



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Annual Review of Proposed Fees and Charges for Fiscal Year 2016/17

REPORT IN BRIEF

The fees and charges of the City are reviewed and adjusted each year in accordance with Council Policy 7.1.1 *Fiscal -Long Range Goals and Financial Policies*. This annual evaluation ensures that all fees and charges of the City are aligned with the cost to provide fee-related services, except for those fees that are legally limited, market based, or subsidized per Council direction.

After a detailed staff review of fees, necessary adjustments have been made to the proposed Fee Schedule. Fees that are legally limited remain unchanged. Periodically, staff reviews various fees in detail and adjusts them for cost of service, usually once every three to five years. In the intervening periods, fees are adjusted by a general inflation factor. Those fees that did not receive a detailed cost of service review are proposed to be increased 2.7% based on the Bureau of Labor Statistics for the San Francisco Bay Area annual Consumer Price Index (CPI) for April 2016. Fees related to construction and materials prices are proposed to increase in accordance with the annual Construction Cost Index (CCI), which increased 3.4% for May 2016.

The Recommended FY 2016/17 Fee Schedule (Attachment 1) details all proposed fees. Most fees become effective at the start of the new fiscal year, with the exception of development processing and mitigation fees which become effective 60 days after adoption per State law. In addition, the fees for water and sewer connection fees were updated in this fee schedule to align with the recommendations from a recently completed cost of service study. These fees, in most cases, have increased significantly and are proposed to become effective on January 1, 2017 to allow for projects already in process to be completed under the current fee structure and for an extended noticing period.

Each year the City Council reviews recommended changes to the City's fees and charges. The June 14 public hearing is to allow public input and comment on proposed fees and charges. This hearing on the proposed fees will be followed by Council consideration to adopt updated and new fees on June 28, 2016. The majority of Council adopted fees for FY 2016/17 will become effective on July 1, 2016 except as noted.

BACKGROUND

The attached Fee Schedule references all City fees, except the proposed utility rates, SMaRT Station Public Haul Gate rates, and fees for recreation services. Fees related to utility services (water, refuse, and sewer) are being adopted on June 21, 2016 by a separate Council action when the utility rates are set (RTC No. 16-0380). Fees for recreation services are established administratively by the Director of Library and Community Services. Those fees are established based upon market

conditions and City Council adopted policies to ensure fairness and accessibility. SMaRT Station Public Haul Gate Rates are established administratively by the Director of Environmental Services based upon disposition costs for recyclables and residues, allowing the flexibility to adjust rates as market conditions change as is the normal practice for transfer stations and disposal facilities.

Most new fees become effective at the start of the new fiscal year on July 1, 2016. Exceptions are changes to Development Processing fees (filing, accepting, reviewing, approving, or issuing of an application or permit) and mitigation fees; these become effective 60 days after adoption (in accordance with California Government Code Section 66017) and the water and sewer connection fees which become effective January 1, 2017 as noted in the fee schedule.

EXISTING POLICY

Council Policy 7.1.1 *Fiscal -Long Range Goals and Financial Policies:*

7.1B.5.2 - User charges and fees should be adjusted at least annually to avoid sharp changes.

7.1B.5.4 - User fees should be established at levels which reflect the full cost of providing those services.

7.1B.5.5 - Council may determine for any service whether a subsidy from the General Fund is in the public interest.

California Government Code Section 66016(a): Prior to levying a new fee or service charge, or prior to approving an increase in an existing fee or service charge, a local agency shall hold at least one open and public meeting, at which oral or written presentations can be made, as part of a regularly scheduled meeting. Further, pursuant to Government Code section 66018, a published notice for this public hearing has been published in the Sunnyvale Sun.

ENVIRONMENTAL REVIEW

As the City Council is only conducting a public hearing on the fee schedule and is not taking any action on the fee schedule no environmental review under the California Environmental Quality Act ("CEQA") is required.

DISCUSSION

Council Fiscal Policy guides staff to set fees for services to recover cost where possible and legally allowed. Staff continues to ensure that all fees not legally limited, market based, or subsidized provide for full cost recovery. The results of these efforts have been incorporated into the Recommended FY 2016/17 Fee Schedule (Attachment 1); the proposed Schedule details all recommended fees. For ease of administration, many fees have been rounded to the nearest logical unit. The annual inflation rate of 2.7% proposed to be applied to fees to maintain full cost recovery is derived from the Bureau of Labor Statistics for the San Francisco Bay Area CPI for April 2016. Fees related to construction price changes are proposed to increase 3.4% in accordance with the CCI for the period of May 2015 to May 2016, as reported by Engineering News-Record. New fees or fees that are proposed to be adjusted by an amount other than inflation are discussed below.

