

## Item 23-1086: 2024 City Clerk's Office License Fee Changes

### Safety and Licensing Committee

Wed, Sep 13, 2023 5:50PM

#### Alderman Chris Croatt (District 14) 01:00

No scheduled public hearings or appearances. Moving into our action items. First one is 23-1086 2024 City Clerk's Office license fee changes. Clerk Lynch, would you like to start with the memo and the changes and go through some of the increases? Thank you. Director two is on.

#### Clerk Kami Lynch 01:25

Thank you. So, looking at when developing the budget for 2024 just a good time to go back through and see if some of our fees are in line with our comparable municipalities, so those of similar size and in the same region. So, in doing that there was a few that seem to fall a little bit behind. So those are the ones that we're proposing be updated for—effective in 2024.

#### Clerk Kami Lynch 01:55

The class A beer and class A liquor licenses. That one I've kind of had my eye on for a few years. I think it was back in 2017 when I first looked and saw that we were a little bit low. So now we're just bumping that up to be more in line with other municipalities for class A liquor. A lot of them are at that 500, which is the statutory cap that you can charge for the class A liquor. And then the class A beer, it ranges between \$200 to \$400. I think one municipality charges \$500. So, looking at increasing those.

#### Clerk Kami Lynch 02:30

Our operator license fees, just raising that by \$5. We do do a significant number of operator licenses; those are the bartenders. Our operator licenses are good for two years so that \$60 And then the proposed \$65 would be a fee for a two-year license.

#### Clerk Kami Lynch 02:50

Amusement devices. Those are the kind of gaming devices that are a lot of times at bars. One reason we wanted to increase the fee for amusement devices is Class B establishments—so bars, taverns—they're not allowed to have gambling devices. And it's become a real problem statewide with these establishments having these gambling devices and claiming to not know that they're not allowed. So, we're looking—we're working with the inspections department on doing a better job of kind of tracking what establishments have these, to actually look at, they have five machines and having descriptors of the machines, because they swap these out a lot too. So, trying to help the state in cracking down on that a little bit. And just making sure that our business owners are aware of being in compliance with not allowing the gambling devices. So, there's a little added fee to kind of cover some of the costs of us doing more thorough review for that licensing.

#### Clerk Kami Lynch 03:57

And then just the second-hand article dealers, increasing the initial fee of \$100—to \$100, instead of the 90. They do have to get set up in a system to report to our police department their activity to make sure that they're not selling, you know, stolen items.

#### Clerk Kami Lynch 04:16

Firework sales. That will follow with an ordinance amendment, actually kind of an add to our municipal code. Right now, the licensing of fireworks sales is—it's done through the clerk's office. However, it's not really in our

licensing code. It's addressed in both zoning and fire code. So, we want to put it in there and actually write what we're doing. It looks like a small fee increase. However, we would want to cover two employees for fireworks tents under this fee where right now it's just one that's covered. They have to pay an additional fee to get somebody else covered to work that tent with them. So, this kind of—it looks on the surface like an increase, but it really might be a decrease for the fireworks. And right now, we have in our kind of conflicting items in our code where we allow for a renewal of the permit for fireworks sales, but the permit for fireworks sales is only good for 60 days and we don't have anyone renewing it. So that's a fee increase as well as cleanup.

**Clerk Kami Lynch 05:24**

And then the mobile home park. That was just really based on comparable municipalities, the 50 spaces are \$100, and ours is right in the middle with kind of 79 spaces. I don't think there's a ton of room to grow. That regulation was previously done by our health department, but now the state's going to take some of that over. So, there's a little more follow up in the licensing procedure to make sure that we get the information from the state, or they show that they have approval from the state to operate their mobile home park.

**Clerk Kami Lynch 06:02**

And then finally, the special events fees. I know I've talked about these—this process being under review and fees being under review. So, for 2024, we're just looking at an across the board 10% fee increase. And that's for each fee, and how our special event fees are determined now is based on the size of the event, whether or not there are street closures, and then how soon or how far out from the event the applicant applies. Obviously, the further out they plan ahead, the cheaper the fee is. So, we're not changing that structure for 2024. But just putting a 10% across the board, it doesn't—the biggest fee increase is still under like \$300, and that's for our significant event filed basically at the last possible minute. But otherwise, the fees across the board are pretty nominal with that 10% increase.

