

2011-2012 PROPOSED FEES & CHARGES REPORT

TABLE OF CONTENTS

	Page
Transmittal	i

Summaries

Department Fees and Charges Summary	A - 1
List of Fee Programs by Department/Cost Recovery Category	B - 1
Summary of Proposed Fee Changes	C - 1

Departmental Fees & Charges

	Page		Page
City Clerk	1	Library	48
Economic Development	5	Parks, Recreation and Neighborhood Services	52
Environmental Services	9	Planning, Building and Code Enforcement	67
Finance	15	Police	103
Fire	20	Public Works	118
Housing	44	Transportation	169



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Debra Figone
City Manager

**SUBJECT: 2011-2012 PROPOSED FEES AND
CHARGES REPORT**

DATE: May 6, 2011

The 2011-2012 Proposed Fees and Charges Report documents the majority of the fees and charges accruing to the City's General Fund and selected fees within other funds. This report does not, however, include a number of fees assessed by the City's enterprise operations (e.g., Airport, Downtown Parking, and Convention Center Facilities), as they are brought to the City Council for consideration separately.

The fees proposed in this document are assumed in the revenue estimates contained in the 2011-2012 Proposed Operating Budget. Cumulative departmental fees and charges for 2011-2012 are projected to generate revenue of approximately \$69.2 million, of which \$61.6 million would accrue to the General Fund. This overall collection level is approximately \$1.1 million above the 2010-2011 adopted estimate of \$68.1 million.

This increase from 2010-2011 is primarily the result of growth in projected revenues for the development fee programs (Building, Planning, Fire, and Public Works), which are above the 2010-2011 Adopted Budget levels

reflecting an improved level of development activity. Parks, Recreation, and Neighborhood Services (PRNS) projected revenues also grew, primarily as a result of aquatics and parking fee increases, the establishment of neighborhood park picnic reservation fees, the rental of three community center sites (Old Almaden Winery, Kirk Community Center, and Shirakawa Community Center) to Work2future, and the re-opening of San José Family Camp in 2011-2012. Recommended fee changes to maintain or improve cost recovery levels, as well as new fees that are proposed in several departments, are described throughout this document.

A number of the proposed fee changes are downward adjustments to reflect the net change from employee total compensation reductions and adjustments to maintain the required annual retirement and unemployment contributions. These downward adjustments have made it possible to lower fees and charges in many areas in this document.

HONORABLE MAYOR AND CITY COUNCIL
SUBJECT: **2011-2012 PROPOSED FEES & CHARGES REPORT**

For all Council-directed cost recovery fee programs (excluding penalties, fines, and non-cost recovery activities), 2011-2012 proposed fees and charges are projected to recover 94% of fee program costs which is consistent with the 2010-2011 budgeted cost recovery level when adjusted for changes in a cost-recovery methodology.

The body of this report contains details, by responsible department, of proposed fees and estimated costs for the services for which the fees are assessed. In developing the 2011-2012 fee structure, staff was guided primarily by the City Council's policy direction to strive for 100% cost recovery for most fee-related programs. During the budget development process, all fee programs were reviewed to ensure that the amounts being assessed would remain competitive in the market, would not be too prohibitive, and would at least maintain current levels of cost recovery.

Additional City Council direction was also followed, so that where appropriate, fees take into consideration approved exceptions to the City Council's full cost recovery policy, as well as applicable State laws. The departments with an overall cost recovery level below 100% typically administer fee programs that the City Council has previously directed remain at less than cost recovery, generally in order to assure public access to services. Examples include fees for public records and youth recreation programs.

Highlights of the 2011-2012 Proposed Fees and Charges Report include the following:

DEVELOPMENT FEE PROGRAMS

Development activity, including planning permit applications, building permits, plan reviews, and inspection activity, has continued to be impacted by the slow recovery from the global recession. Evidence of the downturn first appeared in residential construction with a 50% decline in 2007-2008, deepening further in 2008-2009 with a 25% decline in construction valuation, and in 2009-2010, the City experienced its lowest levels of development activity in recent history. Development activity in 2010-2011 began to pick up and stabilize, but overall remains well below the levels seen prior to 2008-2009. A dramatic record-setting spike in permit issuance occurred in December 2010 attributable largely to Building Code changes effective January 1, 2011, policy incentives to spur activity, and a proposed school impact fee in North San José. Looking forward, development activity in 2011-2012 is expected to remain stable at the recent lower levels in comparison to historical levels.

