

City of Santa Clara

Council Meeting

Item 5 - Public Hearing: Action on the Adoption of
Phase I of the FY 2019/20 Municipal Fee Schedule

July 16, 2019



Agenda

- Overview
- Phase I Introduction
- Fee Setting Criteria
- Highlights
- New Fees
- Deleted Fees
- Summary of Fee Schedule
- Conclusion
- Recommendation



Overview

- Due to the magnitude of information, Council directed staff to present data in three phases
- The purpose of this presentation is to review the user fees proposed for adoption in Phase I of the FY 2019/20 Municipal Fee Schedule

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Overview (cont.)

- The City contracted with Matrix Consulting Group in December 2018 to develop a comprehensive Cost of Services (User Fee) Study
- A Study Session was held on May 21, 2019 to receive Council and public input for Phase I

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Overview (cont.)

Phase I – Routine Non-development fees; Deleted and New Fees

- Citywide fees (copy fees, technology fee, media fee)
- City Clerk
- Housing & Community Services Division
- Electric
- Finance
- Library
- Parks & Recreation (including Cemetery)
- Police

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Overview (cont.)

Phase II – Development Related and Facilities Rental Fees (Study Session - August 26, 2019)

- Development Related User Fees for the following:
 - Community Development
 - Building Division
 - Planning Division
 - Fire
 - Public Works
 - Water & Sewer Utility
- Community Room Rentals and Non-profit Fee Structure

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Overview (cont.)

Phase III – Fees that Require Further Study (Fall/Winter 2019)

- Off-site Parking fee
- Electric Bike/Scooter fee
- False Alarm fee
- Massage Program fees
- Temporary Street Pole Banner permit
- Housing Inspection fee

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Phase I of 2019/20 Municipal Fee Schedule – Introduction

- User Fees are described as fees for City services provided for the benefit of individual members of the public
- The last update to the fee schedule was approved by the City Council on May 8, 2018
- The Proposed Municipal Fee Schedule is a compilation of fees for City services provided to the public

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Phase I of 2019/20 Municipal Fee Schedule – Introduction (cont.)

- This fee schedule contains 900+ fees; 70% of fees are eligible for a cost of services study, the remaining 30% are set by voter approval and/or state/federal law, etc.
- Fees that were not included as part of the Study were increased by:
 - 5.3% increase in Salary and Benefits for FY 2019/20; or
 - Consumer Price Index (CPI) factor outlined for that specific fee
- Separately published fee schedules not in this document are: Electric Rates, Water & Sewer Utility Rates, and Santa Clara Recreation Activity Charges

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Phase I of 2019/20 Municipal Fee Schedule – Fee Setting Criteria

- Relinquish past practice of increasing fees by maximum increments of 25% to the extent that such increases did not exceed cost recovery
- Increase fees close to full cost recovery as possible without going over
- Strive to be in line with industry norms while recognizing that Library and Parks & Recreation Departments will never be at 100% cost recovery
- Delete any obsolete or irrelevant fees identified in the User Fee Study
- Decrease any over recovery fees to be in line with State law

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Phase I of 2019/20 Municipal Fee Schedule – Highlights

- An increase in Technology Fee from 2.0% to 3.37% based upon the annual costs associated with maintenance and operation of the City's permitting system
- A consolidation of categories for Copy, City Charter, and Fax Machine into a singular category, "Copies" and charging a singular per page rate
- Converted current flat fee for Multi-Family (MF) Loan Subordination Request Review to a time and materials (Deposit) service in the Housing & Community Services Division

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Phase I of 2019/20 Municipal Fee Schedule – New Fees

- Twenty-eight (28) new fees have been added to the fee schedule
- New fees recover the costs for services that the City provides but had not charged for in the past

Department	Number of New Fees
Community Development	3
Electric	7
Parks & Recreation	16
Police	2
Total	28

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Phase I of 2019/20 Municipal Fee Schedule – Deleted Fees

- Fifty-six (56) fees are proposed to be deleted from the fee schedule

Department	Number of Deleted Fees
Citywide	1
City Clerk	1
Community Development	1
Electric	2
Finance	1
Fire	44
Parks & Recreation	1
Police	1
Water	2
Police	2
Total	56

Phase I of 2019/20 Municipal Fee Schedule – Summary

- The proposed 2019/20 Municipal Fee Schedule – Phase I results in a reduction of the General Fund Subsidy of \$0.5M
 - \$0.25M of the General Fund reduction will be a direct result of increasing the Technology Fee from 2.0% to 3.37%
- Fees contained in the 2019/20 Municipal Fee Schedule will be effective August 1, 2019

Phase I of 2019/20 Municipal Fee Schedule – Conclusion

- Adopting the Proposed Municipal Fee Schedule is an important component of the City's financial strategy
- This schedule adheres to the City Council 2019 adopted Budget Principle that establishes fees based on full cost recovery, with limited exceptions
- Dates for Phases II and III will be included on a future TMAC in the August-September timeframe

Recommendation

- Staff recommends that the Council adopt a resolution for the City of Santa Clara 2019/20 Municipal Fee Schedule, effective August 1, 2019

City of Santa Clara

Council Meeting

Action on the Adoption of Phase I of the Fiscal Year 2019/20 Municipal Fee Schedule

July 16, 2019



**City of
Santa Clara**
The Center of What's Possible

7/16/2019

ITEM 5

From: sudsjain@zoho.com
 To: **Mayor and Council; Manager**
 Subject: No change in Municipal Fee schedule for library rooms
 Date: Monday, July 15, 2019 11:22:07 PM

Dear Mayor Gillmor, Councilmembers and City Manager Santana,

The library is one of the very few city owned places that stays open till 9 PM.
 That makes the library room rentals a very sought after resource for meetings of community groups.