**Clerk Kami Lynch 07:01**

And then we're still working on reevaluating that process. We're gathering city costs from various events throughout this year. So, we'll use that and report back once we have a proposal for 2025 for the special event policy and licensing and then fees associated with that. Answer any questions if there are any.

**Aldersonperson Chris Croatt (District 14) 07:28**

Okay, thank you. I think there probably will be a couple. Could we get a motion to get it on the table?

**Aldersonperson Katie Van Zeeland (District 5) 07:34**

Move to approve.

**Aldersonperson Nate Wolff (District 12) 07:35**

Second.

**Aldersonperson Chris Croatt (District 14) 07:36**

Motion and a second to approve. Okay. Just to clarify—just to confirm, the data metrics or data points that was used to come up with the new figures is basically a combination of comparable communities and costs incurred by the city? Increases in costs incurred or increases in efforts to...?

**Clerk Kami Lynch 07:59**

That was factored in, yeah. The main thing was the comparable communities.

**Alderson Chris Croatt (District 14) 08:02**

Okay. Okay. And then you mentioned that the some of these haven't been reviewed in a number of years. Is it across the board that they haven't been reviewed? Or are some of these reviewed annually? And could we get to a point where we're reviewing them annually, to minimize the impact on the increases?

**Clerk Kami Lynch 08:21**

That's kind of my intent, going forward with budgeting to review them annually or biannually—more frequently—to make sure that they're in line. Some of the—like, the alcohol licensing ones, those do have caps that we can charge. But it's always a good idea to check in with other municipalities. And yeah, just make sure we're not having huge jumps.

**Alderson Chris Croatt (District 14) 08:46**

Yeah, I mean, if we don't do it for four or five years, and then we have \$150 jump on a \$300—it's, you know, could be spread out maybe over a couple years instead of one big, large increase. Okay, any other questions from committee members? Alderson Siebers.

**Alderson William Siebers (District 1) 09:04**

You know, my struggle in regards to this is, you know, I believe we should recoup our costs. I have no problems with that. My struggle is when we start comparing ourselves with other communities. I don't know. I'm struggling with that being a justification in terms of increasing our costs. I don't struggle with recouping our costs. So, I don't know how I'm going to vote on this. But I just don't think it's fair to our constituents that we're charging them fees based on what other communities are charging.

**Alderson Chris Croatt (District 14) 09:55**

Okay. Do you want to comment on that? I guess the question would be, do we do any kind of analysis to understand what our costs are when we're looking at the comparables, you know, to make sure that our cost recovery is somewhat in line with that, or is that not something that takes place?

**Clerk Kami Lynch 10:14**

It's really not something that takes place. We do not—I don't think we are able to seek to recover all of the costs of the licensing activity, in particular. I think, then our fees would have to be drastically higher, to recoup the cost, because a lot of them initiate for these licenses, they're multi departmental licenses that that are reviewed by, you know, police fire, inspections. So, to cover the costs of everybody's review of the licensing just would not be fair. So, this is just to make sure that we're capturing the additional work that's being done for some things that are changing or more controversial, like the amusement devices.

**Alderson Chris Croatt (District 14) 11:05**

Okay. Thank you for that. And I think that helps me to understand that the cost might be higher than what we're collecting, which would mean, you know, we're definitely—we're not recovering all of it. So. Alderson Schultz.

**Alderson Alex Schultz (District 9) 11:18**

Yeah, I think I'd echo some of the same concerns by my colleagues, and, you know, a nominal increase is 10-15% over the course of a year, seem palatable, I would think, to most business owners and citizens. But when it's a 50% increase, sort of an instantaneous, it's hard to know what the justification is. And, you know, just benchmarking against other communities, as my colleague has said, seems, maybe not a full justification. Great to have a benchmark and a reference point to find out where everybody else is at. But, yeah, I think I'm feeling the same as the rest of my colleagues, in that we need to get a little bit better annual, biannual control on

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metering this out a little bit so we're not looking at 50% increase on a class A liquor license. That feels a little onerous if you're not used to those types of increases over the course of time. So, I guess I'm one question I would have, as well as let me know one last time that fee was increased either the class A beer class A liquor license. Do we have a sense of when that—when it was last adjusted.