The deep revenue declines in 2008-2009 and 2009-2010 necessitated a series of rebalancing actions to bring costs in line with the lower revenue collections, resulting in significant position reductions and reduced service levels. With these deep cuts in program staffing, Development Services was not able to meet desired service levels in 2009-2010. For 2010-2011, position reductions were made in the Fire and Public Works fee programs to align staffing to the lower activity level, while Planning and Building Fee Programs were able to maintain 100% cost recovery levels

HONORABLE MAYOR AND CITY COUNCIL
SUBJECT: **2011-2012 PROPOSED FEES & CHARGES REPORT**

DEVELOPMENT FEE PROGRAMS (CONT'D.)

with only minor adjustments. To improve service levels and cycle times, in 2010-2011 temporary strategic investments included a Project Manager/Expediter, a second Special Tenant Improvement/Industrial Tool Installation (STI/ITI) line, and a third Express Review (Enhanced Expedited Review) line. Along with other recommended actions to balance the Building, Fire, Planning, and Public Works programs, these additional resources are recommended to be made permanent in 2011-2012, offset by Building and Fire fees.

For 2011-2012, revenues and costs have been brought into alignment for each of the Development Fee Programs while attempting to meet the desired service delivery needs of the development community. Reductions have been minimized, and strategic service enhancements made possible, as a result of the net savings from employee total compensation reductions and adjustments to maintain the required annual retirement and unemployment contributions. These actions are further discussed in the 2011-2012 Proposed Operating Budget.

For the Development Fee Programs, no general fee increases are necessary; however, fee changes are recommended to make technical adjustments and establish new fees as follows: adjustments to three fees in the Fire Development Fee Program will align staff time for expedited inspections and hydrant inspections and processing; establishment of three new fees in the Planning

Development Fee Program (Expedited Coordinated Review, Addressing, and Covenant of Easement) and an increased fee (Administrative Permit-Small Recycling Facility and Reverse Vending Machine Fee) will offset the staff costs of providing these services; and a minor adjustment to the Planning and Building Photocopies fees will align these fees with current costs. Public Works development fee adjustments include new fees related to Geologic: Grading Permit/Plan Checking to recover staff costs associated with providing these services and reductions to the Lateral and Easements fees to align with current costs.

The importance for the Development Fee Program partners to gain fiscal stability through cost recovery fees cannot be over-emphasized. The provision of quality and timely service depends on the ability to have staffing levels that align to the activity levels, which in turn depends on achieving full cost recovery. The Development Fee Program partners have established open communication with development industry groups and will continue to work with them on fee and service level goals.

In preparing resource and fee proposals for 2011-2012, the Development Fee Program partners met with the San José Silicon Valley Chamber of Commerce's Development Committee, which has served as an advisory panel. In addition, staff provided information and sought feedback from a number of other industry groups representing home builders, office park developers, architects, and the remodel industry. The Development Fee Program partners also

DEVELOPMENT FEE PROGRAMS (CONT'D.)

received feedback from individual customers and through the fifth annual scientific Customer Satisfaction Survey.

Planning, Building and Code Enforcement Department (Development Fees) – The Planning, Building and Code Enforcement (PBCE) Department administers a variety of fees and charges related to processing development permit applications and ensuring that construction in San José is safe and conforms to applicable building codes and regulations.

It is estimated that the 2011-2012 PBCE development-related fee program will collect revenues of \$19.0 million, reflecting a cost recovery rate of 100%. The individual Planning and Building Fee Program actions are described in the following sections of this document and summarized below.

