



Audit, Finance & Enterprise Committee Report

Date: March 5, 2020
To: Audit, Finance & Enterprise Committee
Through: Michael Kennington, Deputy City Manager
From: Edward Quedens, Business Services Director
Tim Meyer, Business License and Revenue Collections Administrator
Subject: Fees and Charges – Elimination of \$2 Technology Fee (Citywide)

Purpose and Recommendation

The purpose of this report is to recommend eliminating the \$2 Technology Improvement Fee charged on Specialty Licenses, Alarm Permits, and Fire Safety Operational Permits.

Background and Discussion

This fee was created in FY2016/17 to help pay for the City's new licensing system and platform software called Open Counter. The City's intent was to create a question and answer based front-end to walk businesses and citizens through the licensing process. Use of the process never gained wide use, and the new version of the Open Counter product no longer feeds the data collected into the Accela licensing system. Therefore, the City will be discontinuing the use of Open Counter.

The Technology Improvement Fee currently applies to the following licenses:

| | |
|---|---|
| Antique Dealer | Park and Swap |
| Auction House | Pawn Broker |
| Auctioneer | Police Department Alarms (<i>on Police Department's Fee Schedule</i>) |
| Fire Safety Occupational Permit (<i>on Fire & Medical's Fee Schedule</i>) | Peddler |
| Fireworks | Scrap Metal |
| Fortune Teller | Secondhand Dealer |
| Liquor | Sexually Oriented Business |
| Liquor Special Event | Special Event |
| Livestock | Teen Dance Hall |
| Massage Establishment | Tent |
| Off-Track Betting | |

Since the City's use of this software will be discontinued and other funding is available to support the Accela licensing software, the \$2 Technology Improvement Fee is recommended to be eliminated.

Alternatives

The Council could decide to keep the fee.

Fiscal Impact

Eliminating this fee will result in reduction of revenue of approximately \$53,200 (FY 2018/19). Discontinuing the use of the Open Counter will result in a reduction of expense of approximately \$55,500.

Coordinated With

The Business Services Department coordinated with Office of Management and Budget to amend the schedule of fees and charges.

Fees & Charges Schedule - Key

Heading Configuration

| |
|---------------------------------------|
| Schedule of Fees & Charges |
| Department |
| Contact Information |
| |
| HEADING 1 |
| HEADING 2 |
| <i>Heading 3</i> |
| Description of Fee |
| Description of Fee 2 |

Font Indications

| Font | Font Indications |
|--------------------------|---|
| Regular Font | Existing fee or language |
| Strikethrough | Fee or language will be deleted from the Fee Schedule |
| BOLD CAPS | Language is being added to Fee Schedule |
| Bold | New or increased Fee Amount |

Fee Recommendation Schedule
Exhibit A
Department: Business Services

| Description of Service | Current Fee | Proposed Fee | Unit | Revenue Code | Total Fiscal Impact | Notes |
|--------------------------------|-------------|--------------|----------------|--------------|---------------------|-----------------------------------|
| LIQUOR LICENSE | | | | | | |
| Application Fee (all series) † | \$100.00 | \$100.00 | | 1101-4103 | | Removing Technology Fee indicator |
| Subsequent Years † | | | | | | Removing Technology Fee indicator |
| Series 1-4, 8, 11-13 | \$500.00 | \$500.00 | One year | | | |
| Series 6-7, 9-10 and 14 | \$550.00 | \$550.00 | One year | | | |
| Series 5 | N/A | N/A | | | | |
| Late Fee | 20% | 20% | Of renewal fee | | | |
| Special Event Liquor License | | | | | | |
| Application Fee (all series) † | \$25.00 | \$25.00 | | 1101-4103 | | Removing Technology Fee indicator |
| FORTUNE TELLER | | | | | | |
| License Fee † | \$300.00 | \$300.00 | | 1101-4104 | | Removing Technology Fee indicator |
| Annual Renewal Fee † | \$300.00 | \$300.00 | One year | | | Removing Technology Fee indicator |

