

2014-2015 ADOPTED FEES AND CHARGES
SUMMARY OF CHANGES FROM PROPOSED BUDGET
TO ADOPTED BUDGET

The changes outlined in this document reflect the revisions to the 2014-2015 Proposed Fees and Charges as approved by the City Council with the adoption of the 2014-2015 Budget. This document in combination with the 2014-2015 Proposed Fees and Charges document comprise the 2014-2015 Adopted Fees and Charges. This document should be retained with the 2014-2015 Proposed Fees and Charges document for a complete record of all fees and charges approved for 2014-2015.

The 2014-2015 Proposed Fees and Charges document was released on May 2, 2014 and outlined the proposed fees for the majority of fees and charges accruing to the General Fund and selected fees and charges associated with other funds. Public input on fee proposals was heard by the City Council at public hearings held on Tuesday, May 13, 2014, at 1:30 p.m. and Monday, June 9, 2014, at 7:00 p.m. in the Council Chambers. The proposed fees and charges were approved by the City Council with adjustments that were brought forward during the budget deliberation process through Manager's Budget Addenda (MBA) #25 and #26, and incorporated into the City Council approved Mayor's June Budget Message for Fiscal Year 2014-2015.

Consistent with the Fees and Charges process in prior years beginning in 2012-2013, this document serves to document the changes from the 2014-2015 Proposed Fees and Charges to the 2014-2015 Adopted Fees and Charges. This document is being released in lieu of a 2014-2015 Adopted Fees and Charges book, given the minimal fee changes and the extra cost to publish a revised document.

Summary of Approved Changes to 2014-2015 Proposed Fees and Charges

Following is a description of each of the changes to the 2014-2015 Proposed Fees and Charges approved by the City Council. Attachments to this document outline the final 2014-2015 Adopted Fees and Charges details as well as the total estimated revenues and expenditures associated with fee activities.

Planning, Building and Code Enforcement Department

Abandoned Cart Program

The Abandoned Shopping Cart Fee program is not achieving cost recovery as currently structured, since some stores do not fall within the program's threshold of 26 carts or more, and the staff costs are only partially funded by the relatively small fee at 22% cost recovery. The City previously charged each store with 26 or more carts an annual fee of \$200 and the fee has not been adjusted since 2004-2005. Staff is recommending to gradually increase the permit fee over a five-year period to reach full cost recovery with a re-evaluation of the program costs and revenues annually. The approved permit fee for 2014-2015 is \$345, an increase of \$145 (approximately 73%) from the current fee of \$200. This fee increase will generate an estimated \$26,100 in additional revenues in the General Fund, bringing the cost recovery rate to 37% in 2014-2015.

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Summary of Approved Changes to 2014-2015 Proposed Fees and Charges

Police Department

Visa Clearance Letters

The 2014-2015 Proposed Fees & Charges Report recommended a reduction to the Visa Clearance Letters fee from \$17.00 to \$16.00 per letter. However, based on the estimated cost to provide that service, the fee should have been set at \$15.60 per letter. The Adopted Fees & Charges corrects for this and sets the approved fee at \$15.60 per letter. There are no changes to the estimated cost or revenue estimates as these were calculated based on \$15.60 per letter.

Transportation Department

Meter Hood Rental Deposit

A portion of the revenues received in the General Purpose Parking Fund are derived from Meter Hood Rental fees. However, the \$50 deposit per meter hood fee was inadvertently omitted from the 2014-2015 Proposed Fees and Charges Report and has subsequently been approved and included in the 2014-2015 Adopted Fees and Charges. This fee allows customers to place a hood over a meter so as to be exempted from having to pay the meter; however, this does not reserve a metered parking space. This is a convenience service available to customers such as contractors working on job sites located within metered zones. This deposit is refunded to the customer when the meter hood is returned.

Interstate Truck Terminal and Route Application and Interstate Truck Trailblazer Signs

In order to more accurately align the 2014-2015 Fees and Charges Report with the fees outlined in the San José Municipal Code, a realignment of fees related to interstate trucking were approved. These fees are required for any individual requiring terminal access for interstate trucks, which includes the purchase and installation of terminal trailblazer signs. A terminal refers to a facility where freight is consolidated for shipping, where freight is loaded and off-loaded, or a location where the vehicle is regularly maintained, stored, or manufactured; trailblazer signage is installed on the roadway to direct the driver to the facility. The Interstate Truck Routing fee has been deleted and replaced with the “Interstate Truck Terminal and Route Application” and the “Interstate Truck Terminal Trailblazer Signs” fees to be more consistent with the San José Municipal Code §11.94.040A and §11.94.040B respectively at actual cost of services.

