# City of Merritt 2018 Business Licensing Review

December 19th, 2018

## O'LEARY & ASSOCIATES LTD.

### PERFORMANCE. INNOVATION. LEADERSHIP.

*First and foremost, we would like to thank Mae Ketter from Community Futures Nicola Valley, Meagan Preston from the Merritt and District Chamber of Commerce and Kerstin Auer, owner of Merritt Small Business Centre for their contribution during the roundtable sessions and for helping to promote and distribute the online survey.*

*Secondly, thank you to the staff members of the City of Merritt for making time to contribute valuable insight and feedback on the business licencing process.*

*Most importantly, a big thank you to the business owners of Merritt for taking the time out of their busy schedules to contribute their feedback on the business licencing process to improve it for future applicants.*

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# Section 1: Executive Summary

## Background

The purpose of this project was to conduct a review of the City of Merritt's current business licensing regime and offer recommendations as to how the City of Merritt can become more business friendly and streamline the business licensing process.

### Why is this important?

Fundamentally it is always important for a municipality, or any organization, to be continually reviewing and updating all of its processes, policies and procedures. Countless studies and paradigms exit to support this conclusion. Some examples include Toyota's famous Kaizen Philosophy which laid the foundation for other processes of continuous improvement such as Lean, Six Sigma, 5s, etc.

Beyond the fundamental reasons for process improvement, business licencing is directly related to the ability to attract or expand the existing pool of businesses in a community. The City of Merritt's Official Community Plan (OCP) outlines policies that "*support the Regional Growth Strategy to broaden the economic base through diversification and expansion*". The City's Economic Development Action Plan states that the City will "*focus on investment friendly climate, tourism development, partnerships and to facilitate timely and consistent processes*".

This "investment ready climate" and "economic diversification and expansion" is achieved, in part, by ensuring that the business license process is easy to navigate, regionally competitive, clear and consistent.

### How was this review accomplished?

There were a number of key steps which were undertaken in order to achieve this review. The first was to actively engage the business community and key organizations who represent or work closely with businesses in the City of Merritt. This was accomplished through a business roundtable session with key business support organizations and an online survey which was promoted and distributed by Community Futures Nicola Valley, the Merritt and District Chamber of Commerce and the Merritt Small Business Centre.

Secondly, a thorough review was undertaken of all forms, materials, fees, process flows and bylaws associated with businesses licensing from both an internal and external perspective. This included:
- A review of all forms associated with the business licensing process to ensure that forms are clear and that only necessary information is collected.
- A review of the City of Merritt's internal procedure for accepting, processing, and issuing business licenses.
- A review of all materials and guidance documents that the City of Merritt provides to businesses to assist and explain the business licensing process.
- A review of the City of Merritt Business License Bylaw and any other applicable bylaws or policies.
- A review of all fees and charges associated with business licensing.

The final step was the development of this report which outlines the findings of these activities along with recommendations for city council and staff considerations which include opportunities for the City of Merritt to undertake moving forward to become more efficient, business-friendly, reduce administrative burden and costs, and provide better information and service to the public.

## Overview of Business Licencing:

### What is the purpose of a business licence?

To begin this section, it was felt based on comments received from the business community, that it would be valuable to give an explanation as to why municipalities require and issue business licences. Contrary to what some people may think, a business licence is not just another opportunity for a city department to collect a fee from business owners. Business licencing is in place to accomplish a number of key things:

- To identify your business and make sure you are accountable for your actions. A business licence is one of the few ways a city is made aware of a business operating in its boundaries.

- To ensure that the activities you are planning on undertaking with your business are allowable by law and location. Cities are constantly striving to be purposefully designed. This includes making sure that a heavy industrial smelter does not pop up in the middle of a residential development. They implement this design through zoning and permitted uses.

- To protect the public health and safety. Through the business licencing process, the city is able to determine if minimum criteria are met for health and safety. This includes building, fire and municipal connection safety. This can involve inspections and sometimes additional permits, such as those issued by Interior Health.

- The business licence program is a means for the city to collect information about businesses operating in its jurisdiction. This information can then be shared with the general public as well as inform the city of local business activities which can then help the development of policies and procedures.

- Lastly, a prominently displayed business licence helps the public know that a business is legitimate and has met all requirements (safety and otherwise) to operate.

### Current initiatives underway:

The City of Merritt is already working through internal processes to reduce processing times and ensure improved communication between departments and the applicant. The most significant of these initiatives is a conversion from paper-based file tracking to digital workflow (just implemented in December 2018) which brings along with it enhanced data collection which will allow for improved performance review.

## Current business licence statistics:

As summarized in Figure 1.0 (below), looking back over the last four (4) years, business licencing fees collected by the City of Merritt annually have averaged just over $90,000 and ranged from $82,000 to $99,000 annually. On average 10% of these fees are associated with new licences while 90% are associated with renewals.

All business licences are $150, regardless of the type of business, but there are currently 36 different business licence application fees for new business licence applications ranging from "no-charge" to $250.

Figure 1.0: Licence Fees Paid Annually
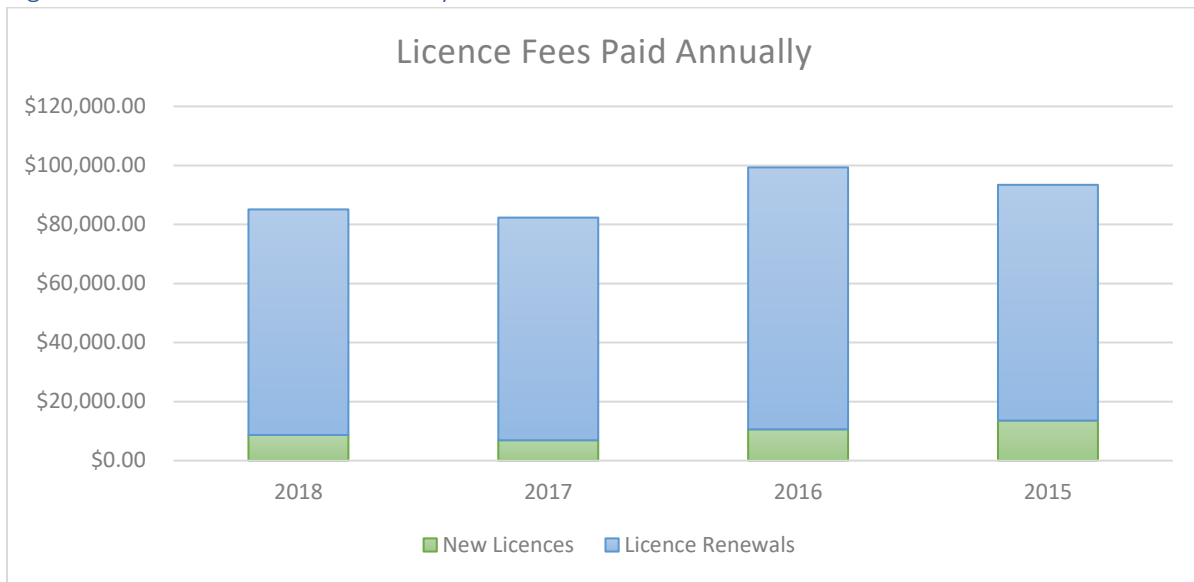


Over the last four years, the City of Merritt has on average issued approximately 740 business licenses per year, represented by an average of 91 new business licenses and 649 renewals (Figure 2.0 below). In other words, about 88% of the business licences over the last four years have been renewals, while only 12% of them were new business licence applications.

Figure 2.0: Number of Licences Issued Annually

Departments involved in Business Licencing:

- Corporate Services
  - **Sean Smith**
  - Director of Corporate Services
  - **Keith Bacon**
  - (Business Licence Inspector)

- Planning and Development Services
  - **Mark Brodrick**
  - (Planning and Development Services Manager)
  - **Alan Palmgren**
  - (Building Inspector)

- Fire and Rescue
  - **Stuart Milne**
  - (Fire Prevention Officer)

- Public Works Operations
  - **Dick Curnow**
  - (Cross Connection Control)

- Financial Administration
  - **Wayne Anderson**
  - (Financial Services Manager)
  - **Kimberley Woodland**
  - (Accounting Clerk)

- Economic Development
  - **Will George**
  - (Economic Development & Tourism Manager)

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The Business Licencing Process:

**Application Acceptance**
Frontline Staff
- Give application and supporting documents out
- Collect application and supporting documents

**Application Processing**
Keith Bacon - Business Licence Inspector
- Enters Information from forms into on-line System
- Scans supporting documents
- Sends application to IHA
- Starts the internal process

**Compliance with Land Use Bylaws**
Mark Brodrick - Planning and Development Services Manager
- Confirms application compliance with Zoning
- Confirms application compliance with Permitted
- Confirms application compliance with Bylaws Use

**Building Inspection**
Alan Palmgren - Building Inspector
- Inspection for "change of use"
- Inspection for renovations
- Inspection for new construction

**Fire Inspection**
Stuart Milne - Fire Prevention Officer
- Inspection for any business with 1 or more employees or has public exposure
- Inspects for fire extinguishers, egress, sprinklers and fire walls

**Cross Connection Control Inspection**
Dick Curnow - Cross Connection Control Inspector
- Inspection for "change of use"
- Inspection for backflow preventer valve
- Inspection for water meter

**Review**
Keith Bacon - Business Licence Inspector
- Confirms that all previous requirements are confirmed to be met
- Sends approval notification to next staff
- Issues business licence
- Notifies applicant that business licence is ready for

**Financial Services Manager**
Wayne Anderson- Financial Services Manager
- Issues invoice for outstanding fees
- Registers business in system for renewals

**Economic Development**
Will George - Economic Development & Tourism Manager
- Follows up with businesses to offer support

**Accounts Receivable**
Kimberley Woodland - Accounting Clerk
- Mails invoice for outstanding fees
- Collects outstanding fees

# Key Findings:

This section will summarize very briefly some of the key findings from both the online survey as well as the community engagement sessions. Further information and any figures referenced can be found in "Section 2: Technical Report".

## Inspections add to processing times

Data suggests that business licence permit inspections have a direct impact on business licence processing times. Both business owner and internal staff feedback corroborate this evidence; inspections add to the processing time for a business licence application and are often the cause of delays.

Talking to the various inspectors, there was a consistent comment that accurate information collected at the start of the application process would dramatically cut down the need for inspections and the time required for the inspections (if they are required), which would also have the positive impact of reducing internal costs associated with the business licence.

**Recommendations:**

> ***Develop a simple and easy to understand public facing document which outlines how to make a simple sketch, which outlines the critical information the various inspectors require****. This should dramatically reduce the time spent following up with business owners for additional information and therefore business licence processing time.*

> ***Ensure that business licence applications are not accepted by staff unless they are complete.*** *Incomplete information dramatically increases inspection processing times. This will involve front line staff training to identify when an application is complete and ready to be received.*

## Staff need better understanding of the business licence process as a whole

There was consistent feedback from the business community that various staff members seemed unable to answer questions about the overall process or requirements outside of their scope and that the process as a whole appears disjointed and siloed. These comments are related to all levels of staff members, from front desk clerks to inspectors. It is apparent that dissatisfied business owners expect them to have more knowledge about the process.

Similarly, staff, during interviews, expressed a feeling that they did not have a clear understanding of the business licence process or requirements outside of their own scope. Furthermore, there was a feeling of lacking clear direction on priorities with regards to the business licence process. For example, with most staff, business licencing accounts for only 10% or less of their workload and scope. When a business licence application comes in, should they drop everything else they are doing to process the application? Staff are very willing to do so, if that is the priority, but they instead feel unsure if this is the strategic priority.

**Recommendations:**

> ***Provide ongoing training and education to the staff on the business licence application process as a whole.*** *This training should include all staff involved in the process, especially front-line staff. Emphasize that they are not required to work outside of their scope and technical abilities but should be able to explain the process as a whole, general requirements and why they are needed.*

> ***Ensure that staff are aware of the strategic priorities as they relate to the business licencing process and their position as a whole.*** *Develop clear outlines and expectations for each staff members role in the business licencing process. These expectations should take into consideration that business licencing only accounts for a small portion of most of the positions.*

## The public would appreciate simple, easy to understand documents outlining the business licencing process.

There were several different survey and community engagement comments which outline the need for a simple, easy to understand document outlining the business licencing application process, requirements and expectations. This was reflected in such comments as: "*Piecing together all the odds and ends needed to apply for a business license, a sign permit or a building permit in Merritt was an extremely frustrating experience*" and "*When it comes to small businesses, make it an easy experience. We should be fostering small business and getting them up and running quickly*".

**Recommendation:**

> ***Develop a simple and easy to understand public facing document which outlines the business licence application process, requirements and reasonable expectations.*** *This should reduce the number of questions for staff members and help business owners to better understand the process and what to expect.*

## Merritt should strongly consider offering inter-community business licensing

34% of businesses who participated in the online survey indicated that they would be interested in an inter-community business license. This response shows that there is already existing current appetite by business owners in Merritt for an inter-community business licence. Furthermore, all staff members were supportive of the idea of Merritt adopting inter-community business licensing.

**Recommendation:**

***The city of Merritt should consider joining an inter-community business licence agreement.*** *There is already appetite from business owners in the community, and the business licence staff are also supportive and foresee no negative implications for Merritt. Based on the geographic locations of these agreements, it would appear as though the Okanagan-Similkameen Area ($150) and the Fraser Valley Area ($250) would be the two most logical agreements for Merritt to consider joining.*

## Merritt should consider offering short-term business licence options

Overall it would appear that there is a majority interest from the business community and support from business licence staff when it comes to the city offering short term business licences as an option going forward. Based on the responses, it would appear that there is much stronger interest in the idea of a 3 month vs. 1-month period for the short-term business licence category.

**Recommendation:**

***The City of Merritt should consider offering a short-term business licence option.*** *This option will help to recognize that some businesses are very seasonal and will be more likely to purchase a shorter-term business licence vs. an annual licence. When considering this option, the minimum term offered should not be less than 3 months.*

## A hobby business exemption built into the business licence system could help capture additional business data and support entrepreneurial ventures in Merritt.

The benefits outweigh the disadvantages. In reality there already is an "exemption for hobby businesses" as many hobby businesses are likely already in place, operating without a licence undetected. By offering this option, the city will be better able to "capture" hobby business' data and ensure that there is compliance with health and safety. Furthermore, it will send a strong message that the city is supportive of entrepreneurs and new business ideas.

**Recommendation:**

***The City of Merritt should consider implementing an exemption for hobby businesses.*** *In reality there already is an "exemption for hobby businesses" as many hobby businesses are likely already in place, operating without a licence undetected. By offering this option, the city will be better able to "capture" hobby business' data and ensure that there is compliance with health and safety. Furthermore, it will send a strong message that the city is supportive of entrepreneurs and new business ideas.*

Bringing the business licencing process online would increase client convenience, provide better information to the public and could help reduce the administrative burden.

When asked for suggestions to reduce the administrative burden and costs with the current business licence process, the highest response rates were associated with bringing the process online (29%). When asked for suggestions to provide better information and service to the public, the highest response rates were once again associated with bringing the business licence process online (35%).

Discussions with staff indicated that there is an existing module in the newly implemented business licence software that would enable the city to offer online business licensing services. An example of what this software interface looks like (from the Regional District of the Central Okanagan) is captured in Appendix 1.0.

**Recommendation:**

> ***The city of Merritt should offer online business licencing services by activating the online business licencing module in the existing business licence software.*** *Bringing the business licencing services online will reduce the administrative burden and costs and provide better information and service to the public.*

Consider joining BizPal or BC OneStop in order to provide a "one-stop shop" for licenses and permits to streamline compliance for small businesses.

Merritt should integrate with a portal that summarizes the requirements to obtain various permits and licenses. These "one-stop shops" offer a single location where businesses can easily see what permits and licenses they require from various regulating bodies as well as federal, provincial, territorial and participating municipal governments. This will help to reduce business owner confusion and allow for greater ease of access to the business licence process.

**Recommendation:**

> ***The city of Merritt should join BizPal or BC OneStop to provide a "one-stop shop" for business owners when starting up a new business.*** *These "one-stop shops" offer a single location where businesses can easily see what permits and licenses they require from various regulating bodies as well as federal, provincial, territorial and participating municipal governments. This will help to reduce business owner confusion and allow for greater ease of access to the business licence process.*

## Utilize 'process improvement approaches' whenever possible with the business licencing process

Fundamentally it is always important for a municipality, or any organization, to be continually reviewing and updating all its processes, policies and procedures. Countless studies and paradigms exit to support this conclusion. One such idea could include implementing a short feedback survey at the end of the business licence application process.

**Recommendation:**

> ***The city of Merritt should implement any number of process improvement approaches into the business licencing process.*** *There are a number of different techniques and processes utilized by various systems. This will help to ensure that the processes in place continue to improve and adapt to changing environments.*

## Leverage the Economic Development Department and community business support organizations to guide small businesses through the business licence process, advocate on their behalf and ensure recommendations and feedback are fed back to the city.

The Economic Development Department can provide leadership on behalf of the city to drive regulatory reform by liaising between city departments, small businesses and residents. Furthermore, the city should consider leveraging existing community business support organizations to help with this process. This can be achieved through the fostering of a mutually respectful and beneficial relationship.

This recommendation was driven by both best practices and survey respondent feedback which pointed to an opportunity for the City of Merritt to leverage the expertise of other business support organizations to help provide information on the business licencing process, with comments such as "*Utilize online services and free things. Don't spend a bunch of tax dollars trying to solve this*".

**Recommendation:**

> ***The City of Merritt should leverage the resources of the Economic Development department and community business support organizations to help guide small businesses through the business licence process, advocate on their behalf and ensure recommendations and feedback are fed back to the city.***

## Reduce the number of business license administration fee categories to 3 categories, based on the main driving factors of the internal administrative processing costs.

To further advance the city's goal to support local businesses and promote a robust business climate, it is recommended that the existing number of business license administration fee categories (38) be reduced to 3 categories, based on the main driving factors of the internal administrative processing costs:

- A basic cost for businesses that do not require any inspections.

- A higher cost for more complex business licence applications which include one or more inspections – available quantitative and qualitative data has shown a direct linkage between inspections and higher internal processing costs (and time).

- A higher cost for larger buildings where one or more inspections are required – once again, available quantitative and qualitative data has shown a direct linkage between the size of the premises and the amount of time required to do a site inspection. Larger buildings require more time and therefore generate higher internal processing costs.


Additional advantages of reducing the number of business licence administration fee categories include:

- Improve the ease of use: the current system was created incrementally over many years, and as a result is complicated and not well understood by staff.

- Higher quality data: the complexity of the current system has led to data inconsistencies, or lack of any data entry; and,

- The reduced number of fee categories will make it easier for business owners to understand and navigate.


**Recommendation:**

> ***The city of Merritt should reduce the number of business license administration fee categories from 38 to 3, based on the main driving factors of the internal administrative processing costs.*** *This will result in improved ease of use for internal staff while at the same time reducing applicant confusion and streamlining the process overall.*

## Use the new digital business licence system to track more data and ensure the data being tracked is of interest to business owners and the City of Merritt.

The recently implemented business licence software, along with the development of a new business licence application offers the opportunity to start to track more data in the business licence process. This data can prove to be very useful for different departments within the city as well as for generating useful statistics and reports for the general public.

Most businesses who participated in the online survey indicated that they would be interested in being able to access information and reports about business licence data (73%), this interest was supported by comments such as: "*Be transparent and publish regular stats with interesting info; list of businesses that hold a current license on the city's website is outdated*". As a follow-up to this question, participants were asked what kind of information they would find useful, which is summarized in Figure 21.0.

**Recommendation:**

> ***The City of Merritt should identify some key datapoints of interest and use this opportunity to start collecting this data for internal use as well as for generating useful statistics and reports for the general public.*** *A list of suggested datapoints is summarized in Figure 21.0.*

## When supplying information to the business community, ensure that online content is provided, relevant and up to date.

When business owners were asked what media formats are their preferred channels to receive information and data from the city, over 80% of the responses were in favour of some form of online content. This ranged from E-mail (31%), the city website (31%) and social media (18%).

After online formats, the next highest preference was for centralized workshops or classes (9%). Relating back to earlier responses, this could be an opportunity to leverage existing business support organizations to deliver this information and content such as Community Futures Nicola Valley, Merritt and District Chamber of Commerce and the Merritt Small Business Centre.

Lastly, radio (6%) and mail brochures (3%) were indicated as other acceptable forms of information delivery.