Fee Recommendation Schedule
Exhibit A
Department: Business Services

| | | | | | | |
|--|----------|----------|----------------------|-----------|--|-----------------------------------|
| AUTOMATED KIOSKS - ELECTRONIC DEVICES | | | | | | |
| Master Application Fee † | \$500.00 | \$500.00 | Per application | 1101-4104 | | |
| License Issuance Fee | \$500.00 | \$500.00 | Per kiosk | | | |
| License Renewal Fee | \$500.00 | \$500.00 | Annually per license | | | |
| MESSAGE ESTABLISHMENTS | | | | | | |
| Application Fee † | \$100.00 | \$100.00 | | 1101-4104 | | Removing Technology Fee indicator |
| License Fee | \$100.00 | \$100.00 | | | | |
| Annual Renewal Fee † | \$100.00 | \$100.00 | One year | | | Removing Technology Fee indicator |
| PARK AND SWAP | | | | | | |
| Application Fee † | \$100.00 | \$100.00 | | 1101-4104 | | Removing Technology Fee indicator |
| License | \$150.00 | \$150.00 | | | | |
| Annual Renewal Fee † | \$150.00 | \$150.00 | One year | | | Removing Technology Fee indicator |
| PAWNBROKERS/SECONDHAND DEALERS** | | | | | | |
| Application † | \$100.00 | \$100.00 | | 1101-4104 | | Removing Technology |

Fee Recommendation Schedule
Exhibit A
Department: Business Services

| | | | | | | |
|-------------------------------------|----------|----------|------------------|-----------|--|-----------------------------------|
| | | | | | | Fee indicator |
| License Fee | \$100.00 | \$100.00 | | | | |
| Annual Renewal Fee ± | \$100.00 | \$100.00 | One year | | | Removing Technology Fee indicator |
| Late Fee | 20% | 20% | Of renewal fee | | | |
| | | | | | | |
| PEDDLER** | | | | 1101-4104 | | |
| Application Fee ± | \$10.00 | \$10.00 | | | | Removing Technology Fee indicator |
| Renewal Fee (quarterly or annual) ± | \$30.00 | \$30.00 | Quarter | | | Removing Technology Fee indicator |
| | \$100.00 | \$100.00 | One year | | | |
| | | | | | | |
| SPECIAL EVENT LICENSE | | | | 1101-4104 | | |
| Application Fee ± | \$100.00 | \$100.00 | Day (max. \$300) | | | Removing Technology Fee indicator |
| | | | | | | |
| TEENAGE DANCE HALL | | | | | | |
| Application Fee ± | \$100.00 | \$100.00 | | | | Removing Technology Fee indicator |
| License Fee | \$300.00 | \$300.00 | | | | |
| Annual Renewal Fee ± | \$300.00 | \$300.00 | One year | | | Removing Technology Fee indicator |
| | | | | | | |

Fee Recommendation Schedule
Exhibit A
Department: Business Services

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|--|----------|----------|----------|-----------|--|-----------------------------------|
| SEXUAL ORIENTED BUSINESS** | | | | | | |
| Application Fee ± | \$500.00 | \$500.00 | | 1101-4104 | | Removing Technology Fee indicator |
| License Fee | \$500.00 | \$500.00 | | | | |
| Annual Renewal Fee ± | \$500.00 | \$500.00 | One year | | | Removing Technology Fee indicator |
| | | | | | | |
| SEXUAL ORIENTED BUSINESS-EMPLOYEE** | | | | 1101-4104 | | |
| Application/License Fee ± | \$50.00 | \$50.00 | | | | Removing Technology Fee indicator |
| Annual Renewal Fee ± | \$50.00 | \$50.00 | One year | | | Removing Technology Fee indicator |
| | | | | | | |
| **Also requires an Investigation Fee of \$25.00 per license. | | | | | | |
| All Fees and Non-Refundable and are not prorated | | | | | | |
| | | | | | | |
| ESCORT SERVICE | | | | | | |
| Application Fee ± | \$100.00 | \$100.00 | | 1101-4104 | | Removing Technology Fee indicator |
| License Fee | \$100.00 | \$100.00 | | | | |
| Annual Renewal ± | \$100.00 | \$100.00 | One year | | | Removing |