Speed Bump Reports

The Department of Transportation used to provide a copy of a report to requesting parties entitled *Recommended Guidelines for the Design and Application of Speed Humps*, which was published by the Institute of Transportation Engineers in March 1990. However, the report has not been requested in recent years. As a result, the corresponding “Speed Bump Reports” fee of

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Transportation Department (Cont'd.)

\$10 per report is no longer an activity available for customers and has been deleted in 2014-2015. The elimination of this fee aligns with current services.

Landscape Contract Administrative Fee

The Landscape Contract Administrative Fee, listed at \$157 per job in the 2014-2015 Proposed Fees and Charges document, was originally established in 2010-2011 to charge the former San Jose Redevelopment Agency for landscaping done by contractors under city contract. As a result of the dissolution of the former San Jose Redevelopment Agency, this fee is no longer necessary, and has been deleted in 2014-2015 Adopted Fees & Charges.

Highway Maintenance Charges, Local Agencies Traffic Maintenance, and Santa Clara County Traffic Maintenance Charges

The 2014-2015 Proposed Fees & Charges Report outlines three fees, all at full cost recovery, for “Highway Maintenance Charges,” “Local Agencies Traffic Maintenance Charges,” and “Santa Clara County Traffic Maintenance Charges.” The City is reimbursed by Caltrans for the maintenance of on-ramps and off-ramps for Highway Maintenance Charges. Local agencies and Santa Clara County provide reimbursement for the City to perform maintenance on joint intersections. The deletion of these three fees in 2014-2015 reflects the change in service delivery as the City now enters into individual contract agreements with each agency to allow for reimbursement. However, the revenue and expenditures associated with these charges will remain in the Operating Budget and the reimbursements will remain at full cost recovery.

Additional Changes

It should be noted that subsequent to the adoption of the 2014-2015 Fees and Charges, additional amendments to the 2014-2015 Adopted Fees and Charges were approved by the City Council on August 5, 2014. Details on these actions can be found in Item 2.11 and Item 3.5 on the August 5, 2014 Council Agenda (<http://sanjoseca.gov/DocumentCenter/View/33614>).

Attachment A – Changes to the 2014-2015 Proposed Fees and Charges
Attachment B – Department Fees and Charges Summary

ADJUSTMENTS TO THE 2014-2015 PROPOSED FEES CHARGES

Attachment A

Fee Name	2014-2015 Fees & Charges		2014-2015 Estimated Cost	2014-2015 Estimated Revenue		2014-2015 % Cost Recovery		2014-2015 Proposed Fees & Charges Pg #
	Proposed Fee	Adopted Fee		Proposed Fee	Adopted Fee	Proposed Fee	Adopted Fee	
PLANNING, BUILDING AND CODE ENFORCEMENT DEPARTMENT								
<i>Code Enforce Program - Category I</i>								
Abandoned Cart Program - Business with carts available to public (26 or more carts)	\$200 per year	\$345 per year	\$166,808*	\$36,000	\$62,100	21.6%	37.2%	88
<i>Sub-Total Code Enforce Program - Category I</i>			\$10,053,795	\$9,922,987	\$9,949,087	98.7%	99.0%	91
POLICE DEPARTMENT								
<i>Public Safety Fees - Category I</i>								
Visa Clearance Letters	\$16.00 per letter	\$15.60 per letter	\$5,694	\$5,694	\$5,694	100.0%	100.0%	117
<i>Sub-Total Public Safety Fees - Category I</i>			\$899,261	\$854,821	\$854,821	95.1%	95.1%	117
TRANSPORTATION								
<i>Transportation Fees (Fund 533) - Category I</i>								
Meter Hood Rental Deposit	N/A	\$50 deposit per meter hood	\$0	\$0	\$0	0	0	N/A
<i>Sub-Total Transportation Fees (Fund 533) - Category I</i>			\$1,040	\$1,040	\$1,040	100.0%	100.0%	181
<i>Transportation Fees - Category I</i>								
Interstate Truck Routing	Full Cost Recovery	Delete	N/A	N/A	N/A	N/A	N/A	186
Interstate Truck Terminal and Route Application	N/A	Full Cost Recovery	N/A	N/A	N/A	N/A	N/A	N/A
Interstate Truck Terminal Trailblazer Signs	N/A	Full Cost Recovery	N/A	N/A	N/A	N/A	N/A	N/A
Speed Bump Reports	\$10 per report	Delete	N/A	N/A	N/A	N/A	N/A	186
Landscape Contract Administrative Fee	\$157 per job	Delete	\$0	\$0	\$0	0.0%	N/A	185
Local Agencies Traffic Maintenance - Traffic Maintenance Charges	Full Cost Recovery	Delete	\$10,500	\$10,500	\$0	100.0%	0.0%	185
Highway Maintenance Charges - Maintenance Charges	Full Cost Recovery	Delete	\$105,000	\$105,000	\$0	100.0%	0.0%	185
Santa Clara County Traffic Maintenance Charges - Traffic Maintenance Charges	Full Cost Recovery	Delete	\$20,000	\$20,000	\$0	100.0%	0.0%	189
<i>Sub-Total Transportation Fees - Category I</i>			\$902,963	\$899,325	\$763,825	99.6%	84.6%	191
* The 2014-2015 Estimated Cost has been revised from \$36,000, as reflected in the 2014-2015 Proposed Fees and Charges document, to \$166,808. The Abandoned Shopping Cart program was being re-evaluated during the development of the 2014-2015 Proposed Fees and Charges document, and the costs were not finalized in time for publication.								