New Fees

The following proposed new fees would either be charged for a new service, recover the cost resulting from a significant increase in service level for a service that the City already provides, or assess a fee for a service that has been provided at no cost but can be legally charged from the user of the service. Each new fee has been carefully evaluated to ensure it covers the cost of providing

each service.

General Throughout the City

1.06 Public Charging Station Use Fee: Hourly Use of EV Charging Stations

This fee was adopted by Council as part of the City's participation in the Bay Area Charge Ahead Project (RTC No. 15-1106). The use fee, \$1.50 per hour, is intended to recover the cost for electricity, regular equipment maintenance, and transaction fees.

Department of Community Development

4.02(c): Staff Level Permit Reviews - No Public Hearing: Short Term Rental Director Review

A per-permit fee of \$61 is intended to recover the cost of the additional Community Development Director review required for approval of a use permit for short-term rentals. This fee is the result of the new procedure adopted by Council through Ordinance 3059-15 which was presented to Council on September 15, 2015 (RTC No. 15-0562).

4.02(l): Development Impact Fees Related to Housing

In July 2015, Council approved new fees related to the housing impact of non-residential and rental housing developments. These fees, ranging from \$7.75 - \$17.50 per applicable square foot depending on type and size of project, were not included in last year's fee schedule due to the date of adoption, however were effective by Council action for the majority of FY 2015/16. These fees have been increased by inflation for FY 2016/17.

Department of Public Safety

7.03(l) K-9 Officer Deployment

In FY 2014/15, the Department of Public Safety (DPS) received grant funding to acquire and train one accelerant detection dog for use in identifying the causes of fires and explosions (Arson Detection Canine). The canine (K-9) and his handler are the only team of this type in Santa Clara County and have already been deployed to other local agencies to assist in arson detection operations. The new fee will allow DPS to recover costs associated with deployment of the team to areas outside of Santa Clara County when called upon for mutual aid. An hourly reimbursement rate of \$198 has been set, based on the fully loaded cost of an officer and applicable overhead. Travel expenses for the officer and canine will be charged at actual cost.

Department of Environmental Services

Development Related Fees: C. Water Hydraulic Modeling Fee:

A new fee is recommended to cover the staff cost associated with the requirement to conduct water hydraulic modeling for specific development projects. A fee of \$1,377 would be charged for each model run.

9.02 G. Water and Sewer Connection Fees:

Three new fee categories were added to recover the cost of providing development related services. These new fees are separate from, and in addition to, the restructuring of other Water and Sewer Connection fees resulting from the cost of service study discussed later in this report. The new fees are:

- *Tie-in Fee 6" Main:* \$10,038
- *Tie-in Fee 8" Main:* \$11,276
- *Tie-in Fee 10" Main or larger:* Actual Cost

- *Water Service Inspection Fee:* \$193
- *Water Main Off-set Fee:* Actual Cost

9.03 Cross- Connection Control: D. Backflow Fire Service Field Inspection

This new fee of \$599 was added to recover the labor cost of inspecting the fire line backflow devices and the cost of the meter and electronic remote transmitter (ERT) for billing data collection. A City approved meter and a field inspection by City staff is required on fire lines in accordance with the Cross-Connection Control Program policy.

9.05 Construction Hydrant Meters: D. Water Use Deposit

This deposit amount of \$1,500 is intended as a deposit for annual water consumption through use of a construction hydrant meter. Water consumption for construction hydrant meters is currently billed annually, but will be billed monthly beginning in July 2016. The deposit is based on the average annual water use for hydrant meters and will be refunded with the return of the meter, less the final bill amount.

9.05 Construction Hydrant Meters: E. Water Meter Service Charge per Month

A new monthly service fee of \$289 is proposed to be established for the use of a hydrant meter based on the commercial rate for a 3" meter. Currently monthly services fees are charged on all water meters except the hydrant meter. Staff proposed this fee to ensure all user classifications pay for a share of the fixed costs of the water system including hydrant meters.

