



## Report to Council

Department: Corporate Services  
Division: Finance and Business Services  
Date: April 19, 2022  
Prepared by: Kate Giurissevich, CPA, CA, Director, Corporate Services/ Treasurer  
Report Number: Corporate Services-2022-02  
Subject: Online Convenience Fee- Building Permitting  
Number of Pages: 3

### Recommendation(s)

**That Corporate Services-2022-02** entitled Online Convenience Fee prepared Kate Giurissevich dated April 19, 2022 be received, and

**That Council** authorize the addition of a online convenience fee of 3% for fees paid through credit card through Cloudpermit, as proposed in the attached amendment to Schedule "A" of Bylaw 2040.

### Purpose

Bylaws and amendments to such require Council approval.

### Background and Discussion

In March 2021, Council authorized the procurement of Cloudpermit, the electronic building permit and inspection web-based software, to deliver meaningful and effective customer service in the Building Division of the Development Services Department. The implementation

of this was also supported by the 2020 Service Delivery Review and Council's Strategic Plan. Through configuration of the software with the Town's building and inspection processes and applications, as well as through ongoing training and troubleshooting, Administration successfully "soft-launched" the Residential Building Permit & Inspection platform of Cloudpermit in November 2021 available only to specific builders and developers in the community. Full launch for external public applications and inspections is forecasted for Fall 2022, following matters to be addressed in this Report, as well as outstanding backend software configuration matters. Administration also continues to work with Cloudpermit on the configuration and implementation of the Commercial & Industrial Building Permit & Inspection platform, which is anticipated to soft- and fully-launch in 2023.

In 2021 the Town underwent a Fees and Charges review which resulted in changes to nearly all building fees charged, effective July 1, 2021. This study sets fees based on anticipated building expenses to ensure a user rate supported system. When this study was conducted, the uptake to the Cloudpermit system was not known and therefore, any credit card transaction fees, were included in the recovery calculation based on past usage.

Cloudpermit allows for residents, builders, and developers to apply and make an online payment for their building permit. However, users can still pay via cash or cheque should they choose.

Since 2018, Town Administration has been implementing changes to credit card use to ensure that the fee charged by credit card companies (used by select residents), is not burdened onto the entire tax base. In 2020, credit card payments for property taxes were discontinued except through the Virtual City Hall Platform, with a convenience fee of 2.5%, evaluated annually.

As seen in the past, credit card companies charge a fee for the use of such card which can vary depending on card type. Currently, the average fee noted on Cloudpermit transactions since implementation is approximately 4% of total sales.

Uptake since the date of builder-specific Residential Soft-launch alone has been significant, and therefore the fees are as well. This is summarized in the below table:

2022	Online Building Revenue through Cloud Permitting	Credit Card Fee paid by Town
<b>January</b>	\$192,165	\$7,893
<b>February</b>	\$439,252	\$17,771
<b>March</b>	\$367,130	\$15,221

In consultation with Cloudpermit software engineers, the inability to charge a convenience fee is an issue several of their customers, including the Town of Essex, has voiced concern over. Therefore, effective April 19<sup>th</sup>, 2022, Cloudpermit will be releasing an update to their platform to allow for the use of a convenience fee in direct conjunction with the payment platform Bambora, which the Town currently uses.

**Financial Impact**

Should Council approve the implementation of the 3% convenience fee; there would be nominal financial impact to the Town as the intent is for the convenience fee revenue to offset the current expense charged by the credit card company. This fee would be evaluated annually to ensure full cost recovery, and any proposed changes would be done so through the annual fees and charges by-law.

## Consultations

Kevin Carter, Chief Building Official

Lori Chadwick, Director, Development Services

## Link to Strategic Priorities

- Manage, invest and plan for sustainable municipal infrastructure which meets current and future needs of the municipality and its citizens.
- Create a safe, friendly and inclusive community which encourages healthy, active living for people of all ages and abilities.
- Provide a fiscal stewardship and value for tax dollars to ensure long-term financial health to the municipality.
- Manage responsible and viable growth while preserving and enhancing the unique rural and small town character of the community.
- Improve the experiences of individuals, as both citizens and customers, in their interactions with the Town of Essex.
- Improve the Town's capacity to meet the ongoing and future service needs of its citizens while ensuring the corporation is resilient in the face of unanticipated changes or disruptions.

## Report Approval Details

Document Title:	Online Payment Convenience Fee - Corporate Services-2022-02.docx
Attachments:	- Schedule A - revised April 2022.pdf
Final Approval Date:	Apr 8, 2022

This report and all of its attachments were approved and signed as outlined below:

A handwritten signature in black ink, appearing to read "Doug Sweet", with a long horizontal stroke extending to the right.

**Doug Sweet, Chief Administrative Officer - Apr 8, 2022 - 9:54 AM**