**Recommendation:**

> ***The City of Merritt should strive to deliver business licence information in the form of online content that is relevant and up to date.*** *When business owners were asked what media formats are their preferred channels to receive information and data from the city, over 80% of the responses were in favour of some form of online content. This ranged from E-mail (31%), the city website (31%) and social media (18%). Brochures scored lowest in the order of preference (3%).*

The city should implement changes to the new software system in business licencing to track staff time and client time.

The current business licence data and newly setup software is not currently collecting the actual internal staff time and therefore associated costs with each business licence application. It was discovered however, that there could be a way to use the new system to track this information and generate accurate business licencing costs going forward.

Furthermore, there may be an ability for the system to track times in the process where the staff are waiting on additional information from the business owners. This information would be very valuable in understanding if a long processing period for a given business licence application was the result of internal processing delays or delays caused by waiting for applicants to respond with additional information.

**Recommendations:**

*The City of Merritt should enable criteria in the new business licencing software to track staff time to get a better understanding of the costs associated with business licencing.* This data can then be used to determine accurate business licencing costs and the associated fees if the city wishes to run business licencing as a revenue neutral function.

*The City of Merritt should enable criteria in the new business licencing software (if possible) to track time when the city is waiting for applicants to respond with additional information.* This will enable the city to see if internal processing time is the cause for a delay or if the delay is caused by waiting on applicants for additional information.

Section 2: Technical Report

# Business Licensing Best Practices:

## Publish permitting and licensing processes online - include the pertinent contact information, timelines for completion at each stage, cost, and number of procedural steps related to each process[1]

Circulate permit and license process maps amongst city staff and post online for the public. Include details, such as key contact information, average timeline, average cost, and average number of procedural steps.

| | |
|---|---|
| **Benefits** | •Process maps support consistency within city staff<br>•They help staff to understand various roles within the department<br>•They help staff to answer questions regarding process, times and cost<br>•They provide a better customer experience through consistency in messaging and a better overall understanding of the process. |
| **Potential Barriers** | •Lack of technical skills, understanding and resources. |

## Provide a "one-stop shop" for licenses and permits to streamline compliance for small businesses[2]

Municipalities should integrate with a portal that summarizes the requirements to obtain various permits and licenses. Finding out which government requirements apply to a certain business type can be confusing, time consuming and frustrating for business owners. These "one-stop shops" offer a single location where businesses can easily see what permits and licenses they require from various regulating bodies as well as federal, provincial, territorial and participating municipal governments.

Two such "one-stop shops" are currently in existence in the province of BC:

**Bizpal:**

BizPaL is an innovative online service that provides business owners with simplified access to information about business permits, licences and other requirements needed to establish, operate and grow their business.

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[1] Innovating Permitting in Boston | Jessica Huey | Regulatory Reform for the 21st Century City Project | July 2014

[2] San Francisco's User-Focused Model of Government Service | Denise Linn | Regulatory Reform for the 21st Century City Project | January 2015

**BC OneStop Business Registry:**

OneStop can be used to complete business registrations online as well as apply for any other permits and licences business owners may require.

| | |
|---|---|
| **Benefits** | •They are free for business owners<br>•They save business owner's time and confusion<br>•They are available 24/7<br>•They offer another access point for the city's business licences |
| **Potential Barriers** | •It takes resources to integrate the city business licencing with these portals<br>•Information presented to business owners could be inaccurate |

## Enforce a customer service mentality through small business feedback and performance management metrics[3]

Cities should create a customer service culture within city staff, regardless of the regulatory task (issuing permits, performing inspections, etc.), that appreciates the monetary value of time to small businesses.

| | |
|---|---|
| **Benefits** | •Providing friendly and helpful customer service will encourage small business and residents to partake in the proper process for permitting, license and compliance<br>•It will reduce the number of complaints received by the city<br>•It will foster a sense of "working towards a solution" |
| **Potential Barriers** | •Resistance to systematic change<br>•Difficulty of measuring customer service experience |

## Utilize 'process improvement approaches' whenever possible[4]

Fundamentally it is always important for a municipality, or any organization, to be continually reviewing and updating all of its processes, policies and procedures. Countless studies and paradigms exist to support this conclusion. Some examples include Toyota's famous Kaizen Philosophy which laid the foundation for other processes of continuous improvement such as Lean, Six Sigma, 5s, etc.

There can be a role for the Economic Development Department in the facilitation of feedback to the city from the business community with regards to processes and procedures. This feedback loop offers an opportunity for improvement within the system.

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[3] In 2009, the New York City: Regulatory Review Plan recommendations to the Mayor and Council Speaker based on small business feedback from the five boroughs| 2009

[4] Case Study: On the Go - Insights into Food Truck Regulation | Jessica Huey | Regulatory Reform for the 21st Century City | March 2015

| Benefits | • Continually improving processes and procedures enables the city to save time and money<br>• Process improvement results in higher customer satisfaction<br>• Process improvement results in better outcomes and products<br>•The business world is an ever-evolving universe. Continuous process improvement enables cities to quickly adapt to changing times and technologies. |
|---|---|
| Potential Barriers | •Resistance to systematic change<br>•Lack of technical skills, understanding and resources |

## Appoint a Regulatory or Small Business Ombudsman to guide small businesses through the regulatory process, advocate on behalf of small business when problems arise, and ensure small business recommendations and feedback are incorporated into the development and implementation process[5]

Cities should appoint a Regulatory or Small Business Ombudsman that can provide leadership on behalf of the city to drive regulatory reform. This person can liaise between the city departments, small businesses and residents.

This is a natural role for the Economic Development Department and something they should be already facilitating. This feedback loop offers an opportunity for improvement within the system.

| Benefits | • Establishing a leader on behalf of the city will provide a clear statement of the importance of regulatory reform and small businesses to city agencies, small businesses and residents<br>• This effort can increase trust, accountability, transparency, and insight related to reforms that small businesses and residents need most<br>• This additional level of support can help to salvage the relationship between a business owner and the city and help to support new businesses that might not otherwise succeed |
|---|---|
| Potential Barriers | • Resistance to change<br>• Budgetary constraints<br>• Lack of political support |

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[5] City of Chicago: Special Deputy for Regulatory Reform - Report on Municipal Code: Regulatory Review and Recommendations | 2014.

# Regulatory Best Practices

## Perform a "rigorous" assessment when approaching licensing and permitting reform[6]

Best practice suggests that a thorough and systematic assessment be undertaken, particularly when issues are complex or contentious. The five practices identified below are ones that should be undertaken during the assessment period.

**Generate options.** Have a variety of terms and conditions been considered that would result in the best outcome for most people? Has research been undertaken that would help inform the options being considered? Have other municipalities been contacted, particularly neighbouring municipalities that may have experienced similar problems? Have non-prescriptive approaches been fully considered?

**Compare and assess options.** Have the options been analyzed in terms of short and long-term costs and benefits? Have unintended outcomes and consequences been anticipated? Has stakeholder input been fully considered? Has the option that will achieve the highest level of voluntary compliance been selected? If not, why not? Is the analysis documented in a report to council? Is this information publicly accessible?

**Re-evaluate the "final draft" option**. This is a central aspect of finalizing any regulatory measure. The evaluation should address commonly accepted principles of good regulatory practice.

**Make costs of complying reasonable**. Are proposed licence fees or fines reasonable relative to the significance of the matter? How do they relate to the actual costs of administration and enforcement? How do they compare with nearby municipalities? What are the consequences of too high or too low a fine or licence fee? Will too low a penalty result in people ignoring the regulation? Have the cumulative indirect costs of compliance been considered?

**Ensure reliable enforcement**. Have steps been taken to ensure that those who administer the bylaw have the resources to respond in a timely way? Does the municipality have bylaw enforcement officers to accommodate the anticipated new responsibilities? Or, if there are going to be new administrative requirements, does staff have the capacity to add these to their work program?

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[6] Section 3.6.1.2 - Regulatory Best Practices Guide, Ministry of Community, Aboriginal & Women's Services – March 2014

## Make sure that a clear conclusion is established and understood (to both internal staff and external stakeholders)[7]

After assessing and selecting terms and conditions, municipal administrators will give direction for bylaw drafting. Best practice research addresses this key element and also points the way to further processes. Here are five practices that municipal governments may consider:

**Write in plain language**. Is the bylaw clearly written and easy to understand? Will complexity lead to unintended consequences? Will citizens and businesses understand the rules and their impact?

**Explain the reasons for a decision**. Is it clear what factors were taken into account in the decision-making process? Can the decision be publicly justified? How has the outcome reflected public and stakeholder input?

**Consider other ways to increase compliance**. Would a regulatory bylaw benefit from complementary measures such as a companion education program or third-party monitoring? When the bylaw comes into effect, would a news release and media backgrounder be helpful to assist in an understanding of the issue and its resolution?

**Set up a way to evaluate effectiveness**. Have measures of effectiveness been identified? Has a monitoring system been established? Is there a commitment to report back on the effectiveness of the new (or amended) regulatory bylaw after a reasonable period of time?

**Commit to a review**. Will this regulation be regularly reviewed to ensure that it is still appropriate and necessary? Is there a "sunset clause" in the bylaw? Or, has another expiry provision been incorporated? If not, what are the reasons why either provision cannot or should not apply?

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[7] Section 3.6.1.3 - Regulatory Best Practices Guide, Ministry of Community, Aboriginal & Women's Services – March 2014

## Involve those affected by the bylaws[8]

**A Communications and Consultation Process**
There is much to gain when regulation is approached in an open and transparent manner. Consultation increases opportunities for effective problem-solving by engaging those with interest and ideas. It also helps to air opposing interests and practical problems. And, importantly, because the issue is to be openly discussed, it may increase voluntary compliance and reduce enforcement costs.

When a municipality – or group of municipalities – is considering regulation as the principal means of problem-solving, staff will generally develop a communications and consultation plan and submit this to council(s) for review. A typical communications and consultation process usually includes:

- the identification of interested parties. This will include those individuals, businesses and organizations potentially affected by any form of regulation, groups that have a wider interest and, perhaps, other levels of government. And importantly, if the municipality has its own internal review processes – staff committees, standing advisory committees– these need to be identified;
- the proposed means of communicating with interested parties on an early and ongoing basis. This may involve media relations, paid advertising, newsletters, mailings, web site, and local radio talk shows. The identification of a spokesperson is also important. This could be a member of council or a senior staff person; and
- the proposed means of consulting with interested parties. This may involve stakeholder meetings, an ongoing advisory group, public meetings, open houses and surveys, or a combination of these. Dates and venues for events benefit from being scheduled well in advance.
- the identification of what written and web-based information is needed. As much information as possible should be provided to ensure informed input and decision-making. This would likely include background information used for defining the problem, any resource material from other municipalities that have tackled the issue, and any work done on the costs and benefits of alternative regulatory approaches.
- a clear and defined time frame for consultation, along with an identification of any milestones and a general date for reporting back to council. At times, processes become unnecessarily complex or time consuming if the time frame is not clearly defined at the outset.
- the anticipation of costs. These are important considerations for council, particularly if the current budget did not anticipate the need for this process. Staff costs will include time for organization of the consultation process, analysis of the input and an assessment of any unintended consequences.
- the identification of how to be accountable. When a decision is made – or regulatory bylaw is adopted or amended – those who had input into the consultation process want to understand how their input influenced the outcome. A public report that describes the consultation process and the input and feedback received is one way of demonstrating accountability.

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[8] Section 3.6.2 - Regulatory Best Practices Guide, Ministry of Community, Aboriginal & Women's Services – March 2014

## Findings from Online Survey and Community Engagement Sessions

Overall, 43 online responses were collected from late November to the end of December 2018. These were complimented by two different community engagement sessions: a roundtable session with Community Futures Nicola Valley, the Merritt and District Chamber of Commerce and the Merritt Small Business Centre.

With a sample size of 43 and a population size of 675 (the total number of business licences in 2018), this data is statistically significant, representing a 95% confidence level and 14.5% confidence interval. In other words, there is a 95% chance that the data in the report is representative of the population as a whole, plus or minus 14.5%.

When looking at the industry sector representation (summarized in Figure 3.0 below), we can see that a very diverse group of businesses offered their feedback and suggestions on the current business licence process in Merritt. This is excellent representation because it represents a diverse viewpoint of the process, which is important because the business licence process needs to be robust enough to handle any type of business interested in applying for a business licence.

Figure 3.0: Industry Sectors Represented in Online Survey



Industry Sectors Represented in Online Survey

| Sector | Percentage |
|---|---|
| Retail Trade | 20.93% |
| Real Estate and Rental and Leasing | 4.65% |
| Professional, Scientific and Technical Services | 6.98% |
| Other Services (except Public Administration) | 9.30% |
| Manufacturing | 4.65% |
| Information and Cultural Industries | 2.33% |
| Health Care and Social Assistance | 6.98% |
| Finance and Insurance | 6.98% |
| Construction | 20.93% |
| Arts, Entertainment and Recreation | 4.65% |
| Agriculture, Forestry, Fishing and Hunting | 2.33% |
| Accommodation and Food Services | 9.30% |

Figure 4.0: What was the year of your most recent business licence(s)?
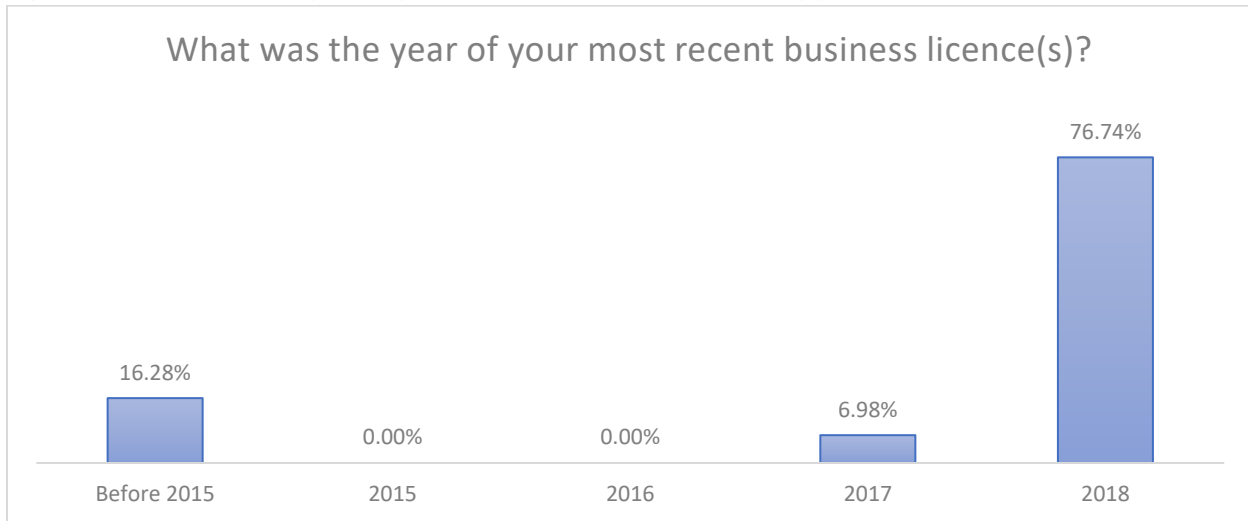


Looking at the table above (Figure 4.0) we can see that nearly 85% of the survey respondents have recently applied for a business licence (2017 or 2018).  This is excellent as the process will still be fresh in their memories and the idea of improving the business licence system will be very topical for them.

We can also see from the data (summarized in Figure 5.0 below), that just over 25% of the survey respondents represent new applications while just under 74% represent renewals or amendments. Looking back at Figure 2.0, we can see that on average, over the last 4 years, 88% of business licences issued in a given year are renewals. This means that our survey data represents about double the number of new applications expected in a normal year's distribution. Given the objectives of this project, this over-representation is very favorable as the bulk of the complexity in a business licence application process is with new applications (renewals are generally straightforward).

Figure 5.0: For your most recent application, did you obtain a new license or renew or amend an existing license?
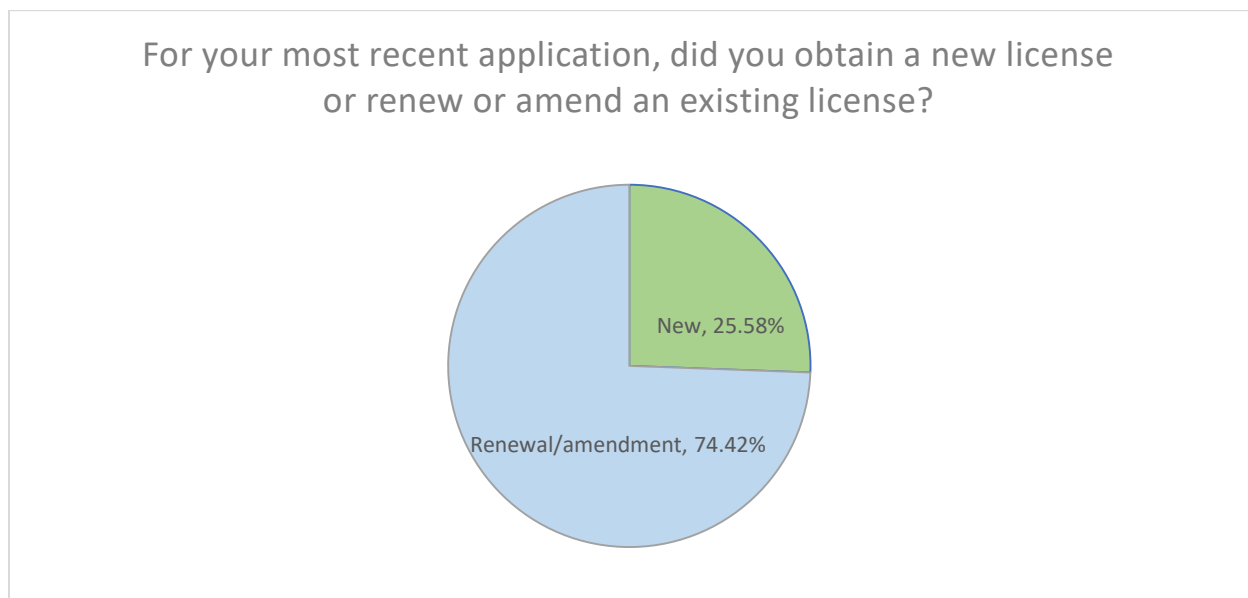
Figure 6.0: Please rate your overall satisfaction with the business licensing process?

**Please rate your overall satisfaction with the business licencing process?**

| Category | Percentage |
|---|---|
| Very satisfied | 11.63% |
| Satisfied | 30.23% |
| Neither satisfied nor dissatisfied | 16.28% |
| Dissatisfied | 13.95% |
| Very dissatisfied | 20.93% |
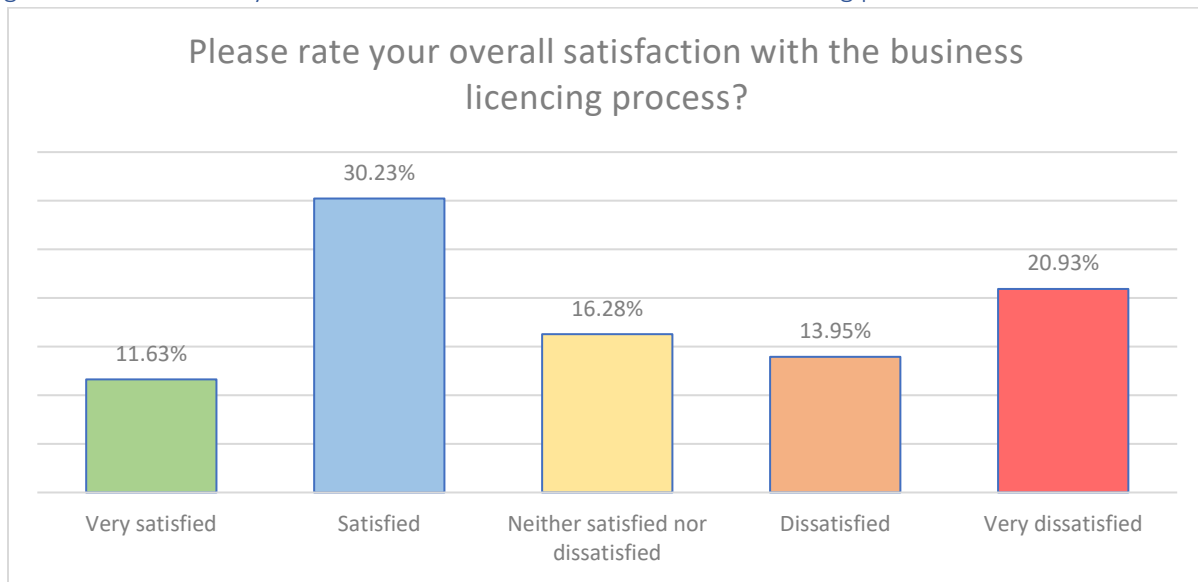
Looking at Figure 6.0 above, most of the comments that were associated with satisfied to very satisfied responses were attributed to business owners who most recently were doing a business licence renewal. It would appear from these responses that the current renewal process is easy, fast, affordable and convenient. Some examples of comments include: "*Receive invoice in early December as reminder. After payment is made, our license is sent to us in a timely fashion.*" And "*Very simple we get a bill and we send a cheque to the city.*", lastly "*It's easy. Pay the money. Get a license. Renewal was easy*".