Building Fee Program – A 100% cost recovery Building Fee Program is recommended with a projected revenue estimate of \$16.55 million. Resource changes are recommended to improve service levels and the revenue estimate was slightly increased (by \$51,000) to reflect updated activity level projections. The additional resources are possible in part due to net savings from employee total compensation reductions and retirement and unemployment contributions. PBCE was unable to meet increased customer activity in 2009-2010 due to staffing reductions mentioned previously, causing long wait times in the

Permit Center. To alleviate this condition, a third Plan Review Express line (Enhanced Expedited Plan Review line) and a second Special Tenant Improvement/Industrial Tool Installation (STI/ITI) line were added on a one-time basis in 2010-2011. In addition, a Development Services Project Manager/Expediter was added to serve as a single point of contact for key economic development projects going through the development process. The 2011-2012 Proposed Budget recommends making permanent these additional resources, offset by Building fee revenue. In addition, a Permit Center Program Manager will help manage the additional daily demand in the Center to maximize resources. Other adjustments include funding to implement wireless inspections to give customers real-time access to inspection results from the field, and the reallocation of portions of positions to align with current program funding. A minor increase to the Photocopying fee was made to align with current costs.

Planning Fee Program – Although activity is projected to remain weak, net savings from employee total compensation reductions and retirement and unemployment contributions allow the Planning Fee Program to maintain a \$2.5 million Planning Fee Program at 100% cost recovery for 2011-2012, with only minor adjustments. Additional staff resources will expand Planning's capacity to review and track permits that require mitigation monitoring, offset by additional fee revenue (\$69,000). Customers subject to these measures will be charged at the hourly rate to cover staff costs. A temporary position will allow Planning to extend a pilot program which was initiated in April

DEVELOPMENT FEE PROGRAMS (CONT'D.)

Planning, Building and Code Enforcement Department
(Development Fees) (Cont'd.)

Planning Fee Program (Cont'd.)

2011 for Expedited Coordinated Review through January 2012. This will provide customers with a faster processing option for certain planning applications, at 1.5 times the hourly rate.

Three new fees are recommended to recover costs for staff processing time: Expedited Coordinated Review, Addressing, and Covenant of Easement. An increase to the Administrative Permit-Small Recycling Facility and Reverse Vending Machine Fee is recommended, bringing the fee from \$0 to \$310 to align with staff costs and ensure cost-recovery levels. Additionally, a new Building Code Compliance fee is recommended to recover the cost of a Code Enforcement Inspector to investigate and inspect complaints involving un-permitted construction, as recommended in the 2011-2012 Proposed Budget. In line with the Building Fee Program, an increase to the Photocopying fee is recommended to align with current costs.

Fire Department (Development Fees) – The Fire Department's 2010-2011 Development Fee Program budget estimated activities to be on par with 2009-2010 levels. However, actual market conditions resulted in higher than

budgeted revenues for 2010-2011. Current activity levels are expected to remain steady in 2011-2012. The 2011-2012 Base Budget revenue for the Fire Department Development Fee Program, projected at \$4.0 million, was approximately \$113,000 above the Base Budget cost of \$3.9 million. Several actions are recommended in the 2011-2012 Proposed Operating Budget to balance this fee program and address service delivery needs. Ongoing funding for an Associate Engineer and a Hazardous Materials Inspector is recommended to maintain the second STI/ITI line that was initiated in 2010-2011. The 2011-2012 Proposed Operating Budget also includes the elimination of 35% of a Hazardous Materials Inspector position and the elimination of a Senior Analyst position: 50% development and 50% non-development. With these proposed actions, 2011-2012 development program costs are projected at \$4.1 million, while revenues are projected at \$4.0 million. The proposed use of a portion of the \$1.4 million Fire Fee Reserve (\$143,500), will allow the program to reach 100% cost recovery for 2011-2012.

Public Works Department – The Public Works Department has two fee programs, the Development Fee Program and Utility Fee Program. The Development Fee Program is responsible for the collection of various fees for private development-related activities, such as planning application review, plan review and inspection of public improvements, review of subdivision maps, grading permits, and revocable encroachment permits. Both these programs are operated on a 100% cost recovery basis.