**Clerk Kami Lynch 11:19**

I believe it was 2014. And, for class A liquor, remember, in the past couple of years, we did not, we did not allow convenience stores to hold class A liquor licenses. So, we had very few people that held the class A liquor; it was more the grocery stores. And now that we've, you know, allowed that to happen, we are seeing more, so it it's going to be a hit on some that have had these licenses, but as more people are new licenses, it won't be, I guess, a surprise because they're used to paying the new fee.

**Aldersperson Chris Croatt (District 14) 13:09**

Anything else?

**Aldersperson Alex Schultz (District 9) 13:10**

For the moment? That's sufficient. Thank you.

**Aldersperson Chris Croatt (District 14) 13:12**

Aldersperson Hartzheim?

**Aldersperson Sheri Hartzheim (District 13) 13:14**

Thank you, Chair. I echo a little bit of concern that Aldersperson Siebers brought up. But hearing now from the clerk that this is not at all, essentially, a recoup, I feel like almost this is in reverse. We are actually doing a service to the City of Appleton, because we are not overcharging to the maximum that the state allows for a lot of these things to really truly recoup our costs. So, feels like this is a good balance between the two pieces. Thank you.

**Aldersperson Chris Croatt (District 14) 13:47**

Aldersperson Van Zeeland.

**Aldersperson Katie Van Zeeland (District 5) 13:48**

Thank you, chair. I recall having a discussion about this a couple of years ago. And the person I had a discussion with said, "I don't think that this is something we should do right now with COVID and restaurants and bars," even though they did feel that, based on their experience, our fees were somewhat out of line in certain items. So, I'm glad that we didn't do it then, and I'm glad that we'll keep better track going forward. Thank you, Clerk Lynch, for the information about the extra work.

**Aldersperson Katie Van Zeeland (District 5) 14:23**

And I would just remind everyone that this city does a lot of this kind of business, and you know, people want to do business here. We want to make sure that that stays the same way, but at the same time I highly doubt some of the other municipalities that have these same prices are doing the same kind of business that we are. Thank you.

**Aldersperson Chris Croatt (District 14) 14:44**

Thank you. Anyone else? Aldersperson Siebers?

**Alderson William Siebers (District 1)** 14:51

I have just one question. You made the statement that it's difficult to calculate the cost. Is it impossible to calculate your costs in terms of issuing the licenses and permits?

**Clerk Kami Lynch** 15:10

I wouldn't say it's impossible.

**Alderson William Siebers (District 1)** 15:13

Okay. I don't know. That that would really be helpful for me, but...

**Clerk Kami Lynch** 15:21

I wouldn't want to put it on the other departments to start—

**Alderson William Siebers (District 1)** 15:25

I know. I realized that I...

**Clerk Kami Lynch** 15:29

But, you know, weighing in on what goes into each of these licenses—

**Alderson William Siebers (District 1)** 15:33

Yeah.

**Clerk Kami Lynch** 15:33

—if that's helpful I can, I can provide that as an update at the—

**Alderson William Siebers (District 1)** 15:38

Yeah, that would be really helpful.

**Clerk Kami Lynch** 15:41

—meeting or just even an email out to with these ones which departments review them.

**Alderson Chris Croatt (District 14)** 15:51

Alderson Schultz.

**Alderson Alex Schultz (District 9)** 15:52

Thank you, Chair. You know, I'm just looking at the numbers again, and I'm wondering if staff would be opposed to maybe doing another round of evaluation on the increases. A 10% increase since special event feels perfectly reasonable, even if that were like a 20% overall. I guess what happens to those numbers if every one of those fees is simply increased by 20%? Is there a little bit more equilibrium on those fee increases overall, then? Or is that just not an option to look at a little bit way to balance out some of those increases so they aren't—you know, you're not going from a 10% increase on this to a 50% increase on that one? Is there any merit to re-evaluating or do you feel like we're—essentially, this is the, where we need to be in the best we can do? Or, I guess that's—I'm question the throw back at staff.