When looking at the dissatisfied responses, all of them were related to getting a new business licence and a number of key themes emerged, as outlined in Figure 7.0 below:

Figure 7.0: Reasons for Dissatisfaction with the Business Licence Process

**Reasons for Dissatisfaction with the Business Licence Process**

| Reason | Percentage |
|---|---|
| Criteria | ~7.5% |
| Costly | ~14.8% |
| Slow | ~29.6% |
| Inspections | ~14.8% |
| Confusing/Hard to find Answers | ~33.3% |
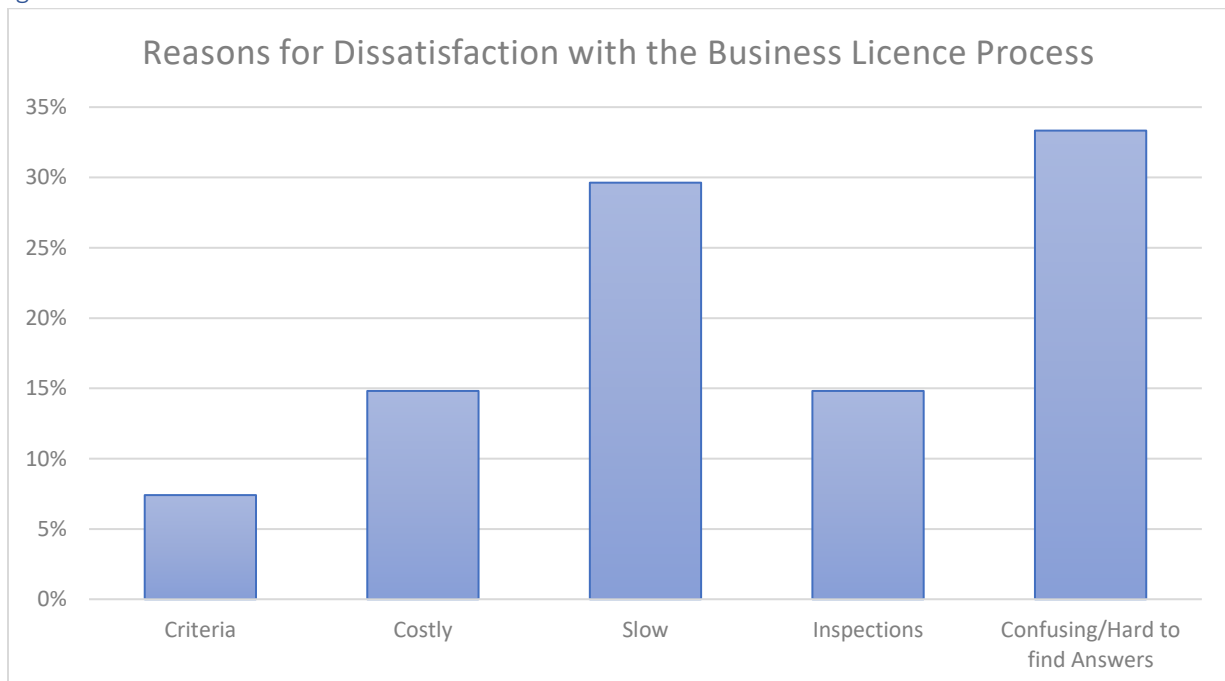
The largest theme was related to comments indicating that business owners found the business licence process confusing, they did not understand reasons for requirements and found that they could not easily find answers to these questions (33% of responses). Some comments related to this theme included: "*Jumping through too many hoops to get a license. City wants too many odd conditions for license*" and "*The application wasn't clear on expectations and inspections were unorganized*".

The next two largest themes were directly related, which were a feeling that the process was too slow (30% of responses) and that inspections were often the cause of these delays (15% of responses). Some examples of these comments included: "*It took a long time to have inspection done*" and "*Very slow to get our license…*"

An experience which was shared in the online survey and reflects the majority of the dissatisfaction with the process is summarized below:

"*After placing my application, it took almost 6 weeks for my application to be completed & approved. When making inquiries about signage, parking etc., the staff member did not know the answers to several questions… The entire process was so disjointed, with staff that are in place for these processes very uninformed about the Bylaws and requirements around business licensing*"

Figure 8.0: How would you rate the customer service of the staff you interacted with during the business licence process



Looking at the responses related to staff customer service (Figure 8.0 above), the bulk of the responses indicated that business owners navigating the business licencing process felt that the level of customer service they received in all categories overall was moderate or better.

The highest rated category was for staff friendliness. When looking at the lowest ratings, the "willingness to identify solutions to problems" was associated with the poorest ratings, this was

followed by the "ability of staff to answer technical problems" and, not surprisingly overall feelings of staff helpfulness.

It should be mentioned that there was a large dichotomy of responses when it came to staff's abilities to answer technical questions. About half of the reasoning given for these ratings indicated that the staff had a very poor ability to answer technical questions, while the other half felt the staff were overall knowledgeable and friendly. These responses along with other earlier responses would seem to indicate that the likely cause for this split is related to the ability of staff members to answer questions outside of their own scope.

For example, a number of the negative or poor ratings seemed to be in response to the "front desk staff", who would appear to be lacking formal knowledge of the business licencing process or reasons why information is required on the application. It is apparent that dissatisfied business owners expect them to have more knowledge about the process.

Another common theme which was partially related, was the feeling that staff members were "always passing the buck" and would often respond to questions indicating that it was another staff members responsibility or that they were the cause of the "hold-up".

Some examples of reasoning given for these responses includes: "*Front desk staff was not sure in which category my business fits..*" and "*The answer was always the same: "we're sorry but that's just how it is""*", lastly "*They had no idea what was required for our business, so we had to research for them or we had to "prove it was not correct" by providing our own information*".

Figure 9.0: How would you rate the effectiveness of the communication throughout the process?
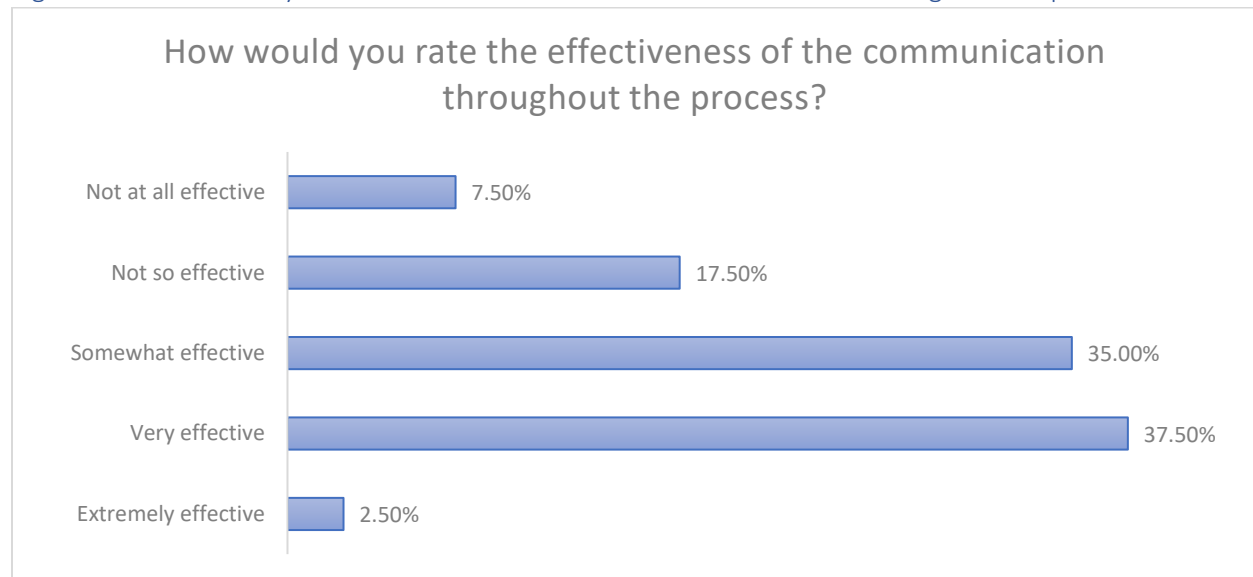


When looking at the effectiveness of the communication throughout the process, surprisingly the bulk of the responses rested in the "very effective" to "somewhat effective" range. Given earlier responses to questions, these data would seem to indicate that communicating itself is not an issue, instead it would appear that the lack of ability to answer questions or the ability of the business owners to understand what is required of them in the business licence process is the underlying problem.

Figure 10.0: Was it clear what supporting documents were required with your application?



Was it clear what supporting documents were required with your application?

- Not at all clear — 2.70%
- Not so clear — 10.81%
- Somewhat clear — 32.43%
- Very clear — 48.65%
- Extremely clear — 5.41%
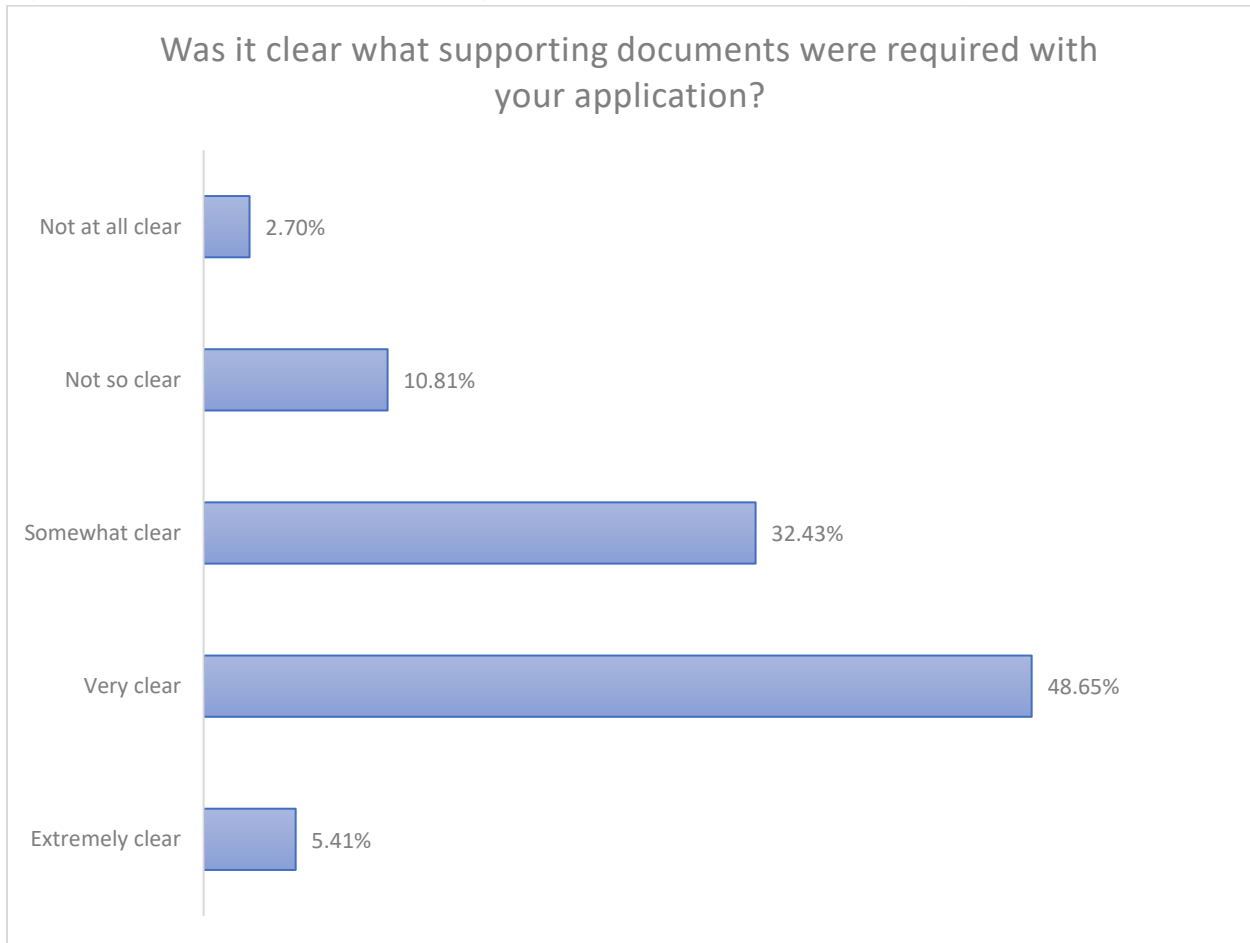
Looking at the responses to the question "Was it clear what supporting documents were required with your application?", just over 54% of the responses indicated that it was very to extremely clear to them what supporting documents were required. This data at first glance does not seem to support earlier comments made which expressed the exact opposite opinion. Upon closer analysis, earlier data indicated that nearly 75% of the participants in this survey represented business licence renewals, which were overwhelmingly reported as being simple, straightforward and fast. If we assume that the upper end of "clarity" responses reflected these business owners who were referring to the renewal process and remove them from the dataset, we see that the highest response for new business licences would be "Somewhat clear", representing 50% of the responses, followed by "Not so clear" at 40% and "not clear at all" at 10%.

Comments offered as explanations for respondents' answers above, which concur with this analysis include: "*Renewal is easy and straightforward*", along with comments such as "*Piecing together all the odds and ends needed to apply for a business license, a sign permit or a building permit in Merritt was an extremely frustrating experience*" and "*When it comes to small businesses, make it an easy experience. We should be fostering small business and getting them up and running quickly*".

Figure 11.0: Thinking of the current cost for your business licence, would you say:



Thinking of the current cost for your business licence, would you say:

It is too low
0%

It is reasonable
65%

It is too high
35%
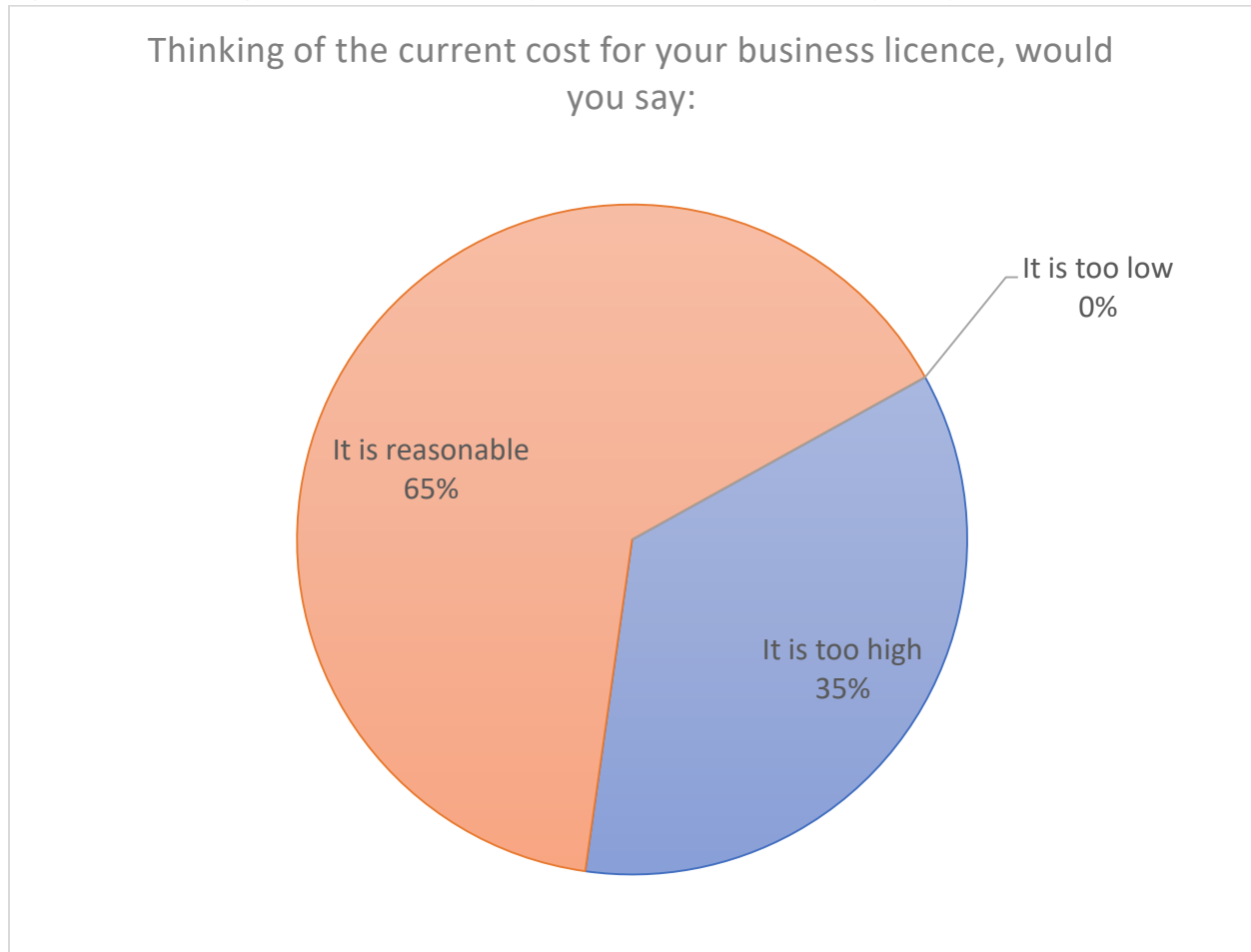
When asked about the current cost of a business licence, the majority (65%) did think that the current pricing was reasonable (Figure 11.0 above). It should be noted that questions around costs inevitably bias towards wanting to pay less, as virtually no individuals will voluntarily want to pay more for an item they are already purchasing. Keeping this bias in mind, a response rate of 65% indicating that the current pricing is reasonable indicates that there is not a huge concern about the current pricing of a business licence.

## Mobile Business Licencing

**What is a Mobile Business Licence?**

The Mobile Business Licence allows mobile businesses to run their business across multiple municipalities and regional districts. It is also known as an Inter-Community Business Licence or Inter-Municipal Business Licence. Its intention is to help streamline and simplify the licensing process, reducing the cost for business owners and making it easier to do business in BC[9].

There are a number of different examples of types of businesses which would benefit from a mobile business licence. Some examples include: mobile food vendors, trades and construction businesses and other service related companies (such as photographers for example).

**How the does Mobile Business Licence Work?**

Typically, when purchasing a business licence from your local government, you will be offered the opportunity to purchase an additional Mobile Business Licence. This will allow you to operate in the municipalities and districts participating in the agreement. Using Okanagan-Similkameen as an example, by purchasing your base licence and a companion Mobile Business Licence for an additional $150, you will be allowed legally work in all 19 municipalities and regional districts participating in the agreement[10].

**The Benefits of a Mobile Business Licence[11]**

- Reduces the cost and time of buying multiple licences.

- Saves you the burden of remembering to renew each licence, if purchased at different times.

- Simpler process gives less room for errors and non-compliance.

- Provides access to a larger target market, across more than one municipality.

- Allows consumers a greater choice of service providers and businesses, enabling your reputation to grow your business, no matter the location.

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[9] Small Business BC – Understanding Mobile Business Licences: https://smallbusinessbc.ca/article/understanding-mobile-business-licences

[10] Small Business BC – Understanding Mobile Business Licences: https://smallbusinessbc.ca/article/understanding-mobile-business-licences

[11] Small Business BC – Understanding Mobile Business Licences: https://smallbusinessbc.ca/article/understanding-mobile-business-licences

Figure 12.0: Would your business be interested in inter-community business licensing?



When survey participants were asked: "Would your business be interested in an inter-community business licensing?", 34% of respondents indicated that yes, they would be. This response shows that there is already existing current appetite by business owners in Merritt for an Inter-community business licence.

It should also be mentioned that this data does not capture external (non-local) businesses who are either currently operating without a licence in Merritt or who might be considering operating in Merritt if an inter-community business licensing option was available.

All of staff involved in the business licensing process were asked if they could foresee any negative impact associated with implementing an inter-community business licence and if they would be supportive of such a measure. All staff members were supportive of the idea of Merritt adopting inter-community business licensing.