HONORABLE MAYOR AND CITY COUNCIL
SUBJECT: **2011-2012 PROPOSED FEES & CHARGES REPORT**

DEVELOPMENT FEE PROGRAMS (CONT'D.)

Public Works Department (Cont'd.)

After several years of decline, it appears that development activity is slowly recovering. Development Fee revenue is anticipated to end 2010-2011 above the adopted estimate of \$2.4 million at \$2.8 million. The 2011-2012 Base revenue estimate of \$2.8 million, when compared to base expenditures, led to a surplus of approximately \$508,000. To adequately align staffing with increased project activity, the Department has proposed position reallocations that would increase staffing levels by 3.96 positions. The Department is also proposing several fee adjustments, including new fees, to achieve better cost-recovery. In addition, \$205,000 will be added to the Public Works Department Fee Reserve to address anticipated future workload. The 2011-2012 Proposed Operating Budget recommended revenue estimate is \$2.8 million for the Development Fee Program.

The Utility Fee Program issues utility excavation permits and encroachment permits to utility companies and other agencies. For 2011-2012, the Utility Fee Program base revenue is projected to increase slightly to \$1.8 million, resulting in a base budget surplus of approximately \$68,000. Upon reviewing the current fee structure, the Department is recommending a combination of fee decreases totaling \$68,000, bringing the program back to 100% cost recovery.

In addition to the two major fee programs, the Public Works Department also collects fees for utility undergrounding, Inter-Agency Encroachment Permits, and Geographic Information Systems (GIS) data extraction services.

Transportation Department (Development Fees) – The Transportation Department is responsible for the collection of fees for various development-related activities such as: General Plan Amendment Model Analysis; Geometric Plan Design; Tree Planting and Young Tree Trimming; Sale of Street Name Signs; Signal Design/Review; and New Subdivision Traffic Control Signs and Pavement Markings. Fee adjustments in these categories will maintain full cost recovery in 2011-2012, as discussed in the detail section that follows.

OTHER FEE PROGRAMS

City Clerk – One of the City Clerk's responsibilities is to make all official City Council records and documents accessible to the public. The Office of the City Clerk also performs special research and notary services, and provides duplication of taped materials on a fee basis. In 2011-2012, increases in various fees are recommended which reflect the results of a review of time and resources necessary to complete services. The recommended increases are anticipated to bring all eligible fees as close to the 100% cost recovery level as possible.

HONORABLE MAYOR AND CITY COUNCIL
SUBJECT: **2011-2012 PROPOSED FEES & CHARGES REPORT**

OTHER FEE PROGRAMS (CONT'D.)

Office of Economic Development – The Office of Economic Development (OED) is responsible for the collection of fees related to Office of Cultural Affairs (OCA) activities, including various event and use permit fees. OED is also responsible for administering the City's Foreign Trade Zone and Subzones including processing applications, boundary modification, and contract negotiations and extensions. As a result of the economic downturn, on April 6, 2010, the City Council approved a set of strategies to encourage events and activities in the City of San José. The Gated Event on Public Property Fee was suspended through 2011-2012 (5% of gross gate receipts reduced to 0%) and the Ticket Charge that can be charged by event producers was increased from a maximum \$15 to a maximum \$30 per person per day to increase potential revenues generated for event producers. Three fee increases related to Foreign Trade Main Zone and Foreign Trade Subzones are proposed to achieve greater cost recovery and to align fees with those charged by other Foreign Trade Zone grantees throughout the U.S.

Environmental Services Department – The Environmental Services Department (ESD) administers two fee programs as part of the Integrated Waste Management Program: Source Reduction and Recycling Fees (AB939) and Franchise Application Fees. In the Source Reduction Fee category, there are two fees: Commercial Solid Waste AB939 and Landfill AB939 fees. In addition to Integrated Waste Management Program fees, the Environmental

Services Department receives revenue from two fees administered by the Library Department for the Silicon Valley Energy Watch Tool Lending Library Program. These fees recover the cost of damaged or lost power-meters rented out to the public by libraries. Of the Environmental Services Department fees, only the Franchise Application Fee is proposed to change for 2011-2012. The Franchise Application Fee is proposed to increase by \$195 to \$390 per application to reflect the results of a review of time and resources used in the application process.