Non-Standard Fee and Charge Adjustments

The following fees are adjusted by an amount different from CPI or CCI inflation increases:

Department of Community Development

Development Impact Fees

The City charges development impact fees on new developments to mitigate the costs of infrastructure or facilities necessitated by that development. Since these fees are not labor-based, they are adjusted based on different factors, as discussed below:

4.02(k): Other Planning Items: Park dedication In-Lieu Fee - Average Fair Market Value per square foot

In accordance with the Sunnyvale Municipal Code (SMC), the average fair market value per square foot is calculated annually on a fiscal year basis by the Director of Community Development. The calculation is based on the actual appraised values obtained from a consultant study. This value is the basis for the Park Dedication In-Lieu Fee charged for residential development within the City. The Fee will increase from \$96 per square foot to \$129 per square foot. In September of 2014, the fair market value was updated along with a number of other changes. As such, the decision was made not to update the fair market value for 2015. The new rate will apply to both residential subdivisions and multi-family residential rental housing developments. (SMC Chapters 18.10 and 19.74) Park Dedication fees are restricted to acquisition and improvement of city parks.

Department of Public Safety

In the majority of cases, fees are proposed to increase by labor inflation less Department of Justice fingerprint fee components (which are held flat) to FY 2014/15 amounts.

7.06 B-D Massage Establishments & Massage Therapists

The fees associated with Massage Establishments and Massage Therapists were adopted effective December 2015 by Council Ordinance as part of updating Sunnyvale Municipal Code Chapter 9.41. At that time, the fee schedule was amended to reflect the new fees. Staff is proposing no change to the new fees introduced in December.

7.07 TaxiCab Franchises

The taxicab franchise fees and other associated taxicab fees were reviewed by Council and revised by Ordinance effective March 23, 2016 and the approved fees are reflected in this fee schedule (RTC No. 15-1104).

Department of Public Works

8.06 Municipal Golf Course Green Fees

Golf fees are market based and staff has completed the annual Golf Market Survey (Attachment 2) which provides an overview of basic weekday and weekend fees and a comparison with the Sunnyvale fees for each course. Based on the results of the survey and current market conditions, fees for FY 2016/17 are increasing in some areas and being restructured in other areas. At times, promotional fees are offered at the Golf Courses which differed from those listed in the fee schedule. Comparisons noted below are between published fees and do not reference promotional rates. Of particular note are the following fees:

Weekday Play:

Sunnyvale Resident (18 hole) and (9 hole):

Previously one weekday fee was applied to both residents and non-residents. Beginning with FY 2016/17, a lower resident fee will be established at both Sunnyvale Golf Course (\$34) and Sunken Gardens Golf Course (\$16).

Sunnyvale Non-Resident (18 hole) and (9 hole):

Previously one weekday fee was applied to both residents and non-residents. Beginning with FY 2016/17, a non-resident fee will be established at both Sunnyvale Golf Course (\$38) and Sunken Gardens Golf Course (\$18).

Sunnyvale Junior (18 hole) and (9 hole):

A new \$10 fee will be imposed for junior golfers (age 17 or younger) at both the Sunnyvale and Sunken Gardens Golf Courses for all weekday play. Previously, junior golfers age 16 or under had golfed free of charge. The department is recommending instituting a fee and raising the age of juniors to include 17 year olds.

Weekday Twilight/Replay:

Replays are offered at the Sunnyvale Golf Course for \$17 and for \$10 at Sunken Gardens.

Morning Back-9

A new \$27 fee was instituted for morning play on the back 9 at the Sunnyvale Golf Course.

Weekend & Holiday Play:

Sunnyvale Resident (18 hole) and (9 hole):

A lower resident fee has been in place at both Sunnyvale Golf Course and Sunken Gardens Golf Course for weekend and holiday play. The FY 2016/17 fee schedule recommends only a \$1 increase

in the Sunnyvale Golf Course fee to \$46. The fee at Sunken Gardens will remain at \$19.

Sunnyvale Non-Resident (18 hole) and (9 hole):

Non-resident fees are recommended to be increased slightly at both Sunnyvale Golf Course (\$52) and Sunken Gardens Golf Course (\$22) for weekend and holiday play.

