



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 03/21/2023

ITEM NO: 11

DATE: March 6, 2023
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Fee and Fine Schedules for Fiscal Year 2023/24:
a. Adopt a Resolution Approving the Comprehensive Fee Schedule for Fiscal Year 2023/24 to Continue Certain Department Fees, Rates, and Charges, and Amending Certain Fees, Rates, and Charges for Fiscal Year 2023/24.
b. Adopt a Resolution Approving the Comprehensive Fine Schedule for Fiscal Year 2023/24 to Continue Certain Department Fines and Amending Certain Fines for Fiscal Year 2023/24.

RECOMMENDATION:

Fee and Fine Schedules for Fiscal Year (FY) 2023/24:

- a. Adopt a resolution approving the Comprehensive Fee Schedule for FY 2023/24 to continue certain Department fees, rates, and charges, and amending certain fees, rates, and charges for FY 2023/24.
- b. Adopt a resolution approving the Comprehensive Fine Schedule for FY 2023/24 to continue certain department fines and amending certain fines for FY 2023/24.

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. "Fines" are the amounts of the penalties for code violations imposed pursuant to Section 1.30.025 of the Los Gatos Town Code.

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.

PREPARED BY: Melissa Ynegas
Finance Administrative Analyst

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

DISCUSSION:

The Comprehensive Fee Schedule allows for an annual adjustment of fees by the average increase in the Consumer Price Index (CPI) for the previous calendar year. The average increase in the CPI for 2019, 2020, and 2021, was 3.2%, 1.7%, and 3.4% respectively, for a cumulative cost of living increase of 8.5% since 2019. For Fiscal Year 2022/23, fees were adjusted by 5.9% CPI, which is halfway between 3.2% and 8.5%. In 2022, the average increase in the CPI was 5.6%, for a cumulative cost of living increase of 14.6% since 2019. For FY 2023/24, staff is proposing fees be adjusted by 8.8% CPI to capture full CPI increases since 2019.

In addition to the proposed CPI changes, the proposed FY 2023/24 Comprehensive Fee Schedule accounts for modifications to fees as explained below:

Administrative Services

1. Initiative/Referendum Petition Filings Fee – Per election code 9202 (b), any person filing a notice of intent with elections official shall pay a fee to be established by legislative body not to exceed two hundred dollars (\$200) to be refunded to the filer if within one year of the date of filing the notice of intent, the elections official certifies the sufficiency of the petition.
2. Special Event Fees - Modifications to the fee schedule related to special events have been proposed to provide the customer with a clearer and more concise listing of fees associated with special events in a central location within the schedule. As the Special Event Permit program has evolved and become more streamlined, staff has been able to identify common fees that are associated with events, and list them, more conveniently, within a related section of the Fee Schedule. There was also some crossover and unclear language previously included in the Fee Schedule related to special event permits, versus special use permits, which is a permit related to park use only. This language has been modified in both the Administrative Services and Parks and Public Works sections of the fee schedule to provide better clarity for stakeholders. Both Parks and Public Works and the Police Department have identified an hourly rate for their staff to support specific tasks at special events, and this fee has been added to the schedule. Charging an hourly fee for staff services is a practice that has been in place for several years with special events; however, has never been memorialized in this section of the fee schedule, thus it has been added for better clarity to special event applicants. Along those same lines, the Temporary Encroachment Permit fee has been utilized for special events although not noted in this section. Any increases in the fees listed have been at the recommendation of the Department that provides the service (i.e., no parking signs). There is no recommendation to increase the special event permit application fees. Modified language has been recommended within the Civic Center Facilities Use section to clarify the facility use and more closely align with the Town's Facilities Use Policy.

