



## **Audit, Finance & Enterprise Committee Report**

**Date:** March 5, 2020  
**To:** Audit, Finance & Enterprise Committee  
**Through:** Natalie Lewis, Deputy City Manager  
**From:** Cindy Ornstein, Arts & Culture Department Director  
**Subject:** Proposed Changes to Arts & Culture Department Fees and Charges (Citywide)

### **Purpose and Recommendation**

The purpose of this report is to recommend modifications to the Arts and Culture Department's Schedule of Fees and Charges. The recommended revisions include memberships of the Mesa Arts Center (MAC) Foundation and Scene Shop Rental Rates.

### **Background and Discussion**

Every year, the Department reviews its Schedule of Fees and Charges and determines if updates, additions, or deletions are needed for the following fiscal year. This determination is based upon a variety of factors, including increased costs that have created the need for additional City cost recovery, competition in the marketplace, and other considerations.

### **Foundation Membership Levels and Fees**

The Arts and Culture Department consists three programs, Mesa Arts Center, Arizona Museum of Natural History (AZMNH), and i.d.e.a. Museum. Each program has a Foundation and Membership committee that works with the Arts and Culture Department to drive programming and fundraising in each area.

Each Foundation has their own level of membership and associated fees. These fees are collected by the City, and directly transferred to the respective foundation. The City does not recognize the membership revenues as they are passed through directly to the Foundations. Therefore, staff is recommending removing these fees from the City's Schedule of Fees and Charges as the fees are not determined by or realized by the City

of Mesa.

Membership fees, membership levels, and other information can be found below:

**Mesa Arts Center Members Circle**

<https://www.mesaartscenter.com/jointhecircle>

**Arizona Museum of Natural History Membership**

<https://www.arizonamuseumofnaturalhistory.org/get-involved/membership>

**i.d.e.a. Museum Membership**

<https://www.ideamuseum.org/member-benefits/>

**MAC Scene Shop Rehearsal Rental Fees**

The Department is requesting the elimination of the Rehearsal Rental Fees for the MAC Scene Shop as the use is no longer practical for the current space.

**Alternatives**

City Council could choose not to recommend proposed changes to the Fees and Charges Schedule. This would have the effect of leaving the current fees in place.

**Fiscal Impact**

The City does not collect the Foundation Fees so there will be no impact the City.

**Coordinated With**

The Arts & Culture Department worked in coordination with the Office of Management and Budget.

## Fees & Charges Schedule – Key

### Heading Configuration

<b><u>Schedule of Fees &amp; Charges</u></b>
<b>Department</b>
Contact Information
<b>HEADING 1</b>
HEADING 2
<i>Heading 3</i>
Description of Fee
Description of Fee 2

### Font Indications

Font	Font Indications
Regular Font	Existing fee or language
<del>Strike through</del>	Fee or language will be deleted from the Fee Schedule
<b>BOLD CAPS</b>	Language is being added to Fee Schedule
<b>Bold</b>	New or increased Fee Amount

**Fee Recommendation Schedule**  
**Exhibit A**  
**Department: Arts & Culture Department**

Description of Service	Current Fee	Proposed Fee	Unit	Revenue Source	Fiscal Impact	Notes
MESA ARTS CENTER						
<u>SCENE SHOP</u>						
<del>Scene Shop Rehearsal Space Rental</del>	<del>\$250.00 / week including labor; add'l contract labor hrs up to 40 hrs at \$21/hr; add'l contract labor hrs over 40 hrs at \$31.50/hr</del>				\$0	Fee no longer utilized.
<u>MEMBERS CIRCLE **</u>	-	-	-	-	-	Fee is not collected/realized by the City
Bronze Level	\$50.00		-	-	-\$0	-
Silver Level	\$100.00		-	-	-\$0	-
Gold Level	\$250.00		-	-	-\$0	-
Platinum Level	\$500.00		-	-	-\$0	-
Founder Donor Circle	\$1,500.00		-	-	-\$0	-
Corporate Friend	\$2,500.00		-	-	-\$0	-
Corporate Patron	\$5,000.00		-	-	-\$0	-
Corporate Founder	\$10,000.00		-	-	-\$0	-
**Fee is not collected by the City of Mesa; fee is collected by the Mesa Arts Center Foundation.						
-	-	-	-	-	-	-

**Fee Recommendation Schedule**

**Exhibit A**

**Department: Arts & Culture Department**

**Total Annual Fiscal Impact:      \$0.00**



## **Audit, Finance and Enterprise Committee Report**

**Date:** March 5, 2020  
**To:** Audit, Finance and Enterprise Committee  
**Through:** Michael Kennington, Chief Financial Officer/Deputy City Manager  
**From:** Edward Quedens, Business Services Director  
Tim Meyer, Business License and Revenue Collections Administrator  
**Subject:** Fees and Charges – Business Services (Citywide)

### **Purpose and Recommendation**

The purpose of this report is to propose

- Modifying the Peddler Code
- Establishing a Mobile Food Vendor License
- Establishing a Business License and Business License Fee
- Modifying the Special Event code and propose a new small scale event fee

### **Background / Discussion**

**Peddler License** - The current City's Peddler License code requires any person selling or taking orders for products or services either door to door or otherwise to acquire a Peddlers License. Staff is proposing the following changes to the Peddler Code.

- Require a background check for peddlers going door to door.
- Eliminate the license requirement for minors selling or taking orders on behalf of a non-profit organization, anyone selling home-made or home-grown goods at a craft fair, participants at a licensed special event, and mobile food truck vendors.
- Eliminate the quarterly license.

No changes to the Peddler License fee are being proposed.

**Mobile Food Vendor License** - As the presence of food trucks and other mobile food vendors becomes more prevalent in our community, the Business Services Department requests to establish a Mobile Food Vendor License. The proposed Mobile Food Vendor License will establish minimum standards for operators, consistent guidelines for Cities and Towns, parking guidelines and standards, and penalties for non-compliance. The proposed fee for the Mobile Food Vendor License

Fee is an application fee of \$10 and a license fee of \$100 annually, consistent with the Peddler License Fee.

**Business License** - A Business License program will improve data collection abilities which will allow citizens to acquire demographic information of like businesses. The program will also improve communication between the City and local businesses, for instance, sharing information regarding codes changes and providing notifications that may affect the business. Improved data on licensed businesses will provide Public Safety the ability to better communicate on issues that affect the health, safety and welfare of our citizens. The City will also be able to identify service based and home-based businesses and identify taxable businesses not currently reporting sales tax. Staff is proposing a fee of \$10 per license.

**Special Event** – The Businesses Services Department recommends repealing the existing Special Event Code and implementing a new Special Event Code. Highlights of this recommended code are:

- Provides for an expedited process and fee for applications submitted less than the minimum required days prior to the event date.
- Enumerates the process for license denial, revocation, and appeal.
- Provides a new application option for up to 6 multi-repeating events that will occur within a 6 month period beginning from time of application.
- Provides a new fee structure for events that are small in scale and complexity minimal City staff time. A small scale event is considered an event that has a total square footage footprint of no greater than 400 square feet, does not contain any fire, electrical, gas, or propane apparatuses.

## **Alternatives**

Council could decide not to implement any of the changes recommended by the Business Services Department.

## **Fiscal Impact**

**Peddler License** – No fiscal impact anticipated.

**Mobile Food Vendor License** – Since the new code removes Mobile Food Vendors from the Peddler Code and establishes the Mobile Food Vendor License at the same fee, no fiscal impact is anticipated.

**Business License** – The Business License fee is expected to generate \$100,000 for FY 2020/21 and \$300,000 annually once fully implemented. To support the program, Business Services proposes hiring 3.0 FTE's at an annual cost of approximately \$200,000 and other administrative costs.

**Special Event** – No fiscal impact anticipated.

## **Coordinated With**

The Business Services Department has coordinated with the Office of Management and Budget on the fee modifications recommendation.



