

Present: Alderpersons Dennis Thurow, John Ellington and John Alt

Absent: None

Also Present: Attorney Emily Truman, Administrator Edward Geick, Finance Director Cynthia Haggard, Police Chief Mark Schauf, Spin Shack Owner, Tiffany Opperman

The meeting was called to order by Chairman Thurow at 12:00PM CST., noting compliance with the Open Meetings Law.

Moved by Ellington to approve the minutes of February 5, 2018, seconded by Alt and unanimously carried.

Motion by Alt to approve agenda, seconded by Ellington and unanimously carried.

Consider amending Ordinance 12.03, Regulating and Licensing of Pawnbrokers, Secondhand Article Dealers and Secondhand Jewelry Dealers, so that all licenses issued under this section are valid for one year.

Truman addressed the Committee with this housekeeping issue. She reminded the Committee that it has been discussed numerous times with the Committee. The State has a Statute for pawnbrokers and secondhand dealers. The City is allowed to be more restrictive, but not less restrictive. The license period for these types of licenses should be one (1) year to properly align with the Statute. This proposal is to amend our current ordinance so that all licenses are valid for one (1) year.

Motion to recommend amendment of Ordinance 12.03 by Ellington, seconded by Alt and unanimously carried.

Review and recommendation of amending the fee charged to pawnbrokers and secondhand article and jewelry dealers:

- a. Increase license fees
- b. Amend per transaction fee
- c. Agree to have City absorb cost

Truman addressed the Committee with three (3) options for addressing the fee charged to pawnbroker and secondhand article and jewelry dealers. Option (a.) was discussed at the previous meeting. Option (b.) is to change the transaction fee from \$0.90 per transaction to \$0.45 per transaction. Option (c.) is to have City absorb the cost.

Motion by Ellington to discuss options, seconded by Alt and unanimously carried.

Haggard shared with the Committee information she gathered dating back to 2013. Four (4) businesses paid for licenses in 2013 and from there, the numbers diminished to only one (1) in 2017. Secondhand article and secondhand jewelry dealers have been the only two licenses issued since 2013. In calculating the breakeven, she used the largest population of licenses issued of five (5) businesses in 2013. Breakeven is calculated at roughly \$530.

Alt asked Truman if antique establishments should be included in this category of businesses. Truman referred to Statute and mentioned there is a list of fourteen (14) items the businesses could buy. If a business was to buy any of these items from someone walking into their store, the business would be required to purchase a license. What the Police Department found, by interviewing antique stores, was that the antique stores are not buying items listed in the Statute.

Ellington reflected to a figure of seven (7) businesses presented to this Committee during an earlier meeting. Schauf responded that Haggard was using numbers of businesses that actually paid for licenses. The Police Department identified seven (7). Haggard added that she had received communication that there were six (6) additional businesses that should be included. Those six (6) businesses were not part of the four (4) that paid for

licenses. Ellington questioned why that was the case. Schauf responded that someone left his department who was assigned the responsibility of following up with area businesses and wasn't later reassigned to someone else. Schauf added that there could be as much as ten (10) to twelve (12) businesses in total.

Ellington brought up the fee for the program of \$2,238. At the last meeting, the proposed license fee was at \$350 to cover costs for the paperwork and the program. Alt added that this fee could change as the number of businesses grows. Truman interjected that if it was decided that the best way for the City to recoup the cost is through a license fee, she recommended reevaluating the fee annually. May consider setting the fee at an arbitrary low number of \$300 and have the City absorb some of the costs. This proposal will ensure the City is not overcharging for those services.

Geick added that the City could do a budget amendment for the cost of the software to make the program work. We can analyze this program over the year to see what the results are at year end, rather than decide for the future what those fees should be. Ellington surmised that we are not going to set a fee for the number we think we have. A year from now, we will have a more solid number to set the fee and reevaluate the fee every year. Opperman weighed in that anything above \$300 to \$350 will be too detrimental.

Schauf shared his understanding: The license fees in place today for \$30 and \$27.50 will remain unchanged. The City will absorb the \$2,238 for the program fees. We should have a better idea at year end on the number of licenses we have. Next year's licenses will then be enough to pay for the program and overhead costs.

Ellington reiterated that the City should absorb the fees for the program and keep the present license fees the same for 2018. Upon the study results, the fees for 2019 will be established. The target date is set for November 2018 for 2019 budgeting purposes. The per-transaction fee will go away.

Ellington made a motion to amend the per-transaction fee and for the City to make a budget amendment to pay for the program in 2018, seconded by Alt and unanimously carried.

Ellington made a motion to accept the amended Ordinance to do away with the per-transaction fee and for the City to make a budget amendment to pay for the program in 2018, seconded by Alt and unanimously carried.

Member comments

The next meeting will be April 2, 2018 at 12:00PM CST. Moved by Ellington to adjourn, seconded by Alt and unanimously carried. Meeting adjourned at 12:23PM CST.

Respectfully submitted,
Cynthia Haggard, Finance Director