Currently there are 15 different inter-community business licensing agreements in place in BC, ranging in size from two (2) municipalities to 19 municipalities. When researching these options, it became apparent that no visual map exists to identify these various agreements, so one was created for this report using available information online (Figure 13.0 below). Based on this visual map, it would appear as though the Okanagan-Similkameen Area ($150) and the Fraser Valley Area ($250) inter-community business licensing agreements would be the two most logical agreements for Merritt to consider joining.

Figure 13.0: Map of Southern BC showing the geographic coverage of various inter-community business licensing agreements.
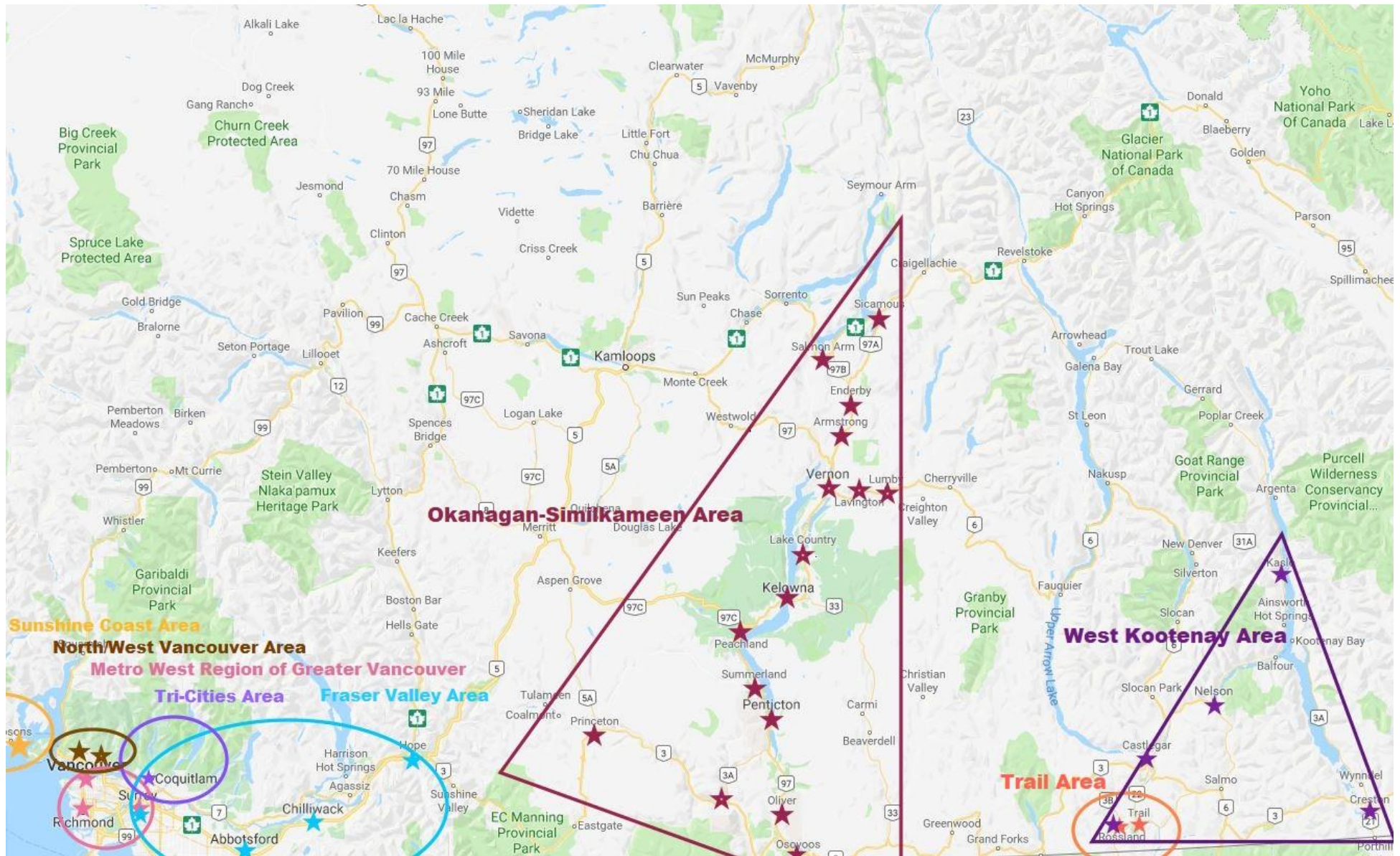
## Short Term Business Licences

**What are short-term business licences?**

Some municipalities are beginning to offer shorter term business licences in recognition of businesses which only operate for a short period of time in the year. A classic example of a business which would benefit from the addition of a short-term business licence would be a seasonal venture.

**The benefits of short term licences**

For seasonal businesses, such as mobile food vending or some tourism related businesses, the benefit is simple: a reduced price when compared to an annual business licence. There are benefits for municipalities as well; lower fees may increase the number of seasonal businesses that choose to purchase a licence, potentially offsetting the revenue loss of a reduced purchase price. The end result offers another advantage: more complete and accurate business data.

**The drawbacks of short term licences**

The administrative costs to the city are the same as full term licences, which is less than ideal from a revenue neutrality perspective. This reduced fee could result in lower net city revenues if there is a large portion of seasonal businesses who currently purchase a yearly licence.

Survey respondents were asked if they would support the idea of both a 1 month and 3-month business licence. The results of these questions are summarized in Figure 14.0 below:

Figure 14.0: Would you support the idea of the City of Merritt offering short-term business licences?
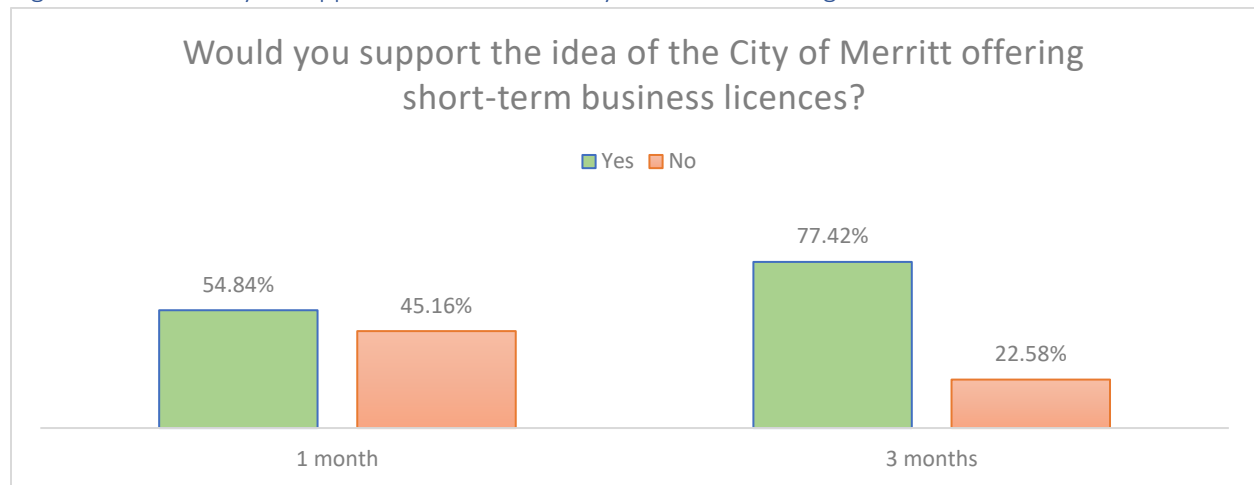


Overall it would appear that there is a majority interest from the business community when it comes to the city offering short term business licences as an option going forward. Based on the responses, it would appear that there is much stronger interest in the idea of a 3 month vs. 1-month period for the short-term business licence category.

All of staff involved in the business licensing process were asked if they could foresee any negative impact associated with implementing short-term business licences and if they would be supportive of such a measure. All staff members were supportive of the idea of Merritt adopting short-term business licences but were cognizant of the fact that just as much work could be involved for a short-term licence as an annual licence.

## Exemption for Hobby Businesses

**What is an exemption for hobby businesses?**

The concept is simple; businesses that are operated as a hobby (i.e. not the primary source of income) or new business ventures which are just testing the market are not required to purchase a business licence. Currently all businesses operating in the City of Merritt, regardless of their size, are required to purchase a business licence. In reality, many hobby businesses or entrepreneurs just testing the market do not purchase a business license. It is also very hard for the municipalities to enforce such measures and they often "turn a blind eye" in the interest of giving these fledgling businesses a chance to grow.

**The benefits of exemptions for hobby businesses**

The biggest major benefit of an exemption, for hobby business is that it enables the business licence system to better "capture" hobby business data and ensure that there is compliance with health and safety.

Another advantage is that it reflects the reality of new ventures and small businesses not having the capital to buy a licence and could act as a differentiator when it comes to attracting new business ventures. This is also sending a strong message that the city is supportive of entrepreneurs and new business ideas.

**The drawbacks of exemptions for hobby businesses**

In reality it can be difficult to define "hobby" or enforce this option. Furthermore, it can open up the door to people "gaming the system" and delaying purchasing a business licence. In addition, an option such as this can lead to resentment from other business owners who are required to purchase a business licence.

When survey respondents were asked if they felt there was a need for the creation of an exemption for hobby businesses, the business community was much more divided (Figure 15.0 below).

Comments related to these responses reflected either a general feeling that offering a hobby exemption could help spur entrepreneurship and new business creation by reducing barriers. On the flip side, there were a number of business owners who felt that this system would be "gamed" by individuals and that it was "unfair" that they would have to pay for a business licence while someone else, who is also running a business (albeit a smaller one) would not.

Figure 15.0: Do you feel there is a need for the creation of an exemption for hobby businesses

Do you feel there is a need for the creation of an exemption for hobby businesses that want to sell their wares at more than the Farmer's Market, but don't really make enough money to justify purchasing a business licence?
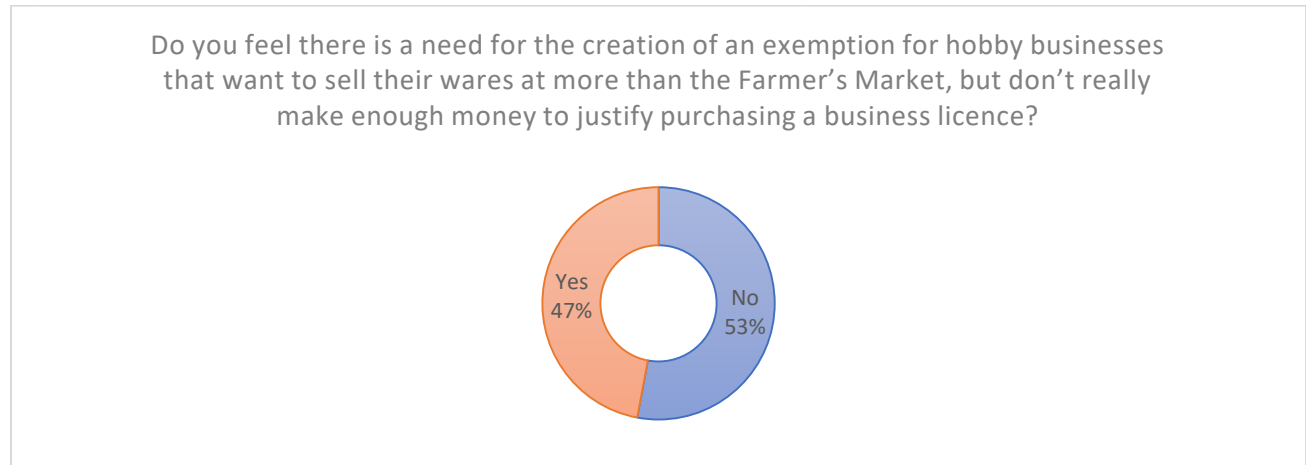


Both sides of the argument agreed that if an exemption was implemented, it would be critical to set an enforceable limit on the amount of revenue generated before the "hobby business" would be considered a normal business. Implementing and regulating this threshold could be challenging for the City of Merritt, unless a metric was selected which was easily accessible by staff. One possible suggestion could be the threshold set by the Province for collecting PST, which is $10,000 (unlike GST which is $30,000). Again – would the expended staff time and resources make this worthwhile enforcing?

Lastly, a comment was made indicating that in effect there already is an "exemption for hobby businesses" as many hobby businesses are likely already in place, operating without a licence undetected.

Survey respondents were asked more broadly at the end of the survey a series of qualitative questions, allowing them to offer suggestions of their own. The following graphs summarize the key trends and themes which emerged from these responses.

Figure 16.0: What suggestions do you have to make the current business licence process more efficient and business-friendly?
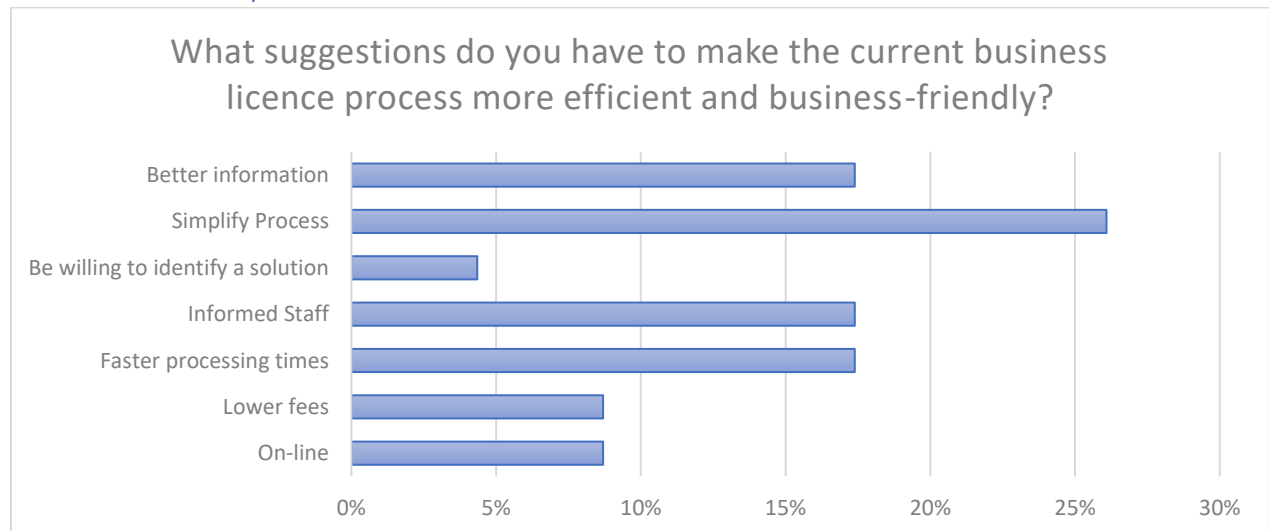
When asked for suggestions to make the current business licence process more efficient and business-friendly, the highest response rates were associated with simplifying the process (26%). This was followed by offering better information about the process (17%) and working to better educate and inform the staff about the process (17%).

Responses related to making the business licence process more business friendly included faster processing times (17%), lower fees (9%) and offering access to business licencing online.

Figure 17.0: What suggestions do you have to reduce administrative burden and costs with the current business licence process?



What suggestions do you have to reduce administrative burden and costs with the current business licence process?
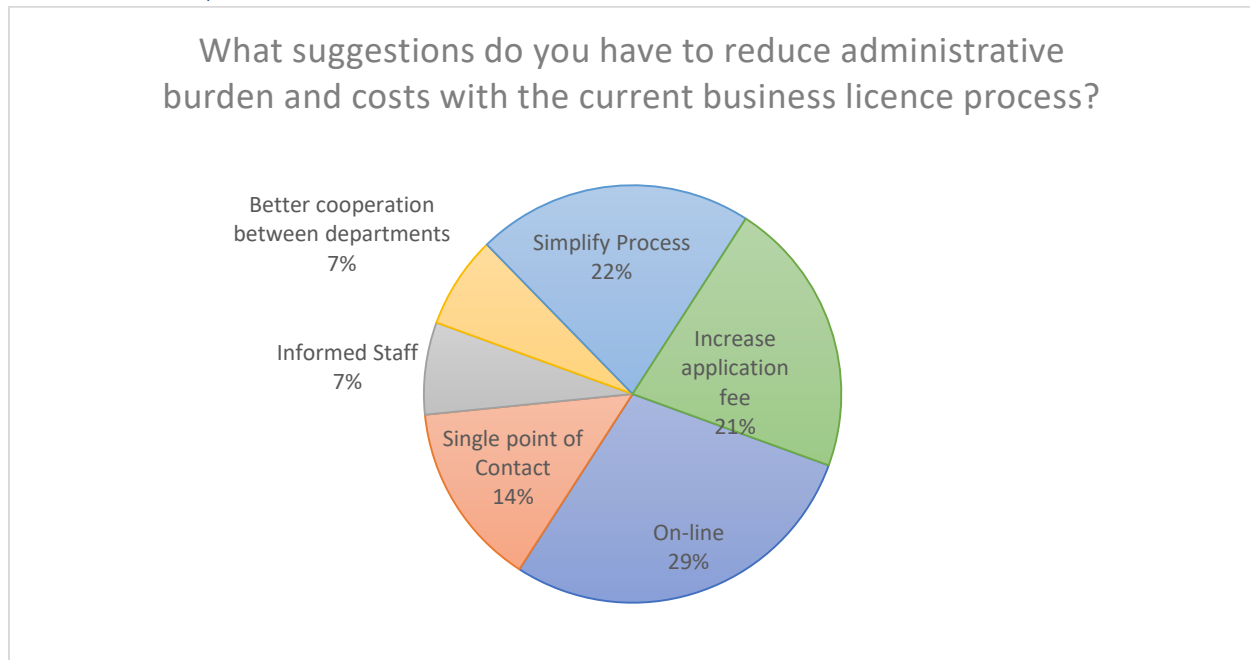
When asked for suggestions to reduce administrative burden and costs with the current business licence process, the highest response rates were associated with bringing the process online (29%). This was followed by simplifying the business licence application process (22%) and surprisingly to increase the application fee (21%). A number of people commented that the application fee, because it was a one time fee, would be more manageable to increase and is also more directly related to the actual administrative costs associated with processing a business plan.

The last three themes are partially related: having a single point of contact for business owners (14%), facilitating better cooperation between departments (7%) and ensuring that the staff are well informed of the overall process (7%) – could all be achieved together. By identifying a single point of contact, ensuring they are well informed with the whole process and getting them to interact internally with the other departments involved in business licencing would streamline the entire process.

Figure 18.0: What suggestions do you have to provide better information and service to the public?
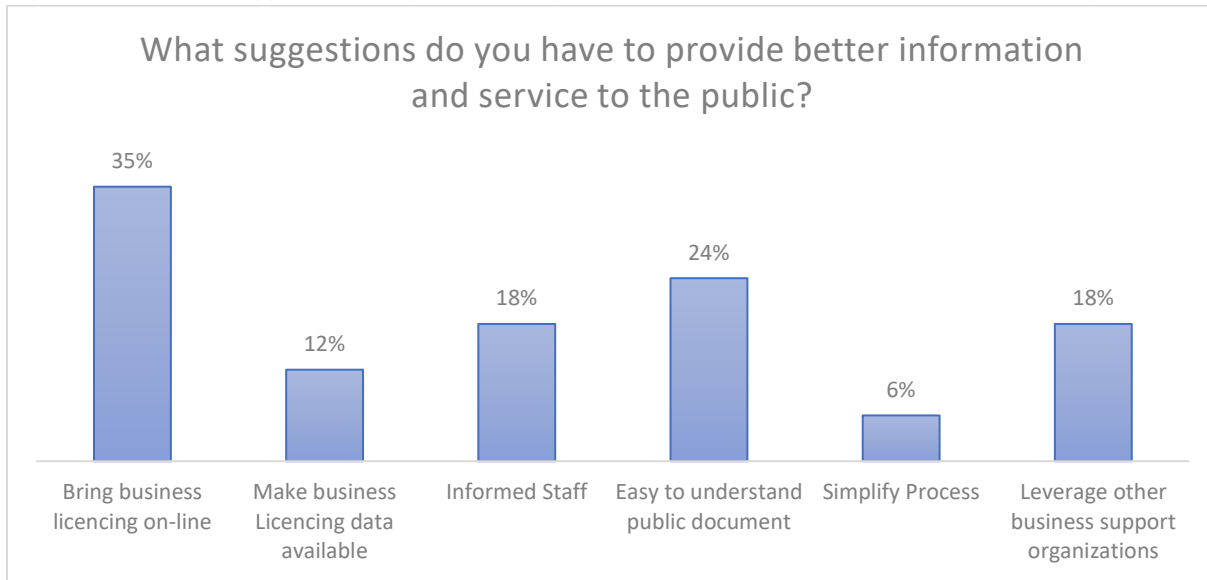


What suggestions do you have to provide better information and service to the public?