Finance Department – The Finance Department is responsible for collecting, accounting for, and monitoring the license and permit fees for Christmas tree and pumpkin patch lots, circuses, carnivals and parades, and other miscellaneous fees, along with Integrated Waste Management-related late charges.

For 2011-2012, a number of fees are decreasing to reflect the net change from employee total compensation reductions and adjustments to maintain the required annual retirement and unemployment contributions, while a few fee increases are proposed due to increasing overhead costs and changes in staffing. Late payment charges related to the Garbage Lien Program and Garbage Lien Service fees are anticipated to generate approximately \$3.5 million in the Integrated Waste Management Fund, including an increase to the Administrative Charges for Collection Procedure and Notice of Intent to Lien proposed for 2011-2012.

HONORABLE MAYOR AND CITY COUNCIL
SUBJECT: 2011-2012 PROPOSED FEES & CHARGES REPORT

OTHER FEE PROGRAMS (CONT'D.)

Fire Department (Non-Development Fees) – In the Fire Department’s Non-Development Fee Program, the base revenue estimate of \$4.6 million was approximately \$189,000 above the base budget cost of \$4.4 million. Budget actions are recommended to reduce revenues and costs to \$3.9 million for 2011-2012, including a recommendation to reduce non-development fees by 5%. The 2011-2012 Proposed Operating Budget also includes the anticipated transfer of responsibility for administering specified State hazardous materials programs from the City to the County. The programs under the County’s Hazardous Materials Certified Unified Program (CUPA) include underground storage tanks, aboveground petroleum storage tanks, and hazardous materials business plan/inventory programs. In addition, the responsibility for issuing invoices and permits related to the CUPA Program will become the responsibility of the County. These changes, expected to occur July 1, 2011, will result in a loss of revenue of \$575,000 and the elimination of resources supporting the CUPA Program: one Program Manager II position, one Hazardous Materials Inspector position (35% development, 65% non-development), and one Fire Prevention Inspector position. To align costs and resources to the appropriate fee-related activities in the Fire Department’s Fee Programs, a Senior Analyst position (50% development and 50% non-development) is proposed for elimination. A part-time Senior Analyst position is proposed to continue to oversee ongoing programs in the Department’s Non-Development Fee Program.

Housing Department – The Housing Department administers the Rental Rights and Referrals Program, and is responsible for the collection of Inclusionary Fees, Rental Mediation Penalty Fees, Homebuyer Subordination Fees, and Multi-Family Project Owner Transfer Fees. There are no proposed changes to existing fees for 2011-2012.

Library Department – The Library Department levies fines for overdue, lost, and damaged materials, and collects fees for various services such as community room rentals and providing materials through other library systems. The revenue collected by the Library Department is primarily generated by fines, which were not changed in 2010-2011. No changes to fees are recommended for 2011-2012. The 2011-2012 revenue estimate of \$1.1 million includes both fines and fees.

Parks, Recreation and Neighborhood Services Department – The Parks, Recreation and Neighborhood Services Department (PRNS) collects a variety of fees and charges related to sports, sports fields and facilities, recreational lessons and facilities, and admission charges for Happy Hollow Park and Zoo.

For 2011-2012, additional revenue is anticipated as a result of proposed fee changes assumed in the Proposed Operating Budget. Additional revenue is anticipated as a result of aquatics and parking fee increases, the establishment of neighborhood park picnic reservation fees, and the rental of three community center sites (Old Almaden Winery, Kirk Community Center, and Shirakawa

OTHER FEE PROGRAMS (CONT'D.)

*Parks, Recreation and Neighborhood Services
Department (Cont'd.)*

Community Center) to Work2future. The Pricing and Revenue Policy that was approved and implemented in 2009-2010 will continue in 2011-2012, which allows the City Manager or Designee to set fees for PRNS services in an effort to increase cost recovery rates and respond more rapidly to changing market conditions. As a result, additional fee increases may be proposed as the year progresses.