Unfortunately, the prices are very steep.

I see that costs for meeting rooms for Parks and Rec buildings are to be considered in Phase 2 but that does not seem to be the case for library rooms as you can see below:

I fail to see why a library meeting room should be \$50/hour while a Parks and Rec room should be only \$18/meeting for a non-profit.

Also I don't know why there is no differentiation between for-profit and non-profits in pricing of library rooms.

We should be trying to encourage more community groups in the City.

Please move adoption of fees for library rooms to Phase 2 to be considered at the same time as Parks and Rec rooms.

I realize that Standard and Minor Use permits will be considered in Phase 2 but I ask you to give guidance to the Community Development department to relax the pricing of Use permits for live music since currently at live music permit is \$9931 but an alcohol permit is only \$5108. Seems to me that a restaurant that doesn't charge cover charges should be able to get both together for \$5108.

Thank you,

-- Suds Jain

Room Rental Processing and Set Up and Clean Up Fee	\$ 50.00	No	Charged By: Library Collected By: Library	Date: 4/22/2014 O. No.: O. Date:	Objective: Recover Cost User Fee Prop 26 Exception: 4 Full Cost: \$ 134.00	In addition to labor costs, there are indirect costs of using the facility: water, electricity, equipment, furniture, etc.	\$	
Fee for using library meeting room	\$ 50.00 per hour Two hour minimum	No	Charged By: Library Collected By: Library	Date: 6/11/2013 O. No.: O. Date:	Objective: User Fee Prop 26 Exception: 4 Full Cost: N/A	In addition to labor costs, there are indirect costs of using the facility: water, electricity, equipment, furniture, etc.	\$	

DESCRIPTION OF FEE, RATE OR CHARGE	CURRENT FEE AND PERIOD	FEES (LAST) APPLIED (THIS YEAR)	CHARGING DEPT / DIV COLLECTING DEPT / DIV	DATE FEE LAST CHANGED ORDINANCE NUMBER & DATE (if applicable)	FEE DETAIL OBJECTIVE PROP 26 EXCEPTION (SEE READER'S GUIDE) FULL COST FACTOR	COMMENTS	PROPOSED NEW OR REVISED FEE 2019-20 (PHASE I) PHASE II OR III	Percent Change
Use Permits Use Permit - Standard	\$ 9,631.00 per application	Yes	Charged By: Community Development Collected By: Finance	Date: 5/9/2018 O. No.: O. Date:	Objective: Recover Cost Prop 26 Exception: 3 Full Cost: \$ Varies	Specific cost data available in User Fee Study FY 16/17.	\$	
Use Permit - Minor	\$ 5,108.00 per application	Yes					\$	

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POST MEETING MATERIAL

7-16-19

ITEM 5

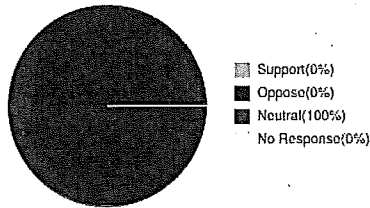
Council and Authorities Concurrent Meeting on 2019-07-16 3:30 PM

07-16-19 15:30

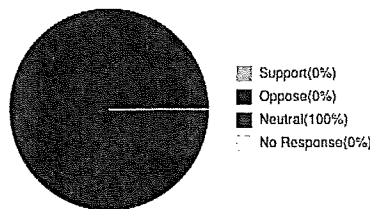
Agenda Name	Comments	Support	Oppose	Neutral
5. 19-1603 Public Hearing: Action on the Adoption of Phase I of the Fiscal Year 2019/20 Municipal Fee Schedule (Not to be Heard prior to 7:00 PM)	1	0	0	1

Sentiments for All Agenda Items

The following graphs display sentiments for comments that have location data. Only locations of users who have commented will be shown.

Overall Sentiment

Agenda Item: eComments for 5. 19-1603 Public Hearing: Action on the Adoption of Phase I of the Fiscal Year 2019/20 Municipal Fee Schedule (Not to be Heard prior to 7:00 PM)

Overall Sentiment**Sudhanshu Jain**

Location:

Submitted At: 6:02am 07-16-19

I see in the proposed municipal fee schedule that a Standard Use permit fee is \$9931 and the Minor Use permit fee is \$5108. I see from the document that this will be considered in Phase 2. I urge Council to provide guidance to the Planning department to substantially reduce or eliminate the fees for live music at least to below the fee for an alcohol permit (which is only a minor use permit of \$5108). I realize that a restaurant that has both alcohol and live music can bundle the two permits.

POST MEETING MATERIAL