



# City of Milwaukee Fiscal Impact Statement

**A** Date 4/9/2014 File Number 131559  Original  Substitute  
 Subject An ordinance relating to the standardization of licensing procedures.

**B** Submitted By (Name/Title/Dept./Ext.) Rebecca Grill, Deputy City Clerk, City Clerk, 2221

**C** This File

- Increases or decreases previously authorized expenditures.
- Suspends expenditure authority.
- Increases or decreases city services.
- Authorizes a department to administer a program affecting the city's fiscal liability.
- Increases or decreases revenue.
- Requests an amendment to the salary or positions ordinance.
- Authorizes borrowing and related debt service.
- Authorizes contingent borrowing (authority only).
- Authorizes the expenditure of funds not authorized in adopted City Budget.

**D** Charge To

- Department Account
- Capital Projects Fund
- Debt Service
- Other (Specify) General City Funds
- Contingent Fund
- Special Purpose Accounts
- Grant & Aid Accounts

**E**

Purpose	Specify Type/Use	Expenditure	Revenue
Salaries/Wages		\$0.00	\$0.00
	Temporary Service	(\$2920.00)	\$0.00
Supplies/Materials		\$0.00	\$0.00
		\$0.00	\$0.00
Equipment		\$0.00	\$0.00
		\$0.00	\$0.00
Services		\$0.00	\$0.00
		\$0.00	\$0.00
Other	Additional Recovery of Administrative Cost (Fees)	\$0.00	\$124,169.50
		\$0.00	\$0.00
<b>TOTALS</b>		<b>(\$2,920.00)</b>	<b>\$124,169.50</b>

F

Assumptions used in arriving at fiscal estimate.

DNS - 2013 Revenue Estimates and list of filling stations; City Clerk - 2013 Actuals; Health Department - 2013 Actuals; DPW - list of current sidewalk dining permits

G

For expenditures and revenues which will occur on an annual basis over several years check the appropriate box below and then list each item and dollar amount separately.

1-3 Years     3-5 Years    See attached.

1-3 Years     3-5 Years

1-3 Years     3-5 Years

H

List any costs not included in Sections D and E above.

I

Additional information.    See Attached.

J

This Note     Was requested by committee chair.

I. Additional Information.

This ordinance provides convenience for businesses in that it permits them to have all of their licenses expire at one time. Consider the following license types that many businesses currently have two or more of:

- Class A Liquor
- Class A Malt
- Class A Liquor and Malt
- Class B Beer
- Class B Tavern
- Class C Wine
- Food Restaurant
- Food Retail
- Cigarette
- Extended Hours

Currently there are 2,866 businesses with 4,923 of these licenses in some combination. Removing the licenses that expire together (alcohol and cigarette), the number drops to 4,403 licenses or 4,403 times a renewal is processed in the office of the Common Council – City Clerk. The average processing time is 20 minutes per renewal application. This results in a total processing time for these licenses of 1,468 hours or 37 weeks annually.

Problem businesses may be scheduled as many as three different times before the licenses committee during the year.

Allowing businesses to file for renewals for all their licenses at one time with the same expiration date lowers the number of separate license renewal applications to 2,866. Assuming the average processing time remains 20 minutes per renewal application, the time spent processing these licenses would be 955 hours or 24 weeks -- a reduction of 13 weeks. It should also be noted that when a business applies with the License Division at different times during the year, the information provided on the renewal forms is not always consistent and much additional time is spent by staff trying to clarify the differences. Resolving these issues with multiple licenses simultaneously may result in additional efficiencies.

Further, if a problem business, exists all of its license renewals can be considered at one time by the Licenses Committee instead of a possible three.

Reassigning the administration of the licenses in this ordinance will result in the License Division interacting with approximately 1,023 new unique businesses (this does not take into account the number of waste tire transporters that may currently be licensed under one business.) The average processing time for these applications will be more than the current 20 minutes, most likely 30 minutes. This would increase the amount of time spent processing by 512 hours or 13 weeks. The greatest number of the new unique businesses can be attributed to the weights and measures licenses for which the effective date in the proposed ordinance is October 1, 2014.

To assist with the transition of these licenses, a temporary person may be hired for 3-4 weeks to reduce the impact on the current operations and businesses interacting with the License Division.

## **Other Considerations**

### **LIRA (License Division Computer System)**

New license types can be added to LIRA by License Division Staff without the assistance of outside developers. Changes to fees, requirements, and license periods can also be changed by staff. If a development change would be needed, it could be covered under the terms of the current service agreement.