It should also be noted that for 2011-2012, revenue from San José Family Camp, which was closed in 2010-2011 due to structural issues with the dining hall, has been assumed. Lastly, in an effort to ensure consistency with the methodology used to determine other department's cost-recovery percentages, the cost of service has been revised to include indirect overhead costs. As a result of the implementation of a consistent methodology, the cost-recovery rate for all categories in the PRNS Department is reduced when compared to the 2010-2011 rates; however PRNS continues to make every effort to offset costs with revenue while balancing the need to ensure access for residents and maintaining competitive pricing.

Planning, Building and Code Enforcement Department (Non-Development Fees) – The Code Enforcement Division of the Planning, Building and Code Enforcement Department collects fees for multiple housing permits, solid waste enforcement, neglected/vacant building registration, landfill closure and post closure activities, auto body repair shop permits, auto dismantler permits, abandoned shopping cart program, and off-sale alcohol enforcement. For 2011-2012, a number of downward fee adjustments are proposed to reflect the net change from employee total compensation reductions and adjustments to maintain the required annual retirement and unemployment contributions. This includes a 6% decrease in the Solid Waste Enforcement Fee and downward adjustments to a number of miscellaneous fees. Following a review of staffing levels and costs, various increases are also recommended to fully recover the costs of the current staffing complement, including: a 4.0% increase to the Multiple Housing Occupancy Fee, a 3.4% increase in the Off-Sale Alcohol Enforcement program and a 4.4% increase to the General Code Reinspection fee. The Multiple Housing increase also funds a critical technology conversion to bring the program records into the AMANDA system. In addition, a new Tobacco Retail License fee is recommended as part of the new program to license and regulate tobacco retailers, approved by the City Council in December 2010. This new fee will fund 2.0 Code Enforcement Inspector positions that will review license applications and conduct initial and follow-up site inspections.

HONORABLE MAYOR AND CITY COUNCIL
SUBJECT: **2011-2012 PROPOSED FEES & CHARGES REPORT**

OTHER FEE PROGRAMS (CONT'D.)

Police Department – In this department’s fee program, fees are collected from the public and from other police agencies for services such as fingerprinting, search and copying of public records, and vehicle impound release. Certain businesses and activities are subject to regulation, and fees are charged to offset the costs for processing permits and licenses that accompany the regulatory process and to partially offset costs for related investigative work.

The majority of Department fees are in the 100% cost recovery category; however, some of the Department’s fees are not at full cost recovery including Taxicab permit fees, Towing permit fees, and the fee for Duplicating Public Records. Beginning in 2007-2008, the Police Department reevaluated the amount of time spent on the Taxicab and Towing permits, and found that the actual costs of administering these programs are slightly higher than previously estimated. To bring these programs to full cost recovery as previously approved by the City Council, fee increases are being phased-in over several years. For the Taxicab permit fees and the Towing permit fees, a maximum of 20% fee increases are proposed for 2011-2012, similar to the increases approved in 2010-2011.

For the fees that are 100% cost recovery, adjustments were approved to maintain this cost recovery level. As part of the 2010-2011 Mid-Year Budget Review Report, a recommendation to eliminate the Cardroom Table Fee and replace it with a Cardroom Regulation Fee was approved by

the City Council on February 8, 2011. This revision clarifies that the Police Department’s Division of Gaming Control is regulating each cardroom facility as a whole and no longer allocates the cost of cardroom regulation based on the number of tables a facility is operating.

As approved by the City Council on April 19, 2011, a Medical Marijuana Collective Application Fee of \$4,975 per Collective was established, along with a Medical Marijuana Investigation Hourly Fee at \$167 per hour. A Manager’s Budget Addendum will be issued to revise these fees and establish other marijuana-related fees later in the budget process. In addition, the Crime Prevention Through Environmental Design (CPTED) Fee is recommended to be established at \$133 per hour to reimburse the Police Department for the time spent by an Officer to review plans, conduct site surveys, and provide comments to Planning in an effort to ensure the safety and security of proposed Planning developments.

