

**CITY OF GUELPH**  
**Bylaw Compliance, Security and Licensing Proposed 2015 Operating Budget**

**ISSUE:** Licensing Revenue Increases  
**DEPARTMENT:** Bylaw Compliance, Security and Licensing  
**PREPARER:** Doug Godfrey

**STAFF RESPONSE**

**Purpose**

The purpose of this memo is to provide a summary of the increases to licensing revenue above the base budget identified in the proposed 2015 Operating Budget.

**Background**

Under account 720-1025.9603 Business Licences an increase of \$24,313 in revenue above the base budget is proposed

**Report**

As per Council direction all Business Licensing fees are based on a cost recovery model and a nominal increase to the 2015 licensing base budget has been applied. Staff are recommending an increase in revenue above base budget from new administration fees and implementation of new categories. These additional fees will be applied to recover wages and expenses associated with licensing.

With respect to the new administration fees staff are recommending these fees be implemented to recover costs associated with lottery licensing. Specifically that a new \$25.00 service fee be applied to the processing of new lottery eligibility applications and to letters of permission. Both of these processes are required and regulated by the Alcohol and Gaming Commission of Ontario. While the revenue received for edibility applications will be nominal (\$250), the process to review these applications is time consuming and the fee is intended to recover some cost and to ensure that applications submitted are genuine. The \$25 fee for the processing and issuance of a Letter of Permission is to recover staff costs. The Letters of Permission grants authority for charities to sell lottery tickets within Guelph when the lottery is licensed by another municipality. While the licensing municipality receives payment for their services, currently the City of Guelph receives no compensation for our costs associated with administration and inspections. Other Municipalities charge similar fees for these services and the implementation of these fees is not be unique to the City of Guelph. It should be noted that charities and other lottery licensees have the ability to claim these expenses as administrative costs on their lottery licence so that they may be deducted from the revenues of the lottery.

Staff also propose an increase in licensing revenue due to the creation of new licensing categories. As previously approved by Council, staff are in the process of creating a new category of licence for Donation Bins and Publication Dispensing Boxes. Staff are also currently reviewing the licensing of Food Trucks and Mobile Food vendors. It is anticipated that the creation and amendments to these categories will result in additional business licenses being issued.

As well, staff anticipate conducting further reviews of other categories within and outside of Businesses Licensing Bylaw. These reviews will include possible amendments to the Adult Entertainment category. Council was previously advised in the summer of 2014 that the review of this category would commence once the food truck review was completed. In addition, the licensing of pet stores, pet daycares and grooming businesses is currently being reviewed by the Animal Control working group. Other categories that will be reviewed this year are temporary sales and firework vendors, these businesses are currently being inspected by

various enforcement agencies without the costs being recovered. All reviews will involve engagement opportunities or stakeholders, businesses and the public. As staff complete these reviews reports will be brought forward for Council's consideration and approval.

**Risk**

While staff based the proposed revenue increase on current business and lottery data from 2014, changes in the economy may have either a positive or negative affect on the number of businesses operating within the City and the number of lottery licence applications requested.

**ISSUE:** Analysis of Extending City Hall ServiceGuelph Counter  
**DEPARTMENT:** Business Services  
**PREPARER:** Peter Avgoustis

**STAFF RESPONSE**

**Purpose**

The purpose of this memo is to provide a summary of the analysis that was done and the rationale why staff does not recommend proceeding with offering extended hours at the ServiceGuelph counter at City Hall.

**Background**

In 2013 and Internal Audit was conducted on the ServiceGuelph operation. One of the auditor's recommendation was to consider offering extended hours of the City hall main floor counter on Tuesdays, Thursdays and Saturdays. As a result of this and working within existing budget limitations, staff decided to pilot offering twenty six weeks of extended Thursday evening hours between 4:30-7pm of counter service between January and July 2014 to assess the usage and needs of customers. A communication and awareness campaign was also included to get the word out to the community.

**Report**

Over the twenty six Thursdays the pilot ran, a total of 226 walk-in customer transactions took place and are broken down as follows:

<b>Time Period</b>	<b>Count</b>	<b>% of Total</b>
<b>4:30-5:00</b>	115	<b>51%</b>
<b>5:01-5:30</b>	35	<b>15%</b>
<b>5:31-6:00</b>	33	<b>15%</b>
<b>6:01-6:30</b>	23	<b>10%</b>
<b>6:31-7:00</b>	20	<b>9%</b>
<b>Total</b>	<b>226</b>	<b>100%</b>

Half of all transactions too place within 30 minutes of our regular closing time.

A further breakdown of the type of transaction request made.

<b>Transaction Type</b>	<b>Count</b>	<b>% of Total</b>
ServiceGuelph was able resolve the request	137	61%
Request was for another City hall public counter and unable to be resolved by ServiceGuelph. (i.e. Finance, Building, Planning, HR, Licensing, etc)	89	39%
<b>Total</b>	<b>226</b>	<b>100%</b>

Thirty-nine percent of all walk-in transactions during the pilot period were for requests of other City hall departments which public counters all closed at 4:30pm.

One restriction of the pilot was to run it at zero additional costs. This included not being able to incur any staff overtime funding impacts which was a challenge in itself. To accommodate this, the pilot was conducted by shifting staff schedules.