## Fees & Charges Schedule – Key

### Heading Configuration

<b><u>Schedule of Fees &amp; Charges</u></b>
<b>Department</b>
Contact Information
<b>HEADING 1</b>
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<i>Heading 3</i>
Description of Fee
Description of Fee 2

### Font Indications

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Regular Font	Existing fee or language
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<b>BOLD CAPS</b>	Language is being added to Fee Schedule
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**Schedule of Recommended Fees**  
**Exhibit A**  
**Department: Business Services Department**

DESCRIPTION OF SERVICE	Current Fee	Proposed Fee	Unit	Revenue Code	Total Fiscal Impact	Notes
<b>BUSINESS LICENSE</b>		<b>\$10.00</b>	<b>ONE YEAR</b>		<b>\$100,000</b>	<b>New fee to allow the City to document/record businesses within City limits</b>
PEDDLER**				1101-4104		
Application Fee	\$10.00					
<del>Renewal Fee (quarterly or annual)</del>	<del>\$30.00</del>		Quarter		<b>\$0</b>	<b>Removing quarterly fee</b>
<b>ANNUAL FEE</b>	<b>\$100.00</b>		<b>ONE YEAR</b>		<b>\$0</b>	<b>Adding annual fee</b>
<b>MOBILE FOOD VENDOR</b>						
<b>APPLICATION FEE</b>		<b>\$10.00</b>			<b>\$0</b>	<b>Making new fee category, giving Food Vendors out of Peddlers.</b>
<b>ANNUAL FEE</b>		<b>\$100.00</b>	<b>ONE YEAR</b>		<b>\$0</b>	<b>Setting same fees as proposed Peddler Fees</b>
SPECIAL EVENT LICENSE				1101-4104		
Application Fee	\$100.00		Day (max. \$300)			

<b>SMALL SCALE EVENT FEE</b>		<b>\$50.00</b>	<b>PER EVENT</b>			<b>Making new fee for small scale events.</b>
<b>EXPEDITED FEE</b>		<b>FEE PLUS 50% OF FEE CHARGED</b>	<b>DAY</b>		<b>\$100</b>	<b>Creating an fee for expediting processing for Special Events to recuperate the administrative time expedited applications take</b>
<b>MULTI-REPEATING EVENT FEE</b>		<b>FEE MULTIPLIED BY NUMBER OF EVENTS MULTIPLIED BY 50%</b>	<b>DAY</b>		<b>\$0</b>	<b>Creating new fee for multiple events; multiple events take less administrative time to process</b>

**Total Annual Fiscal Impact: \$100,100**



## **Audit, Finance & Enterprise Committee Report**

**Date:** March 5, 2020  
**To:** Audit, Finance & Enterprise Committee  
**Through:** Michael Kennington, Deputy City Manager/Chief Financial Officer  
**From:** Edward Quedens, Business Services Director  
Tom LaVell, Management Assistant II  
**Subject:** Changes to Alarm Ordinance and Associated Fees and Charges  
(Citywide)

### **Purpose**

The purpose of this report is to recommend modifications to the City's Alarm Ordinance and the associated fees and charges.

### **Background & Discussion**

The City's Alarm Ordinance (Title 6 Chapter 15) regulates the installation and operation of burglary, holdup, and panic alarm systems for business and residential use. The intent of the Ordinance is to encourage reliability in alarm systems and devices and to reduce the likelihood that police will have to respond to false alarms versus actual criminal activity. This is achieved through the issuance of mandatory permits for alarm systems and associated fees for non-compliance and false alarms.

The Business Services Department works with the Police Department to administer the ordinance and assess fees and penalties under the ordinance.

### **PROPOSED CHANGES TO ALARM ORDINANCE**

In 2012 the State of Arizona assumed responsibility for licensing and permitting companies that sell and monitor alarm systems in the state. Prior to that, each jurisdiction issued individual permits to alarm companies to operate in their areas.

In addition, the schedule of allowable fees and charges are defined within the Ordinance itself. The City's practice is to maintain appropriate fees and charges in the City's Schedule of Fees and Charges. This greatly improves the City's ability to administer the fees and charges and update them as necessary.

The Department recommends eliminating all references to permitting of alarm companies in the Ordinance and moving the fees and charges from the Ordinance to the City's Schedule of Fees and Charges.

## PROPOSED CHANGES TO SCHEDULE OF FEES AND CHARGES

In addition to moving the fees and charges from the Ordinance to the City of Mesa Schedule of Fees and Charges, the Business Services Department is recommending updates to certain fees and charges as detailed below.

Removal of all fees associated with alarm businesses.

Consolidate two separate permits (Burglary permit and Panic/Holdup permit) onto a single alarm permit.

Eliminate the fee for the first instance of a false alarm (currently \$50.00). This would make the City of Mesa fee schedule more consistent with surrounding jurisdictions. Additionally, the City currently waives this fee if violators attend the City's Alarm Awareness class.

Add a Permit Renewal Late Fee to encourage users to maintain their permit status.

Increase the Revoked Permit Reinstatement Fee from \$25.00 to \$50.00.

### **Alternatives**

The alternative is to leave the text of the Alarm Ordinance as is and not remove references to alarm business and to maintain the Alarm Ordinance schedule of fees and charges within the ordinance itself rather than moving it the City of Mesa Schedule of Fees and Charges.

### **Fiscal Impact**

#### ALARM BUSINESS FEES

There will be no fiscal impact to the City by removing fees associated with Alarm Businesses, these fees are no longer collected by the City.

#### PERMIT CONSOLIDATION

Consolidating the current two permits into a single permit would slightly increase revenue, approximately \$5,000. Currently approximately 27% of permittees hold single permits while the remainder hold dual permits (both the Burglary and the Panic/Holdup permit). Permittees that currently hold single permits would be allowed to maintain and renew the single permit rather than purchase the combined permit, however all new permit applicants would be issued the combined permit.

#### FALSE ALARM FEES

Eliminating the fee for the first instance of a false alarm would reduce revenue by approximately \$39,000. However, it is anticipated that this reduction would be compensated by increased revenue from issuing combined permits.

**Coordinated With**

The Business Services Department has coordinated with the Police Department and the Office of Management and Budget on the recommendation to make changes to the City's Alarm Ordinance.

## Fees & Charges Schedule - Key

### Heading Configuration

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**Fee Recommendation Schedule**  
**Exhibit A**  
**Department: Business Services**

Description of Fee	Current Fee	Proposed Fee	Unit	Revenue Code	Fiscal Impact	Notes
<i>ALARM FINES, FEES AND ASSESSMENTS:</i>				4206		
Alarm Permit:						
—Burglary Function +	\$10.00				\$(5,000)	Burglary and Panic/Holdup permits combined into a single, new PD Alarm permit
—Panic/Holdup function +	\$10.00				\$(5,000)	Burglary and Panic/Holdup permits combined into a single, new PD Alarm permit
—Burglary Function and Panic/Holdup Function +	\$20.00				\$(40,000)	Burglary and Panic/Holdup permits combined into a single, new PD Alarm permit
<b>POLICE DEPARTMENT ALARM PERMIT FEE</b>		<b>\$20.00</b>			<b>\$55,000</b>	Combining three fees above into one fee. Total net increase from the fee combination
Revoked Permit Reinstatement Fee +	\$25.00	\$25.00			\$0.00	Increasing fee to recuperate administrative costs associated with permit reinstatement processing. Removing Technology fee indicated by “+”.
<b>PERMIT RENEWAL LATE FEE</b>		<b>\$10.00</b>			<b>\$50.00</b>	Establishing fee for lapses in payments for permits to recuperate administrative costs for time associated with permit processing



**Fee Recommendation Schedule**  
**Exhibit A**  
**Department: Business Services**

False Alarm Assessments – Burglary:						
<del>—1st False Burglary Alarm</del>	<del>\$50.00</del>	\$0.00			<b>\$(39,000)</b>	<b>First alarm fee waived to be consistent with other jurisdictions.</b>
2nd False Burglary Alarm	\$100.00	\$100.00				
3rd False Burglary Alarm	\$150.00	\$150.00				
4th False Burglary Alarm	\$200.00	\$200.00				
5th False Burglary Alarm	\$250.00	\$250.00				
6th False Burglary Alarm	\$300.00	\$300.00				
7th False Burglary Alarm and each subsequent False Alarm	\$400.00	\$400.00				
						<b>All fees regarding Alarm companies will be removed. Alarm companies are now regulated through the State of Arizona.</b>
<del>—Alarm Company Licensing – Initial License Fees:</del>	<del>-</del>	<del>-</del>	<del>-</del>	<del>-</del>	\$0.00	