Sunnyvale Junior (18 hole) and (9 hole):

A new \$17 fee will be imposed for junior golfers (age 17 or younger) at the Sunnyvale Golf Course and \$10 at the Sunken Gardens Golf Courses for all weekend/holiday play. Previously juniors had played free of charge.

Weekend/Holiday- Twilight/Replay

A new \$17 fee is recommended for all replays on weekends and holidays at the Sunnyvale Golf Course. Replays have previously been offered only at Sunken Gardens. With this new fee, replays will now also be offered at Sunnyvale Golf Course. Twilight and Super-twilight will continue to be offered only at the Sunnyvale Golf Course. Twilight and Super-twilight play at Sunnyvale and replays at Sunken Gardens will remain at the current rates.

Morning Back-9

A new \$30 fee was instituted for weekend and holiday morning play on the back 9 at the Sunnyvale Golf Course.

Discount Cards/Monthly Passes

Sunnyvale Advantage Card

The Sunnyvale Advantage Card is available only for residents. Currently the card is valid for play Monday through Thursday. Based on customer feedback and review of other courses, Staff is recommending extending this period to Monday through Friday. An increase in the fees from \$165 to \$180 for Sunnyvale Golf Course and from \$95 to \$110 for Sunken Gardens is recommended to reflect the addition of one more day.

Resident Golf Discount Card

The Resident Golf Discount Card is available to Seniors, Juniors and Disabled golfers. The card is currently valid for play Monday through Thursday. Based on customer feedback and review of other courses, Staff is recommending extending this period to Monday through Friday. An increase in the fees from \$140 to \$155 for Sunnyvale Golf Course and from \$88 to \$99 for Sunken Gardens is recommended to reflect the addition of one more day.

Non-Resident Monthly Card

Staff is recommending a new monthly card be established for non-residents, similar to the Resident Golf Discount Card, to encourage repeat play. With the recent or impending closures of neighboring golf courses, it is anticipated that the Sunnyvale Golf Courses will see greater non-resident play in the coming year. A new monthly pass for weekday (M-F) play is recommended to be sold for \$209. In addition, a Monday through Sunday monthly pass was established for \$299. Due to other favorable resident pricing, this pass is most advantageous to non-residents, however will be available to both residents and non-residents.

Ten-Play Golf Card

The Ten-Play Golf Card is rarely purchased. Staff recommends elimination of this card and the

associated fee from the fee schedule.

SmartCard

This card will be eliminated as the new Point of Sale (POS) system will allow for membership information to be stored rather than requiring the presentation of a card for discount play. Staff is recommending removal of this fee from the fee schedule.

School Team Play

A new fee of \$700 is recommended for non-Sunnyvale schools to utilize the course. With the recent and impending closure of neighboring courses, it is anticipated that more schools from outside of Sunnyvale will begin playing at Sunnyvale. The fee for Sunnyvale schools will be increased from \$550 to \$600. The fee allows for up to 12 golfers, including the coach, to play twice a week for the season at either course inclusive of practice, matches and inter-squad play. Additional golfers are allowed only for matches of two or more schools.

Tournament Fees

A new fee is proposed for tournaments at the Sunnyvale Golf Course based on a per person cart fee of \$14, up from the current \$3. This is consistent with the charges of neighboring courses. No change to tournament fees at Sunken Gardens is recommended.

Department of Environmental Services

The majority of the fees in this section are increasing by 3.4%, in accordance with the Construction Cost Index (CCI) for the period of May 2015 to May 2016, as reported by Engineering News-Record because the fees are related more to construction costs than straight labor costs. Each of these sections have fees which were evaluated by the department and are increasing to reflect the actual cost of the labor, including overhead and support services, and the cost of materials needed to complete the given task or provide the required service.