**Clerk Kami Lynch** 16:46

Yes, I wouldn't have proposed these if I didn't feel that they were reasonable. Doing just a percentage seems—doesn't capture the work that's done, which is why, like, fee by fee, we looked at an average to see what the average was for each community and then also thinking about what we do what additional work goes into it to

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come to those fees. So that's why I would hesitate just to do a percentage. It seems fair on the surface, but when you dig in, then there can be some unfairness.

**Alderson Alex Schultz (District 9) 17:20**

Thank you.

**Alderson Chris Croatt (District 14) 17:21**

Okay.

**Alderson Alex Schultz (District 9) 17:21**

I can appreciate that.

**Alderson Chris Croatt (District 14) 17:22**

Would it be too much work to provide the comparable information? Would that help anyone understand where the new fees landed?

**Alderson William Siebers (District 1) 17:32**

Comparable with other communities?

**Alderson Chris Croatt (District 14) 17:33**

Yeah, like, the data that was used to come up with the figures basically. I'm not asking you to do a bunch of work, but it's already been done, right?

**Clerk Kami Lynch 17:42**

Yep, I have that in various spreadsheets. I can try to put it all together into one. And—

**Alderson Chris Croatt (District 14) 17:48**

I personally don't need it. But I was just throwing it out there in case somebody thought there would be value in seeing the comparable data. Alderson Van Zeeland,

**Alderson Katie Van Zeeland (District 5) 17:56**

I just wanted to add that, in my experience with this committee and with Kami's staff, I have always felt when people have come before this body that her staff goes above and beyond. And so, I don't see any reason to believe that these fees are out of line. So, I don't need any extra information. I just want to remind everyone of that. I think we've all seen that. Thank you.

**Alderson Chris Croatt (District 14) 18:25**

Thank you. Alderson Wolff, did you have your hand up?

**Alderson Nate Wolff (District 12) 18:27**

No.

**Alderson Chris Croatt (District 14) 18:28**

Oh. Alderson Siebers, go ahead.

**Alderson William Siebers (District 1) 18:30**

The light bulb went in my head. So, if we're not recouping our costs by these fees, somebody is being charged. That's the taxpayer. So, I'm gonna vote for this because I'm inclined to think—let's do the math, if we're not

recouping our costs based on what you just said, maybe we need to raise the fees even more, because I don't believe this should be put on the taxpayer.

**Alderson Chris Croatt (District 14) 19:07**

Which one of these? How many of these have statutory caps? Do we know?

**Clerk Kami Lynch 19:12**

So, liquor licenses—so the class A beer and class A liquor?

**Alderson Chris Croatt (District 14) 19:18**

So, the first two?

**Clerk Kami Lynch 19:19**

Yep.

**Alderson Chris Croatt (District 14) 19:20**

And the second one is \$500. Do you know what the first one is?

**Clerk Kami Lynch 19:23**

I—

**Alderson Chris Croatt (District 14) 19:26**

Just as a point of reference.

**Clerk Kami Lynch 19:29**

I think it's three but it could be up to five as well. I think it's \$300 though.

**Alderson Chris Croatt (District 14) 19:32**

Okay, just wanted to see where we were in relation to the statutory cap. Alderson Wolff, go ahead.

**Alderson Nate Wolff (District 12) 19:39**

Thank you, Chair. You mentioned the state was taking over some responsibilities on mobile homes and their—can you elaborate on that just a bit more?

**Clerk Kami Lynch 19:48**

I can barely elaborate on that. Because that was something that was done by our Health Department before. The—in terms of licensing and review and getting like a, I believe, it's a health license from the city, that's shifted to the state to review those now. And now we just—issuing the mobile home permit license, we have to get that information from either the applicant or the state to prove that they have met their requirements to get their state approval to hold the mobile home permit license, where before we could just do that internally. We would route it to the health department and they would sign off on it. So now there's some external review for that.

**Alderson Chris Croatt (District 14) 20:31**

Okay, other comments, questions? Ready to take a vote on this? Send it to Council as a recommendation. If somebody has something big they want to discuss, we can send it back here, or keep it at Council and do the work there. Okay, let's vote on it. We have a motion and a second to approve the changes. All those in favor signify by saying aye. Aye. All opposed.

**Alderson Alex Schultz (District 9) 20:55**  
Nay.

**Alderson Chris Croatt (District 14) 20:55**  
Four one. That will go to Council as a recommendation to approve on a vote of four one.