When asked for suggestions to provide better information and service to the public, the highest response rates were once again associated with bringing the business licence process online (35%). This was followed by creating and providing easy to understand guides for businesses outlining the business licence application process (24%).

A number of suggestions pointed to an opportunity for the City of Merritt to leverage the expertise of other business support organizations to help provide information on the business licencing process (18%), with comments such as "*Utilize online services and free things. Don't spend a bunch of tax dollars trying to solve this*".

Once again, having a clearly defined process and well informed staff was mentioned (18%) as a suggestion to provide better information and service to the public.

Lastly, making business licence data available to the business community, either through online reports and statistics or some other means such as newsletters or emails, was listed as a suggestion (12%). An example of one of these comments would be: "*Be transparent and publish regular stats with interesting info; list of businesses that hold a current license on the City's website is outdated*".

Figure 19.0: Would you be interested in being able to access information and reports about business licence data?



Would you be interested in being able to access information and reports about business licence data?

Most businesses who participated in the online survey indicated that they would be interested in being able to access information and reports about business licence data (73%). As a follow-up to this question, participants were asked what kind of information they would find useful, which is summarized in the graph below:

Figure 20.0: What sort of information do you think would be useful to the City or that you think businesses would be interested in knowing?



What sort of information do you think would be useful to the City or that you think businesses would be interested in knowing?

- Contact info for business 3%
- Applications in the queue 3%
- Processing time 3%
- Home or Comercial Based 3%
- Seasonal 3%
- Economic Indicators 3%
- Customers per day 3%
- Insured or Bonded 3%
- Professional Association 5%
- Number of Employees 8%
- Comparisons to other cities 3%
- Years in Operation 3%
- Number of businesses in Merritt 13%
- Sales 3%
- Number of applications 13%
- Number of Renewals 8%
- Example of denied application 5%
- Demographics 3%
- Types of Businesses 20%

It should be noted that in 2017 the City of Merritt did a trial run of Economic Indicators each quarter, which can be viewed at:

www.merritt.ca/sites/default/files/quarterly_reports_2017_fourth_quarter_for_website.pdf

One such suggestion is to track business type categories and to align the proposed categories with the North American Industry Classification System (NAICS). NAICS is an industry classification list used by several government departments and businesses that encompasses all economic activities to provide a common statistical framework among Canada, United States and Mexico. This alignment will aid analysts to conduct meaningful assessments of Merritt's economy.

Figure 21.0: Additional data points to be considered for tracking:

| Data Point | Level of Interest |
|---|---|
| Types of Businesses | 20% |
| Number of new business licence applications per year | 13% |
| Overall number of businesses in Merritt | 13% |
| Number of renewal business licence applications per year | 8% |
| Number of employees | 8% |
| Examples of denied applications - reasons | 5% |
| Professional association | 5% |
| Demographics | 3% |
| Sales | 3% |
| Years in operation | 3% |
| Comparisons to other cities | 3% |
| Insured or bonded | 3% |
| Customers per day | 3% |
| Economic indicators | 3% |
| Home or commercial based | 3% |
| Seasonal | 3% |
| Processing time for application | 3% |
| Applications currently in the queue | 3% |
| Contact info for business | 3% |

Figure 22.0: If you were interested in learning more about the business licence process or changes that are implemented, what kind of informational format would you prefer?



If you were interested in learning more about the business licence process or changes that are implemented, what kind of informational format would you prefer?
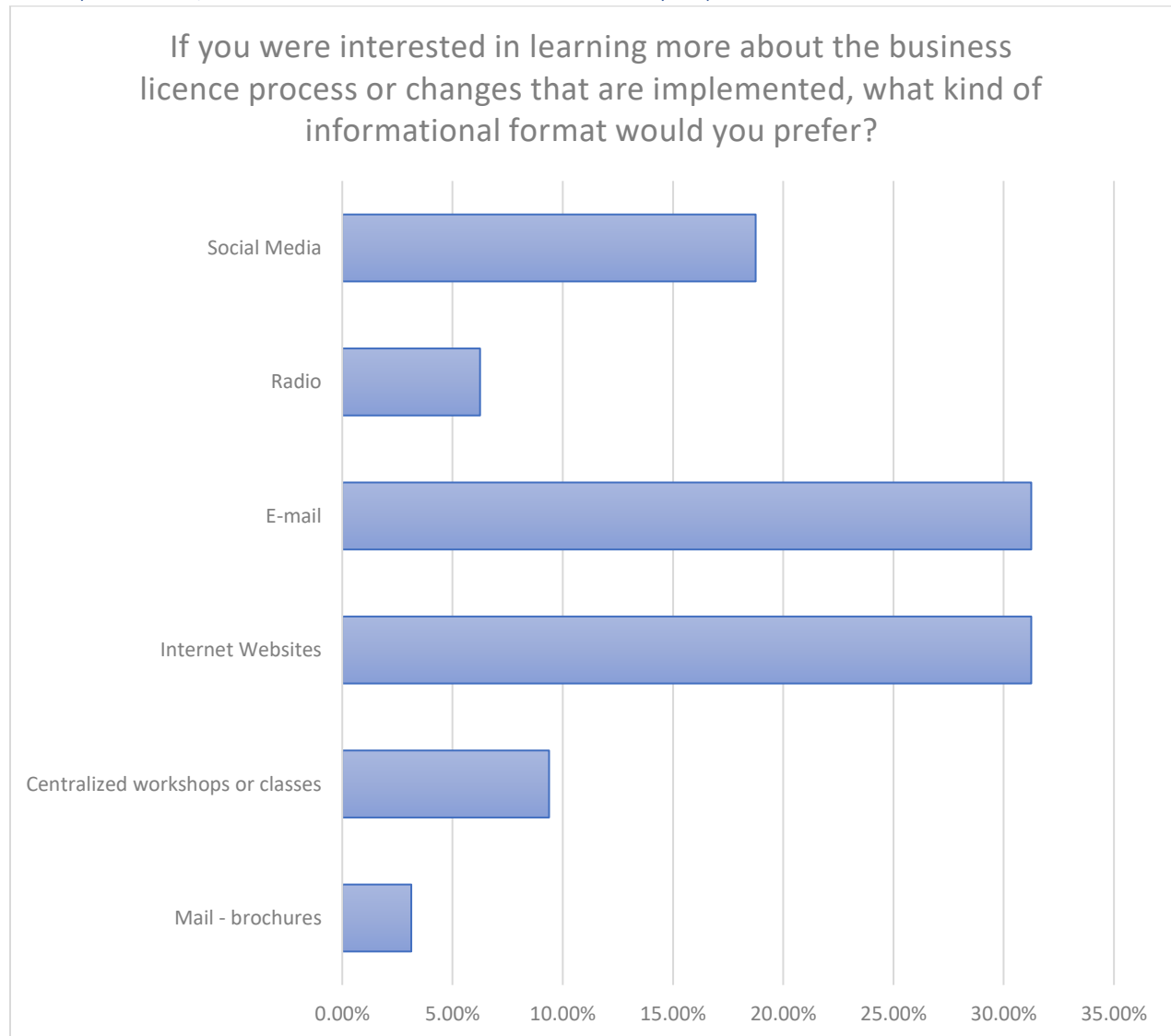
When asked what media formats are their preferred channels to receive information and data from the city, over 80% of the responses were in some favour of some form of online content, ranging from E-mail (31%), the city website (31%) and social media (18%).

After online formats, the next highest preference was for centralized workshops or classes (9%). Relating back to earlier responses, this could be an opportunity to leverage existing business support organizations to deliver this information and content such as Community Futures Nicola Valley, Merritt and District Chamber of Commerce and the Merritt Small Business Centre.

Lastly, radio (6%) and mail brochures (3%) were indicated as other acceptable forms of information delivery.

## Analysis of Current Processing Times:

Data was analyzed from new business licence processing time from February 2016 until December 2018. The average processing time in days for a new business licence in Merritt during these times was approximately three weeks (21 days). However, depending on the distribution of the data, an average is not always a good measure. In this circumstance, when looking at the median processing time we can see that the number of days drops dramatically to only ten (10) days, or less than half of the average.

Quartiles are a useful measure of spread because they are much less affected by outliers or a skewed data set than the equivalent measures of mean and standard deviation. For this reason, quartiles are often reported along with the median as the best choice of measure of spread and central tendency, respectively, when dealing with skewed and/or data with outliers. A common way of expressing quartiles is as an interquartile range. The interquartile range describes the difference between the third quartile (Q3) and the first quartile (Q1), telling us about the range of the middle half of the scores in the distribution.

The table below summarizes the average, median and quartiles for the business licence processing time:

| Days Processing Time | |
|---|---|
| Average: | 21.2 |
| Median: | 10 |
| First quartile | 1 |
| 2nd quartile | 10 |
| 3rd quartile | 26 |
| Interquartile range | 25 |

When looking at these results we can see that the first 25% of new business licences issued were processed in 1 day or less (the first quartile). We can also see that for 50% of the new business licences issued during this time, the processing time was 10 days or less (2nd quartile or Median). Lastly, for 75% of the new business licences issued during this time, the processing time was 26 days or less.

Another way to interpret this data is with a Histogram, which is presented below in Figure 23.0.

Figure 23.0: **Histogram Showing Licence Processing Days** from February 2016 to December 2018
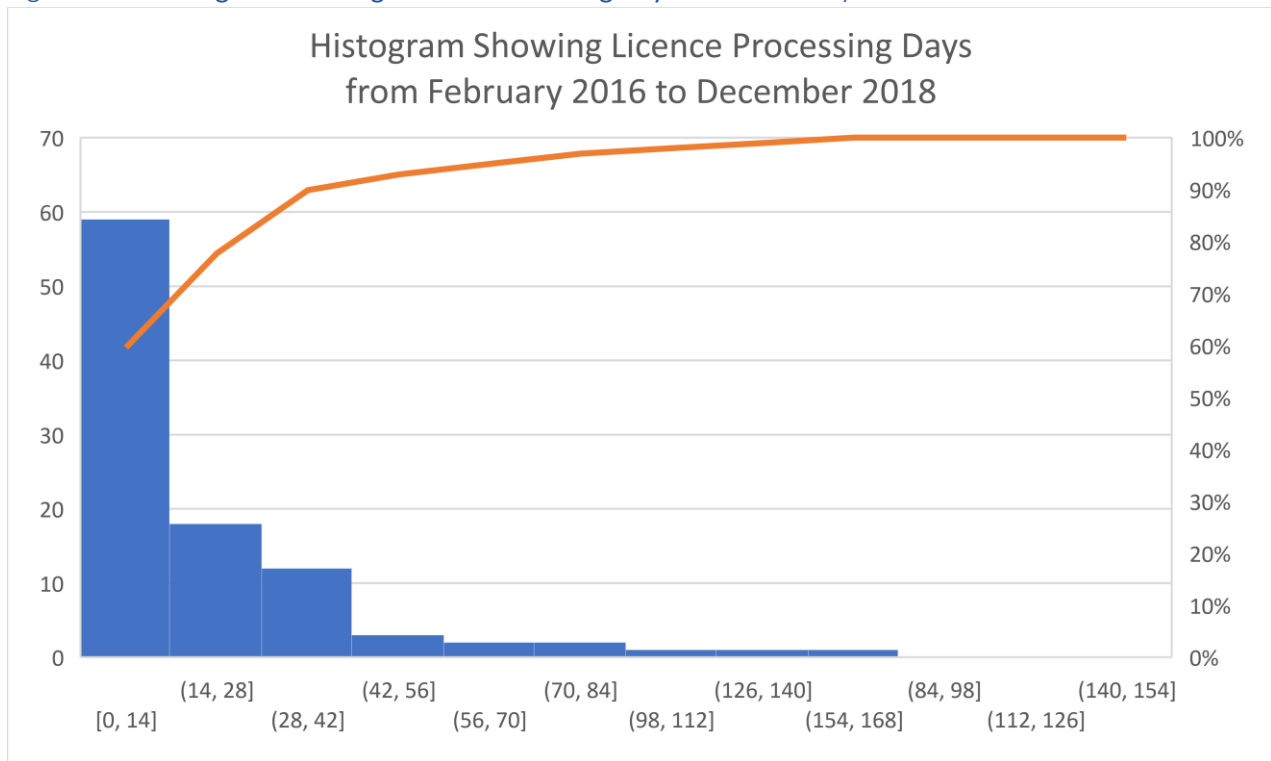


A histogram represents a frequency distribution by means of rectangles whose widths represent class intervals and whose areas are proportional to the corresponding frequencies: the height of each is the average frequency density for the interval. The intervals are placed together in order to show that the data represented by the histogram, while exclusive, is also contiguous.

In other words, you can fairly quickly see the distribution of frequency of a series of datapoints. In this analysis, looking at the histogram above, we can see that in the first interval, which represents 0 to 14 days processing time, nearly 60% of the new business licences issued fell into this time range.

We can also see that the distribution of this histogram is skewed far to the left, which means that most of the new business licence permits issued during this time period were processed in the first two weeks, some took up to 4 weeks and a sharply decreasing number took much longer. In other words, an average is not a good measure in this circumstance because there were a number of extreme outliers, which probably represented extreme circumstances which the majority of business licence applicants would not experience.

For reference, the Figure below (Figure 24.0) shows the posted business licence processing times for a number of cities in BC. It should be noted that most cities do not post an "average" processing time and instead usually have language to the effect of "processing times vary based on complexity and completeness of the application".

Figure 24.0: Posted business licence processing times for a number of cities in BC

| City | Average Processing time |
|---|---|
| Revelstoke | 3-5days |
| Hope | 10-14 days |
| Courtney | 10 days |
| Fernie | 1-2 days to 3 weeks |
| Smithers | 1-2 weeks |
| Kelowna | 2 weeks |
| Richmond | 4 to 6 weeks |
| Vancouver | 8 to 10 weeks |
| Victoria | 10 weeks |

Figure 25.0: How would you rate the total processing time, based on your expectations?



How would you rate the total processing time, based on your expectations?

- Shorter 20%
- As originally notified at time of application 41%
- Longer 39%
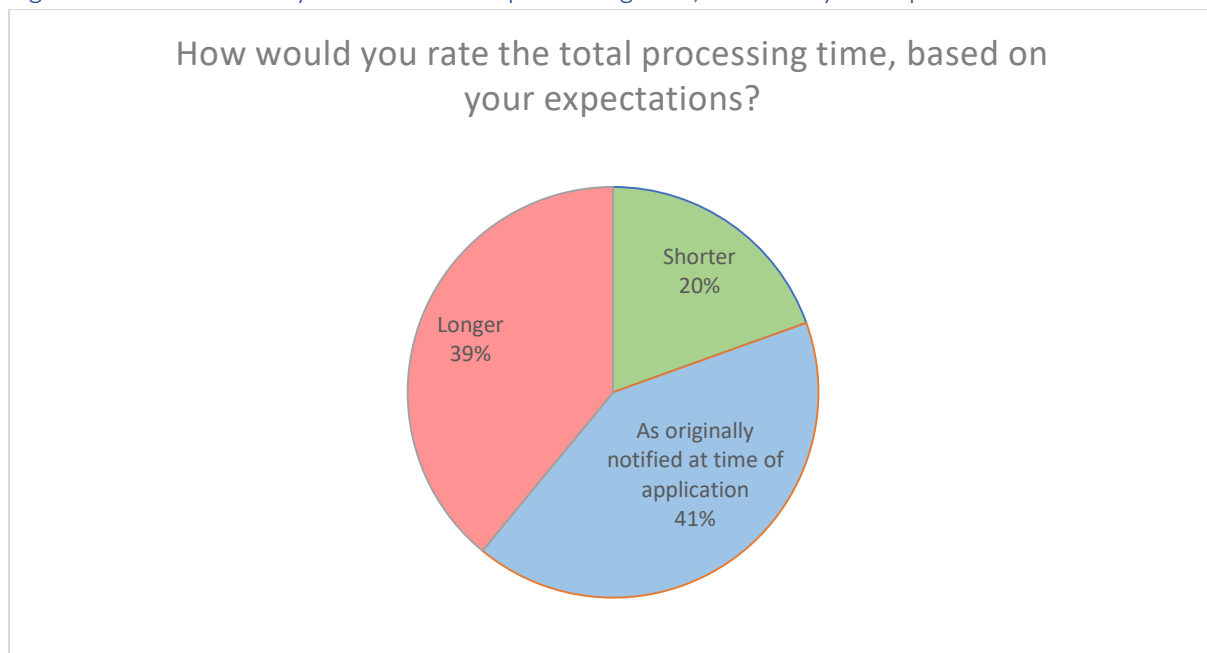
When respondents were asked about their expectations verses actual processing time, the majority (61%) of the respondents indicated that the processing time was "as expected" or faster. Overall 39% of respondents indicated that they expected the process to be faster.

## Inspections add to processing times

When looking at processing times vs. number of permits there was not a very strong correlation, which would seem to indicate that overall volume of business licence applications did not have a large impact on processing times (although processing times did slow down during months with a lot of business licence applications).

Figure 26.0: Visual Analysis of Business Licence Processing Times and Inspections



Visual Analysis of Business Licence Processing Times and Inspections
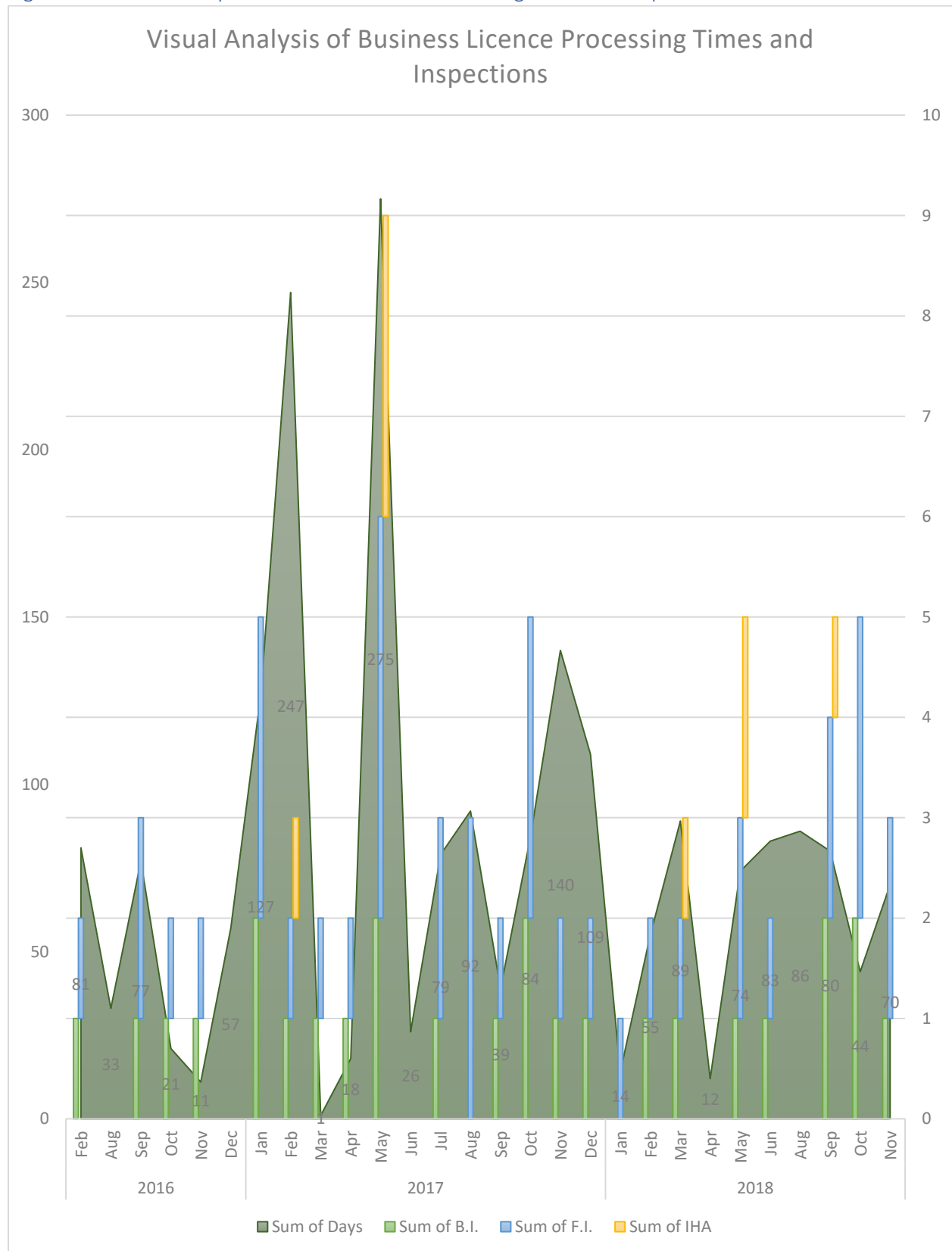
Looking at the hybrid graph in Figure 26.0 however, it is visually apparent that business licence permit inspections do have a very direct correlation to business licence processing times. This should not be too big of a surprise, as it only makes sense that if a series of inspections are required for a specific business licence, the overall process will take longer.