**Fee Recommendation Schedule**  
**Exhibit A**  
**Department: Business Services**

— Primary Alarm Business	\$200.00	-	-	-	\$0.00	-
— Reciprocal Alarm Business	\$75.00	-	-	-	\$0.00	-
— Alarm Agent	\$70.00	-	-	-	\$0.00	-
— Criminal History Investigation— Cost determined by DPS	Current cost	-	-	-	\$0.00	-
— Alarm Company Licensing— Renewal License Fees:	-	-	-	-	\$0.00	-
— Primary Alarm Business	\$20.00	-	-	-	\$0.00	-
— Reciprocal Alarm Business	\$10.00	-	-	-	\$0.00	-
— Alarm Agent	\$20.00	-	-	-	\$0.00	-
— Criminal History Investigation— Cost determined by DPS	Current Cost	-	-	-	\$0.00	-
— Duplicate License Fee	\$10.00	-	-	-	\$0.00	-
— Alarm Company Assessments:	-	-	-	-	\$0.00	-
— Failure to ECV (civil citation)	\$50.00	-	-	-	\$0.00	-

**Fee Recommendation Schedule**  
**Exhibit A**  
**Department: Business Services**

— Failure to provide permit number when asking for police response	\$15.00	-	-	-	\$0.00	-
— Request Dispatch to a location in error	\$75.00	-	-	-	\$0.00	-
— Failure to Provide Cancel/New Subscriber Lists as required	\$50.00	-	-	-	-	-
+ Technology Enhancement Fee of \$2 per permit and renewal.	-	-	-	-	\$0.00	<b>Removing Technology Fee language that is being removed by Business Services' FY 20/21 fee amendment.</b>
(See Business Services Fee Schedule)	-	-	-	-	\$0.00	-

**Total Fiscal Impact: \$(33,950)**



# Audit, Finance & Enterprise Committee Report

**Date:** March 5, 2020  
**To:** Audit, Finance & Enterprise Committee  
**Through:** Michael Kennington, Deputy City Manager  
**From:** Edward Quedens, Business Services Director  
Tim Meyer, Business License and Revenue Collections Administrator  
**Subject:** Fees and Charges – Elimination of \$2 Technology Fee (Citywide)

## Purpose and Recommendation

The purpose of this report is to recommend eliminating the \$2 Technology Improvement Fee charged on Specialty Licenses, Alarm Permits, and Fire Safety Operational Permits.

## Background and Discussion

This fee was created in FY2016/17 to help pay for the City's new licensing system and platform software called Open Counter. The City's intent was to create a question and answer based front-end to walk businesses and citizens through the licensing process. Use of the process never gained wide use, and the new version of the Open Counter product no longer feeds the data collected into the Accela licensing system. Therefore, the City will be discontinuing the use of Open Counter.

The Technology Improvement Fee currently applies to the following licenses:

Antique Dealer	Park and Swap
Auction House	Pawn Broker
Auctioneer	Police Department Alarms ( <i>on Police Department's Fee Schedule</i> )
Fire Safety Occupational Permit ( <i>on Fire &amp; Medical's Fee Schedule</i> )	Peddler
Fireworks	Scrap Metal
Fortune Teller	Secondhand Dealer
Liquor	Sexually Oriented Business
Liquor Special Event	Special Event
Livestock	Teen Dance Hall
Massage Establishment	Tent
Off-Track Betting	

Since the City's use of this software will be discontinued and other funding is available to support the Accela licensing software, the \$2 Technology Improvement Fee is recommended to be eliminated.

**Alternatives**

The Council could decide to keep the fee.

**Fiscal Impact**

Eliminating this fee will result in reduction of revenue of approximately \$53,200 (FY 2018/19). Discontinuing the use of the Open Counter will result in a reduction of expense of approximately \$55,500.

**Coordinated With**

The Business Services Department coordinated with Office of Management and Budget to amend the schedule of fees and charges.

## Fees & Charges Schedule - Key

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**Fee Recommendation Schedule**  
**Exhibit A**  
**Department: Business Services**

Description of Service	Current Fee	Proposed Fee	Unit	Revenue Code	Total Fiscal Impact	Notes
LIQUOR LICENSE						
Application Fee (all series) †	\$100.00	\$100.00		1101-4103		Removing Technology Fee indicator
Subsequent Years †						Removing Technology Fee indicator
Series 1-4, 8, 11-13	\$500.00	\$500.00	One year			
Series 6-7, 9-10 and 14	\$550.00	\$550.00	One year			
Series 5	N/A	N/A				
Late Fee	20%	20%	Of renewal fee			
Special Event Liquor License						
Application Fee (all series) †	\$25.00	\$25.00		1101-4103		Removing Technology Fee indicator
FORTUNE TELLER						
License Fee †	\$300.00	\$300.00		1101-4104		Removing Technology Fee indicator
Annual Renewal Fee †	\$300.00	\$300.00	One year			Removing Technology Fee indicator

**Fee Recommendation Schedule**  
**Exhibit A**  
**Department: Business Services**

AUTOMATED KIOSKS - ELECTRONIC DEVICES						
Master Application Fee †	\$500.00	\$500.00	Per application	1101-4104		
License Issuance Fee	\$500.00	\$500.00	Per kiosk			
License Renewal Fee	\$500.00	\$500.00	Annually per license			
MESSAGE ESTABLISHMENTS						
Application Fee †	\$100.00	\$100.00		1101-4104		Removing Technology Fee indicator
License Fee	\$100.00	\$100.00				
Annual Renewal Fee †	\$100.00	\$100.00	One year			Removing Technology Fee indicator
PARK AND SWAP						
Application Fee †	\$100.00	\$100.00		1101-4104		Removing Technology Fee indicator
License	\$150.00	\$150.00				
Annual Renewal Fee †	\$150.00	\$150.00	One year			Removing Technology Fee indicator
PAWNBROKERS/SECONDHAND DEALERS**						
Application †	\$100.00	\$100.00		1101-4104		Removing Technology



**Fee Recommendation Schedule**  
**Exhibit A**  
**Department: Business Services**

						Fee indicator
License Fee	\$100.00	\$100.00				
Annual Renewal Fee ±	\$100.00	\$100.00	One year			Removing Technology Fee indicator
Late Fee	20%	20%	Of renewal fee			
PEDDLER**				1101-4104		
Application Fee ±	\$10.00	\$10.00				Removing Technology Fee indicator
Renewal Fee (quarterly or annual) ±	\$30.00	\$30.00	Quarter			Removing Technology Fee indicator
	\$100.00	\$100.00	One year			
SPECIAL EVENT LICENSE				1101-4104		
Application Fee ±	\$100.00	\$100.00	Day (max. \$300)			Removing Technology Fee indicator
TEENAGE DANCE HALL						
Application Fee ±	\$100.00	\$100.00				Removing Technology Fee indicator
License Fee	\$300.00	\$300.00				
Annual Renewal Fee ±	\$300.00	\$300.00	One year			Removing Technology Fee indicator

**Fee Recommendation Schedule**  
**Exhibit A**  
**Department: Business Services**

SEXUAL ORIENTED BUSINESS**						
Application Fee ÷	\$500.00	\$500.00		1101-4104		Removing Technology Fee indicator
License Fee	\$500.00	\$500.00				
Annual Renewal Fee ÷	\$500.00	\$500.00	One year			Removing Technology Fee indicator
SEXUAL ORIENTED BUSINESS-EMPLOYEE**				1101-4104		
Application/License Fee ÷	\$50.00	\$50.00				Removing Technology Fee indicator
Annual Renewal Fee ÷	\$50.00	\$50.00	One year			Removing Technology Fee indicator
**Also requires an Investigation Fee of \$25.00 per license.						
All Fees and Non-Refundable and are not prorated						
ESCORT SERVICE						
Application Fee ÷	\$100.00	\$100.00		1101-4104		Removing Technology Fee indicator
License Fee	\$100.00	\$100.00				
Annual Renewal ÷	\$100.00	\$100.00	One year			Removing

