



**TOWN OF LOS GATOS  
COUNCIL AGENDA REPORT**

MEETING DATE: 04/02/2024

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DATE: March 18, 2024  
TO: Mayor and Town Council  
FROM: Laurel Prevetti, Town Manager  
SUBJECT: Adopt a Resolution Approving the Comprehensive Fee Schedule for Fiscal Year 2024/25 to Continue Certain Department Fees, Rates, and Charges, and Amending Certain Fees, Rates, and Charges for Fiscal Year 2024/25

**RECOMMENDATION:**

Adopt a resolution approving the Comprehensive Fee Schedule for FY 2024/25 (Attachment 1) to continue certain Department fees, rates, and charges, and amending certain fees, rates, and charges for FY 2024/25.

**BACKGROUND:**

The Town's financial policies require that certain fees, rates, and charges for services be maintained to allow for cost recovery based on the actual cost to provide Town services. "Fee" activities are services and functions provided by the Town to individuals who receive some direct material benefit above and beyond services offered to residents at general taxpayer expense.

Staff periodically reviews the cost of providing such services and recommends appropriate increases in fees when supported by actual cost data. The Town's last comprehensive cost allocation and user fee study recommendations were incorporated in the FY 2019/20 Fee Schedule.

**DISCUSSION:**

The Comprehensive Fee Schedule recommends an annual adjustment of fees by the average increase in the Consumer Price Index (CPI) for the previous calendar year in order to recover Town costs to provide services and facilities. The average increase in the CPI for 2023 was 3.5%. For FY 2024/25, staff is proposing fees be adjusted by 3.5% CPI.

**PREPARED BY:** Melissa Ynegas  
Finance Administrative Analyst

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Reviewed by: Town Manager, Town Attorney, Assistant Town Manager, and Finance Director

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DISCUSSION (continued):

In addition to the proposed CPI changes, the proposed FY 2024/25 Comprehensive Fee Schedule accounts for modifications to fees as explained below:

**Administrative Services**

1. Street Pole Banner Program (page 2) – Street pole banners and seasonal decorations provide enhancement to the Town's streets through their artwork and /or promotion of events, holidays, seasons, and other similar celebrations. This fee includes the installation and removal of the banner(s).
2. Special Events Classifications (Items 20-21) – Updating the billing rates for Parks and Public Works Maintenance Worker and Police Officer. Also, adding a classification of the Lead Parks and Public Works Maintenance Worker. The increased rate for the Police Officer classification reflects the current billing rate. Previously, the overhead was not included and it is included this year. The decrease for the Parks and Public Works Maintenance Worker classification is due to a blended rate previously used which combined the lower classification with the lead classification. This year, staff recommends separating the two Public Work classifications for clarity.

**Development Services**

1. SB 1186 Accessibility Fee (page 14) - The SB-1186 Accessibility Fee is not a new fee. Beginning January 1, 2018, California Senate Bill 1186 required jurisdictions to collect an additional \$4 fee for a local business license. The additional State fee of \$4 is imposed on any applicant for a local business license or equivalent instrument or permit, or renewal thereof, for purposes of increasing disability access and compliance with construction-related accessibility requirements and developing educational resources for businesses to facilitate compliance with federal and state disability laws. The bill also requires the Town to include a description of the activities undertaken to increase Certified Access Specialist (CAsp) services, and activities undertaken to facilitate accessibility compliance on the SB 1186 Annual Report. Staff would like to make this fee clearer and more transparent for the public by including it in the FY 24/25 Comprehensive Fee Schedule.
2. Building Refunds Fee Schedule (pages 14-15) - The Building Refunds Fee Schedule is not a new fee. It is a tool that staff has used to calculate the amount of money that can be refunded when someone cancels or withdraws their Building Permit application. Staff would like to make this schedule clearer and more transparent for the public by including it in the FY 24/25 Comprehensive Fee Schedule.
3. New multiple, family, mixed use, or non-residential project with more than two buildings (page 18) – This new proposed fee ensures that fees are more aligned to the scope of anticipated development projects.
4. All other (i.e. exceed FAR, major grading, etc.) (Item 156) – Proposing to delete this fee and replacing with the above fee.

DISCUSSION (continued):

5. Conditional Use Permit (CUP) for Major Restaurant Tier 1 and Tier 2 (Item 160-161)– Proposing to delete these fees to better reflect the recent modifications to the process of reviewing CUPs.
6. 5 or more lots (Item 260) – Proposing to add a certificate of correction to this fee to align with the 1-4 lots fee.

**Parks and Public Works**

1. Park Reservation and Special Use Permit (pages 31-36) – Staff is recommending to change the layout of the Parks and Public Works fees in the fee schedule. The old fee layout is redlined and the new proposed structure starts on page 33 with the Oak Meadow Park Picnic Area fees. The proposed increase in Park Reservation and Special Use Permit fees is intended to align the Los Gatos fee structure with those of neighboring municipalities. This approach aims to promote consistency and fairness across the region, ensuring that all users receive comparable pricing and treatment when accessing public spaces and aims to maintain consistency with surrounding municipalities while addressing budgetary considerations and ensuring the sustainability of the Town’s parks and recreational facilities.

**Police Services**

1. Parking Permits (Item 25) – Proposing to remove the fee as the Town no longer issues a citation for failing to display a parking permit. All permit information is in the online system.
2. Replacement Parking Permit for Vehicle Change (Item 30) – Proposing to delete this fee since the online system does not cost any staff time to replace a tangible permit (hence, no need for a fee).

Attachment 1, Exhibit A contains the proposed FY 2024/25 Comprehensive Fee Schedules reflecting all Town fees (including proposed changes). An itemized list of recommended FY 2024/25 fee adjustments, reclassifications, and deletions are reflected in Attachment 2.

CONCLUSION:

It is recommended that Town Council adopt the resolution to approve the Comprehensive Fee Schedule (Attachment 1).

FISCAL IMPACT:

The Town’s financial polices require that fees be maintained to provide for the recovery of costs associated with Town services. If approved by the Town Council, staff will incorporate the selected fee changes into the Town’s FY 2024/25 Operating and Capital Budget using conservative development and other activity projections.

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SUBJECT: Fee Schedule for Fiscal Year 2024/25

DATE: March 18, 2024

COORDINATION:

The preparation of the Fee Schedule was coordinated with all Town Departments and Offices.

PUBLIC NOTICE:

In accordance with Government Code Section 66018, information regarding proposed changes to the Town's Comprehensive Fee Schedule was made available to the public at the Town Clerk's office.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:

1. Resolution approving Comprehensive Fee Schedule FY 2024/25, including Exhibit A Proposed FY 2024/25 Comprehensive Fee Schedule (Redline)
2. Proposed FY 2024/25 Fee Adjustment, Reclassification, and Deletions