



**TOWN OF LOS GATOS  
COUNCIL AGENDA**

MEETING DATE: 05/06/2025

ITEM NO: 9

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DATE: April 25, 2025  
TO: Mayor and Town Council  
FROM: Chris Constantin, Town Manager  
SUBJECT: Fee and Fine Schedules for Fiscal Year 2025-26:  
a. Adopt a Resolution Approving the Comprehensive Fee Schedule for Fiscal Year 2025-26 to Continue Certain Department Fees, Rates, and Charges, and Amending Certain Fees, Rates, and Charges for Fiscal Year 2025-26.  
b. Adopt a Resolution Approving the Administrative Fine and Penalty Schedule for Fiscal Year 2025-26 to Continue Certain Department Fines and Amending Certain Fines for Fiscal Year 2025-26.

**RECOMMENDATION:**

Fee and Fine Schedules for Fiscal Year (FY) 2025-26:

- a. Adopt a resolution approving the Comprehensive Fee Schedule for FY 2025-26 to continue certain Department fees, rates, and charges, and amending certain fees, rates, and charges for FY 2025-26.
- b. Adopt a resolution approving the Administrative Fine and Penalty Schedule for FY 2025-26 to continue certain department fines and amending certain fines for FY 2025-26.

**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 2025-26 Operating and Capital Budget based on conservative projections of development activity and other fee-generating services.

**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 of providing 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

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

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taxpayer expense. Staff periodically reviews the cost of providing such services and recommends appropriate fee adjustments when supported by actual cost data.

The Town's most recent comprehensive cost allocation and selected recommendations from the user fee study were incorporated into the FY 2019-20 Fee Schedule.

**DISCUSSION:**

**A. COMPREHENSIVE FEE SCHEDULE:**

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. For FY 2025-26, staff is proposing that fees be adjusted by 2.8% CPI (2024 average of San Francisco-Oakland-San Jose CPI-U 2-month and 12-month percent changes, all items index, not seasonally adjusted).

In addition to the proposed CPI changes, the proposed FY 2025-26 Comprehensive Fee Schedule accounts for modifications to fees , as explained below:

**Administrative Services**

1. Civic Center Facilities Use – Staff recommends removing the entire section regarding Civic Center Facility Use as this is addressed in the Facilities Use Policy, which does not permit for-profit or private event use of the Town Council Chambers or Town Council Chambers Lobby. The building attendant is no longer applicable either. For non-profit permitted special events that may have permission to use the Town Council Chambers and/or Town Council Chambers Lobby, the terms of the use are articulated within the conditions of approval. Should the conditions require Town Staff to be present, this will be noted prior to the event in order to bill the user following the event at the hourly rate of the staff person who provided the service. For use by entities such as New Museum of Los Gatos (NUMU), the conditions of use are listed within the executed Town's use agreement.
2. Special Event Fees – The special event application fees, block party permit, use of the Civic Center lawn, use of Town Plaza Park, and street pole banner program have all been increased by CPI. In addition, the hourly employee fees were updated to reflect current billing rates. Staff is also proposing adding a flat rate fee for events with live music either played by a disc jockey, electronic playlist, or performed by musicians in a public setting to offset the cost the Town pays to buy the rights and permissions from music library licensing companies.
3. Credit Card Processing Fee – Proposing a 2.49% fee on all transactions to reflect actual costs to the Town.

4. Tyler Technologies Online and Credit Card Payment Fees – Proposing including the fees that will be charged to customers when the Town goes live with the new Enterprise Resource Planning software.

#### **Development Services**

1. Los Gatos Boulevard Plan – Staff is recommending deleting this fee as Council rescinded the Los Gatos Boulevard Plan in January 2022 with resolution 2022-002.
2. Planning Development Service Fee Updates – Staff conducted an analysis of the last fee study to determine which fees were not selected to be fully recovered as a policy decision to subsidize and support certain development fees within the community. Once those fees were identified, a calculation was completed, based on past CPI increases, to bring 100% recovery for those fees.
3. Engineering Development Service Fee Updates – Staff is recommending updating the engineering fees to ensure cost recovery. The recommended changes in fees are associated with current work processes and procedures using FY 2024-25 billing rates. The proposed fees were determined using a reasonable and objective estimate of the actual time spent by the responsible staff member(s) for each specific activity and their associated hourly rate. This is a conservative approach to ensure cost recovery and also reflects the standard methodology used to establish fees when done through a third-party fee study.

Some fees have only slight increases as compared to the current fee schedule, and some are significantly higher, but all are based on actual time spent on that specific task. Because of that, some PPW fees are also recommended to decrease, including the fees for processing a Lot Merger (from \$4,258 to \$3,683). The increases vary from 1.3% (Fee #196 – Development Services – Subdivisions – 5 or more lots) to 171% (Fee #252 – Dumpster Permit). One example of an increased fee is the dumpster permit. The current fee is \$179, which does not reflect the actual costs to the Town. The recommended fee is 171% higher, or \$486, to allow a more accurate estimated recovery of the Town's actual cost.