**Fee Recommendation Schedule**  
**Exhibit A**  
**Department: Business Services**

						Technology Fee indicator
<b>ESCORT BUREAU</b>						
Application Fee ÷	\$200.00	\$200.00		1101-4104		Removing Technology Fee indicator
License Fee	\$200.00	\$200.00				
Annual Renewal ÷	\$200.00	\$200.00	One year			Removing Technology Fee indicator
<b>LIVESTOCK LICENSE</b>						
Residents outside the Lehi sub-area can apply for a livestock license to allow up to the Lehi sub-area ratios of 4.0 animal points for the 1st acre. If property outside the Lehi sub-area is over 1 acre, 1.0 animal point would be allotted for every 5,445 sq ft (1/8 acre) thereafter. Both Lehi sub-area residents and those outside the Lehi sub-area would be able to increase the livestock ratio even higher through the use of a Special Use Permit (SUP).						
Application Fee ÷	\$50.00	\$50.00	Initial license	1101-4104		Removing Technology Fee indicator
Annual Renewal Fee ÷	\$50.00	\$50.00	Per year			Removing Technology Fee indicator
<b>OFF-TRACK BETTING</b>						
Application Fee ÷	\$500.00	\$500.00	Per window			
Issuance Fee	\$500.00	\$500.00				
Annual Fee ÷	\$500.00	\$500.00	One year			
Per Window Fee + 5 windows	\$0	\$0				
Late Renewal Fee	\$100.00	\$100.00				

**Fee Recommendation Schedule**  
**Exhibit A**  
**Department: Business Services**

<del>+ Technology Enhancement Fee</del>	<del>\$2.00</del>	<del>-</del>	<del>Each permit/License</del>	<del>-</del>	<del>\$(53,200)</del>	<del>-Removing technology fee</del>
<del>* Each and every Specialty Business License, Alarm Permit and Fire Safety Operation Permit shall be assessed an additional \$2.00 Technology Enhancement Fee.</del>						

**Total Annual Fiscal Impact:      \$(53,200)**

**Fee Recommendation Schedule**  
**Exhibit B**  
**Department: Fire & Medical Department**

	<b>Current Fee</b>	<b>Proposed Fee</b>	<b>Unit</b>	<b>Revenue Code</b>	<b>Total Fiscal Impact</b>	<b>Notes</b>
Fire safety Operational Permit (FSOP) †	\$15.00	\$15.00		1101-4205	\$0.00	Removing Technology Fee indicator

Total Annual Fiscal Impact: \$0.00

**Fee Recommendation Schedule**  
**Exhibit C**  
**Department: Police Department Fee Schedule**

	<b>Current Fee</b>	<b>Proposed Fee</b>	<b>Unit</b>	<b>Revenue Code</b>	<b>Total Fiscal Impact</b>	<b>Notes</b>
<i>ALARM, FINES, FEES AND ASSESSMENTS</i>						
Alarm Permit:						
Burglary Function ≠	\$10.00	\$10.00			\$0.00	Removing Technology Fee indicator
Panic/Holdup Function ≠	\$10.00	\$10.00			\$0.00	Removing Technology Fee indicator
Burglary Function and Panic/Holdup Function ≠	\$20.00	\$20.00			\$0.00	Removing Technology Fee indicator
Revoked Permit Reinstatement Fee ≠	\$25.00	\$25.00			\$0.00	Removing Technology Fee indicator

**Total Annual Fiscal Impact: \$0.00**



# Audit, Finance & Enterprise Committee Report

**Date:** March 5, 2020  
**To:** Audit, Finance & Enterprise Committee  
**Through:** Karolyn Kent, Assistant City Manager  
**From:** Christine Zielonka, Development Services Director  
Chase Carlile, Sr. Fiscal Analyst, Development Services Department  
**Subject:** Proposed Changes to the Fee Schedule for the Development Services Department

## Purpose and Recommendation

The purpose of this report is to recommend modifications to the Development Services Department's Schedule of Fees and Charges for fiscal year 2020-2021. The Department consists of two areas: Planning, and Development Services (Permitting, Civil and Building Plan Review and Building Inspections).

## Background & Discussion

Various fees are charged for services related to the land development process in Planning and Development Services. Fees are reviewed regularly to insure they align with the cost of providing the service.

### PLANNING

The Department is proposing the following changes to Planning's fees and charges:

1. Implement a Planning Review Fee for form-based code projects for \$648.

The form-based code was adopted in 2012 to encourage and guide mostly infill development and redevelopment of properties in the City's Downtown and Pioneer/Temple Neighborhoods. Unlike the requirements of standard zoning, property owners and developers have the option to use the form-based code to guide their development or utilize the traditional zoning standard and requirements on their property. To help incentivize the use of this code, no review fees are currently charged. Over the years the number of development

applications opting to use the form-based code reviews has increased, placing greater demand on staff time for reviewing and meeting with applicants. Over the past years, the planning division reviews approximately 10-14 form-based code cases a year that range in size and complexity.

There are many prescriptive standards that the City's development review staff must evaluate when reviewing form-based Code projects. The actual review time for form-based code cases has been found to be very similar to the time required for other standard administrative review processes.

Based on an estimate of 10 form-based code reviews per year, the estimated fiscal impact of this fee is \$6,480.

2. Proposes adding the following to Planning's fee schedule to clarify when fees are due. This language is consistent with language in the zoning code:

"Payment of fees is required for a planning application to be complete. No application shall be processed without payment of applicable fee unless a fee waiver or deferral has been approved."

This text addition has no fiscal impact.

## DEVELOPMENT SERVICES

The Department proposes the following change to Development Services' fees and charges:

1. Implement a sliding scale building permit fee for residential and commercial permits with a valuation less than \$25,000.

Currently residential and commercial building permit fees for permits valued under \$25,000 are determined by the estimated number of required inspections anticipated by staff for the project. The current fee requires staff to estimate how many inspections might be required and does not allow applicants to accurately estimate the cost of their permit.

Development Services is proposing to eliminate the estimating the number of inspection and replace the fee with a sliding scale based on project valuation. Phoenix, Chandler, Tempe, Gilbert, and Glendale all use a sliding scale to determine permit fees. This change will align our fee structure with other cities in the valley and make it easier for customers to understand and to estimate their actual permit fees.

The Current fees for commercial and residential permits valued under \$25,000



are:

<b>ESTIMATED Inspections</b>	<b>Number</b>	<b>of</b>	<b>Fee</b>
	1		\$180
	2		\$270
	3		\$360
	Each additional inspection above 3		\$90

Development Services is proposing the following scale for residential and commercial permits:

<b>Valuation</b>	<b>Proposed Fee</b>
\$0 - \$8,333	\$220
\$8,334-16,667	\$330
\$16,668-24,999	\$440

There will not be a significant fiscal impact due to this procedural change, however, this change will result in increased staff efficiency during plan review and permit fee calculation.

### **Alternatives**

Alternatives to the recommended fee modifications could include increasing, decreasing or making no changes to the various fees.

### **Fiscal Impact**

If the fee modifications recommended by the Development Services Department are not implemented it would make the relationship to the actual cost of providing the services less accurate.

Total estimated FY2020/21 fiscal impact for Planning is \$6,480.

There is not a significant fiscal impact to the procedural change proposed for Development Services.

### **Coordinated With**

The Development Services Department has coordinated with the Office of Management and Budget on this recommendation to make changes to the Department's Schedule of Fees and Charges.