Both business owner and internal staff feedback corroborate this evidence: inspections adds to the processing time for a business licence application and are often the cause of delays. When looking back at the overall dissatisfaction felt by business owners, there was a feeling that the process was too slow (30% of responses) and that inspections were often the cause of these delays (15% of responses) as outlined in Figure 7.0.

It should not be surprising that adding inspections to the process, if they are required, add to the overall processing time for a number of reasons:

- There is more work to be done with inspections – thereby adding time.
- Almost all inspections require the coordination of both the inspector and business owner for a site visit. This usually involves several phone calls back and forth identifying and confirming a time.
- If additional work is required to pass an inspection, this will also add to processing time while the work is being completed and to account for a follow-up inspection to see if criteria is met for a pass.

Talking to the various inspectors, there was a consistent comment that accurate information collected at the start of the application process would dramatically cut down the need for inspections and the time required for the inspections (if they are required), which will also have the positive impact of reducing internal costs associated with the business licence.

Specifically, it was mentioned that accurate sketches, which outlines the critical information the various inspectors require, would dramatically reduce the time spent following up with business owners for additional information and therefore business licence processing time.

## Estimated Internal Cost of Business Licences

The current business licence data and newly set up software is not as of yet collecting the actual internal staff time and therefore associated costs with each business licence application. It was discovered however, that there could be a way to use the new system to track this information and generate accurate business licencing costs going forward. It is highly recommended that this step be taken, and a review of the data is completed after a year of data collection.

In the meantime, given the existing datasets and internal staff time estimations, an average estimated cost for a business licence can be estimated. For the basis of this estimation, the following table outlines the assumed processing time requirements per staff member for the various business licencing processes. The following calculations are only as accurate as these estimations of time requirements.

Figure 27.0: Estimated processing time requirements per staff member for the various business licencing processes

| Employee Name | Time per application (No inspections) | Time per application (Inspections) | Time per application (Renewal) |
|---|---|---|---|
| Wayne Anderson | 0.3 | 0.3 | 0.3 |
| Keith Bacon | 0.7 | 1 | 0 |
| Mark Broderick | 0.2 | 0.5 | 0 |
| Dick Curnow | 0.1 | 1 | 0 |
| Will George | 0.1 | 0.1 | 0 |
| Stuart Milne | 0.1 | 1 | 0 |
| Alan Palmgren | 0.1 | 1 | 0 |
| Sean Smith | 0.1 | 0.2 | 0 |
| Kimberley Woodland | 0.1 | 0.1 | 0.1 |
| Totals | 1.7 | 5.1 | 0.4 |

Using these time estimations per staff member, knowing the hourly wage of each staff member (inclusive of all benefits and deductions), an estimated average cost for per new business licence over the dataset time period can be estimated. The graph below summarizes these averages per quarter.

Figure 28.0: Estimated Average Cost of New Business Licences per Quarter
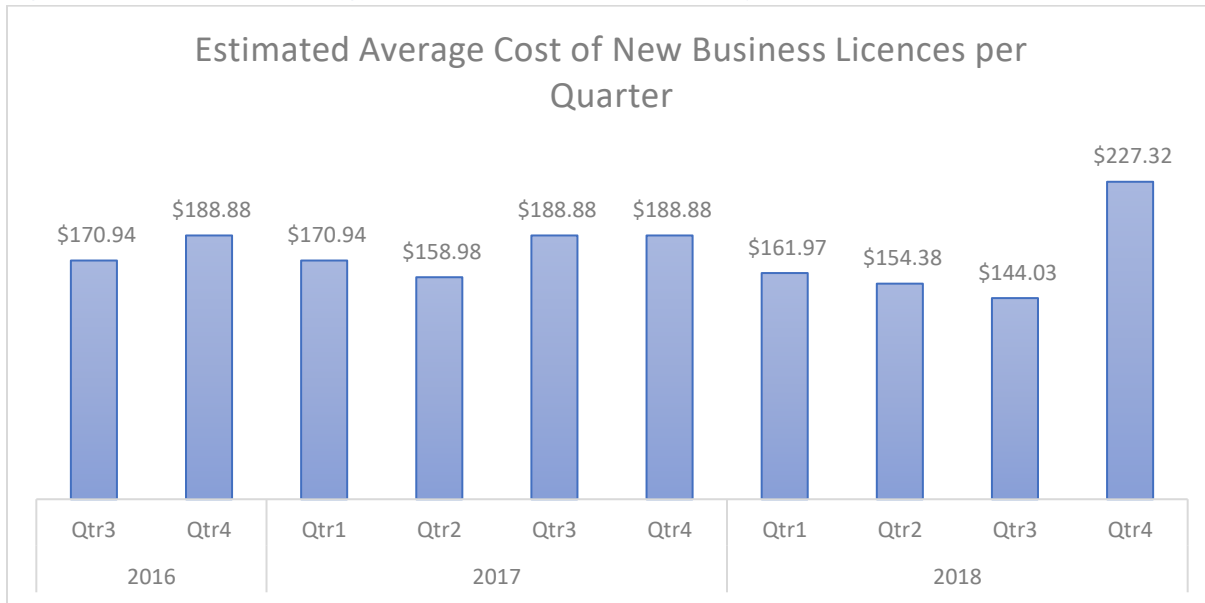


One of the first things noticed when looking at this graph is that the average cost for a new business licence fluctuates for a given quarter. This reflects the varying number of business licence applications which require one or more permits, which take more time to process and generate a higher internal cost.

From the third quarter of 2016 until the last quarter of 2018, the average cost of a new business licence fluctuated between $144 to $227.

Overall, new business licence applications generate a much higher internal cost than a business licence renewal. Looking back at the number of business licences issued annually, the bulk of the business licences issued in a given year (90%) are renewals.

When looking at the overall picture of business licences issued in a given year, considering the cost of new business licences and renewed business licences, a "total cost" of business licences issued in a given year can be estimated. When this number is then divided by the overall number of business licences, the overall estimated average cost for a business licence can be estimated for a given year.

The following table summarizes these calculations from 2015 to 2018. Overall, the average estimated internal cost for issuing a business licence (when looking at new and renewals together) ranges from $40 to $50. This of course is an estimated overall average. In reality, new business licence applications cost much more than renewals, but by looking at the calculations in this manner, one can generate an estimated cost of a business licence for a net-cost-neutral system.

Figure 29.0: Estimated "total cost" of business licences issued and overall estimated average cost for a business licence in a given year

| Bill Year | Number of New Licences | Number of Renewals | Cost of New Licences | Cost of Renewals | Total Costs | Average Cost per Licence |
|---|---|---|---|---|---|---|
| 2018 | 69 | 606 | $ 11,366.21 | $ 15,633.83 | $ 27,000.04 | $ 40.00 |
| 2017 | 64 | 615 | $ 11,352.20 | $ 15,866.02 | $ 27,218.21 | $ 40.09 |
| 2016 | 93 | 691 | $ 16,638.77 | $ 17,826.69 | $ 34,465.46 | $ 43.96 |
| 2015 | 138 | 685 | $ 23,589.43 | $ 17,671.90 | $ 41,261.33 | $ 50.14 |

## Business Licence Application Form Analysis

For the following pages, the actual business licence application form has been transposed next to digitized feedback from the business community and various parties. This feedback included opinions of what was clear and well worded, what information the individual felt was not needed as well as areas which were not clear or easy to understand.

As a comparison, the same analysis was completed, by the same individuals, for the City of Penticton's business licence application form. O'Leary and Associates has had the pleasure of working with the City of Penticton who have very graciously given permission for this analysis to be completed. Further to this analysis, Anthony Haddad, the Director of Development Services and Ken Kunka, Building & Permitting Manager took time out of their busy work schedule to provide their own personal insight on their path through the building and business licencing modernization project.

The City of Penticton is regarded as a leader when it comes to implementation of best practices and innovation. They currently have a 3 Year Vision to be the most efficient and progressive Building and Licencing Department in Canada (by 2020). They are achieving this through staff technical training, certifications & accreditation, communication & industry education, smart use of technology and implementing modernized policy and procedures.

Through this process they have already achieved or implemented:

- Improved Application submittals with less re-submittals and missing information
- Overall reduction of building permit review times by nearly 70%
- Customer Process Improvements Survey
- Efficient site inspection process
- Redevelopment of City's Online Service Portal

Highlights of the recommendations and insights from Penticton include:

- Intermunicipal licencing has been a positive addition overall from their perspective.
- Staff and customer service are extremely important when it comes to the business licencing process and overall client experiences.
- They have implemented Tempest as their business licence software. The system is not perfect, but the ability to bring the process online and attach digital files to applications has been a very big benefit.
- They have implemented a "Lean Process" with staff to streamline and improve the overall system. This was a big benefit from their perspective.
- They attempted to offer a 30-day business licence as a short-term business licence option but found that in practice it was not very practical.
- They have implemented a policy of no site inspections for home-based businesses unless the business requires other permits such as Interior Health Permits.
- When dealing with old buildings that require building code improvements, they have had success working with the downtown business improvement association to identify these buildings and address code updates while the building is vacant.
- They have allowed both a "Major" and "Minor" home-based business per residential address, as long as the home-based businesses do not exceed 25% of the floorspace.

LICENCE NUMBER _____
ROLL NUMBER _____
LICENCE FEE _____
APPLICATION FEE _____

# CITY OF MERRITT

2185 Voght Street
Box 189
Merritt, BC  V1K 1B8
Telephone (250)378-4224
Fax:  (250)378-2600

## APPLICATION FOR BUSINESS LICENCE

BUSINESS TRADE NAME:_____

New ☐      Change of Owner ☐      Change of Location ☐      Change of Name ☐      Other ☐

LOCATION :_____

MAILING ADDRESS:_____ POSTAL CODE_____

EMAIL:_____ TELEPHONE NUMBER:_____ FAX#_____

APPLICANT  NAME:_____   Owner ☐   Agent ☐

TYPE OF BUSINESS TO BE CONDUCTED: *(Be specific.)* _____

_____

*****NO BUSINESS SHALL START OPERATING BEFORE  A LICENCE IS ISSUED*****

NEW BUILDING            ☐   PROPOSED  OPENING DATE:_____
or
EXISTING BUILDING       ☐               ARE YOU OPEN FOR BUSINESS NOW ?   No☐   Yes   ☐

PREVIOUS USE/BUSINESS OPERATED AT THIS ADDRESS:_____

TOTAL FLOOR AREA (SQ.FT.)_____ TOTAL PERSONS EMPLOYED_____

IS ANY CONSTRUCTION OR RENOVATION CONTEMPLATED? *(If yes, please specify).*      No ☐   Yes   ☐

_____

NUMBER OF  PARKING SPACES AVAILABLE? _____  *(Please attach sketch).*

ARE YOU INSTALLING A SIGN?            No ☐   Yes ☐   SIZE: _____PERMIT # _____

DO YOU HAVE A DIRECT SELLERS LICENCE?   No ☐   Yes ☐   Number_____

IS THIS A HOME BASED BUSINESS?        No ☐   Yes ☐   *(If yes, include floor plan & see reverse.)*

DO YOU RENT☐ or  OWN  ☐ THE BUILDING?

*I hereby make application for a licence in accordance with the particulars as above stated and declare the above statement is true and correct and I undertake that if I am granted the licence applied for I will comply with each and every obligation contained in all laws and bylaws now in force or which may hereafter come into force in the City of Merritt.  I further understand that if this application involves the use of premises for business purposes that they may not be occupied until they have been approved by the City Departments concerned and a licence issued.  I also understand that the payment of the Business Licence fee in advance does not guarantee approval.*

*The personal information collected herein will be used solely for the purposes of administering the City's business licence bylaw and is subject to the provisions of the Freedom of Information & Protection of Privacy Act.*

_____        _____
DATE                                  SIGNATURE

**Please read reverse**

🟩 Well worded or good

🟧 Not Needed

🟥 Not clear or easy to understand

Please note that Business Licence Applications take approximately two (2) weeks to process.  An incomplete application will result in delays.  Please check that you have all necessary supporting documents attached (eg. Health Certificates, sketch plans).

An application fee must accompany this application.  For most categories, the application is $50.00 but this depends on the complexity of the application category.  The application fee will not be refunded if the application is canceled after more that 24 hours after submission.  Full payment of the business $150.00 licence fee is required before a licence will be issued.

A listing of the categories and fees is available in the Business Licence Bylaw available at City Hall or on line at www.merritt.ca

**\*\*HOME BASED BUSINESSES ONLY:  *PLEASE ATTACH A DRAWING OF THE BUILDING, IDENTIFYING WHERE THE OFFICE IS LOCATED, AND TOTAL SQUARE FOOTAGE.***

<div align="center">

**HOME-BASED BUSINESS REGULATIONS**

</div>

**HOME-BASED BUSINESS** means any occupation or profession other than a bed and breakfast use, carried out in a dwelling unit or an accessory building to a dwelling unit, by a member of the family which is permanently resident in the dwelling unit, where such occupation or profession is clearly incidental or secondary to the use of the dwelling unit for residential purposes.

**THE FOLLOWING CONDITIONS APPLY:**

**5.2.1** A home-based business use shall be permitted in all zones as accessory to a residential use, except the RC1 Zone, subject to the following:

**a.** Except where it involves horticulture, shall be completely enclosed within the building used for residential use or accessory residential use;

**b.** Shall occupy less than 40% of the floor area including associated storage areas, not to exceed 20 m² of gross floor area per parcel in total. This floor area limit applies to the entire parcel;

**c.** Shall in no way indicate from the exterior that the premises are being so used except for one home occupation sign within R1, R2, and R8 zones, as permitted by the Sign bylaw;

**d.** Shall not create a public nuisance;

**e.** Shall be operated by a primary resident of the parcel;

**f.** Shall not involve delivery of materials to or from the residence by commercial vehicles;

**g.** Shall not have more than one (1) non-resident employees;

**h.** Shall not generate the need for more than one off-street parking space in the case of the R1, R2, and R8 zones. An off-street parking space required for a home based business is additional to the residential requirement;

**i.** Home-based business uses within the R3, R4, R5, R6, R7, R9 zones are also subject to the following:

    **i.** use is limited to an office or home working space only;

    **ii.** the use must not involve the presence of customers or clients, or employees at the residence;

    **iii.** delivery of goods to the residence for the operation of the home-based business use is not permitted;

    **iv.** not more than 10 m² of floor area may be used for the home-based business;

    **v.** vehicles used in the operation of the home-based business and kept on the premises are limited to one one-ton pick-up or one one-ton cube van.

■ Well worded or good

■ Not Needed

■ Not clear or easy to understand

## Business Licence Application

171 Main St. | Penticton B.C. | V2A 5A9
www.penticton.ca |P: (250)490-2488
E: businesslicences@penticton.ca

**CITY OF Penticton**

**penticton.ca**

| Type of application (check all that apply) | Cost |
|---|---|
| ☐ Commercial Location    ☐ Location outside of Penticton limits<br>☐ Home Occupation | $175/year to do business in Penticton |
| ☐ Seasonal – 6 month    ☐ Seasonal – 1 month    ☐ Special Event | $100/ 6 month or $35/ 1 month |
| ☐ Intercommunity business licence (if you also work in other Okanagan areas) | $150/year + $175 Penticton licence fee |
| ☐ Vacation rental<br>☐ Bed and Breakfast<br>☐ Rental Property – Secondary Suite or Apartment Building | Please also complete the additional form for accommodation businesses |

### Business Information

| | |
|---|---|
| **Legal name of company:** | |
| **Doing Business As (trade name):** | |
| **Business Phone #:**       **Website:** | |
| **Physical Address:** | |
| **Mailing Address** (if different from above)**:** | Province: |
| | Postal Code: |
| **Business description:** | |
| **Online E-Directory Listing** – Would you like your business name, phone number, description & website included in our E-Directory on the Penticton.ca website?       ☐ **Yes**  ☐ **No** | |

### Owner Information

| **Name:** | E-mail address: | |
|---|---|---|
| | Phone: | Cell #: |
| **Mailing Address:** | Province: | |
| | Postal code: | |

### Owner Information (for multiple owners)

| **Name:** | E-mail address: | |
|---|---|---|
| | Phone: | Cell #: |
| **Mailing Address:** | Province: | |
| | Postal code: | |

🟩 Well worded or good

🟧 Not Needed

🟥 Not clear or easy to understand

**O'LEARY & ASSOCIATES LTD.**
PERFORMANCE. INNOVATION. LEADERSHIP.

■ Well worded or good

■ Not Needed

■ Not clear or easy to understand

## Further Business information

Please describe your products, particularly the most popular. What do you do or sell?

| NAICS code (leave blank if unknown): | The North American Industry Classification System (NAICS) is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collection, analyzing and publishing statistical data. |
|---|---|

## For Trades

| Plumbing #: | Fire Suppression #: |
|---|---|
| Gas #: | Electrical #: |

## For Rental Accommodations (inc. B&B's, vacation rentals, secondary suites, RV parks and Campgrounds

How many rooms (or campsites) are available for rent?

## For Home Occupations

| Total Sq ft of residence: | Sq ft of business area: |
|---|---|

How many non-resident employees will you have?

## Emergency Contact/Out of Office – Emergency contacts are very important. The City would use these to provide timely information about urgent service disruptions or evacuations. Make sure the numbers you provide are best for our of hours contact. Personal information is collected pursuant to Sec 26 of the FIPP Act.

| Name: | Phone #: |
|---|---|
| E-mail address: | Cell #: |

## Permits

1. Will you use a commercial vehicle to deliver goods, move between job sites, or complete other business activities?
    ☐ **Yes**    ☐ **No**    If you answered yes, you may require a Commercial Vehicle Decal
2. Will you be doing any renovations to the building?
    ☐ **Yes**    ☐ **No**    If you answered yes, you may require a Building Permit
3. For public safety, signs mounted to the building exterior require professional installation and permits. Are you adding a new sign?
    ☐ **Yes**    ☐ **No**    If you answered yes, you may require a Sign Permit

**Please Note: I**nterior Health approval will be required for business' operating as daycares, food retail, or personal services (i.e. tattoo shops, tanning salons, hair salons, therapists, etc.

## Data Collection

| # of Penticton employees: | Full Time _____ | Part-Time _____ | Seasonal _____ | Do you expand seasonally? _____ |
|---|---|---|---|---|

Where are your customers?    ☐ **Local**    ☐ **Regional**    ☐ **Provincial**    ☐ **National**    ☐ **International**

## Permissions

| **CASL & Electronic City Communications –** I understand that from time to time my organization may receive informational email messages related to doing business in the City of Penticton. | **The Chamber of Commerce – I**f you would like the Chamber to connect with you about membership, please let us know. |
|---|---|
| ☐ I agree    ☐ I would not like to receive these messages | ☐ Share my info with the Chamber    ☐ No, thank you |
| For more information about the collection, use and disclosure of your personal information under FIPP Act, contact Corporate Services 250-490-2405 | |

## Acknowledgement

I hereby make application for a licence in accordance with the particulars as stated in this application, and declare the information in the application to be true and correct. I undertake to comply with all present and future Bylaws of the City of Penticton. I also understand, payment of the business licence fee in advance does not guarantee approval of the licence and I cannot commence business until such a time as a business licence has been approved and issued.

**Date:** _____    **Name:** _____    **Signature:** _____

## Interpreting the business licence application form analysis

Once again, when looking at the Figures on the preceding pages, the actual business licence application form for both Merritt and Penticton has been transposed next to digitized feedback from the business community and various parties. This feedback included opinions of what was clear and well worded, what information the individual felt was not needed as well as areas which were not clear or easy to understand.

When looking at these figures, any green, orange or red line, correspond to the section of the business licence application that is immediately to the left of the line. The larger the lines, the greater the amount of feedback. For some sections both positive and negative feedback was received.

Green bars indicate sections that were generally considered to be well worded or easy to understand.

Orange bars indicate sections that were generally considered to be "unnecessary" from the business community's perspective. Keep in mind that just because the business community does not feel these sections are required does not mean that they are redundant. Instead this is a measure of the business community's lack of understanding of why a given section exists.

Red bars indicate sections that were generally considered to be not clear or easy to understand.