Other fees are completely new for PPW, including several Development Services Fees added to planning service fees to capture the review required by the engineering division. These include but are not limited to new fees for processing projects associated with Two-Unit Developments (Fee #189), Urban Lot Splits (Fee #190), and Condominiums (Fee #200).

4. Engineering Plan Check and Inspection Fee (Public Improvements & Grading Permits) – Staff is recommending a change in the methodology for the fees associated with grading permit plan review and inspection services. The current fee schedule establishes the

fees based on the valuation of the grading activities. There is no easy way to establish the value or cost associated with a project's grading activities other than to have the project engineer submit a cost estimate for staff review. These cost estimates tend to vary significantly from developer to developer, which creates unnecessary delays in determining the fees and causes the fees to be inconsistent from project to project. Setting a fee based on the volume of earth moved is an easier way to determine the fees, provides a methodology that can be applied more consistently from project to project, and is the practice that many other cities and towns use to determine grading plan check and inspection fees.

5. Engineering Pass Through to Consultant – On February 28, 2025, the Town Council approved a modification to the fee schedule that allowed staff to collect fees for the use of consultants to review entitlement and building permit applications for development projects with 10 or more units. Staff is now requesting to replace these previously approved fees with a more complete set of fees to be used for consultant pass-through activities for entitlement, building permit, encroachment, and utility plan reviews. Staff will charge actual costs to the pass-through accounts to cover staff costs associated with consultant oversight and project management.

#### **Police Services**

1. Police Report/CAD Incidents – Staff proposes adding a new fee for providing these reports. The department polled nine agencies in Santa Clara County, with varying results of charging flat initial fees ranging from \$15.00 - \$17.00 for up to a limited number of pages and thereafter \$.05 - \$.25 per additional page, some agencies only charge \$.05 - \$.25 per page. Each crime report and call incident record copy and release requires individual review and redaction based on the request and the scope of what the requestor is entitled to.
2. False Alarm Fees – Each alarm call requires a two-sworn officer police response, regardless of the number of alarm calls received from the residence. In addition, processing an alarm call requires Dispatch to initiate a call back to the alarm company and provide a disposition of the alarm incident. Given recent increases in salaries and hourly costs for this service and response, the department recommends this increase to the existing fee.
3. Solicitor's/Peddler's Permit – Staff proposes an increase to this fee after department analysis of the actual cost of service.
4. Citation Sign Off – Staff is proposing this increase based on their analysis of surrounding jurisdictions. It was determined a \$3.00 increase brought the Town's fee to the same level as surrounding communities.

5. Feral Cat Feeder/Trap Permit—Staff recommends deleting this fee as it is no longer needed. Silicon Valley Animal Control Authority now provides animal control services for the Town.
6. Silicon Valley Animal Control Authority (SVACA) Fees – proposing to include the SVACA license fees for residents to reference.

**Parks and Public Works Services**

1. Parks Division Fees – This section has been reformatted at the department’s request. Grouping similar fees makes the structure easier to navigate while maintaining transparency.
2. Equipment Hourly Rates – Deleting paving box, rodder, and street sweeper as they are no longer used and available for rent.

Attachment 1, Exhibit A contains the proposed FY 2025-26 Comprehensive Fee Schedule reflecting all Town fees (including proposed changes). An itemized list of recommended FY 2025-26 fee adjustments, reclassifications, and deletions are reflected in Attachment 2.

**B. ADMINISTRATIVE FINE AND PENALTY SCHEDULE:**

The Administrative Fine and Penalty Schedule sets forth the administrative penalty amounts for code violations. Attachment 3, Exhibit A contains the proposed FY 2025-26 Administrative Fine and Penalty Schedule reflecting all Town fines (including proposed changes). An itemized list of recommended FY 2025-26 fine adjustments, reclassifications, and deletions are reflected in Attachment 4 and explained below:

**Los Gatos California Fire Code**

1. Section 2703.13 Requirements for HPM gases – Section 2703.13 remains in our Administrative Fine and Penalty schedule; this action removes a duplicative listing of the fine section.

**CONCLUSION:**

It is recommended that the Town Council approve the Comprehensive Fee Schedule (Attachment 1) effective July 5, 2025 and the Administrative Fine and Penalty Schedule (Attachment 3), effective July 1, 2025, and adopt the related resolutions.

**COORDINATION:**

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

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SUBJECT: Fee Schedule for Fiscal Year 2025-26

DATE: May 6, 2025

ENVIRONMENTAL ASSESSMENT:

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

Attachments:

1. Resolution approving Comprehensive Fee Schedule FY 2025-26, including Exhibit A Proposed FY 2025-26 Comprehensive Fee Schedule (Redlined)
2. Proposed FY 2025-26 Fee Adjustment, Reclassification, and Deletions
3. Resolution approving Administrative Fine and Penalty Schedule FY 2025-26, including Exhibit A Proposed FY 2025-26 Administrative Fine and Penalty Schedule (Redlined)
4. Proposed FY 2025-26 Fine Adjustment, Reclassification, and Deletions