However the ability to maintain service levels for the regular business hours counter queue times (8:30am-4:30pm), the internal mail processing and the live calls answered at the switchboard all decreased on average between 15-18% during the pilot period. This was exacerbated exponentially during staff absences during vacations or illnesses. Complaints were most vocal with the reduced live call answer service levels on the switchboard.

**Conclusion**

Based on the assessment of the pilot program staff is not recommending extending the counter hours at this time, as the staff funding required to maintain existing service levels should be weighed against other customer channel options of offering these services such as online or at other public counters already open later at our community centres. In addition, a proper analysis of which services customers are actually requesting after hours should also be considered, as is evident by the high level of services requested for other City Hall departments during the pilot period.

**APPENDIX I  
CITY OF GUELPH  
2015 TRANSIT OPERATING BUDGET IMPACTS**

**ISSUE:** Implications of a reduction in Sunday and Holiday service  
**DEPARTMENT:** Guelph Transit  
**PREPARER:** Phil Meagher

**STAFF RESPONSE**

**Purpose**

The purpose of this memo is to summarize the financial implications to the 2015 operating budget and the proposed reduction of Sunday and Holiday transit service from the existing 30-minute frequency to a proposed 60-minute frequency. This memo will also highlight how this change is expected to affect transit ridership growth.

**Background**

Guelph Transit conventional service is offered on 20 base routes and four university express routes, with stops located throughout the city. Currently, the service frequency for base routes is every 20 minutes during peak service times Monday to Friday, and every 30 minutes during off-peak times Monday to Friday, during weekends, and during civic and statutory Holidays. The service frequency for the university express routes is every 20 minutes Monday to Friday during the University of Guelph fall and winter semesters.

This Council-approved route system was introduced in 2012, with the current service frequency taking effect in 2013. The ridership growth and resulting revenue from the new route system was less than anticipated, resulting in revenue projections not being realized. Further underfunding of Guelph Transit occurred because the cost of staff overtime with the full restoration of Holiday service in 2012 was not included in the budget. The cost of bus operator overtime that is built into scheduled shifts was also not included in the budget.

Guelph Transit is a partial user-pay department, with municipal funding being capped at 50 per cent of the operating budget in 2015. Fare price increases and reduction of transit service can be used by the department to align the annual budget with available municipal funding. Reduction of transit service can take the form of reduced hours or days of service, fewer or shortened routes, or reduced frequency of service.

**Report**

Guelph Transit's annual budget has been underfunded as a result of lower-than-anticipated ridership growth and revenue, and as the result of non-budgeted costs for Holiday service and for scheduled bus operator overtime. To off-set the negative budget projection, the following strategy is proposed:

**1) Service reduction on Sundays and statutory Holidays.**

Sunday and Holiday transit service generates lower transit ridership and lower farebox revenue than weekday or Saturday transit service. To minimize the impact on overall ridership, a reduction in Sunday and Holiday transit service is being proposed while maintaining weekday and Saturday transit service. The reduction of Sunday and Holiday service is proposed to take the form of a reduction in service frequency, from the existing 30-minute frequency to a proposed 60-minute frequency, while maintaining Sunday and Holiday routes and hours of service.

Three areas within the budget that will be affected by reducing service frequency are the projected MM charges (fleet maintenance and equipment), salaries and benefits, and fare revenue. The budget calculations are based on transit service from May 1, 2015 to

December 31, 2015, with 35 Sundays and seven Holidays.

**Sunday service frequency reduction**

Projected MM savings	\$78,713.32
Projected salary and benefit savings	\$204,573.98
Projected revenue loss	- \$14,359.08
<b>Total projected savings</b>	<b>\$268,928.32</b>

**Holiday service frequency reduction**

Projected MM savings	\$15,724.66
Projected salary and benefit savings	\$47,712.05
Projected revenue loss	- \$2,871.82
<b>Total projected savings</b>	<b>\$58,582.89</b>

The total projected savings are approximately \$327,511.21.

*Note: As a result of the 2014 service disruption, July and August ridership was based on 2013 actuals.*

**Risk Mitigation**

It should be noted that the reduction to Sunday and Holiday service is expected to result in ridership decreases. Planning for a ridership decrease contravenes Guelph Transit's mandate to plan for growth to 15 per cent transit modal split, based on the *Provincial Plan for the Greater Golden Horseshoe* and based on Guelph's *Official Plan*.

With the introduction of the change to Sunday and Holiday service, Guelph Transit will need to prepare a comprehensive communications and marketing plan to ensure that we retain as many current customers as possible. In conjunction with these changes, Guelph Transit is currently undertaking a bus route review and a transit priority project. The bus route review is being undertaken to better match available conventional transit capacity with passenger demand, while maintaining appropriate service coverage. Route updates are scheduled to be implemented in September 2015. The transit priority project will identify transit priority measures that will help buses to travel more quickly and reliably, with recommendations to Council by September 2015. Transit will also be conducting a Customer Service Survey in the winter of 2015 to again gauge our performance in the eyes of our customers. Improved allocation of transit capacity, schedule adherence and customer service will assist in retaining and attracting customers.

**Conclusion**

The reduction of Sunday and Holiday service will reduce Transit's operating budget by approximately \$327,511. If there are no changes to service, our ridership should remain steady and continue to build confidence in the service we provide.