

# MEMORANDUM



**TO:** CLAY PEARSON, CITY MANAGER *PWA for CJP*  
**FROM:** CINDY UGLOW, NEIGHBORHOOD AND SMALL BUSINESS  
**SUBJECT:** LICENSE AND PERMIT FEES – MASSAGE BUSINESS  
**DATE:** JANUARY 28, 2008

Clay,

I have completed an additional review regarding the adopted fee effective as of March 2007 for City of Novi's Massage License and Permit Fees for 2008 reflecting our cost of service.

The first aspect I looked at is our City Clerks' comparison to other communities:

|                  | <u>Massage Business</u> | <u>Massage Therapist</u> | <u>Inspections*</u> | <u>Totals</u> |
|------------------|-------------------------|--------------------------|---------------------|---------------|
| Farmington Hills | \$250 Application       | \$50 Annual              | \$250               | \$550         |
|                  | \$100 Renewal           | \$50 Renewal             |                     | \$150         |
| Northville       | \$210 Application       | \$26 Annual              | \$280               | \$516         |
|                  | \$105 Renewal           | \$105 Renewal            |                     | \$210         |
| West Bloomfield  | \$200 Application       | \$25 Annual              | \$250               | \$475         |
|                  | \$50 Renewal            | \$50 Renewal             |                     | \$100         |
| Novi             | \$510 Application       | \$110 Annual             | Included            | \$620         |
|                  | \$510 Renewal           | \$110 Renewal            |                     | \$620         |
| Troy             | \$5,000 Application     | \$25 Annual**            | Included            | \$5,000       |
|                  | \$5,000 Renewal         | \$25 Renewal             |                     | \$5,025       |

Farmington Hills and Northville's Applications do not include their required inspections. Those fees are paid separately to the Building Department shown in the above table. Their Renewals do not require inspections. West Bloomfield's \$50 Renewal includes inspections. Attached is the Clerks' office survey with additional communities listed. Unlike a straight business registration the Police and Fire complete a more extensive investigation as follows:

**Police Department** - \$30.62 for one hour of clerical employee time to process, \$54.52 for one hour of detective's time to investigate and process; a detective's rate on the lower side was used, as they are not always assigned to the same detective, \$19.46 for one-quarter hour of Lieutenant's time to review and approve report, \$21.07 for one-quarter hour of Police Chief Molloy's time to review and approve report.

**Fire Department** - \$6.50 for one half hour of part-time clerical employee time to process, \$48.94 for one hour of Fire Inspector time, \$62.95 for one hour of Fire Marshal time. For the first time application of a business registration, they must present their Certificate of Occupancy and Hazardous Materials and Chemicals survey for review by the Fire Department.

The following responses are from respective the departments as to the question of why annual renewals and should the rate change:

**Fire** – Fire Marshall Mike Evans: Yes, they should be done annually. About 3 years ago we made these types of businesses an annual inspection for our fire safety inspection and scheduled them in January so they would be done along with their renewal application. In essence, we took care of two purposes with one inspection (fire safety insp. & massage lic.). On the question of the fee amount, fee is paid into the General Fund but we would conduct this type of inspection with or without the fees.

**Clerk's** – City Clerk Maryanne Cornelius: I would rely on the wisdom of Police, Fire and Building as far as inspections. If there were to be an amendment to the ordinance related to the inspection process, I believe it is fair to have the City be able to cover costs for the on-site inspections. If Council desires, we can conduct an additional survey requesting fees, processing, inspections, etc.

**Building** – Building Official Charles Boulard: These inspections have traditionally been done every year. As these are not typically places of public assembly, I am not opposed to changing to an every other year schedule. Police and Fire may have overriding concerns however. My concern is only that we are consistent with regard to other types of inspections such as arcade licenses which are also inspected every year.

**Police** – Police Chief David Molloy: I do remain firm on the fees. I also think that when you give up the right to an administrative inspection on a yearly basis, you are limited by your ability to inspect the facility for quality of life issues.

Novi currently has 15 massage business licenses. There were 15 massage business licenses issued in 2007. As of today, 10 have applied to renew. The late fee does not apply until February 1<sup>st</sup>. If there have been no violations or complaints within the current year, I would recommend considering reducing the renewal fee to \$100 for one or two renewals so long as compliance is maintained.

\*Inspection fees indicated are approximate (number of fixtures, size of building) and only one time charge at the time of initial application.

\*\*Troy's Massage Therapists are allowed only in doctors, chiropractic or sports/medical facilities.