2014-2015 FEES AND CHARGES REPORT

DEPARTMENT FEES AND CHARGES SUMMARY

Attachment B

	2013-2014 ADOPTED BUDGET			2014-2015 ADOPTED BUDGET				
	Estimated Cost	Estimated Revenue	% Cost Recovery	Estimated Cost	WITH CURRENT FEE		WITH ADOPTED FEE	
					Estimated Revenue	% Cost Recovery	Estimated Revenue	% Cost Recovery
Category I - (Fees Which Should Be Cost Recovery)								
City Clerk	36,345	35,813	98.5%	60,030	35,397	59.0%	44,195	73.6%
Economic Development	272,177	250,700	92.1%		135,188			
Finance	194,033	193,445	99.7%	174,270	240,756	138.2%	174,045	99.9%
Fire	6,300,000	6,300,000	100.0%	7,000,000	7,000,000	100%	7,000,000	100.0%
Housing	808,641	715,417	88.5%	1,398,347	774,895	55.4%	1,075,848	76.9%
Library	20,000	20,000	100.0%	26,486	25,000	94.4%	25,000	94.4%
Parks, Recreation & Neighborhood Services	16,288,493	14,597,031	89.6%	17,379,540	15,138,000	87.1%	15,567,381	89.6%
Planning, Building & Code Enforcement	39,206,938	33,292,365	84.9%	45,511,644	39,381,618	86.5%	39,349,087	86.5%
Police	3,370,143	3,337,345	99.0%	3,521,015	3,421,636	97.2%	3,473,531	98.7%
Public Works	8,141,077	7,805,577	95.9%	10,202,903	9,798,460	96.0%	9,675,963	94.8%
Transportation	718,059	718,059	100.0%	933,693	890,495	95.4%	794,555	85.1%
Total Category I:	75,355,906	67,265,752	89.3%	86,207,928	76,841,445	89.1%	77,179,605	89.5%
Category II - (Fees Which May Be Less Than or More Than Cost Recovery)								
Economic Development	96,488	63,360	65.7%	36,362	26,355	72.5%	26,355	72.5%
Environmental Services	4,073,993	3,815,390	93.7%	3,553,586	3,700,390	104.1%	3,253,700	91.6%
Finance	2,001,140	3,998,998	199.8%	2,292,286	3,824,094	166.8%	4,069,868	177.5%
Fire	4,075,000	4,075,000	100.0%	4,149,504	4,025,000	97.0%	4,149,504	100.0%
Library	996,500	1,029,050	103.3%	1,097,409	1,025,000	93.4%	1,025,000	93.4%
Parks, Recreation & Neighborhood Services	1,391,664	1,495,000	107.4%	1,299,634	1,414,000	108.8%	1,414,000	108.8%
Planning, Building & Code Enforcement	66,200	66,200	100.0%	63,600	63,600	100%	63,600	100.0%
Public Works*	492,833	125,000	25.4%	502,597	150,000	29.8%	150,000	29.8%
Transportation	488,505	248,840	50.9%	985,108	303,055	30.8%	303,085	30.8%
Total Category II:	13,682,323	14,916,838	109.0%	13,980,086	14,531,494	103.9%	14,455,112	103.4%
TOTAL CATEGORY I AND CATEGORY II:	89,038,229	82,182,590	92.3%	100,188,014	91,372,939	91.2%	91,634,717	91.5%
TOTAL GENERAL FUND**	82,004,563	73,154,155		92,807,639	82,563,780		82,723,491	
TOTAL NON-GENERAL FUND**	7,033,666	9,028,435		7,380,375	8,809,159		8,911,226	

* The Public Works Department excludes revenues and expenditures associated with the Animal Care Services Category II fees, as program costs related to these fees are currently under review. However, revenues of \$1.9 million for these fees are assumed in the General Fund in the 2014-2015 Proposed Operating Budget document. When included, 2014-2015 revenues will total \$93.6 million in all funds (\$84.7 million in the General Fund).

** The 2013-2014 Adopted Budget has been restated to reflect the shift of fees collected by the Office of Economic Development Office of Cultural Affairs from the General Fund to the Transient Occupancy Tax (TOT) Fund. Additional detail can be found in the Office of Economic Development section of this document.