### **Land Management System (LMS) Interface**

The scope of work for the new LMS included a requirement that an interface be created between the LMS and the License Information Reporting and Administration System (LIRA) used by the City Clerk License Division to administer, process, and issue licenses on behalf of the Common Council, City Clerk, and Commissioner of Health. The requirement provides: "(s)ystem real-time interface with City Clerk License Division License Information Reporting and Administration System (LIRA) for License information (including file date, expire date, etc) (OracleDB)." Once built for one license type the details of this interface can be copied for all that require it.

### **Fees (Administrative Cost Recovery)**

The fee changes in this file include changing the fee structure for all food licensees. Currently new applicants are charged multiple fees based on if the location was previously licensed, any changes they may have, state fees, and the type of license. This ordinance charges an initial application fee for new licenses. When the Health Department Inspection Section inspects the location, one food fee will now be assessed instead of four or five (depending on the operation). Renewal applicants will be charged one fee instead of two or three. Food Peddlers, regardless of retail or restaurant operation, will be charged one fee based on if they operate a motorized, peddled or carried business. Temporary Food licenses will be charged one fee regardless of whether they are operating a retail or restaurant business. Currently, there are multiple fees which regularly result in applicants applying for the lowest fee food license type instead of for the actual license they need.

Weights and Measures license fees have been rounded up. A distinction would be made between new and renewal application fees for filling stations, self-service laundries, and massage establishments recognizing the different costs for new versus renewal applications.

Campground fees have been changed to include a required state fee as part of the application.

Sidewalk Dining Facility permits have been changed to categories based on square footage.

At the request of Development Center staff, Festival Permits and Special Event Campground Permits have been included in the definition of Public Entertainment Premises and will now be assessed those fees.

No changes for Waste Tire Transporters and Generators or Licensed Dwelling Facilities are proposed.

Due to the timing of the ordinance most of the increased revenue will be realized in 2015. (The effective date of the ordinance is July 1, 2014, which is after the renewal period for food licensees.)

<u>License Type</u>	<u>Current</u>	<u>Proposed</u>	<u>Number Licensed</u>	<u>Fee Difference</u>
<b>Self Service Laundries</b>	\$ 100.00	125 New; 100 Renewal	65	\$ -
<b>Massage Establishments</b>	\$ 300.00	350 new; 325 Renewal	8 New; 73 Renewal	\$ 175.00
<b>Tattoo and Body Piercing</b>	303; 190.50	325; 200	25 Tattoo or Body, 29 combined	\$ 875.50
<b>Campground and Camping Resort</b>	180; 258; 318; 402	200; 275; 325; 400	1	\$ -
<b>Filling Station</b>	\$ 250.00	275 New; 250 Renewal	223	\$ -
<b>Sidewalk Dining Facility Permit</b>	115 and .28 per sq foot	100 and 25-500 total area	186	\$ (244.00)
<b>Waste Tire Transporters and Generators</b>	same	same	281	\$ -
<b>Weights and Measures</b>	14-232	15-235	1,438	\$ 6,963.00
<b>Festival Permits</b>	\$ 55.00	\$ 50.00	2	\$ (10.00)
<b>Special Event Campgrounds</b>	\$ 55.00	\$ 50.00	2	\$ (10.00)
<b>Licensed Dwelling Facilities</b>	same	same	214	\$ -
<b>Bed &amp; Breakfast - New</b>	143;83	200;100	2	\$ 34.00
<b>Restaurants</b>	225 to 1726	250 to 1725	1,383	\$ 63,995.00
<b>Food Retail</b>	188.50 to 2037.50	200 to 2050	1,100	\$ 22,387.50
<b>Additional Sites</b>	\$ 83.00	\$ 100.00	146	\$ 2,482.00
<b>Meal Service Establishment</b>	\$ 28.00	\$ 35.00	79	\$ 553.00
<b>Temp Event Retail</b>	54 to 100	\$ 100.00	189	\$ 3,853.50
<b>Temp Event Restaurant</b>	54 to 100	\$ 100.00	448	\$ 6,391.00
<b>Farmer's Market</b>	\$ 93.50	\$ 125.00	168	\$ 5,292.00
<b>Food Peddler</b>	86-295	185-305	282	\$ 11,432.00
				\$ 124,169.50