## Fees & Charges Schedule – Key

### Heading Configuration

<b><u>Schedule of Fees &amp; Charges</u></b>
<b>Department</b>
Contact Information
<b>HEADING 1</b>
HEADING 2
<i>Heading 3</i>
Description of Fee
Description of Fee 2

### Font Indications

Font	Font Indications
Regular Font	Existing fee or language
<del>Strikethrough</del>	Fee or language will be deleted from the Fee Schedule
<b>BOLD CAPS</b>	Language is being added to Fee Schedule
<b>Bold</b>	New or increased Fee Amount

**Fee Recommendation Schedule**  
**Exhibit A**  
**Department: Development Services Department**

<b>Description of Service</b>	<b>Current Fee</b>	<b>Proposed Fee</b>	<b>Unit</b>	<b>Revenue Code</b>	<b>Fiscal Impact</b>	<b>Notes</b>
<b><u>RESIDENTIAL RATE TABLE</u></b>						
<i>Building Permit Fee (BPF) for Valuations of:</i>						
<del>Less than \$25,000</del>	\$180.00		One Inspection		\$0	<b>Removing estimated inspection amounts</b>
	\$270.00		Two Inspections		\$0	
	\$360.00		Three Inspections		\$0	
			Plus \$90.00/Each Additional Inspection			
<b>VALUATION</b>						<b>Adding inspections based upon valuation</b>
<b>\$0 - \$8,333</b>		<b>\$220</b>			<b>\$0</b>	
<b>\$8,334-16,667</b>		<b>\$330</b>			<b>\$0</b>	
<b>\$16,668-24,999</b>		<b>\$440</b>			<b>\$0</b>	
<b><u>COMMERCIAL RATE TABLE</u></b>						
<i>Building Permit Fee (BPF) for Valuations of:</i>						
<del>Less than \$25,000</del>	\$180.00		One Inspection		\$0	<b>Removing estimated inspection amounts</b>
	\$270.00		Two Inspections		\$0	
	\$360.00		Three Inspections		\$0	
	\$90.00	-	Plus \$90.00/Each Additional Inspection		\$0	

**Fee Recommendation Schedule**  
**Exhibit A**  
**Department: Development Services Department**

VALUATION						Adding inspections based upon valuation
\$0 - \$8,333		\$220			\$0	
\$8,334-16,667		\$330				
\$16,668-24,999		\$440				
<i>Form-Based Code Review</i>		\$648			\$6,480	
<b>PAYMENT OF FEES IS REQUIRED FOR A PLANNING APPLICATION TO BE COMPLETE. NO APPLICATION SHALL BE PROCESSED WITHOUT PAYMENT OF APPLICABLE FEE UNLESS A FEE WAIVER OR DEFERRAL HAS BEEN APPROVED.</b>					\$0	<b>ADDING NOTE CLARIFYING WHEN FEES ARE DUE.</b>

**Total Estimated Fiscal Impact: \$6,480**



# Audit, Finance & Enterprise Committee Report

**Date:** March 5, 2020  
**To:** Audit, Finance & Enterprise Committee  
**Through:** Karolyn Kent, Assistant City Manager  
**From:** Elizabeth Huning, City Engineer  
Michele Davila, Sr. Fiscal Analyst  
**Subject:** Changes to Engineering Department's Schedule of Fees and Charges  
Citywide

## Purpose

The purpose of this report is to recommend modifications to the Engineering Department's Schedule of Fees and Charges.

## Background and Discussion

The Engineering Department reviews its Schedule of Fees and Charges on an annual basis to determine the relevance and reasonableness of pricing of all fees and charges on the Schedule. Based on this year's review, the Engineering Department recommends adding several fees to the Engineering Schedule of Fees and Charges. Additionally, the Engineering Department recommends several administrative changes to the Engineering Schedule of Fees and Charges. Specific changes are outlined in the Discussion section below.

## Discussion

### CHANGES TO THE ENGINEERING DEPARTMENT'S SCHEDULE OF FEES AND CHARGES

#### After Hour Inspection Fee

Change the title of this section to Inspection Fees

Add the following fees to Inspection Fees:

Inspection/Re-Inspection/Callout Fee	\$135.00	Per Hour with 1 Hour Minimum
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Miscellaneous

Delete the Special Inspections Fee in its entirety: Special Inspections	\$100.00	Hour (minimum 1 hour)
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Land Leases

Delete the Pinal County Water Farms Agricultural Land Lease in its entirety: Agricultural Land Lease:	Varies with market conditions	3004-3702
--	-------------------------------	-----------

License Fees – Small Wireless Facilities (SWF) Application Fees

Add a Small Wireless Facility site assessment assistance fee, a pole reservation fee, and a subsurface utility location permit fee, and inspection callout and re-inspection fees to the Schedule as follows:

Site Assessment Assistance	\$135.00	Per Hour with 2 Hour Minimum
Pole Reservation	\$500.00	Per Site
Subsurface Utility Location Permit	\$400.00	Per Site

**Alternatives**

The alternative is to leave the Special Inspections Fee on the Schedule of Fees and Charges as a fee that is not collected.

The alternative is to leave the Pinal County Water Farms Agricultural Land Lease Fee on the Schedule of Fees and Charges as a fee that is no longer collected. The City sold the Farms in May of 2019. The City no longer owns the property or collects the lease revenues from that land.

The alternative to not adding the additional inspection fees and SWF fees is to have Inspection and Right-of-Way staff provide the services free of charge. Other municipalities charge similar fees to non-city utilities for preliminary plan review, third-party utility coordination assistance and inspection callout services. City of Mesa Inspection and Right-of-Way staff are currently performing these services.

**Fiscal Impact**

ENGINEERING DEPARTMENT'S SCHEDULE OF FEES AND CHARGES

There will be no fiscal impact to the Engineering Department/City by removing the

Special Inspections and Pinal County Water Farms Agricultural Lease Fees from the Schedule of Fees and Charges. By adding the SWF fees, the City will recuperate approximately \$50,000 per year with an estimated 50 poles to be reserved, which would partially offset Inspection and Right-of-Way staff time currently being absorbed by the Engineering Department/City.

**Coordinated With**

The Engineering Department has coordinated with the Office of Management and Budget on the recommendation to make changes to the Engineering Schedule of Fees and Charges.

## Fees & Charges Schedule – Key

### Heading Configuration

<b><u>Schedule of Fees &amp; Charges</u></b>
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HEADING 2
<i>Heading 3</i>
Description of Fee
Description of Fee 2

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**Schedule of Recommended Fees**  
**Exhibit A**  
**Department: Engineering Department**

Description of Services	Current Fee	Revised Fee	Unit	Revenue Code	Fiscal Impact	Notes
<i>After Hour Inspection Fees</i>					\$0	<b>CHANGE THE TITLE OF THIS SECTION TO <u>INSPECTION FEES</u></b>
<b>INSPECTION /RE-INSPECTION/CALLOUT FEE</b>		<b>\$135</b>	<b>PER HOUR WITH 1 HOUR MINIMUM</b>		<b>\$405</b>	<b>RATE IS BASED ON THE BLANKET CALL-OUT RATE IN THE DEVELOPMENT SERVICES SCHEDULE OF FEES AND CHARGES, NCU PLAN REVIEW. NEW CALLOUT FEE IS FOR: PRE-CONSTRUCTION MEETINGS AFTER INITIAL SITE REVIEW; FEE ASSESSED UPON SECOND AND SUBSEQUENT INSPECTIONS IF CORRECTIONS REMAIN</b>

**Schedule of Recommended Fees**  
**Exhibit A**  
**Department: Engineering Department**

<i>Miscellaneous</i>						
<del>Special Inspections</del>	\$100.00	-	Hour (minimum 1 hour)			\$0 This fee is not being collected; Engineering hires for special inspections using professional services contracts. Private developers address/hire special inspections using separate contracts.
<i>Land Leases</i>						
<del>Pinal County Water Farms Agricultural Land Lease:</del>	<del>Varies with market conditions and condition of farm land condition of farm</del>	-	-	1101-3177	3208-3498	\$0 In May of 2019, the City sold the farms. The City has not received lease revenue since May of 2019.
LICENSE FEES						
Wireless Communication Facilities Fee (WCF) in the ROW will be negotiated on a per site license agreement basis.						
<i>Small Wireless Facilities (SWF) Application Fees*</i>						ADDING THE FOLLOWING SWF FEES TO THE SCHEDULE AFTER "SITE LICENSE, COLLOCATION OF WIRELESS FACILITIES THAT DO NOT FIT THE STATUTORY DEFINITION OF SWF IN ARS 9-591.19