## Analysis of the results

When looking at the results of the business form analysis we can generally see that the Merritt Business Licence Application was viewed overall as much less clear than Penticton's and there was a greater overall feeling that it was not understood why certain information was being requested. There was also an overall mixed feeling at best regarding the application, as some sections did receive fairly high "green" ratings, but only in areas where there were also high "orange" and "red" ratings.

Overall, the Penticton Business Licence Application is mostly marked by "green" bars, indicating that the business community generally considered to be well worded or easy to understand. There was only one section, regarding intermunicipal licences, that some business owners were unclear of the information.

Besides this, there was some feeling that some of the data being collected with the business licence application was "unnecessary" from the business community's perspective, which again could be a measure of the business community's lack of understanding of why this data was being collected.

Overall, with this analysis, a quick glance at the results between the two forms can easily show the difference between a business licence application that is viewed as well worded and easy to navigate (Penticton) vs. an application which is viewed by a portion of the business community as not clear or easy to understand and does not seem to be explaining why information is required (Merritt).

# Recommendations for Merritt with regards to the business licencing process:

This list of recommendations has been created after careful research, community engagement and data analysis, for city council and staff to consider when making the decision to implement improvements to the business licencing process. The following recommendations have been made balancing business licence process improvement with the most pragmatic measures the City of Merritt could undertake. This does not mean that other actions missing from the recommendations below should not be investigated, instead the following recommendations are based on the best information available at the time. It should be understood that given the often limited resources of a municipality not all of the identified recommendations may be possible.

## Inspections add to processing times

Data suggests that business licence permit inspections have a direct impact on business licence processing times. Both business owner and internal staff feedback corroborate this evidence; inspections add to the processing time for a business licence application and are often the cause of delays.

Talking to the various inspectors, there was a consistent comment that accurate information collected at the start of the application process would dramatically cut down the need for inspections and the time required for the inspections (if they are required), which would also have the positive impact of reducing internal costs associated with the business licence.

**Recommendations:**

> ***Develop a simple and easy to understand public facing document which outlines how to make a simple sketch, which outlines the critical information the various inspectors require****. This should dramatically reduce the time spent following up with business owners for additional information and therefore business licence processing time.*

> ***Ensure that business licence applications are not accepted by staff unless they are complete.*** *Incomplete information dramatically increases inspection processing times. This will involve front line staff training to identify when an application is complete and ready to be received.*

## Staff need better understanding of the business licence process as a whole

There was consistent feedback from the business community that various staff members seemed unable to answer questions about the overall process or requirements outside of their scope and that the process as a whole appears disjointed and siloed. These comments are related to all levels of staff members, from front desk clerks to inspectors. It is apparent that dissatisfied business owners expect them to have more knowledge about the process.

Similarly, staff, during interviews, expressed a feeling that they did not have a clear understanding of the business licence process or requirements outside of their own scope. Furthermore, there was a feeling of lacking clear direction on priorities with regards to the business licence process. For example, with most staff, business licencing accounts for only 10% or less of their workload and scope. When a business licence application comes in, should they drop everything else they are doing to process the application? Staff are very willing to do so, if that is the priority, but they instead feel unsure if this is the strategic priority.

**Recommendations:**

> ***Provide ongoing training and education to the staff on the business licence application process as a whole.*** *This training should include all staff involved in the process, especially front-line staff. Emphasize that they are not required to work outside of their scope and technical abilities but should be able to explain the process as a whole, general requirements and why they are needed.*

> ***Ensure that staff are aware of the strategic priorities as they relate to the business licencing process and their position as a whole.*** *Develop clear outlines and expectations for each staff members role in the business licencing process. These expectations should take into consideration that business licencing only accounts for a small portion of most of the positions.*

## The public would appreciate simple, easy to understand documents outlining the business licencing process.

There were several different survey and community engagement comments which outline the need for a simple, easy to understand document outlining the business licencing application process, requirements and expectations. This was reflected in such comments as: "*Piecing together all the odds and ends needed to apply for a business license, a sign permit or a building permit in Merritt was an extremely frustrating experience*" and "*When it comes to small businesses, make it an easy experience. We should be fostering small business and getting them up and running quickly*".

**Recommendation:**

> ***Develop a simple and easy to understand public facing document which outlines the business licence application process, requirements and reasonable expectations.*** *This should reduce the number of questions for staff members and help business owners to better understand the process and what to expect.*

## Merritt should strongly consider offering inter-community business licensing

34% of businesses who participated in the online survey indicated that they would be interested in an inter-community business license. This response shows that there is already existing current appetite by business owners in Merritt for an inter-community business licence. Furthermore, all staff members were supportive of the idea of Merritt adopting inter-community business licensing.

**Recommendation:**

> ***The city of Merritt should consider joining an inter-community business licence agreement.*** *There is already appetite from business owners in the community, and the business licence staff are also supportive and foresee no negative implications for Merritt. Based on the geographic locations of these agreements, it would appear as though the Okanagan-Similkameen Area ($150) and the Fraser Valley Area ($250) would be the two most logical agreements for Merritt to consider joining.*

## Merritt should consider offering short-term business licence options

Overall it would appear that there is a majority interest from the business community and support from business licence staff when it comes to the city offering short term business licences as an option going forward. Based on the responses, it would appear that there is much stronger interest in the idea of a 3 month vs. 1-month period for the short-term business licence category.

**Recommendation:**

> ***The City of Merritt should consider offering a short-term business licence option.*** *This option will help to recognize that some businesses are very seasonal and will be more likely to purchase a shorter-term business licence vs. an annual licence. When considering this option, the minimum term offered should not be less than 3 months.*

## A hobby business exemption built into the business licence system could help capture additional business data and support entrepreneurial ventures in Merritt.

The benefits outweigh the disadvantages. In reality there already is an "exemption for hobby businesses" as many hobby businesses are likely already in place, operating without a licence undetected. By offering this option, the city will be better able to "capture" hobby business' data and ensure that there is compliance with health and safety. Furthermore, it will send a strong message that the city is supportive of entrepreneurs and new business ideas.

**Recommendation:**

> ***The City of Merritt should consider implementing an exemption for hobby businesses.*** *In reality there already is an "exemption for hobby businesses" as many hobby businesses are likely already in place, operating without a licence undetected. By offering this option, the city will be better able to "capture" hobby business' data and ensure that there is compliance with health and safety. Furthermore, it will send a strong message that the city is supportive of entrepreneurs and new business ideas.*

**Bringing the business licencing process online would increase client convenience, provide better information to the public and could help reduce the administrative burden.**

When asked for suggestions to reduce the administrative burden and costs with the current business licence process, the highest response rates were associated with bringing the process online (29%). When asked for suggestions to provide better information and service to the public, the highest response rates were once again associated with bringing the business licence process online (35%).

Discussions with staff indicated that there is an existing module in the newly implemented business licence software that would enable the city to offer online business licensing services. An example of what this software interface looks like (from the Regional District of the Central Okanagan) is captured in Appendix 1.0.

**Recommendation:**

> ***The city of Merritt should offer online business licencing services by activating the online business licencing module in the existing business licence software.*** *Bringing the business licencing services online will reduce the administrative burden and costs and provide better information and service to the public.*

**Consider joining BizPal or BC OneStop in order to provide a "one-stop shop" for licenses and permits to streamline compliance for small businesses.**

Merritt should integrate with a portal that summarizes the requirements to obtain various permits and licenses. These "one-stop shops" offer a single location where businesses can easily see what permits and licenses they require from various regulating bodies as well as federal, provincial, territorial and participating municipal governments. This will help to reduce business owner confusion and allow for greater ease of access to the business licence process.

**Recommendation:**

> ***The city of Merritt should join BizPal or BC OneStop to provide a "one-stop shop" for business owners when starting up a new business.*** *These "one-stop shops" offer a single location where businesses can easily see what permits and licenses they require from various regulating bodies as well as federal, provincial, territorial and participating municipal governments. This will help to reduce business owner confusion and allow for greater ease of access to the business licence process.*

## Utilize 'process improvement approaches' whenever possible with the business licencing process

Fundamentally it is always important for a municipality, or any organization, to be continually reviewing and updating all its processes, policies and procedures. Countless studies and paradigms exit to support this conclusion. One such idea could include implementing a short feedback survey at the end of the business licence application process.

**Recommendation:**

> ***The city of Merritt should implement any number of process improvement approaches into the business licencing process.*** *There are a number of different techniques and processes utilized by various systems. This will help to ensure that the processes in place continue to improve and adapt to changing environments.*

## Leverage the Economic Development Department and community business support organizations to guide small businesses through the business licence process, advocate on their behalf and ensure recommendations and feedback are fed back to the city.

The Economic Development Department can provide leadership on behalf of the city to drive regulatory reform by liaising between city departments, small businesses and residents. Furthermore, the city should consider leveraging existing community business support organizations to help with this process. This can be achieved through the fostering of a mutually respectful and beneficial relationship.

This recommendation was driven by both best practices and survey respondent feedback which pointed to an opportunity for the City of Merritt to leverage the expertise of other business support organizations to help provide information on the business licencing process, with comments such as *"Utilize online services and free things. Don't spend a bunch of tax dollars trying to solve this"*.

**Recommendation:**

> ***The City of Merritt should leverage the resources of the Economic Development department and community business support organizations to help guide small businesses through the business licence process, advocate on their behalf and ensure recommendations and feedback are fed back to the city.***

## Reduce the number of business license administration fee categories to 3 categories, based on the main driving factors of the internal administrative processing costs.

To further advance the city's goal to support local businesses and promote a robust business climate, it is recommended that the existing number of business license administration fee categories (38) be reduced to 3 categories, based on the main driving factors of the internal administrative processing costs:

- A basic cost for businesses that do not require any inspections.

- A higher cost for more complex business licence applications which include one or more inspections – available quantitative and qualitative data has shown a direct linkage between inspections and higher internal processing costs (and time).

- A higher cost for larger buildings where one or more inspections are required – once again, available quantitative and qualitative data has shown a direct linkage between the size of the premises and the amount of time required to do a site inspection. Larger buildings require more time and therefore generate higher internal processing costs.

Additional advantages of reducing the number of business licence administration fee categories include:

- Improve the ease of use: the current system was created incrementally over many years, and as a result is complicated and not well understood by staff.

- Higher quality data: the complexity of the current system has led to data inconsistencies, or lack of any data entry; and,

- The reduced number of fee categories will make it easier for business owners to understand and navigate.

**Recommendation:**

***The city of Merritt should reduce the number of business license administration fee categories from 38 to 3, based on the main driving factors of the internal administrative processing costs.*** *This will result in improved ease of use for internal staff while at the same time reducing applicant confusion and streamlining the process overall.*

Use the new digital business licence system to track more data and ensure the data being tracked is of interest to business owners and the City of Merritt.

The recently implemented business licence software, along with the development of a new business licence application offers the opportunity to start to track more data in the business licence process. This data can prove to be very useful for different departments within the city as well as for generating useful statistics and reports for the general public.

Most businesses who participated in the online survey indicated that they would be interested in being able to access information and reports about business licence data (73%), this interest was supported by comments such as: "*Be transparent and publish regular stats with interesting info; list of businesses that hold a current license on the city's website is outdated*". As a follow-up to this question, participants were asked what kind of information they would find useful, which is summarized in Figure 21.0.

**Recommendation:**

> ***The City of Merritt should identify some key datapoints of interest and use this opportunity to start collecting this data for internal use as well as for generating useful statistics and reports for the general public.*** *A list of suggested datapoints is summarized in Figure 21.0.*

When supplying information to the business community, ensure that online content is provided, relevant and up to date.

When business owners were asked what media formats are their preferred channels to receive information and data from the city, over 80% of the responses were in favour of some form of online content. This ranged from E-mail (31%), the city website (31%) and social media (18%).

After online formats, the next highest preference was for centralized workshops or classes (9%). Relating back to earlier responses, this could be an opportunity to leverage existing business support organizations to deliver this information and content such as Community Futures Nicola Valley, Merritt and District Chamber of Commerce and the Merritt Small Business Centre.

Lastly, radio (6%) and mail brochures (3%) were indicated as other acceptable forms of information delivery.

**Recommendation:**

> ***The City of Merritt should strive to deliver business licence information in the form of online content that is relevant and up to date.*** *When business owners were asked what media formats are their preferred channels to receive information and data from the city, over 80% of the responses were in favour of some form of online content. This ranged from E-mail (31%), the city website (31%) and social media (18%). Brochures scored lowest in the order of preference (3%).*

## The city should implement changes to the new software system in business licencing to track staff time and client time.

The current business licence data and newly setup software is not currently collecting the actual internal staff time and therefore associated costs with each business licence application. It was discovered however, that there could be a way to use the new system to track this information and generate accurate business licencing costs going forward.

Furthermore, there may be an ability for the system to track times in the process where the staff are waiting on additional information from the business owners. This information would be very valuable in understanding if a long processing period for a given business licence application was the result of internal processing delays or delays caused by waiting for applicants to respond with additional information.

**Recommendations:**

*The City of Merritt should enable criteria in the new business licencing software to track staff time to get a better understanding of the costs associated with business licencing.* This data can then be used to determine accurate business licencing costs and the associated fees if the city wishes to run business licencing as a revenue neutral function.

*The City of Merritt should enable criteria in the new business licencing software (if possible) to track time when the city is waiting for applicants to respond with additional information.* This will enable the city to see if internal processing time is the cause for a delay or if the delay is caused by waiting on applicants for additional information.

# Recommendations for Merritt with regards to the business licencing bylaw:

## When making changes to the bylaw, ensure reliable enforcement is an option.

Have steps been taken to ensure that those who administer the bylaw have the resources to respond in a timely way? Does staff have the capacity to add these to their work program? Any changes to the bylaws should take into account these considerations.

There is a feeling that there are certain "grey areas" when it comes to business licensing as it relates to other bylaws. This results in situations where enforcement of the business licence bylaw is very difficult.

## Make efforts to write the new bylaw in plain language.

Is the bylaw clearly written and easy to understand? Will complexity lead to unintended consequences? Will citizens and businesses understand the rules and their impact? Interpretation of bylaws can lead to confusion and confrontation. Take steps to re-draft the business licence bylaw to be straight forward and easy to understand for all parties.

## Explain the reasons for a decision to make changes to a bylaw.

Is it clear what factors were considered in the decision-making process? Can the decision be publicly justified? How has the outcome reflected public and stakeholder input?

## Ensure that the business licence bylaw works in concert with other bylaws, such as zoning and building permits.
There should be consistent messaging and definitions throughout all bylaws which interface with one another.

## Specific changes to the existing business licence permit bylaw include:

**Provisions to allow 2 home-based businesses to operate out of a single household location**. Examples were given during the community engagement sessions where two tradespeople live and operate their businesses out of their house. The current bylaw does not provide provisions for this to happen.

**Sections 5.4 and 5.5** could be combined as they effectively state the same thing, but from different perspectives.

**Section 7.2** – Clearly define the circumstances when businesses will be required to get the approval from a Public Health Inspector or other provincial jurisdictions so that business owners know when they will need to get such approvals.

**Section 7.4** – Clearly define when the city requires a criminal record check so that business owners know when they will need to have one completed.

**Section 7.6** appears to be redundant given section 4.4.

**Sections 8.1 and 8.2** – The content in these sections seems to have already been covered in the definitions at the start of the bylaw.

**Section 8.5** – This could be added to the definitions and then removed from this section.

**Section 9.1 (a)** – There is no time period associated with this requirement. Should one be added?

**Section 9.2** – What are the "associated re-inspection fees"? They need to be clearly defined.

**Section 9.4** – This $25 fee is not referenced anywhere else and is likely not being collected or enforced. Either consider dropping this fee, or make it better known.

**Section 9.6** states that the "Licence Inspector is authorized to refuse to issue a transfer of licence where the premises to which the applicant wishes to transfer the business does not comply with the requirements of this bylaw or other city bylaws including regulating buildings, zoning, health and sanitation." This means that no business licence can be issued until after final occupancy. There was a lack of clarity felt among staff with this question – bringing this section to their attention could help alleviate some confusion.

**Schedule A** – If the number of business licence fee categories are reduced, this section will have to be updated accordingly.

# Methodology

## Phase 1 – Project Launch

### Task 1.1: Project initiation meeting

We held an in-person project kick-off meeting with City of Merritt staff to confirm the work program, project objectives, desired outcomes, and budget, schedule, and communication channels. This meeting also allowed us to identify background information and data to be collected, and to gather any additional information and/or insight with respect to the needs and desired outcomes for the business licencing process assessment.

### Task 1.2: Thorough review of existing data/resources

One of the first key steps was an environmental scan of existing business licensing documentation, data and resources.

## Phase 2 - Planning, Logistics and Communications Content

### Task 2.1: Communication and engagement content development

To ensure maximum participation and exposure for the City of Merritt, content was developed supporting the business licensing review process which can be used by the City of Merritt and other community partners.

### Task 2.2: Business Licencing Process Assessment and Gap Analysis Survey

Given the overall project budget and broad goals, the most effective method of engagement for this project was comprised of strategic community engagement sessions, face to face key informant interviews all supported by an online survey. The online component of the survey allowed the project team to access the most data in the shortest period of time, so that resources can be better utilized for the business licencing process assessment.

### Task 2.3: Community Roundtable Session Planning (2 sessions)

A key component of this project included two (2) community roundtable engagement events. The overall focus of these events was to increase awareness of the City of Merritt Business licencing review process, collect valuable data and engage key organizations who represent the business community in a meaningful manner. In doing so, a number of key planning steps needed to be accomplished in advance.

### Task 2.4: Operational planning

Along with the planning of agendas, exercises and presentations, logistics were planned for community roundtable engagement events.

## Phase 3 - Community Engagement - Needs Assessment

### Task 3.1: Roll out the marketing content utilizing various media channels

As outlined above, content developed to help the awareness of the project was rolled out utilizing various community partner media channels.

### Task 3.2: First Community Roundtable Session

The next step in the process was the first community roundtable engagement event.

## Phase 4 - Data and Gap Analysis

## Task 4.1: Compile Data from online survey and community roundtable session

At this stage the business licensing review process was complete and the project team began to compile all of the primary data collected into meaningful trends and themes. All identifying information was stripped from the data and the results will be aggregated to ensure anonymity. At this point the data was fairly raw, but these trends and themes were starting to build the foundation of the business licencing review findings.

### Task 4.2: Gap analysis

All of the information gathered to date, along with the secondary data review from Phase 1, helped to finalize the trend analysis to determine local economic development gaps and opportunities. At this stage further research was completed to review best practices and make recommendations for programs/support for the City of Merritt to consider for Business licensing process improvement.

## Phase 5 - Validation and Second Round of Community Engagement

### Task 5.1: Validation of Draft Findings

This portion of the project involved re-engaging the City of Merritt staff to provide input on the draft business licencing process assessment. Broad concepts and groups of options were narrowed down into more refined products before the project team created the draft business licencing process recommendations and embarked on the second phase of the stakeholder engagement process.

### Task 5.2: Coordination with other stakeholders

Once the preliminary findings of the draft business licencing process assessment had been approved by the City of Merritt, the project team once again engaged the other key organizations to share the results and start planning the second roundtable community engagement event.

### Task 5.3: Second Community Roundtable Session - presentation of findings

This second round of community engagement sessions was very similar to the first round, only with the intention of sharing the findings and recommendations to the various businesses in the City of Merritt. This step was important as it solidified the fact that the City of Merritt has listened to the needs of the business community and has made recommendations for programs and support specifically to address these needs.

## Phase 6 - Creation of Final Recommendations and Report

The Project Team proposed a final report that is presented in two sections. Section 1 is used as the Executive Summary for the project and will be developed with the community audience in mind. It will articulate key findings and recommendations. Section 2 is a technical report that presents the data, analysis and community consultation results as well as the final business licencing process improvement strategy recommendations.

# Appendix 1.0: Example of the Online Business Module



## Online Services

The Virtual District Office has several features as follows:

**ALARM BILLINGS** <--Account information and online payments.

**BUSINESS LICENCE** <--Account information, online payments, or applications.

**DOG LICENCE** <--Apply for a new dog licence or renew your existing licence.

**MISC BILLINGS** <--Account information and online payments for rentals and other billings.

**SUPPLIER INFO** <--Supplier Information regarding their invoices and payments.

Click on Business Licence



## Regional District of Central Okanagan

| Home | Online Services | My Profile | FAQ |

Logout

You Are Here:    Online Services    >    Business Licence

## Business License

Please link an account to see your Business License information.

| **Search** | My Business | New Business Application | Pay Online |

**Search for Business**

Please link an account to see your Business License information.

| Search | My Business | **New Business Application** | Pay Online |

**New Business License Application**

☐ Home Based Business?  ☐ Resident?

