

EVALUATION OF BUSINESS LICENSING SERVICES

**CITY COUNCIL STUDY SESSION
JANUARY 9, 2025**



Evaluation and Key Findings

1. Limited Software Access for City Staff

- Increased customer frustration due to the lack of direct access, requiring city staff to redirect users to an online portal.

2. Inconsistencies and Complaints from Local Businesses

- Numerous meetings held between Development Services, Finance Department staff, and HdL over the past six months to address access limitations and business complaints.

3. Compliance Program Suspension

- Program launched in July 2024 but suspended in August 2024 due to:
 - Inconsistent program implementation.
 - Ongoing complaints from business owners.
 - Misinterpretations of the business license ordinance that were not clearly communicated to city staff.
 - Uncovered numerous other issues regarding business license

Challenges & Consideration

Over **50** unresolved items: ICL's service model:

- Intake processes
- Documentation
- Client services
- Online portal
- Fee assessments
- Fee collection

- Insufficient for effective customer service
- Significantly limited the ability of city staff to assist customers effectively

Vendor Review



Revisited vendors from the 2021 competitive selection process for business license services.



Engaged with the second-ranked vendor - reference checks revealed unresolved issues in municipalities currently using their services.

Consideration 1: Bring all business licensing functions back in-house



Clariti Software Solution:

City's purchase of Clariti software includes a business licensing module, eliminating the need for additional software



Implementation Cost:

Approximately \$100,000 for workflow and interface development.



Timeline: 15 weeks to go live, estimated to begin in the first quarter of FY 2025/26.



Target Go-Live Date: January 1, 2026 - To ensure a smooth transition, recommended to wait until after the permitting system has gone live and stabilized

Consideration 1: Bring all business licensing functions back in-house



Key Benefits



Direct Oversight and Control:

Ability to quickly adjust to changing needs or regulations and provide a quick resolution.

Allows staff to have access to all data.



Building Institutional Knowledge:

Ensure that regulations and rules are correctly interpreted
Staff will gain an understanding of nuances, i.e. appeals or exemptions.



Improved Customer Service:

Businesses interact directly with staff, reducing miscommunication or delays, offering direct assistance with applications, renewals, and issue



Greater Transparency:

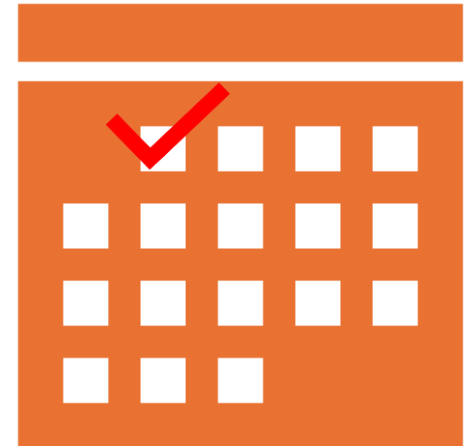
Licensing fee's, requirements, or delays can be communicated clearly, ensuring businesses remain informed without intermediaries complicating the process

Consideration 2:

Establish a Fixed Renewal Date

Current Challenge

- 5,500 active business licenses
 - 5,500 renewal dates
- Inefficiencies in:
 - Renewal processing
 - Follow-up and enforcement



Consideration 2:

Establish a Fixed Renewal Date



Key Benefits



Streamlined Operations:

Aligns internal processes for efficient planning and resource allocation.

Staff can prepare effectively for a peak renewal period.



Enhanced Customer Experience:

Reduces confusion with a single renewal schedule.

Notices sent on a predictable timeline, improving communication and reducing inquiries.



Simplified Enforcement and Compliance:

Focus enforcement on one annual cycle, ensuring all businesses remain compliant.

Enforcement actions are more manageable and timelier.

Consideration 2:

Establish a Fixed Renewal Date



Key Benefits



Efficient Fee Collection:

Standardized renewal allows predictable revenue tracking and improved financial reporting.

Simplifies the collection process by eliminating multiple renewal dates.



Improved Data Management:

Easier tracking and reporting of renewals.

Supports coordination with planning, code compliance, and economic development.



Alignment with Best Practices:

Many cities use fixed renewal dates to streamline business license management.

Recommendation & Feedback

1. Bring all business licensing functions back in-house beginning January 1, 2026; and

1. Establish an annual fixed date for Business Licensing renewals.