



Audit, Finance & Enterprise Committee Report

Date: April 14, 2016
To: Audit, Finance & Enterprise Committee
Through: Alex Deshuk, Chief Innovation Officer
From: Ed Quedens, Business Services Department Director
Subject: Revenue Collections Operations Fees and Charges for the Business Services Department (Citywide)

Purpose and Recommendation

The purpose of this report is to propose a new Technology Improvement Fee. A \$2.00 Technology Improvement Fee is proposed to be charged on Specialty Licenses, Alarm Permits, and Fire Safety Operational Permits. The Business Services Department requests Council approval of this additional fee to be effective for Fiscal Year (FY) 2016/17.

Background and Discussion

Business Services strives to provide the best service for our customers. In order to meet customer expectations, new and upgraded technology is necessary to manage and administer the licenses and permits the Department issues. Currently, processes are controlled through separate systems, which require manual processing to integrate. Improved technology will allow the Department to streamline and merge these processes.

Development Services and Business Services are in the process of implementing a replacement Land Development System (Accela Automation). Development Services has an existing Technology Improvement Fee which covers the bulk of the annual costs for Accela Automation. However, the Accela Automation system also includes a licensing module and new licensing "wizard" software called OpenCounter, which walks customers through a series of questions to determine what licenses or permits they need to obtain from the City. The Department is proposing assessing a \$2.00 Technology Improvement Fee on each Specialty License, Alarm Permit, and Fire Safety Operational Permit. The revenues from the proposed Technology Improvement Fee on specialty business licenses will initially be applied to the annual costs for OpenCounter (approx. \$52,500.00/annually). This methodology assesses the fee to those using the services. Funds collected from this fee would also be used to acquire and implement other improvements to licensing and permitting technologies as approved by the City Manager.

The Technology Improvement Fee would be applied to the following licenses:

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|---------------------------------|----------------------------|
| Antique Dealer | Off-Track Betting |
| Auction House | Park and Swap |
| Auctioneer | Pawn Broker |
| Bingo | PD Alarms |
| Extension of Premise | Peddler |
| Fire Safety Occupational Permit | Scrap Metal |
| Fireworks | Secondhand Dealer |
| Fortune Teller | Sexually Oriented Business |
| Liquor | Special Event |
| Liquor Special Event | Teen Dance Hall |
| Livestock | Tent |
| Massage Establishment | |

Alternatives

Alternatives to the recommended fee could include not implementing the fee, increasing, or reducing the amount of the fee. Without the Technology Improvement Fee, another funding source for OpenCounter would be searched out.

Fiscal Impact

If the fee is not implemented, a dedicated revenue source for needed technology improvements would not be established.

Total estimated FY16/17 Fiscal Impact is \$58,400.00.

Specialty License/Permit	Quantity	Fee	Revenue
Specialty License	1,200	\$ 2.00	\$ 2,400.00
Alarm Permit	20,000	\$ 2.00	\$ 40,000.00
Fire Safety Operational Permit (FSOP)	8,000	\$ 2.00	\$ 16,000.00
Total			\$ 58,400.00

Fee Recommendation Schedule

**Department: Business Services
Revenue Collection Operations
Proposed Changes to Fees and Charges**

Document of Change: Resolution

Description of Services:	FY 15/16 Fee/Charge	Unit	FY 16/17 Fee/Charge (Effective 7/1/16)	Date Last Revised	FY 16/17 Fiscal Impact	Notes
TECHNOLOGY IMPROVEMENT FEE	NA	Each Permit/License*	\$2.00	NA	\$ 58,400	Proposed new fee
<p>*EACH AND EVERY SPECIALTY BUSINESS LICENSE, ALARM PERMIT AND FIRE SAFETY OPERATION PERMIT SHALL BE ASSESSED AN ADDITIONAL \$2.00 TECHNOLOGY IMPROVEMENT FEE.</p>						