



Request for City Council Committee Action from the Department of Regulatory Services

Date: July 29, 2009

To: CM Don Samuels, Chair of Public Safety and Regulatory Services Committee

Referral to: CM Ostrow, Chair of Ways and Means Committee

Subject: Adjustment of license fees by 3% to allow for expanded license enforcement

Recommendation:

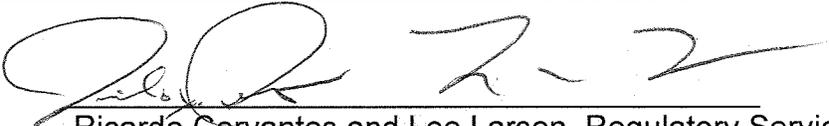
1. Direct the proper City officials to increase fees found in Appendix J by 3% to allow for an expanded license enforcement staffing level,
2. Increase the Regulatory Services FTE count by 3.0, and
3. Direct the Finance Officer to increase the 2009 revenue estimate for Regulatory Services (00100-8350100-311000) by \$500,000, increase the 2009 expense appropriation for Regulatory Services (00100-8350100) by \$450,000 and increase the 2009 expense appropriation for the Minneapolis Police Department (00100-4002110) by \$50,000

Previous Directives:

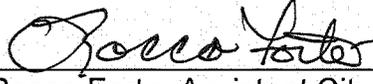
The action reflects Minneapolis Ordinance 261.60 "to consider the adjustment of all license fees for the subsequent calendar year to reflect changes in administrative and enforcement costs in accordance with appropriate economic indicators as determined by the City Council or Committee."

Department Information

Prepared by:


Ricardo Cervantes and Lee Larson, Regulatory Services

Approved by:


Rocco Forte, Assistant City Coordinator

Presenters in Committee: Ricardo Cervantes and Lee Larson

Reviews

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

Financial Impact

- Action requires an appropriation increase to the Capital Budget or Operating Budget
Dept Name: _____Regulatory Services
Fund Name: _____General Fund
Amount: \$450,000_____
- Action provides increased revenue for appropriation increase
Dept Name: _____Regulatory Services
Fund Name: _____General Fund
Amount: \$500,000_____
- Action is within the Business Plan
- Request provided to the Finance Department

Community Impact

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

Supporting Information

The Minneapolis City Ordinance that governs fee increases is 261.60, as follows:
"Annual fee adjustment. Prior to August 1 of each year, the appropriate committee of the city council shall conduct a hearing to consider the adjustment of all license fees for the subsequent calendar year to reflect changes in administrative and enforcement costs in accordance with appropriate economic indicators as determined by the city council or committee."

The request for a 3% increase in fees and the related expenses is to allow for an expanded license enforcement function. Business licenses revenue (liquor, food, general business, etc.) increased by at least \$500,000 in 2008 due to expanded collection efforts and added licensing. Three FTE and \$450,000 of related expenses are requested. The new FTE would enhance weekend and evening field enforcement on existing liquor and general business establishments. Complaint data and Police calls for service demonstrate that a great deal of problems occur between 8:00 p.m. and 3:00 a.m.

Currently we provide only 40 Inspector hours a month to evening and weekend enforcement efforts. The division should be providing at least 120 hours of evening and weekend enforcement to adequately witness and document nuisance behaviors generated by problematic businesses. This additional enforcement will be directed toward a variety of licensed activities including on sale liquor establishments, taxicabs, valet operators, private impound towing services, rental halls, places of

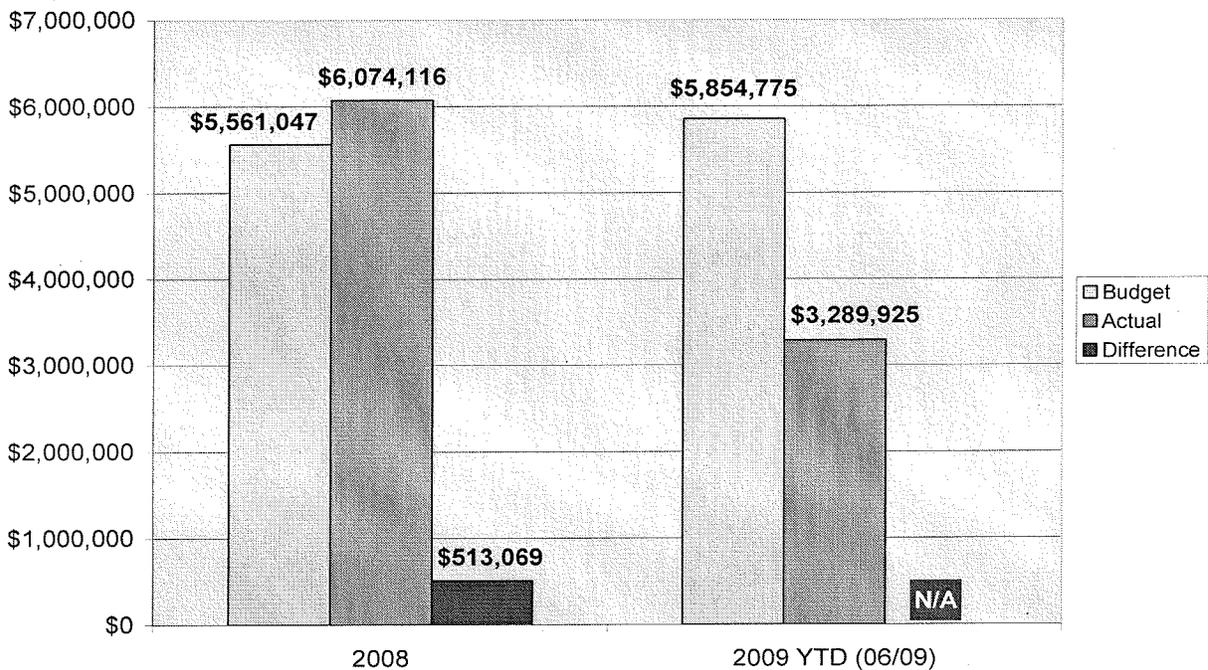
entertainment, convenience stores, and other commercial activities that create nuisance conditions.

Additionally, the new resources would be used to increase community engagement efforts with neighborhood groups and business associations to speed the process of nuisance business identification, and to provide education to businesses that are having trouble complying with basic laws and requirements. Neighborhood business groups frequently hold meetings and events during the evening hours.

The increased appropriation for MPD would be used for additional support for their police licensing area. As the workload increases for Regulatory Services licensing staff, so too does the workload for MPD police licensing as they provide investigative services. MPD also applies fees to licensees, but there is no flat license fee per license. This increased appropriation will provide additional financial support for that function.

Business License initiatives, such as false alarms and the Grocery Store Task Force, result in **reduced police calls** because issues are addressed quicker and on a proactive basis through a coordinated enforcement approach.

Business Licenses (3110) Revenue in Business Licenses Division



Resolved by The City Council of The City of Minneapolis:
That the above-entitled Resolution, as amended, be further amended as follows:

- 1. Increase the Regulatory Services FTE count by 3.0, and**
- 2. Direct the Finance Officer to increase the 2009 revenue estimate for Regulatory Services (00100-8350100-311000) by \$500,000, increase the 2009 expense appropriation for Regulatory Services (00100-8350100) by \$450,000 and increase the 2009 expense appropriation for the Minneapolis Police Department (00100-4002110) by \$50,000.**