**Schedule of Recommended Fees**  
**Exhibit A**  
**Department: Engineering Department**

<p><b>SITE ASSESSMENT ASSISTANCE</b></p>		<p align="center">\$135</p>	<p align="center">PER HOUR WITH 2 HOUR MINIMUM</p>		<p align="center">\$25,000</p>	<p>TO PROVIDE CONSULTING SERVICES TO NON-CITY UTILITIES, INCLUDING SITE WALKS, PRELIMINARY PLAN REVIEW, THIRD-PARTY UTILITY COORDINATION AND SERVICES BEYOND STANDRAD PLAN REVIEW. THIS RATE IS BASED ON THE BLANKET CALL-OUT RATE IN THE DEVELOPMENT SERVICES SCHEDULE OF FEES AND CHARGES, NCU PLAN REVIEW</p>
<p><b>POLE RESERVATION</b></p>		<p align="center">\$500</p>	<p align="center">PER SITE</p>		<p align="center">\$25,000</p>	<p>THE RESERVATION TO RESERVE A SPECIFIC POLE, OR SITE, WILL BE GOOD FOR 90 DAYS. ESTIMATED 50 POLE RESERVATIONS.</p>
<p><b>SUBSURFACE UTILITY LOCATION PERMIT</b></p>		<p align="center">\$400</p>	<p align="center">PER SITE</p>		<p align="center">\$400</p>	<p>POTHOLE INVESTIGATIONS WITHIN A 10' X 10' AREA BACK OF CURB</p>

**Total Annual Fiscal Impact: \$50,805**



# Audit, Finance & Enterprise Committee Report

**Date:** March 5, 2020

**To:** Audit, Finance & Enterprise Committee Report

**Through:** Natalie Lewis, Deputy City Manager

**From:** Corinne Nystrom, A.A.E., Airport Director  
Rick Welker, Financial Coordinator

**Subject:** Changes to Falcon Field Airport Schedule of Fees and Charges

## Purpose

The purpose of this report is to recommend modifications to the Falcon Field Airport's Schedule of Fees and Charges.

## Background and Discussion

Falcon Field Airport continues to serve the general aviation needs of the region. It currently rents City of Mesa-owned property and facilities, including three (3) Large Executive Hangars, 6 Small Executive Hangars, 39 Large T-Hangars, 361 Regular T-hangars, 115 Covered Tie-downs, and 131 Tie-downs. There are increases in Administrative Maintenance and Operations expenses. These include increased utility, insurance and pavement costs. An increase to the Hangar Rents and an accompanying Hangar Rent Deposits enables the Airport to continue to be self-sustained and to stay more current with the rates being charged for enclosed aircraft storage by similar businesses and airports

## Discussion

Falcon Field Airport reviews its Schedule of Fees and Charges on an annual basis to determine the relevance and reasonableness of all fees and charges. An annual survey is conducted to compare similar fees and charges with surrounding general aviation airports. Based on an analysis of the most recent survey results, Falcon Field proposes an approximate 3% increase in the current monthly rental rate all Hangars. This provides additional financial resources for increased costs in utilities, insurance and pavement costs at the Airport and enables the Airport to stay more current with the rates being charged for enclosed aircraft storage.

**Alternatives**

The alternative would be to leave the current fees in place and not reflect any adjustments.

**Fiscal Impact**

The estimated fiscal impact that the proposed fee adjustments will result in approximately \$45,976 of total additional revenue in FY 2020/21.

**Coordinated With**

Falcon Field Airport has coordinated with the Office of Management and Budget on this recommendation to make changes to the Airport's Schedule of Fees and Charges.

## Fees & Charges Schedule – Key

### Heading Configuration

<b><u>Schedule of Fees &amp; Charges</u></b>
<b>Department</b>
Contact Information
<b>HEADING 1</b>
HEADING 2
<i>Heading 3</i>
Description of Fee
Description of Fee 2

### Font Indications

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**Fee Recommendation Schedule**  
**Exhibit A**  
**Department: Falcon Field**

<b>Description of Fee</b>	<b>Current Fee</b>	<b>Proposed Fee</b>	<b>Unit</b>	<b>Revenue Code</b>	<b>Fiscal Impact</b>	<b>Notes</b>
<i>Tiedowns</i>				3004-3688		
Small Single Engine Aircraft	\$46	\$47	Month		\$1,272	Increased Administrative, Maintenance and Operating Expenses. These include increased utility, insurance and pavement costs.
Small Twin Engine Aircraft	\$54	\$56	Month		\$408	Increased Administrative, Maintenance and Operating Expenses. These include increased utility, insurance and pavement costs.
Large Propeller Aircraft (>12,500 lbs. MCTW)	\$117	\$121	Month		\$96	Increased Administrative, Maintenance and Operating Expenses. These include increased utility, insurance and pavement costs.
Jet Aircraft	\$117	\$121	month		\$0	Increased Administrative, Maintenance and Operating

**Fee Recommendation Schedule**  
**Exhibit A**  
**Department: Falcon Field**

						Expenses. These include increased utility, insurance and pavement costs.
Helicopter	\$111	<b>\$114</b>	Month		<b>\$0</b>	Increased Administrative, Maintenance and Operating Expenses. These include increased utility, insurance and pavement costs.
Covered Tiedowns	\$106	<b>\$109</b>	month		<b>\$4,140</b>	Increased Administrative, Maintenance and Operating Expenses. These include increased utility, insurance and pavement costs.
<i>Hangers</i>						
Regular T-Hanger	\$220	<b>\$227</b>	month	3004-3676	<b>\$30,324</b>	Increased Administrative, Maintenance and Operating Expenses. These include increased utility, insurance and pavement costs.
				3004-3677		
				3004-3681		



**Fee Recommendation Schedule**  
**Exhibit A**  
**Department: Falcon Field**

Large T-Hanger	\$370	<b>\$381</b>	month	3004-3676	<b>\$5,148</b>	Increased Administrative, Maintenance and Operating Expenses. These include increased utility, insurance and pavement costs.
	-					
Small Executive Hangar	\$574	<b>\$591</b>	Month	3004-3677	<b>\$1,224</b>	Increased Administrative, Maintenance and Operating Expenses. These include increased utility, insurance and pavement costs.
Large Executive Hangar	\$1,160	<b>\$1,195</b>	Month	3004-3677	<b>\$1,260</b>	Increased Administrative, Maintenance and Operating Expenses. These include increased utility, insurance and pavement costs.
Storage Rooms						
Small	\$66	<b>\$68</b>	month	3004-3679	<b>\$984</b>	Increased Administrative, Maintenance and Operating Expenses. These

**Fee Recommendation Schedule**  
**Exhibit A**  
**Department: Falcon Field**

						include increased utility, insurance and pavement costs.
				3004-3680		
				3004-3681		
Large	\$159	<b>\$164</b>	Month	3004-3680	<b>\$360</b>	Increased Administrative, Maintenance and Operating Expenses. These include increased utility, insurance and pavement costs.
<i>Waiting List/Security Deposit</i>						
Covered Tie-Down	\$106	<b>\$109</b>	Tie-down		<b>\$69</b>	Per the schedule equal to one month's current monthly rent.
Regular T-Hangar	\$220	<b>\$227</b>	Hangar		<b>\$490</b>	Per the schedule equal to one month's current monthly rent.
Large T-Hangar	\$370	<b>\$381</b>	Hangar		<b>\$132</b>	Per the schedule equal to one month's current monthly rent.
Small Executive Hangar	\$574	<b>\$591</b>	Hangar		<b>\$34</b>	Per the schedule equal to one month's current monthly rent.
Large Executive Hangar	\$1,160	<b>\$1,195</b>	Hangar		<b>\$35</b>	Per the schedule equal to one

**Fee Recommendation Schedule**  
**Exhibit A**  
**Department: Falcon Field**

						month's current monthly rent.
Small Storage Room	\$66	<b>\$68</b>	Room		<b>\$0</b>	
Large Storage Room	\$159	<b>\$ 164</b>	Room		<b>\$0</b>	

**Total Estimated Fiscal Impact: \$45,976**



## **Audit, Finance & Enterprise Committee Report**

**Date:** March 5, 2020  
**To:** Audit, Finance & Enterprise Committee  
**Through:** Natalie Lewis, Deputy City Manager  
**From:** Heather Wolf, Library Services Department Director  
Tony Garvey, Library Services Management Assistant II  
**Subject:** Recommendations to Library Services Fees and Fines

### **Purpose**

The purpose of this report is to recommend modifications to the Mesa City Council with proposed changes to the Library Services Department's Schedule of Fees and Charges. After comparing the Mesa Public Library with other area libraries and researching national trends, staff recommends eliminating of the following fees and fines:

- Overdue fines
- Collection agency fee

Staff recommends that all overdue fines that have been accumulated by users of the Mesa Public Library be waived and no new overdue fines added to Library user accounts. It is recommended that the collection agency fee also be eliminated, as any accounts with \$50 balances or more will no longer be sent to an external collection agency. Instead the Library will expand its partnership with the City's Tax Audit and Collections team who currently perform collection services on high value delinquent accounts for the Library. There will still be fees for unreturned and damaged items.

