412.35	420.00
Townhome Complexes - 4 Bedroom No of Units		
4-10	498.94	450.00
11-20	489.87	450.00
21-30	480.80	450.00
31-40	471.73	450.00
41-50	462.66	450.00
50+	453.58	450.00

Fees for Townhouses in Block Ownership

Renewal of Licenses

Townhome Complexes - 1 Bedroom No of Units		
4-10	204.47	210.00
11-20	197.65	210.00
21-30	190.84	210.00
31-40	184.02	210.00
41-50	177.20	210.00
50+	170.39	210.00

Fees for Townhouses in Block Ownership
Renewal of Licenses

Residential Rental Licensing Program

	2018 Fee ($)	**Proposed 2019 Fee *Effective Date Jan 1, 2019 ($)**
Townhome Complexes - 2 Bedroom		
No of Units		
4-10	224.92	210.00
11-20	217.42	210.00
21-30	209.92	210.00
31-40	202.43	210.00
41-50	194.93	210.00
50+	187.43	210.00
Townhome Complexes - 3 Bedroom		
No of Units		
4-10	247.41	230.00
11-20	239.16	230.00
21-30	230.91	230.00
31-40	222.67	230.00
41-50	214.42	230.00
50+	206.17	230.00
Townhome Complexes - 4 Bedroom No of Units		
4-10	272.15	260.00
11-20	263.08	260.00
21-30	254.01	260.00
31-40	244.94	260.00
41-50	235.86	260.00
50+	226.79	260.00
Rental Housing Licensing Appeal Fee - ***See Note 1***	100.00	100.00

Note 1: This fee administered by Legislative Services

Class "Z" License Fees			
New Class "Z" 4 Bedroom		598.66	500.00
New Class "Z" 3 Bedroom		544.23	470.00
New Class "Z" 2 Bedroom		494.76	450.00
New Class "Z" 1 Bedroom		449.78	430.00
New Class "Z" Bedroom Premium		44.98	50.00
Annual Renewals Class "Z" 4 Bedroom		326.54	325.00
Annual Renewals Class "Z" 3 Bedroom		296.85	295.00
Annual Renewals Class "Z" 2 Bedroom		269.87	270.00
Annual Renewals Class "Z" 1 Bedroom		245.33	250.00
Annual Renewals Class "Z" Bedroom Premium		24.54	30.00