**Business Info**

Business Name: [_____]

Licensee Name: [_____]

**Business Location**

Unit # From: [_____] To: [_____]

Street # From: [_____] To: [_____]

Street Name: [_____] Dir: [_____]

**Business Mailing Address**

Street #: [_____] Unit #: [_____]

Address Line 1: [_____]

Address Line 2: [_____]

City: [_____]

Province/State: [____ ▼] Postal/Zip Code: [_____]

Phone: [_____] Fax: [_____]

E-mail: [_____]

**Business Description**

[_____]

Floor Space: [_____] Sq. Ft.

Zone Code: [_____ ▼] Map/Seal #: [_____]

Business Type: [_____ ▼] Bill To: [_____ ▼]

License Type: [_____ ▼]

**Business Contact Information**

Name: [_____]

Phone: [_____] Fax: [_____]

E-mail: [_____]

**Owner Information**

Owner Type: ⦿ **Single**  ○ **Joint**  ○ **Company**

Owner: [First_____] [Last_____]

Street #: [_____] Unit #: [_____]

Address Line 1: [_____]

Address Line 2: [_____]

City: [_____]

Province/State: [____ ▼] Postal/Zip Code: [_____]

Phone: [_____] Fax: [_____]

E-mail: [_____]

Please confirm all information prior to clicking the submit button.

**Submit Application**

## Pay Online

Hi

### Instructions

1. Below you can add your account or edit any existing accounts that you added previously.
2. If you are adding an account, please have your Account Number and Access Code ready - see below for instructions.
3. After adding an account, select it from the list below to submit payment or access further information.

Click on a row to access one of your existing accounts.

**Accounts**

Show [10 ▼] entries                                                Search: [          ] [Print]

| Account Type ▲ | Account Number ▲ | Name | Status |
|---|---|---|---|
| | No data available in table | | |

Showing 0 to 0 of 0 entries                              First  Previous  Next  Last
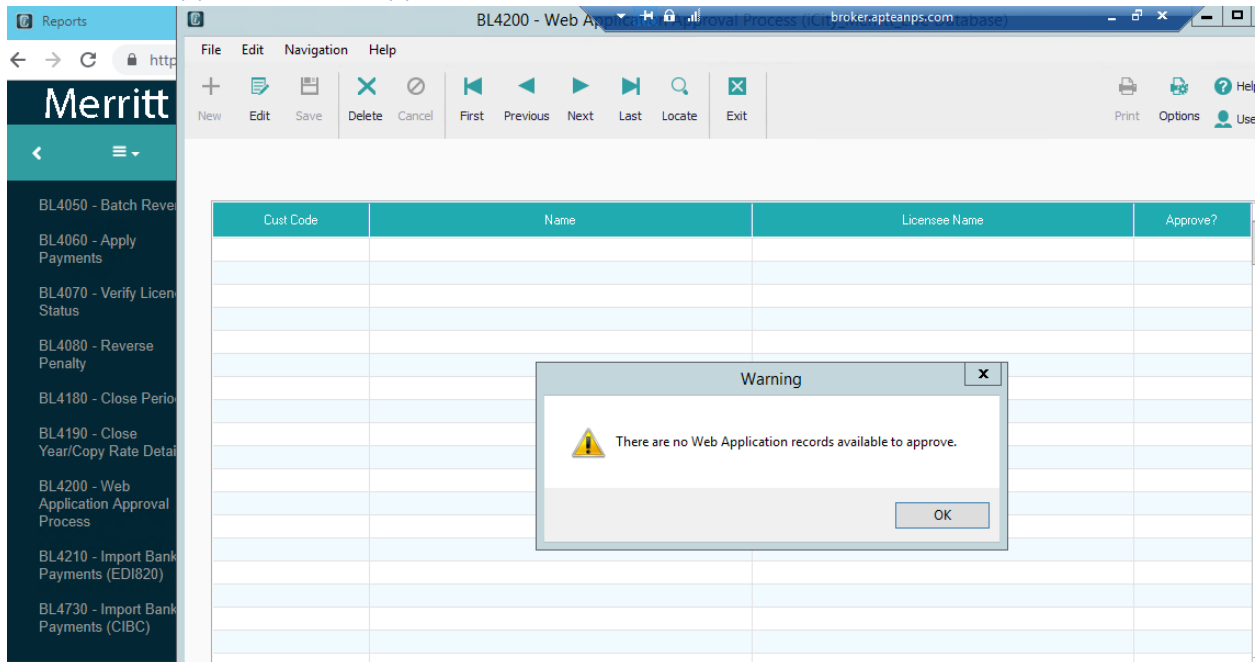
Need to Add an Account?

[Select Account Type ▼]

Select "AR-Accounts Receivable" for all Alarm accounts.
Once you have added your accounts, please go to **Online Services** and select the service you require.

## Review and Approve Online Applications

## Appendix 2.0: City of Merritt Business Licence Brochure:

### What is the Process?

First, obtain and fill out a Business License application form and submit it along with the required license fee. If the business is a home based business you must include a drawing of the business space in the home and the parking spaces.

↓

Second, the application is reviewed by staff at City Hall. The City Planner reviews the zoning for land use and parking.

↓

An application may be subject to approval by the Public Health Inspector, Fire Services, Building Inspector and or Cross Connection, where required by the Provincial Statutes Government and bylaws of the City Bylaws. **Please allow two to three weeks for processing.**

↓

If the application meets the requirements of the Business License Bylaw and the Zoning Bylaw then the Business License Inspector will issue the License. At this point you may commence your business.

### What about Signs?

The City Sign Bylaw regulates signage. In order to install a sign, you are required to obtain a valid sign permit. When applying for a sign permit you should include a drawing of the sign that includes its dimensions, lettering and relation to the building or structure to which it is attached

**Home Occupation**

One Home Occupation Sign may be erected for a licensed home occupation, in R1 & R2 Zones only. Subject to the following regulations;

i) Permitted Types; fascia, projecting, window, canopy or freestanding. Not permitted types; illuminated, roof and sandwich board signs.

ii) Sign Area; the area of a home occupation sign shall not exceed 0.3 square meters

iii) Projection; a home occupation sign may not project over public property. A home occupation sign may be situated in a setback

iv) Height; no portion of a fascia or projecting home occupation sign may project above the roofline.

v) Freestanding Structure; the top of the structure supporting a freestanding home occupation sign may not exceed 1.5 meters above finished grade.

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*Merritt*

www.merritt.ca

## A GUIDE TO BUSINESS LICENCES

### This Brochure Explains:

- *Who requires a Business License*
- *Definition of a Business.*
- *Business License fees.*
- *Home Occupations.*
- *Business License Inspection process.*
- *Zoning pertaining to Business.*

Before the operation or carrying on of any business, you must have a valid business license.

## Definition of a Business

A *"Business" is defined as "carrying on a commercial or industrial undertaking of any kind or nature or the providing of professional, personal or other services for the purpose of gain or profit.* If you are selling a good or service in Merritt you likely need a Business License including non-profit organizations.

**Business License annual fees and Application fees;**

- $150 yearly Business Licence fee
- The full schedule of application fees can be found on the City of Merritt website
www.merritt.ca

Licenses will be issued on January 1st and terminate on the 31st of December each year. It is the responsibility of the licensee to renew the license in January each year.

## Home Occupations:

❖ A Home Occupation means any occupation or profession carried out in a dwelling by the family which is permanently resident in the dwelling, where such occupation shall be clearly incidental or secondary to the use of the dwelling for residential purposes.

❖ No more than one additional employee shall be permitted. The Business area may not exceed 20 sq. meters.

❖ Licensed family daycare is permitted a maximum of three additional employees.

❖ A maximum of one home occupation is permitted per dwelling unit.

❖ The home occupation use shall not generate the need for more than one additional on site parking space in the R1 and R2 zones only.

❖ R3, R4, R5, R6 zones, home Occupation is limited to office or home working space, not to exceed 10 sq. meters.

❖ The complete Zoning bylaw is available on the City's website at www.merritt.ca. It is your responsibility to understand the contents.

Every Business licensed under the bylaw shall permit reasonable access to the Business License Inspector, Fire Inspector, and Building Inspector to determine that the requirements of this bylaw and the Act are being fulfilled.

## Change of location...

No person or owner shall change the place of business, owner or type of Business without first resubmitting an application and obtaining approval from the Business License Inspector for the transfer.

## How Long Will It Take?

The processing time will take 2-3 weeks, but this may vary depending upon the class of license. The Business License Inspector must review your file to ensure conformity with the necessary Bylaws. It may also be referred to other departments, such as Fire and Public Health. You must not commence business until the Business License is issued.

This Brochure is meant for information purposes only. Please refer to the City's website for more information or contact City Hall at the earliest possible date to determine what the precise requirements are for your particular application.

## Appendix 3.0: Current City of Merritt Cross Connection Control Brochure:

**Cross-Connection** : any actual or potential connection between a potable water system and any source of pollution or contamination. Bypass arrangements, jumper connections, removable sections, swivels or changeover devices, or any other temporary or permanent connecting arrangements through which backflow may occur are considered to be cross-connections

### Hazard Classifications

**Severe** - A cross connection or potential cross connection involving any substance in sufficient concentration to cause death, spread disease or illness, or contain any substance which has a high probability of causing such effect

**Moderate** - A cross connection or potential cross connection involving any substance which has a low probability of becoming a severe and would constitute a nuisance or be aesthetically objectionable if introduced into the domestic water supply.

**Minor** – An existing connection, or potential cross connection between the domestic water pipe and any pipe, vat or tank intended for carrying or holding potable water, which ahs a low probability of becoming a moderate hazard.

**A Reduced Pressure Backflow Assembly**

Reduced Pressure Backflow Assembly

Vent with Proper AIR GAP

10/15/2008
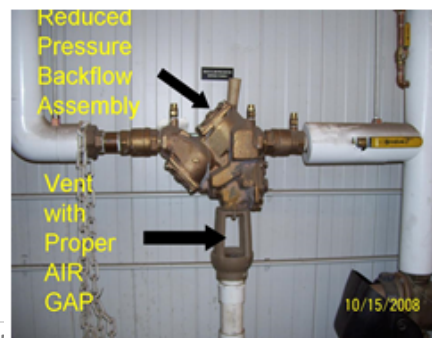
### Methods of Backflow Control

1. Air Gap  (AG)
2. Reduced Pressure Principal Assembly (RPBA) (Testable Device)
3. Double Check Valve Assembly (DCVA) (Testable Device)
4. Pressure Vacuum Breaker (PVB) (Testable Device)
5. Atmospheric Vacuum Breaker (AVB)
6. Hose Connection Vacuum Breaker (HCVB)
7. Laboratory Faucet Breaker (LFVB)
8. Dual Check / Atmospheric Port (DCAP)
9. Dual Check /Atmospheric Port for Carbonators (DCAPC)
10. Dual Check Valve (DuC)

This brochure is meant for informational purposes only. Please consult with City Hall at the earliest possible date to determine what the precise requirements are for your particular application.

**MERRITT**
COUNTRY MUSIC CAPITAL OF CANADA

**A Guide to: Cross Connection Control Program**

### This Brochure Explains:

- *What is a Cross Connection?*
- *A Cross Connection occurs when the piping from the potable water (drinking water) supply is connected to a potential contaminant source*
- *Why is there a concern with Cross Connection?*
- *Cross Connections are a concern because on occasion, situations can occur which allow a backflow of water through the cross connection by back pressure or back syphonage. This backflow water can contain chemicals or other toxins, which can pollute the potable water supply.*

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Contact Email: dcurnow@merritt.ca

## What is a Cross Connection Control Program?

The City of Merritt has developed a Cross Connection Control Program in Compliance with the Interior Health Authority's - Permit to Operate a water system Drinking Water Protection Act, Part 2, Section 8).The purpose of this program is to protect the public health by ensuring that the safe clean water provided by the City of Merritt is not contaminated due to backflow after it is introduced into the water distribution system. A Cross Connection Control Program addresses the backflow threat as a result of cross connections by establishing operating policies and procedures as well as backflow preventer; selection, installation, testing and maintenance practices and procedures

## Goals and Objectives

Our goal is to develop and implement a Cross Connection Control Program, as well as maintain and assess the program in an ongoing and objective manner, ensuring that clean safe water is delivered to the people of the City of Merritt.

## Enforcement Authority

The City of Merritt Cross Connection Control Program receives its authority from the City of Merritt Water Works Bylaw No. 2007 and the British Columbia Building Code, Part 7 require that potable water be protected from contamination.

## What is Backflow?

**Backflow** is defined as undesired, reversed flow of liquid in a piping system. Backflow can be caused by back siphonage, back pressure, or a combination of the two.

**Back-siphonage** backflow occurs when there is a partial vacuum (negative pressure) in a water supply system, drawing contaminated source into the a potable water supply. The effect is similar to sipping a soda by inhaling through a straw. For example, during a large fire a pumper is connected to a hydrant; high flows pumped out of the distribution system can result in significantly reduced water pressure around the withdrawal point. A partial vacuum has been created in the system, causing suction of water to be withdrawn from non–potable sources such as air-conditioning systems, water tanks, boilers fertilizer tanks and washing machines into buildings located near a fire. The same conditions can be caused by a water-main break.

**Back-pressure** backflow occurs when the pressure of the non-potable system exceeds the positive pressure in the water distribution lines. For example, there is a potable water connection to a hot water boiler system that is not protected by an approved backflow preventer. If pressure in the boiler system increases to a point that it exceeds the pressure in the potable water distribution system, a backflow from the boiler to the potable water system may occur.

**Backflow:** The flow of water or other liquids, gases or solids from any source back into the Customer's plumbing system or the City of Merritt water distribution system.

## Standards

**S.1**. *British Columbia Building Code 2006 Part 7*
All new construction and renovations undertaken in the City of Merritt are subject to the requirements of B.C Building Code, Part 7.6.2. of the B.C. Building Code, Protection from Contamination

**S.2**. *Accepted Standards – CSA B64.10-11/B64.101-11 (or most current)*
The selection, installation, maintenance and fielding-testing of backflow preventers in the City of Merritt

**S.3**. *Accepted Standards – CSA B64 Series (or most current)*
All backflow preventers installed in the City of Merritt shall be approved in accordance with CSA standards B64 Series.

**S.4**. *Accepted Procedure and Practices PNWS section AWWA.*
Outlines the testing procedures recognized by the American Water Works Association, British Columbia Section for testing backflow prevention assemblies and will provide additional standards not addressed by the above aforementioned

**S.5**. *University of Southern California Foundation for Cross Connection Control and Hydraulic Research. (USC FCCCHR)*

**S.6**. *Chemigation Guidelines for British Columbia – BCMAF publication*
The Chemigation Guidelines for British Columbia provide information on backflow prevention requirements for all types of water supplies and additional safety information pertaining to chemigation.

## Appendix 4.0: Online Survey Questions
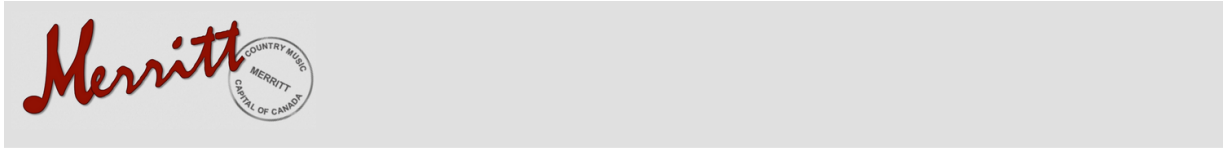
**The City of Merritt's Business Licencing Process Review**

The purpose of this project is to conduct a review of the City of Merritt's current business licencing regime and offer recommendations as to how the City of Merritt can become more business friendly and streamline the business licencing process.

Business owner feedback is an important part of the business licencing review process. Your responses will be kept confidential. The information collected from you and other business owners will be aggregated and summarized into a report outlining recommendations for possible programs or opportunities for the City of Merritt to undertake moving forward to:

- Become more efficient and business-friendly,
- Reduce administrative burden and costs, and
- Provide better information and service to the public.

This survey should be completed by the person who is responsible for purchasing/renewing the business licence in your business.

This survey takes an average of 10 minutes to complete.

Thank you for your participation.

OK

NEXT

## 1. Please select the Industry Sector which best represents your business:

○ Accommodation and Food Services (includes RV resorts, hotels, motels and restaurants)

○ Administrative and Support, Waste Management and Remediation Services

○ Agriculture, Forestry, Fishing and Hunting (including fishing and hunting lodges, farming, ranching, etc.)

○ Arts, Entertainment and Recreation

○ Construction

○ Educational Services

○ Finance and Insurance

○ Health Care and Social Assistance

○ Information and Cultural Industries

○ Management of Companies and Enterprises

○ Manufacturing

○ Mining, Quarrying, and Oil and Gas Extraction

○ Other Services (except Public Administration)

○ Professional, Scientific and Technical Services

○ Public Administration

○ Real Estate and Rental and Leasing

○ Retail Trade (includes gas stations, grocery stores, and other stores)

○ Transportation and Warehousing

○ Utilities

○ Wholesale Trade (companies that buy and sell goods with other companies – they typically do not have a storefront)

## 2. What was the year of your most recent business licence(s)?

○ Before 2015

○ 2015

○ 2016

○ 2017

○ 2018

3. For your most recent application, did you obtain a new license or renew or amend an existing license?

○ New

○ Renewal/amendment

4. Please rate your overall satisfaction with the business licencing process?

○ Very satisfied                           ○ Dissatisfied

○ Satisfied                                ○ Very dissatisfied

○ Neither satisfied nor dissatisfied

○ Other (please specify)

[                                    ]

5. Please explain the main reason(s) for your rating above.

[                                    ]

6. How would you rate the customer service of the staff you interacted with during the business licence process for the following:

|  | Poor | Moderate | Above average | Exceptional |
|---|---|---|---|---|
| Friendliness | ○ | ○ | ○ | ○ |
| Helpfulness | ○ | ○ | ○ | ○ |
| Willingness to identify solutions to problems | ○ | ○ | ○ | ○ |
| Ability to answer technical questions | ○ | ○ | ○ | ○ |

7. Please explain the main reason(s) for your ratings above.

8. How would you rate the total processing time, based on your expectations?

○ Shorter

○ Longer

○ As originally notified at time of application

9. How would you rate the effectiveness of the communication throughout the process?

○ Extremely effective
○ Very effective
○ Somewhat effective

○ Not so effective
○ Not at all effective

10. Was it clear what supporting documents were required with your application?

○ Extremely clear
○ Very clear
○ Somewhat clear

○ Not so clear
○ Not at all clear

11. Please provide any additional suggestions that you feel would help improve your experience with the process.

| PREV | NEXT |

12. Thinking of the current cost for your business licence, would you say:

○ It is too high

○ It is reasonable

○ It is too low

13. Would your business be interested in an inter-community business licencing? (An inter-community business licence allows mobile businesses to operate across multiple municipalities and regional districts for an additional fee.)

○ Yes

○ No

14. Would you support the idea of the City of Merritt offering short-term business licences?

|  | Yes | No |
|---|---|---|
| 1 month | ○ | ○ |
| 3 months | ○ | ○ |

15. Do you feel there needs to be changes to the business licence fee structure?

○ No

○ Yes
(Please explain how you think the business licence fee structure should change)

16. Do you feel there is a need for the creation of an exemption for hobby businesses that want to sell their wares at more than the Farmer's Market, but don't really make enough money to justify purchasing a business licence?

○ No

○ Yes

Explain how you think the city should implement such an exemption (ei. Criteria, enforcement, etc.)

17. What suggestions do you have to make the current business licence process more efficient and business-friendly?

18. What suggestions do you have to reduce administrative burden and costs with the current business licence process?

19. What suggestions do you have to provide better information and service to the public?

20. Would you be interested in being able to access information and reports about business licence data?

○ Yes

○ No

21. In regards to the question above, what sort of information do you think would be useful to the City or that you think businesses would be interested in knowing?

1) _____

2) _____

3) _____

4) _____

5) _____

6) _____

22. If you were interested in learning more about the business licence process or changes that are implemented, what kind of informational format would you prefer?

○ Mail - brochures

○ Centralized workshops or classes

○ Local television

○ Internet Websites

○ E-mail

○ Newspaper Insert

○ Radio

○ Social Media

| PREV | NEXT |

We would like to thank our Community Project Partners for helping to link the City of Merritt to the business community. Without their collaborative support, this project would not have been successful.

Thank you for completing the survey.
If you are interested in finding out more about the proposed changes to the City of Merritt's business licencing regime please visit: www.merritt.ca

OK

PREV    DONE