### **Background and Discussion**

The Library Services Department annually reviews fees and fines to ensure that Mesa is consistent with other valley cities and are being set at market rate. In 2019, the two largest Library systems in Maricopa County eliminated overdue fines: Maricopa County Library District and the City of Phoenix. The City of Tolleson also eliminated overdue fines.

As a result of the publicity surrounding the "fine free" changes at these library systems, Mesa Public Library has received customer requests to eliminate overdue fines.

Traditionally, libraries have used overdue fines to encourage the timely return of library

materials. However, there is little evidence that fines have any effect on the return of late items. In fact, the research has found that fines create a barrier to library use for low-income families and children.

Mesa Public Library staff reviewed our blocked accounts. Currently, more than \$10 in fees or fines will result in a cardholder being blocked from utilizing Library services such as checking out books and DVDs or using online resources.

Over the years, Mesa Public Library realized our community was having difficulty paying overdue fines. In 2008, we implemented the Food for Fines program every April and in 2011, we began to offer Read Down Your Fines for children every December. In 2015, automatic renewal began. An item will automatically renew up to four times as long as no one is waiting for the item.

Despite these popular programs, we found that 14% of all juvenile accounts are blocked and 8.7% of adult accounts are blocked. And while juvenile accounts represent less than 18% of all library cards, they account for 25% of all blocked cards. This means almost 3,000 Mesa children have a library card that they are unable to use.

Over 200 public libraries in the US are fine free. This includes major metropolitan systems such as Denver and Chicago. In 2017, Salt Lake Public Library eliminated overdue fines which resulted in an increase in cardholders, circulation, and number of items returned. Mesa Public Library staff believe that eliminating overdue fines would provide similar results in Mesa.

## **Alternatives**

One alternative would be to keep overdue fees and fines in place. Doing so will keep the status quo, resulting in revenue of roughly \$45,000. However, this alternative does not account for potential user loss to other Library systems which are “fine free.” Any reduction in cardholders impacts the funds Mesa Public Library receives through the Maricopa County Library District’s Library Assistance Program. The number of library cardholders is 60% of the formula used to calculate each library’s share of \$3.7 million. For FY 2019/20, Mesa’s share is \$383,526.

## **Fiscal Impact**

The net impact to the general fund will be a loss of roughly \$30,000. Annually, the Library Services Department brings in \$45,000 in Overdue Fines and \$6,000 in Collection Agency fees. The Library Services Department pays the collection agency roughly \$21,000.

This fiscal impact does not take into account any additional revenue the department will bring in due to former users coming back into the library to clear up their accounts now that overdue fines are removed, any books that have not been returned that may now be returned, and new or former users that may utilize the Library, increasing the Library’s portion of Maricopa County Library District’s Library Assistance Program funds.

**Coordinated With**

The recommended fees and charges were coordinated with the Library Advisory Board and Office of Management and Budget.

## Fees & Charges Schedule – Key

### Heading Configuration

<b><u>Schedule of Fees &amp; Charges</u></b>
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**Schedule of Recommended Fees**  
**Exhibit A**  
**Department: Library Services Department**

Description Services	Current Fee	Proposed Fee	Unit	Revenue Code	Fiscal Impact	Notes
Daily Overdue Fines	-		-	1101-5908	\$(30,000)	This includes a reduction of \$45,000 in direct revenue and \$6,000 in revenue from an outside collection agency, and a reduction in expenses of \$21,000 netting to total net loss of \$30,000
-Regular Materials	\$0.25		Per day	-		
-Audiovisual Materials	\$1.00		Per day	-		
-Other Materials	\$1.00		Per day	-		

**Estimated Annual Fiscal Impact:                      \$(30,000)**





## **Audit, Finance & Enterprise Committee Report**

**Date:** March 5, 2020  
**To:** Audit, Finance & Enterprise Committee  
**Through:** John Pombier, Assistant City Manager  
**From:** Matt Tafoya, Presiding City Magistrate  
Paul Thomas, Court Administrator  
**Subject:** Municipal Court Construction Fee Increase Recommendation  
Citywide

### **Purpose and Recommendation**

The purpose of this report is to recommend an increase of three dollars (\$3.00) to the Municipal Court's Construction Fee, resulting in a fee amount of \$31.50 per case effective July 1, 2020. The Court Construction Fee helps pay the debt service associated with the construction of the Mesa Municipal Court facility.

### **Background and Discussion**

A Court Construction Fee of fifteen dollars (\$15.00) was established by Ordinance 4416 in 2005 for the purpose of offsetting costs associated with the construction, debt service, furniture, fixtures and equipment of a new Mesa Municipal Court facility. The ordinance was revised in November 2006 by Ordinance 4621 increasing the fee to \$16.50.

Ordinance 4621 states that "this fee shall be increased July 1, 2008 and every third year thereafter in the amount of three dollars (\$3.00), and shall be discontinued upon retirement of debt associated with construction of the new court facility."

The current fee amount is \$28.50 per case, effective July 1, 2017.

### **Alternatives**

The increase is outlined in City ordinance, therefore, any alternative to implementation of the prescribed \$3.00 scheduled increase would require a revision of the existing ordinance.

**Fiscal Impact**

Increasing the Court Construction Fee will ensure compliance with the existing ordinance and continue to reduce the debt service obligation associated with the construction of the Mesa Municipal Court. The fee increase is anticipated to increase revenues by \$75,000.

**Coordinated With**

The Municipal Court coordinated with the City Attorney's Office and the Office of Management and Budget for this report.

## Fees & Charges Schedule – Key

### Heading Configuration

<b><u>Schedule of Fees &amp; Charges</u></b>
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<b>BOLD CAPS</b>	Language is being added to Fee Schedule
<b>Bold</b>	New or increased Fee Amount

**Fee Recommendation Schedule**  
**Exhibit A**  
**Department: Municipal Court**

Description of Fee	Current Fee	Proposed Fee	Unit	Revenue Code	Fiscal Impact	Notes
Court Construction Fee:	<del>\$28.50</del>	<b>\$31.50</b>	Per Case	1413-4401	\$75,000	Automatic
(Note: per Ordinance 4621, fee is increased every three years. Last was increased 7/1/2017 7/1/2020.)						

**Estimated Total Annual Fiscal Impact:                    \$75,000**



# Audit, Finance & Enterprise Committee Report

**Date:** March 5, 2020  
**To:** Audit, Finance & Enterprise Committee  
**Through:** John Pombier, Assistant City Manager  
**From:** Ken Cost, Interim Police Chief  
Patrick Phelps, Police Information Technology Administrator  
**Subject:** Proposed Police Department Fees and Charges for Fiscal Year 2020/21 (Citywide)

## Purpose and Recommendation

The purpose of this report is to recommend modifications to the Police Department's Schedule of Fees & Charges associated with items released under public record law by the Mesa Police Department's Records Unit.

It is recommended that additional current media types are added to the Schedule of Fees and Charges.

## Background and Discussion

The Police Department currently charges for various media types to distribute police public records. The Department would like to amend the current Miscellaneous fees and charges to the Police Department Schedule of Fees & Charges for Fiscal Year 2020/21:

### Remove:

- Cassette Tape
- Cassette Tape (if transcribed)
- VCR Tape
- CD/DVD

### Add:

- Audio Medium: Fee \$10
- Video Medium: Fee \$25
- For all Records Unit Services, Upon Receipt of Request, a Refund Will Not be Permitted

With changing media formats and ever-increasing electronic file sizes, the Police Department's Records Unit is requesting approval to update the fee schedule by removing the references to cassette and VCR tapes and listing fees charged by "Audio Medium" or "Video Medium".