DISCUSSION (continued):

Development Services

1. Accessory Dwelling Unit - Due to changes in State law, Accessory Dwelling Units (ADUs) are no longer reviewed through a planning permit prior to building permit submittal, therefore planning permit is no longer used and is proposed to be removed.
2. SB 330 and SB 35 Preliminary Application Fees - Two new preliminary application review fees have been proposed in association with new housing applications required by State law, Senate Bill (SB) 35 and SB 330.
3. Shared Parking Permit - In January 2019 Section 29.10.145 of Chapter 29 (Zoning Regulations) of the Los Gatos Town Code amended the term Alternating Use to Shared Parking to allow businesses to apply for shared parking services. The approved amendment allows for a streamline review process and creates an incentive for shared parking by no longer requiring a Conditional Use Permit (CUP). This proposed application type will have fees based on actual cost, paid for through an initial deposit, and additional deposits as needed to cover time and materials.
4. C-3 Permit Hydrologic Calculation and Geotechnical Peer Review Fees – The changes to these fees have been proposed to provide consistency on the language used and to clarify the Administrative Charges associated with fees.
5. Engineering Subdivision Map Checking 1-4 Lots – Proposing a fee to cover cost associated with the need for filing map corrections, known as Certificate of Correction. While these occur infrequently, this charge acknowledges that when they do occur resources are required to support the effort.
6. Building/Grading Permits (Building, Structures, & Impervious areas) – This fee has not been increased in several years, so the Department is proposing an increase to reflect increased costs associated with reconstruction of the stormwater system in the Town.
7. Slurry Seal, Curb and Gutter – These fees are being proposed to increase to reflect current costs from bid projects.

Police Services

1. Driver Permit and Massage Establishment Permit – Proposing to reduce the fee by the fingerprinting cost as the Police Department no longer has the equipment to complete fingerprinting for the public.
2. No Parking Signs – Proposing to increase fee due to actual cost of materials.
3. Bingo Permit – Proposing to reduce the fee as the bingo permit fee is limited by California Penal Code 326.5.
4. Fingerprinting – Proposing to remove this fee as the Police Department no longer has the equipment to complete fingerprinting for the public.
5. Solicitor/Peddler's Permit – Proposing to remove language "plus fingerprinting" as the Police Department no longer has the equipment to complete fingerprinting for the public.

DISCUSSION (continued):

6. Bicycle Licenses – Proposing to remove this fee as California amended a law that removes all bike registration requirements (see Section 39002 of the vehicle code).

Attachment 1, Exhibit A contains the proposed FY 2023/24 Comprehensive Fee Schedules reflecting all Town fees (including proposed changes). An itemized list of recommended FY 2023/24 fee adjustments, reclassifications, and deletions are reflected in Attachment 2.

The Comprehensive Fine Schedule sets forth the administrative penalty amounts for code violations. Attachment 3, Exhibit A contains the proposed FY 2023/24 Comprehensive Fine Schedules reflecting all Town fines (including proposed changes). An itemized list of recommended FY 2023/24 fine adjustments, reclassifications, and deletions are reflected in Attachment 4 and explained below:

Town Violations

1. Social Host Ordinance – Proposing to remove three fines: 18.30.010 (a), 18.30.010 (b), and 18.30.040 to better align with the new Town’s social host ordinance. The Town’s social host ordinance prohibits underage social gatherings involving intoxicants on private and public property. In the event that any person knowingly hosts an underage social gathering with intoxicants or a juvenile hosts an underage social gathering involving intoxicants, the ordinance provides that the hosts or parents/guardians of the juvenile may be jointly and severally liable for penalties and response costs.

CONCLUSION:

It is recommended that Town Council approve the Comprehensive Fee Schedule (Attachment 1) and the Comprehensive Fine Schedule effective July 1, 2023 (Attachment 3).

FISCAL IMPACT:

The Town’s financial policies 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 2023/24 Operating and Capital Budget using conservative development and other activity projections.

COORDINATION:

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

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SUBJECT: Fee and Fine Schedule for Fiscal Year 2023/24

DATE: March 21, 2023

ENVIRONMENTAL ASSESSMENT:

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

Attachments:

1. Resolution approving Comprehensive Fee Schedule FY 2023-24, including Exhibit A Proposed FY 2023-24 Comprehensive Fee Schedule (Redline)
2. Proposed FY 2023-24 Fee Adjustment, Reclassification, and Deletions
3. Resolution approving Comprehensive Fine Schedule FY 2023-24, including Exhibit A Proposed FY 2023-24 Comprehensive Fine Schedule (Redline)
4. Proposed FY 2023-24 Fine Adjustment, Reclassification, and Deletions