Public Works Department (Non-Development Fees) – In 2010-2011 the General Services Department was consolidated with the Public Works Department. As a result, various fees for events at City Hall, as well as fees related to animal permits and licenses, animal adoption, and other animal shelter services now appear in the Public Works Department Fees and Charges Schedule.

Beginning in April 2008, the General Services Department assumed responsibility for the administration of event services at the Mexican Heritage Plaza on an interim basis

HONORABLE MAYOR AND CITY COUNCIL
SUBJECT: **2011-2012 PROPOSED FEES & CHARGES REPORT**

OTHER FEE PROGRAMS (CONT'D.)

Public Works Department (Non-Development Fees)
(Cont'd.)

until such time as the Plaza could transition to a private company operator. The identified community process to choose the operator is nearing completion, and a plan to move forward with a new operator will be recommended to the City Council on May 24, 2011. As a result, fees and corresponding revenues from events at Mexican Heritage Plaza will be proposed to no longer be collected by the City. A separate Manager's Budget Addendum will be issued later in the budget process to delete these fees if a new operator is approved by the City Council.

The Public Works Department is responsible for the collection of various fees for events at City Hall. Event spaces rented for which a fee is charged include the Rotunda, the Plaza, the Council Chambers, and the Committee Meeting Rooms. In addition, the Department collects fees related to animal permits and licenses, animal adoption, and other animal shelter services fees. There are no fee revisions recommended for City Hall or Animal Care and Services for 2011-2012.

Transportation Department (Non-Development Fees) – Fee adjustments are included in this report for several of the Transportation Department non-development-related fees to keep pace with projected costs and/or maintain full cost recovery. Revisions were made to the Banner Installations,

Freight Loading Zone Permits, Landscape Contract Administrative Fee, New Banner Installations, Side Sewer Installation, Signal Central Monitoring Fees, Taxi Stand Rental, and Valet Parking Zone categories. Also, a Double Banner Installation Fee and a New Double Banner Hardware Installation Fee are new fees that are reflected in this document. The establishment of these fees was approved by the City Council on December 14, 2010, and proposed adjustments are included to align these fees with updated costs.

OTHER FEE REVISIONS

As mentioned earlier, a number of revisions to fees in various City programs are included as part of the 2011-2012 Proposed Budget, but are not included in this document. Those fees are brought forward to Council separately or in a parallel process. As described in the Proposed Operating Budget, increases are proposed for parking garage rates (from \$1.50 to \$3.00 per hour; from \$15 to \$20 maximum weekday rate; eliminate one hour free parking at the 4th and San Fernando Parking Garage; and introduce a \$4 rate on weekends and major holidays), Recycle Plus fees (9%), the Sewer Service and Use Charge (3%), the Storm Sewer Service Fee (3% residential and 4% commercial), and the basic water usage rate for Municipal Water Program users (maximum of 6.5%).

HONORABLE MAYOR AND CITY COUNCIL
SUBJECT: **2011-2012 PROPOSED FEES & CHARGES REPORT**

SUMMARY

Proposed fees and fee structure revisions are presented in the following summaries and detailed in the departmental sections that form the body of this Report. The revenues that will result from the proposed fee adjustments are reflected in the 2011-2012 Proposed Operating Budget.

Notification to the public and interested parties of the proposed fee program changes was provided through various means, including meetings with interested stakeholders, and through distribution of this document to the City Clerk's Office and to Library branches. Specific notification efforts are described in each of the Departmental Impact Analysis Reports contained in this document.

This Proposed Fees and Charges Report was released on May 6, 2011, allowing for a minimum of 10 days for public review. Public input on fee proposals will be heard by the City Council at public hearings held on Tuesday, May 17, 2010, at 7:00 p.m. and Monday, June 13, 2011, at 7:00 p.m. in the Council Chambers.



Debra Figone
City Manager