

EXHIBIT A



MEMORANDUM

Milpitas Police Department

Armando Corpuz
Chief of Police

DATE: November 19, 2019
TO: John Torrez, Lieutenant
FROM: Brian Thanh, Detective BT 297
SUBJECT: Revision of Massage Establishment Permitting Fees

The Milpitas Police Department currently charges a non-refundable fee of \$200 for both first time and renewal massage permit applications. I surveyed the massage permit fee schedules for Santa Clara County agencies and learned fees varied from \$200 to \$1236 for first time massage permit applications, and fees for renewal massage permit applications varied from \$107 to \$1169.

Currently the process at the Police Department is to have a Detective and Sergeant in the Special Investigations Unit process all massage permit applications. The Detective will have a pre and post application meeting with the applicant (1.5 hours), document processing and permit recommendation (2 hours), fingerprinting (.5 hour), background check (2.5 hours), and the Special Investigations Unit Sergeant reviews the entire application packet (1 hour); which incurs the following personnel costs:

(1 Detective @ 6.5 hours)	x 254.00 =	\$1651.00
(1 Sergeant @ 1 hour)	x 307.00 =	<u>\$ 307.00</u>
Total	=	\$1958.00

Bearing in mind the need to protect legitimate business owners and massage professionals, state law allows for local governments to impose and enforce reasonable necessary fees. Police Department staff recommends that the massage permitting fees be increased from \$200 to \$1000, which will allow the department to have a partial cost recovery for application processed by the Police Department. The \$1000 fee does not include any City of Milpitas business licensing or administrative fees.