Agenda – Executive Policy Committee – December 7, 2005

REPORTS

Item No. 10 2006 License Fees for Mobile Homes
File EL-8

ADMINISTRATIVE RECOMMENDATION:

That Council amend By-law No. 821/74 by repealing Schedule "A" and substituting the following schedule for mobile home monthly fees effective January 1, 2006:

LICENSE FEES FOR MOBILE HOMES		
Size of Mobile House (Based on exterior dimensions)	Current 2005 Monthly Fee	Proposed 2006 Monthly Fee
(a) 400 square feet or less	$18.46	$22.00
(b) Each additional 100 square feet or part thereof	$ 4.61	$ 5.50

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ADMINISTRATIVE REPORT

RE: 2006 LICENSE FEES FOR MOBILE HOMES

FOR SUBMISSION TO: EXECUTIVE POLICY COMMITTEE

ORIGINAL REPORT SIGNED BY: Chief Financial Officer

REPORT DATE: November 25, 2005

RECOMMENDATION(S):

That Council amend By-law No. 821/74 by repealing Schedule "A" and substituting the following schedule for mobile home monthly fees effective January 1, 2006:

LICENSE FEES FOR MOBILE HOMES

Size of Mobile House (Based on exterior dimensions)	Current 2005 Monthly Fee	Proposed 2006 Monthly Fee
(a) 400 square feet or less	$18.46	$22.00
(b) Each additional 100 square feet or part thereof	$ 4.61	$ 5.50

REPORT SUMMARY:

Key Issue(s):

- The 2006 License fees for mobile homes are to be adjusted by new assessment information while reflecting the change in the 2005 average citywide mill rate (municipal and school).

- The average 2005 citywide mill rate was recast using the projected 2006 assessment roll.

- The proposed 2006 monthly license fee has increased by 19.2% or $7.97 per month for the average 900 square foot mobile home.

- The 2006 assessed average square foot value increased by 41.5% due to an increase in the 2003 market values (from $20.48 per square foot used for the last reassessment cycle to $28.97 used for the current 2006 reassessment).

Implications of the Recommendation(s):

General Implications

	None
	For the organization overall and/or for other departments
X	**For the community and/or organizations external to the City**
	Involves a multi-year contract

Comment(s): The recommended license fee for mobile homes for the 2006 fiscal year reflects an increase of 19.2% from the 2005 license fee, an average increase of $7.97 per month ($95.64 per annum) for each mobile homeowner.

Policy Implications

X	**No**
	Yes

Comment(s):

Environmental Implications:

X	**No**
	Yes

Comment(s):

Human Resources Implications:

X	**No**
	Yes

Comment(s):

Financial implications

X	**Within approved current and/or capital budget**
	Current and/or capital budget adjustment required

Comment(s): With the average mobile home size remaining at 900 square feet and a slight decrease in the number of licensed mobile homes, the proposed fee increase has a nil effect on the 2006 projected budget.

REASON FOR THE REPORT:

Council must approve amendments to By-law No. 821/74.

HISTORY:

On June 19, 1991, Council adopted the recommendations of the Committee on Finance and Administration regarding the system of taxing mobile homes. These recommendations also included the method of calculating and annually updating mobile home license fees for future years (discussed below). In the years following, Council was requested to approve an increase when any one of the variables used in the calculation resulted in a material change in the revenue base for the City.

The range of mobile homes license fee changes since 1994 is provided below:

1994	1.2%
1995	2.3%
1996	2.5%
1997	0.9%
1998	2.3%
1999	1.5%
2000	1.6%
2001	0%
2002	11.8%
2003	-5.7%
2004	0%
2005	0%

DISCUSSION:

The method of calculating the mobile home license fees is based on the following adopted formula:

> *Assessed average square foot value x portion share for the class x average citywide mill rate for the prior year x square footage of the home*.

Assessed average square foot value - The market value of mobile homes is used to calculate the assessed average square foot value. This assessment is determined by the Property Assessment Department using market sales and is revised with each general reassessment. The 2006 license fee is based on 2003 market values – the latest reassessment year base.

Portion share for the class - The 2005 portion percentage for the Residential 1 Class of properties is 45%.

Average citywide mill rate for the prior year – The sum of the general municipal mill rate, the education support mill rate and the average of all school division special mill rates. For purposes of calculating the 2006 license fee, the 2005 mill rates were recast using the projected 2006 reassessment roll (50.658 mills, down from the actual 2005 mill rate of 60.990 mills).

The license fees for mobile homes are adjusted by new assessment information while reflecting the change in the average citywide mill rate. Generally, mobile home fees are based on the prior year's mill rates and current assessment values applied to the average square foot value in effect until the next general reassessment is performed by the Property Assessment Department.

However, as 2006 is a reassessment year, the license fee is based on a new reassessment value and recast 2005 citywide mill rates (using a projected 2006 assessment roll). The 2006 assessed average square foot value of mobile homes increased by 41.5%. This increased value, combined with the recasted average citywide mill rate reduction of 22.3% results in an overall fee increase of 19.2%.

Therefore, the recommended license fee for mobile homes for the 2006 fiscal year reflects an increase of 19.2% from the 2005 license fee, an average increase of $7.97 per month ($95.64 per annum) for each mobile homeowner. With the average mobile home size remaining at 900 square feet and a slight decrease in the number of licensed mobile homes, the proposed fee increase has a nil effect on the 2006 projected budget amount of $348,000.

FINANCIAL IMPACT STATEMENT - Date: November 24, 2005

With the average mobile home size remaining at 900 square feet and a slight decrease in the number of licensed mobile homes, the proposed fee increase has a nil effect on the 2006 projected budget amount of $348,000.

"Original signed by Carrie Erickson"
Carrie Erickson
Manager of Finance & Administration

In preparing this report, there was consultation with and concurrence by:

Property Assessment Department

This Report Submitted By:

Department:	Corporate Finance Department
Division:	Taxation & Revenue
Prepared by:	Robert Weselowski, Manager of Taxation and Revenue
File No.	Mobile Home License Fee 2006.doc