



**AGENDA REPORT**  
**OLD BUSINESS**  
February 8, 2018

To: Mayor and City Council  
From: Robert Switzer, City Administrator  
Through: Robert Switzer, City Administrator  
**Subject: Ordinance 710 First Reading**  
Date: January 31, 2018

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**PROPOSED MOTION:**

**I MOVE TO APPROVE THE FIRST READING OF ORDINANCE 710, BILL NO. 2018-03, AN ORDINANCE AMENDING CITY CODE TITLE 3, CHAPTER 1, SECTION 4 GENERAL BUSINESS LICENSES, TO CHANGE THE DUE DATE OF ALL BUSINESS LICENSES TO JULY 1 OF EACH YEAR, TO ALLOW FOR THE PRO-RATING OF BUSINESS LICENSES FOR BUSINESSES STARTING ON A DATE OTHER THAN JULY 1 OF EACH YEAR**

**SUMMARY:**

The City is currently working on ways to assist with cash flow transitioning into the new fiscal year. Business license fees paid by July 1 help provide available cash to pay bills going into the new fiscal year. The CTX revenues from the state are two months late and those funds are typically about half the total revenues going into the General Fund. Amending the Ordinance will bring all current and future license fees due by July 1 and allow new businesses to pro-rate their fee until the next due date of July 1.

**BACKGROUND:**

1. Prior to 2015, all annual business license fees were due by July 1. Ordinance 688 was passed on 10/8/2015 establishing business license fees to be paid one year after the initial purchase of the license for new businesses. The purpose was to encourage the startup of new businesses throughout the year instead of waiting until July 1 when the next year's renewal was due. For example, prior to Ordinance 688, if a business opened in March, a full-year's license fee was due, then the annual renewal would again be due in three months.
2. The City has relied on business license fee revenues to help offset initial expenditures in the first two months of the new fiscal year beginning July 1.

**CURRENT SITUATION:**

The City of Ely is an equal opportunity provider and employer.

The City currently lists 46 active businesses whose license renewal dates fall outside the July 1 due date. The amended ordinance will bring those in line with the majority of renewals.

**ANALYSIS:**

- A. **FINANCIAL** – Passage of this action item should help to stabilize cash flow moving into the new fiscal year.
- B. **TIMING** – This ordinance would become effective twenty (20) days after its passage, approval and publication according to law.
- C. **POLICY/LEGAL** – The Ordinance as written is approved as to form and content meeting the requirements of Chapter 266 and 268 as being within the authority of the City Council to set by Ordinance.

**ALTERNATIVES:**

Take no action

Taking no action would mean cash flow is reduced going into the new fiscal year.

**RECOMMENDATION:**

Staff recommend the Council approve Ordinance 710.

**ATTACHMENTS:**

- 1. [Ordinance 708](#)
- 2. [Business License Example](#)