



## **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>
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

**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**