

Attachment No. 2

Sample Administration Fee Calculation

Scenario

Large property clean-up requiring 3 hours of staff time.

- Staff rate: \$55/hour
- Total staff time cost: \$165
- Contractor fee (pre-tax): \$1,500
- Tax on contractor invoice: \$195
- Total paid by City to contractor: \$1,695

Note: Only a portion of the tax paid is recoverable through the tax roll.

At Current 15% Administration Fee Rate

- Recoverable cost of work added to tax roll: \$1,526.40
- Administrative fee (15% of \$1,526.40): \$228.96
- Total added to tax roll: \$1,755.36
- Staff time cost recovery:
\$1,755.36 (recovered) - \$1,695 (City cost) = **\$60.36**

At Proposed 25% Administration Fee Rate

- Recoverable cost of work added to tax roll: \$1,526.40
- Administrative fee (25% of \$1,526.40): \$381.60
- Total added to tax roll: \$1,908
- Staff time cost recovery:
\$1,908 (recovered) - \$1,695 (City cost) = **\$213**

Summary:

Raising the administrative fee from 15% to 25% improves cost recovery for staff time associated with by-law enforcement actions. In this example, the City recovers an additional **\$152.64** toward staff costs.