The new fee for Video Medium will be \$25. A review of Arizona police agencies revealed fees between \$25 and \$29 for videos such as Body Worn Camera videos. The Records Unit has been charging a \$10 for this service and would like to increase the fee to \$25.

In addition, the department is requesting that transcribing be removed as this service is no longer offered.

### **Alternatives**

The Police Department fee for audio and/or video requests remain unchanged.

### **Fiscal Impact**

The Police Department estimates that approximately 3,400 Audio Medium requests and 670 Video Medium requests associated with incidents will be purchased by the public per year. The total fiscal impact is anticipated to be approximately \$10,050 per year.

### **Coordinated With**

The Police Department has coordinated with the Office of Management and Budget To make proposed modifications to the Schedule of Fees & Charges.

## Fees & Charges Schedule – Key

### Heading Configuration

<b><u>Schedule of Fees &amp; Charges</u></b>
<b>Department</b>
Contact Information
<b>HEADING 1</b>
HEADING 2
<i>Heading 3</i>
Description of Fee
Description of Fee 2

### Font Indications

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**Fee Recommendation Schedule**

**Exhibit A**

**Department: Police, City Prosecutor, Animal Control Division**

<b>Description of Fee</b>	<b>Current Fee</b>	<b>Proposed Fee</b>	<b>Unit</b>	<b>Revenue Code</b>	<b>Fiscal Impact</b>	<b>Notes</b>
<i>PHOTO:</i>				4399		
4 x 5 Color	\$2.50	\$2.50	Each			
8 x 10 Black and White	\$5.00	\$5.00	Each			
8 x 10 Color	\$5.00	\$5.00	Each			
Polaroid	\$5.00	\$5.00	Each			
Photograph, 5 x 7, (photo radar requests)	\$5.00	\$5.00	Each			
Photo CD/DVD	\$10.00	\$10.00	Each			
<i>COPY OF POLICE REPORT:</i>				4399		
Police Report <b>UPON RECEIPT OF REQUEST, NO REFUND</b>	\$5.00	\$5.00	First 50 pages		\$0	
	\$0.20	\$0.20	Each add'l page		\$0	
Certified Copy of Police Report <b>UPON RECEIPT OF REQUEST, NO REFUND</b>	\$10.00	\$10.00	Additional		\$0	



**Fee Recommendation Schedule**

**Exhibit A**

**Department: Police, City Prosecutor, Animal Control Division**

<i>MISCELLANEOUS:</i>				4399		
Miscellaneous paper documents other than police reports <b>UPON RECEIPT OF REQUEST, NO REFUND</b>	\$0.20	\$0.20	Per page		\$0	
<i>MISCELLANEOUS</i>						
<del>Cassette Tape (if tape itself is released)</del>	\$5.00		<del>each</del>	<del>4399</del>	\$0	Remove
<del>Cassette Tape (if tape transcribed)</del>	\$17.00		Per hour charge	-	\$0	Remove PD does not provide transcription service
VCR Tape	\$25.00		tape plus addtl hourly charge if tape requires editing		\$0	Remove

**Fee Recommendation Schedule**

**Exhibit A**

**Department: Police, City Prosecutor, Animal Control Division**

CD/DVD RECORDINGS (Audio, video, body worn camera recordings)	\$10.00				\$0	Remove
AUDIO MEDIUM UPON RECEIPT OF REQUEST, NO REFUND		\$10.00	Each	4399	\$0	Add/Replace Update Cassette Tape and VCR Tape Descriptions from above. No change in fee. Replaces lines removed from above.
VIDEO MEDIUM, UPON RECEIPT OF REQUEST, NO REFUND		\$25.00	Each	4399	\$10,050	Add/Replace Update CD/DVD Description from above. Fee change to \$25 proposed. In line with other PD Agencies.

**Estimated Annual Financial Impact: \$10,050**



# Audit, Finance & Enterprise Committee Meeting

**Date:** March 5, 2020  
**To:** City Council  
**Through:** Kari Kent, Deputy City Manager  
**From:** RJ Zeder, Transportation Department Director  
Orlando Otero, Deputy Transportation Director-Field Operations  
**Subject:** Adjustment to the In Lieu Fee for Pavement Surfacing Replacement  
Council: Districts Citywide

## Purpose and Recommendation

The purpose of this report is to recommend an increase to the existing fee for pavement surfacing replacement.

## Background and Discussion

Rights-of-way users need to cut pavement and excavate existing City streets to install underground infrastructure. These actions, while with the best of intentions to help facilitate development or improve existing services, have the unintended consequence of degrading the pavement condition, resulting in higher maintenance costs and increasing traffic disturbances due to the added maintenance.

To balance the need to install infrastructure in City's rights-of-way with the need to preserve taxpayer funded streets, City staff coordinates with rights-of-way users to allow in lieu fee rather than install the required surface treatment when their work is complete. These fees are credited to the Transportation's Field Operations budget. The fees are then utilized when the street undergoes future treatment based on an existing maintenance schedule.

Research has shown that the quality and design life of a roadway is diminished by approximately 27% when pavement cuts are required as part of work performed. Maricopa Association of Governments (MAG) has developed specifications for pavement matching and surfacing replacement to minimize the level of roadway deterioration, which the City has adopted.

Since July 2011, rights-of-way users have been allowed to submit a payment to the City in lieu of placing seal coat. The fee is based upon the City's contract pricing for slurry seal coat materials of \$1.55 per square yard based upon industry standard. Transportation then incorporates the seal coat required for the permit into the existing maintenance schedule

for the roadway.

The City utilizes Contractors for slurry seal coat services in the amount of \$1.70 per square yard for Fiscal Year 2019/20 - \$0.15 per unit price above the current fee levied. The Transportation Department is requesting approval to increase the in lieu fee from \$1.55 per square yard to the new fee of \$1.70 per square yard to recuperate the costs of pavement surfacing replacement services.

### **Alternatives**

The City could require rights-of-way users cutting into the roadway to perform the required slurry seal coating per MAG specifications. With this alternative, the seal coat location will not be coordinated with the City's established roadway maintenance schedule. The materials used by rights-of-way users are not consistent with those used by the City's contractor and, therefore, may not bond as well, further contributing to the deterioration of the life of the roadway.

The City could continue to collect in lieu fees at \$1.55 per square yard. In lieu payments received from companies performing cuts in City roadways have allowed for the maintenance to be performed according to established maintenance schedule. However, at the current fee of \$1.55 per square yard the City stands to lose \$19,755 per year on recuperating the contract cost for the slurry seal intended to be covered with the in lieu fee.

If in lieu fee is not adjusted to meet current contract pricing, the roadways intended for slurry seal under the in lieu payment will need to be re-prioritized to meet the fiscal budget loss for performing the work. This will result in higher maintenance costs to the City in the future and sections that no longer align with the City's roadway maintenance schedule.

### **Fiscal Impact**

The estimated fiscal impact of the \$0.15 increase to in lieu payments is \$19,755 based upon FY 2018/19 payments, bringing the total anticipated collection for the fee to \$224,000.

### **Coordinated With**

The Transportation Department has coordinated with the Office of Management and Budget and the Engineering Department on the recommendation to make changes to the Transportation Department's In lieu payment fee schedule.

## Fees & Charges Schedule – Key

### Heading Configuration

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**Fee Recommendation Schedule**  
**Exhibit A**  
**Department: Transportation**

Description of Fee	Current Fee	Proposed Fee	Unit	Revenue Code	Fiscal Impact	Notes
In Lieu Payments for Pavement Surfacing Replacement (per square yard)	\$1.55	<b>\$ 1.70</b>	Per Square Yard	1205-4317	<b>\$19,755</b>	<b>Estimate based on FY 18/19 completed in lieu projects of 131,698 SY x (\$1.70 - \$1.55)</b>

**Total Annual Fiscal Impact - \$19,755**