

Shared Services Business Licensing Workshop

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Types of License Fees & Revenue Opportunities:

- **Gross Revenue** (2,000 licenses)
 - Implement audits to ensure accurate payment (350 businesses paying minimum \$25)
 - Transition low fee GR businesses into fixed rate to match valley jurisdictions
- **Flat Rate**
 - Options for flat rate licenses
 - Adopt CLV’s fees
 - Increase to CLV’s higher fees
 - Increase to the highest valley fees
- **Home Based Businesses**
 - Utilize State’s information to ensure all businesses are licensed as required.

	\$(240,000) (Rentals/care/misc)
	\$ 87,000
	\$ 190,000

Enforcement:

1.5 FTE generated \$464,000 in 2013 from expired licenses.

Over the past six weeks, over 500 licenses have expired, recommend changing code language from expired to fees owed and send to collections if not paid when required, same as CLV.

Change enforcement efforts to focus on finding unlicensed businesses.

<u>Comparison</u>	<u>CLV</u>	<u>CNLV</u>
Licenses	38,306	5,386
BL Employees	29 *	4.5
Licenses/Employee	1,321	1,196
License Rev/Employee	\$846	\$1,663
Revenue/License	\$641	\$1,390

* Excluding Franchise Auditor

Efficiency Enhancements Completed:

- Web based field compliance/complaint software with GIS capabilities
- Single consolidated inspection (Fire) for existing buildings
- Automatic inspection approval for construction related licenses
- Planning/Zoning review with plans, automatic approval for license
- COO management & plumbing fixture verification by Code Enforcement

Enhancements In Process:

- Online application with CC & CLV forms (15 days to be operational)
- Simplified application process to mirror CLV (15 days to be operational)
- Drop-box license payment processing with Utilities Department (30 days to be operational)
- Implement Civil fine process (ordinance drafted; 30 days to implement)
- Field issued license by Fire Inspector at time of inspection (March 1)
- Change from expired license to collections (ordinance drafted; 30 days to implement)
- Transition from semi-annual licenses to annual < \$1,000 (ordinance drafted; 30 days to implement)
- Modify code to require professionals to be licensed (ordinance drafted; 30 days to implement)
- Audit program (create program and implement plan within 45 days)

Enhancements to be completed within 180 days:

- Perform a detailed license/category report for existing businesses
- Review square footage fees/gross revenue with Economic Development
- Evaluate technology options to enhance customer service and efficiency

Revenue Opportunities:

Annual

• Implement license fee for banks (City Council 3/19/14)	\$ 50,000
• Implement warehouse/storage/civil fees	\$ 100,000
• Initiate audits for gross revenue businesses (30 days)	\$ 450,000*
• \$100 inspection fee (implemented)	\$ 50,000
• Collections (ordinance drafted; 30 days to implement)	\$ 40,000
• License Professionals (ordinance drafted; 45 days to implement)	\$ 100,000
• Real Estate Professionals (ordinance drafted; 45 days to implement)	\$ 40,000
• 3,000 additional licenses (through expanded field compliance)	\$ 750,000**
• Increase fees to match valley jurisdictions	<u>\$ 190,000</u>
	\$1,770,000

* Estimated Gross Revenue increase (300 x \$1,500 average)

** Estimated Fixed Fee increase (3,000 x \$250 average license fee)

Recommendations:

	Cost
• Fill the BL Manager position	Included in budget
• Evaluate contracting the auditing function	TBD
• Utilize Code Enforcement for field compliance	None
• Hire an Auditor	\$ 104,000
• Re-classify a License Specialist to a License Officer	\$ 40,000
• <u>Increase part-time License Officer to full-time</u>	<u>\$ 53,000</u>
Total	\$ 194,000

Retain Business License Function at CNLV

- Continue with immediate efficiency & revenue generating proposals
- Continue with customer service enhancement/proposals
- Hire the above positions for immediate implementation
- No fiscal risk for combined fee structure
- No IT challenges for merging cross-departmental systems