

September 2024

TO: Members of the Finance Committee

FROM: Megan Dunneisen, City Clerk

RE: Fee Schedule Increase Recommendations

### **Background**

The Clerk's office is responsible for the publishing, processing, and issuance of alcohol and other miscellaneous licenses/permits for the city. After review of our fee schedule, our actual costs, the State Statutes, and speaking with other municipalities, it was determined that some of our licensing fees should be recommended for an increase. Research of past increases provides a memo dated 2017 recommending an increase to one of the licenses I list below. This resulted in a resolution to increase the fee for the Class "B" Liquor license for half the amount recommended. Most of the licensing/permit fees have not been brought forward for review since 2004/2005. Furthermore, each year the newspaper cost for publishing has been increasing with no increase to the city's publication fee. I recommended that the below fee increases be taken into consideration with a January 1, 2025, implementation.

### **"Class B" Malt & Liquor fee increase from \$450 to \$500**

WI. Statutes 125.51(3)(e)1. 1. The annual fee for a "Class A" license shall be determined by the municipal governing body and shall be the same for all "Class A" licenses, except that the minimum fee is \$50.00, and the maximum fee is \$500.00. Currently the City of Watertown charges \$450; I recommend an increase to \$500.00.

### **Class "A" Liquor increase from \$450 to \$500**

WI. Statutes 125.51(2)(d)1. 1. The annual fee for a "Class A" license shall be determined by the municipal governing body and shall be the same for all "Class A" licenses, except that the minimum fee is \$50.00, and the maximum fee is \$500.00. Currently the City of Watertown charges \$450.00; I recommend an increase to \$500.00.

### **Liquor Licensing Publications**

Currently Watertown charges \$175.00 for each retail alcohol beverage application. We are required by state statute to publish notice of any new license applications for 3 consecutive days. Each publication costs an average of around \$100.00 per insert. The city is currently losing money on liquor publications. I recommend an increase to \$300.00. Additionally, at renewal time each June, we must also publish notice. We are currently charging \$45.00 for each liquor license renewal; I recommend an increase to \$50.00.

### **Cigarette and Tobacco/Vapor Products**

Changes that happened when Act 73 passed in 2023 include a more involved process for Tobacco licenses including the sale of any vapor products. The Department of Alcohol Beverage (DAB) is requesting that all Tobacco licenses appoint an agent, and all agents and members/officers of the business are background checked. Currently Watertown charges \$25.00 for a tobacco license, this amount is extremely low when compared to other municipalities; I recommend an increase to \$100.00.

**Addition of Background Checks – including forms AB-100 and CTV-102 State prescribed background check forms for alcohol and tobacco**

Once an application for any liquor license, beverage operator license, transient merchant, secondhand dealer, secondhand jeweler, firework, and carnival is received, they are forwarded to the Police Department for a background check. The current amount per background check is \$7.00, a cost determined by the Department of Justice (DOJ). These charges are unreimbursed charges to the Finance Department. The application fees cover staff time processing the application and, in most instances, do not include the additional cost of the background check that we are required, by law, to do. It is my recommendation that the background check fee is an additional charge to the applicant equal to the DOJ charge.

It is common for municipalities to charge an additional amount for a background check. In fact, it is so common that the DAB has added a separate line on their forms for this to be entered.

License(s) Requested: (up to two boxes may be checked)

- ☐ Class "A" Beer ..... \$ \_\_\_\_\_    ☐ Class "B" Beer ..... \$ \_\_\_\_\_  
☐ "Class A" Liquor ..... \$ \_\_\_\_\_    ☐ "Class B" Liquor ..... \$ \_\_\_\_\_  
☐ "Class A" Liquor (cider only) \$ \_\_\_\_\_    ☐ Reserve "Class B" Liquor \$ \_\_\_\_\_  
☐ "Class C" Liquor (wine only) \$ \_\_\_\_\_

Fees	
License Fees	\$
Background Check Fee	\$
Publication Fee	\$
Total Fees	\$

**Fireworks**

Currently Watertown charges \$5.00 for each firework permit application. This is on the low end of what other municipalities are charging. I recommend increasing this fee to \$100.00.

**Transient Merchant**

Currently Watertown charges \$20.00 for each Transient Merchant application. I recommend increasing this fee to \$50.00.

*(See spreadsheet for comps)*

Thank you for your consideration,

Megan Dunneisen, City Clerk