Exceptions to the 3.4% increase include:

- *Development Related Fees B. Recycled Water Permit: This fee is increasing from \$125 to \$258 to cover the cost of staff time spent reviewing plans, conducting inspections and providing training.*
- *Section 9.03 B. & C. Cross Connection Control Fees - Backflow Tag & Backflow Field Inspection: The backflow tag is increasing from \$11 to \$12 (9%) and the field inspection is increasing 12.87% to \$307.*
- *Section 9.04 C. Fire Hydrants - Fire Flow Testing Fee: This fee is increasing 10.8% to \$890.*
- *Section 9.05 B. Construction Hydrant Meter Deposit: The deposit is being increased 21.58% to \$2,800.*

No Change

Department of Community Development

4.02(k): Tree Replacement In-Lieu Fee without Planning Development Application and Tree Replacement with a Planning Development Application

In FY 2015/16 the in-lieu fees for tree replacement were restructured and a tiered approach was implemented. The fees, ranging from \$400 to \$1,600, were determined to more closely reflect the cost to buy, transport, and plant boxed specimen trees of various sizes (24", 36" and 48" boxed trees). A comparison with other local entities and a review of the actual costs was conducted to

ensure fees were set at appropriate levels. Therefore, no increase to the new rates set last year is recommended at this time. The above in-lieu fees pertain to tree removals that are not associated with a planning development application. For tree removals with a planning development application, the tree replacement in-lieu fee would be based on a valuation prepared by a certified arborist using the Guide for Plant Appraisal by the Council of Tree and Landscape Appraisers. Per the Zoning Code, the City will continue to emphasize replacement trees over in-lieu fees whenever possible for development projects. All in-lieu fees are used to support the City's urban forestry program. It should be noted that the in-lieu fees are for the replacement of the removed tree and do not include the cost of the tree removal permit, section 4.02(c). Also, additional fees are required under section 8.02 Street Trees for the planting of street trees.

Department of Public Safety

The following fees are based on state and local law and are compared with neighboring cities during the fee update process. Since there have been no new violations, penalties, or assessments added to state or local law, and current fines remain consistent with surrounding cities, these fees are recommended to be held flat.

- Civil Penalties for Parking Violations (7.11)
- Administrative Citations (7.12)

In addition, many of the DPS fees are restricted or are set by state and federal regulations or were deemed to be sufficient to cover the cost. The following fees are held flat:

- *7.02 Police Services: A. Civil Subpoena Fees - Personal Appearance*
- *7.03 Other Permits and Services:*
 - *A - C. Concealed Weapons Fees*
 - *E. Criminal History Clearance Letters*
 - *H. Officer Contract Overtime Administrative Fee*
 - *K. Juvenile Diversion Fees*

Section 7.04(d) Alarms

Alarm Permit fees are being held flat as they are sufficient to cover their costs. False Alarm Fees have also been held flat as the fees are not based on the cost to provide service, but are instead set to discourage false alarms. Staff believes the current fee structure adequately meets the intended objective.

Sections 7.08 Fire Prevention Permits and Fees and 7.09 Hazardous Materials and Certified Unified Program Agencies (CUPA) Permits:

The Departments of Public Safety and Finance are in the final review stages of a third party review of all Fire Prevention, Hazardous Materials, and Certified Unified Program Agency permit and inspection fees. The study was initiated to ensure that all fees align with the actual cost of providing services. Staff is currently finalizing recommendations for implementation of the new fee structure. The study and associated operational and fee recommendations will be brought to Council in early FY 2016/17. The fees, with the two exceptions called out in the following sections of this report, will be held at the current rates until the Consultant's report are reviewed by staff and recommendations brought forward for Council consideration.

Department of Environmental Services

Sections 9.08 through 9.11 include fees for delinquency processing and restoration of water service

and administrative citations for sewer, water and stormwater violations. These fines and fees have been reviewed and no increase is recommended, except as noted elsewhere in the report. A time and motion review was conducted for the restoration of water service fees and it was concluded that the current fees covers the cost of providing the service. For the administrative citations, these fees are intended to encourage compliance and are not based on cost recovery.

Fees Being Restructured/Replaced

The City currently charges fees for the services below, but a restructuring has occurred to better align fees with service delivery or to comply with local, state, or federal laws.

Department of Public Safety

7.08 Fire Prevention Permits and Fees: 16.52.105(v) Emergency Responder Radio (ERR) Coverage System

The proposed fee restructure and increase are intended to recover the cost associated with a future City contract with a third party vendor to provide plan review and inspection services for new and existing ERR systems. The fee will increase from \$390 in FY 2015/16 to a \$375 initial base fee plus \$390 per floor. Renewals will be set at \$390 per floor. Currently, the Fire Protection Engineers are reviewing the plans for these systems and requiring the contractor to hire a third party vendor from an approved list to complete the inspection. By adding this fee, the plan review and inspection will be provided by a third party vendor under contract with the City rather than through independent agreements between contractors and vendors. This fee is separate from those included in the Fire Prevention and Hazardous Materials Fee Study mentioned earlier in this report.