Fee Recommendation Schedule
Exhibit A
Department: Business Services

| | | | | | | |
|--|----------|----------|-----------------|-----------|--|-----------------------------------|
| | | | | | | Technology Fee indicator |
| ESCORT BUREAU | | | | | | |
| Application Fee + | \$200.00 | \$200.00 | | 1101-4104 | | Removing Technology Fee indicator |
| License Fee | \$200.00 | \$200.00 | | | | |
| Annual Renewal + | \$200.00 | \$200.00 | One year | | | Removing Technology Fee indicator |
| LIVESTOCK LICENSE | | | | | | |
| Residents outside the Lehi sub-area can apply for a livestock license to allow up to the Lehi sub-area ratios of 4.0 animal points for the 1st acre. If property outside the Lehi sub-area is over 1 acre, 1.0 animal point would be allotted for every 5,445 sq ft (1/8 acre) thereafter. Both Lehi sub-area residents and those outside the Lehi sub-area would be able to increase the livestock ratio even higher through the use of a Special Use Permit (SUP). | | | | | | |
| Application Fee + | \$50.00 | \$50.00 | Initial license | 1101-4104 | | Removing Technology Fee indicator |
| Annual Renewal Fee + | \$50.00 | \$50.00 | Per year | | | Removing Technology Fee indicator |
| OFF-TRACK BETTING | | | | | | |
| Application Fee + | \$500.00 | \$500.00 | Per window | | | |
| Issuance Fee | \$500.00 | \$500.00 | | | | |
| Annual Fee + | \$500.00 | \$500.00 | One year | | | |
| Per Window Fee + 5 windows | \$0 | \$0 | | | | |
| Late Renewal Fee | \$100.00 | \$100.00 | | | | |

Fee Recommendation Schedule
Exhibit A
Department: Business Services

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|--|-------------------|--------------|--------------------------------|--------------|-----------------------|-------------------------------------|
| | | | | | | |
| + Technology Enhancement Fee | \$2.00 | - | Each permit/License | - | \$(53,200) | -Removing technology fee |
| * Each and every Specialty Business License, Alarm Permit and Fire Safety Operation Permit shall be assessed an additional \$2.00 Technology Enhancement Fee. | | | | | | |

Total Annual Fiscal Impact: \$(53,200)

Fee Recommendation Schedule
Exhibit B
Department: Fire & Medical Department

| | Current Fee | Proposed Fee | Unit | Revenue Code | Total Fiscal Impact | Notes |
|---|--------------------|---------------------|-------------|---------------------|----------------------------|-----------------------------------|
| Fire safety Operational Permit (FSOP) † | \$15.00 | \$15.00 | | 1101-4205 | \$0.00 | Removing Technology Fee indicator |

Total Annual Fiscal Impact: \$0.00

Fee Recommendation Schedule
Exhibit C
Department: Police Department Fee Schedule

| | Current Fee | Proposed Fee | Unit | Revenue Code | Total Fiscal Impact | Notes |
|---|--------------------|---------------------|-------------|---------------------|----------------------------|-----------------------------------|
| <i>ALARM, FINES, FEES AND ASSESSMENTS</i> | | | | | | |
| Alarm Permit: | | | | | | |
| Burglary Function ≠ | \$10.00 | \$10.00 | | | \$0.00 | Removing Technology Fee indicator |
| Panic/Holdup Function ≠ | \$10.00 | \$10.00 | | | \$0.00 | Removing Technology Fee indicator |
| Burglary Function and Panic/Holdup Function ≠ | \$20.00 | \$20.00 | | | \$0.00 | Removing Technology Fee indicator |
| Revoked Permit Reinstatement Fee ≠ | \$25.00 | \$25.00 | | | \$0.00 | Removing Technology Fee indicator |

Total Annual Fiscal Impact: \$0.00