



City Council Report

Date: December 4, 2008
To: Mesa City Council
Through: Christopher J. Brady, City Manager
From: George Gascón, Police Chief
Subject: Proposed Pawnshop Transaction Fee

Purpose and Recommendation

The purpose of this report is to recommend that the City implement a pawnshop transaction fee applicable to all pawnshop transaction reports filed within the Mesa Police Department Recovered Property Unit and move to an online electronic data submission system in order to streamline identification and recovery of stolen property.

On March 27, 2008, the Audit and Finance Committee discussed and approved the recommendation for the proposed Pawnshop Transaction Fee. Prior to this meeting, a discussion was scheduled with Council for June 2, 2008. However, the proposal was removed from the agenda to allow City representatives the opportunity to meet with pawnshop owners to further discuss the pawnshop transaction fee. On August 25, 2008 the issue was brought before the Public Safety Committee. The Public Safety Committee recommended that the proposal be brought to the full council for consideration.

Background

The Recovered Property Unit is currently staffed with two (2) sworn detectives and one (1) civilian police investigator. The Recovered Property Unit is responsible for investigating cases involving pawnshops, secondhand dealers, including antique dealers, scrap yards, swap meets, and auctioneers. The Unit is also responsible for inspecting pawnshops and issuing citations to pawnshops for identified violations.

Per the reporting guidelines (Mesa City Code 5-7-3 A, C, D, E), this Unit is also responsible for manually entering all transactions from nineteen (19) Mesa pawnshops, secondhand stores, auction houses, scrap yards and swap meets, which allows for the search of a national database to determine whether a particular item is stolen or linked to other reported criminal activity. Manual entry of transactions results in reduced manpower for investigations, diminished capacity to analyze patterns of criminality, and increased lag times between data entry and identifying stolen items.

The number of pawnshop transactions has steadily increased over the last five (5) years as follows:

Year	Number of Pawnshop Transactions
2003	71,665
2004	84,099
2005	112,043
2006	112,000
2007	123,175

So far this year, 123, 243 pawnshop transactions have been filed with the Unit.

Discussion

Currently, the City of Mesa incurs all costs associated with the recovered property program. The 2008/09 projected costs for the Unit are approximately \$337,000. It is recommended the City of Mesa implement a transaction fee involving all pawn shop transaction reports filed within the Mesa Police Recovered Property Unit, as is the current practice of other cities. It is important to note that several of the fees listed below have not been updated in several years.

Phoenix	\$3.00
Peoria	\$3.00
Bullhead City	\$1.00
Gila County	\$3.00
Kingman	\$3.00

Recently, the City of Flagstaff implemented a two (2) dollar (\$2.00) pawnshop transaction fee. Also, the City of Tempe, the City of Scottsdale, and the City of Chandler are considering implementing a pawnshop transaction fee similar to that under consideration by the City of Mesa.


As part of the transaction fee implementation, it is also recommended that a software/hardware package to track pawnshop transactions be purchased. A

Request for Proposal (RFP) is currently being prepared to evaluate the tracking options available. It is anticipated that the transactions would no longer be manually entered, thus allowing staff to focus on the investigations side of the pawn transactions. By incorporating a computerized tracking system, real-time data will be provided to the Mesa Police Department to assist in the recovery of property, obtain leads to other crimes and assist in the department's overall crime fighting efforts. The computerized tracking system can also be used to start a statewide program in the area of property recovery.

Alternatives

Alternative 1: Approve the recommendation to implement a pawnshop transaction fee and move to an online electronic data submission system which will allow the City to proceed with the purchase of related equipment including an internet based tracking system which will provide real time data to assist in crime fighting efforts.

Alternative 2: Do not implement the pawnshop transaction fee and continue with the City's current practice of incurring all costs associated with the recovered property program. Also, continue with current process of manually entering the pawn transactions, which does not allow for staff to dedicate their time on investigative efforts.



George Gascon, Police Chief