7.10 (B) Animal Control Services Fees and Charges: Impound Fees

Impound fees have been restructured to include the base offense fee of \$60 within each category of offense. The recommended change will allow for a single combined charge for impound of unaltered cats and dogs. The base offense fee may be waived if the owner chooses to spay or neuter the animal within 60 days of redemption, consistent with current practice. In addition, a new fee of \$75 has been added for impound of large animals such as horses, pigs, goats etc. to make this fee group consistent with other Animal Control Services fees.

7.10 (C) Animal Control Services Fees and Charges: Boarding Fees

The fee description for “other domestics” has been updated to read “other small animals (birds, rabbit, etc.)” and the description for “other exotic” has been updated to read “other large animals (horse, pig, goat, etc.)” Both fees were adjusted above CPI to \$20 for small animals and \$24 for large animals in order to bring them in line with the boarding fees for cats and dogs.

7.10 (D) Animal Control Services Fees and Charges: Other Fees: Return to Owner

Similar to the other two previously mentioned animal control fees, the structure of the return to owner fees has been updated to define the “other” category of animal into two groups, small (birds, rabbit, etc.) with a \$25 fee, and large (horse, goat, pig, etc.) with a fee of \$50. Additionally, the \$50 base return to owner fee has been included within the fee required for return of an unaltered dog or cat based on the existing tiered frequency of offense fee structure. This move will standardize the animal categories and allow for a single return to owner charge rather than requiring separate charges for the base fee and an add-on fee based on the frequency of offense.

Department of Environmental Services

In late 2015, Bartle Wells Associates completed a Water and Sewer Capacity Fee Study. As a result

of the study, a number of the fees within the Water and Sewer Connection section (9.02) of the Fee Schedule have increased significantly. The report developed updated water and sewer capacity charges designed to equitably recover the costs of facilities and assets benefitting new development. The recommended changes are based on an average cost approach under which new or expanded connections would fund the proportionate share of costs for capacity needed in existing and planned water and wastewater system facilities and assets. The study looked at the wastewater flow and strength characteristics to be able to properly allocate the costs of these components to only those who produce those types of waste. Three customer classes were created based on different levels of each characteristic (low strength, standard strength, and high strength) to classify businesses based on the waste they generate. Additionally, the fees were restructured to be based on the expected incremental demand for water and sewer service, measured in gallons per day.

While the proposed rates are significantly higher than the current adopted fee, a competitive analysis shows that Sunnyvale's fees are very low compared to other communities. At the proposed rates, Sunnyvale would be more competitive, and would still be less expensive than some areas. It is important that the fees be increased to better align with the actual cost to the City to ensure that developers are paying their fair share for the increased capacity required by their development projects. Due to the significant increase, staff is recommending the fees be implemented as of January 1, 2017 to allow for projects already in process to be completed under the current fee structure. Staff is recommending instituting the full increase in January as this provides six months of notice, however, at Council's discretion, an alternative implementation of the water and sewer connection fees could be scheduled to allow for 50% of the increase to take effect January 1, 2017 with the remaining 50% increase to be effective July 1, 2017.

9.02 A Water Frontage Fee & 9.02 I Sewer Frontage Fee:

In the past, a frontage fee was charged for water and sewer connections based on the length, or front footage, of the pipe running along the property line. Front footage charges have little correlation with the system capacity needs. The restructured and updated fees for water and sewer capacity noted above are more accurate means of measuring demand on the system and staff is recommending removal for the frontage fees from the fee schedule for both water and sewer.

9.02 Water and Sewer Connection Fees:

In addition to the increase in fees as related to the Water and Sewer Connection Fee Study, a number of other fees within this category were evaluated by the department and increased due to re-evaluation of labor costs. Within each of the fee types listed below, the fees are imposed based on size of meter, main or lateral. The fee types and associated range of increases include:

- *D. Water Service Abandonment Fee:* 17.8% - 20% fee increase
- *E. Water Meters: Installation Fee:* 1.7% - 15% increase
- *E. Water Meters: Fire Service 5/8" Meter for DCDA:* 105.2% increase
- *F. Water Main Tapping Fees:* 98.46% - 148.91% increase
- *G. Cut-in Tee Fee:* 22.26% - 23.51% increase

