



Request for City Council Committee Action from the Department of Finance

Date: June 25, 2012
To: Councilmember Hodges, Chair, Ways & Means/Budget
CC: Councilmember Glidden, Chair, Regulatory, Energy & Environment
Referral to: Regulatory, Energy & Environment Committee

Subject: Regulatory and Licensing Fee Recommendations

Recommendation: Receive and file the following information in response to 2012 Council Adopted Budget Staff Directions contained in Footnotes HH and JJ, below.

Previous Directives: As part of the 2012 Adopted Budget, the Council directed that the Police and Fire Departments report back to the Ways & Means/Budget and Regulatory, Energy & Environment Committees with a plan to ensure that staff whose job duties include regulatory functions are paid with revenues from regulatory fees.

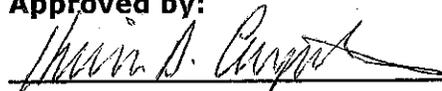
a) **12/14/11 Budget Footnote "hh":** *"Minneapolis Police Department to report back to the Regulatory, Energy & Environment and Ways & Means/Budget Committees with a plan to ensure that salaries of MPD staff whose job duties engage in regulatory functions are paid for out of license fees, not general funds."*

b) **12/14/11 Budget Footnote "jj":** *"Minneapolis Fire Department to report back to the Regulatory, Energy & Environment and Ways & Means/Budget Committees with a plan to ensure that salaries of MFD staff whose job duties engage in regulatory functions are paid for out of license fees, not general funds. Finance staff is directed to report about cost recovery models in all departments."*

Prepared and Presented by:

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Approved by:



Kevin Carpenter, CFO

John Fruetel, Fire Chief

Tim Dolan, Police Chief

Gregory Stubbs, Dir., Regulatory Services

Paul Aasen, City Coordinator

Reviews

- Permanent Review Committee (PRC): Approval ____ Date _____
- Civil Rights Approval Approval ____ Date _____
- Policy Review Group (PRG): Approval ____ Date _____

Financial Impact

- **No financial impact**
- Action requires an appropriation increase to the ____ Capital Budget or ____ Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Action is within the Business Plan
- Action requires a change to the Business Plan
- Other financial impact
- Request provided to the Finance Department when provided to the Committee Coordinator

Community Impact

- Neighborhood Notification
- City Goals
- Comprehensive Plan
- Zoning Code
- Other

Supporting Information

- a) In the 2012 Council Adopted Budget, expenses for the Police licensing unit and other Police regulatory functions are paid mostly from the General Fund, which is where Regulatory Services fees for animal control, false alarms, liquor and beer regulation flow to. The remaining expenses for regulatory activities in Police are related to gambling, pawn, and problem properties. These expenses are paid through a combination of funding from the General Fund, a designated gambling fund which is prescribed by law, revenue from the Automated Pawn System as prescribed by ordinance, and a transfer from the Regulatory Services Problem Properties Special Revenue Fund. All of these funding sources are supported by regulatory and licensing fees.
- b) In the 2012 Council Adopted Budget, the expenses relating to regulatory and licensing activities in the Fire Department are paid from the General Fund, which is where revenues from Fire's portion of commercial inspections and rental licenses flow to. Revenue from board ups flows to the Regulatory Services Problem Properties Special Revenue Fund and is insufficient to cover the expenses for this function, which is paid for by the General Fund, which also receives a transfer from the Regulatory Services Revolving Fund.