The fee comparison table below gives an approximation of how the new and updated Department of Environmental Services fees will impact land development project cost, based on current projects in the City. (Includes the new hydraulic modeling fee noted earlier in the report)

Project Name	FY15/16 Current Water Fees	FY16/17 Proposed Water Fees	Difference/ (change %)
280 N. Wolfe Road -Landbank	\$69,065	\$85,540	\$16,475 (24%)
423 East. Maude Ave.	\$19,284	\$26,927	\$7,643 (40%)
755 East Evelyn Ave.	\$43,736	\$52,145	\$8,409 (19%)

*This table only reflects the actual paid fees for FY15/16. Data produced by DPW-Engineering records.

Deletions

Department of Finance

5.02 Business Licenses: Business License Zoning Review Fee (New License & Business Changes)

Staff is recommending discontinuation of the \$7.50 processing fee administrative processing of zoning reviews for business license changes due to recent legal challenges in other cities. The expected impact is approximately \$11,000.

Department of Library and Community Services

6.01 A. Patron Library Card: Replacement Library Card

The Library staff is recommending the removal of the current \$2.00 fee for replacement of a library card. This change would remove a financial barrier for low-income library users and streamline the replacement card process at the customer service desk allowing staff to serve patrons with greater efficiency. The current fee is also higher than those of neighboring libraries. The fiscal impact is expected to approximately \$1,700 annually, less than 1% of the library revenues.

Department of Public Safety

7.08 Fire Prevention Permits and Fees: 16.52.105 (n) Explosives: State permit

As a regulatory basis to collect this fee no longer exists and the fee is not currently being collected, staff is recommending the fee be removed from the fee schedule.

Department of Environmental Services

9.11 A Water Theft & 9.11 C Hydrant Meter Unreported Consumption Fee

These two fees were added to the fee schedule last year with the intent to regulate the use of hydrant meters and reduce loss of City revenue and water through improper use and failure to report use or return meters. After legal review it was determined that these fees would be classified as penalties and would require a Council ordinance to enact. The Department is moving forward with an Ordinance and will amend the fee schedule upon Council approval. Until the Ordinance is passed, the fees will be removed from the fee schedule.

9.12 Administrative Fines for Violation of Drought Restrictions

The fines for drought violations were set to expire in April 2016. Staff recommends the fees be allowed to expire and removed from the fee schedule. While the drought continues, the department will be recommending restrictions are reduced and will not recommend reinstatement of the fines, relying on the Sunnyvale Municipal Code provisions for enforcement.

Fees for Additional Council Consideration

7.08 Fire Prevention Permits and Fees and 7.09 Hazardous Materials and Certified Unified Program

Agencies (CUPA) Permits

Historically, the Fire Prevention and Hazardous Materials Unit personnel have inspected public schools as required by the Fire Code. In FY 2015/16, a determination was made that the Fire Code required schools to be permitted, something we had not done previously, and the associated fee was applied as required by the fee schedule. In most cases, the fee has just been billed and the anticipated revenue is \$7,800. Staff is recommending that Council adopt an exemption from fire and hazardous permit fees for public schools. Such an exemption would be consistent with the practices of surrounding jurisdictions.

FISCAL IMPACT

The impact of proposed adjustments to these fees has been incorporated in the FY 2016/17 Recommended Budget and Resource Allocation Plan. Attachment 1 presents the Recommended FY 2016/17 Fee Schedule reflecting proposed fees and charges.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

Notice of the public hearing on the proposed fees and charges was published in the Sunnyvale Sun on May 22rd and May 29th. Notice was sent to the Building Industry Association and the Tri-County Division of the California Apartment Association, which requested notice pursuant to Government Code. Boards and commissions wishing to make comments, suggestions, or recommendations may testify at tonight's public hearing.

STAFF RECOMMENDATION

Council is conducting a public hearing in order to solicit public input and provide direction to staff on any fee requiring further review prior to the June 28, 2016 Council meeting where the proposed schedule will be considered for adoption.

Prepared by: Karen Miller, Finance Manager

Reviewed by: Timothy J. Kirby, Director, Finance

Reviewed by: Walter C. Rossman, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Recommended FY 2016/17 Fee Schedule
2. Golf Market Survey - January 2016