



June 15, 2015

City of Pleasanton
200 Old Bernal Avenue
Pleasanton, CA 94566

Honorable Mayor Thorne and Council members Brown, Narum, Olson and Pentin:

RE: City Council Agenda, June 16, 2015 Item 19, Proposed Fee Increases

We greatly appreciate City Staff taking the time to meet with Chamber leadership and incorporate several revisions to the proposed fee increases as well as agree to pursue the eight recommendations from the Customer Service Review Team (CSRT) report listed in the memo of May 8, 2015 from City Manager Nelson Fialho to Mayor and Council (included in the Staff Report).

Staff considers these remaining eight recommendations to be "reasonable and achievable", and we believe completing and implementing all of them will be a significant step toward achieving the goals of the CSRT while advancing the City's cost recovery objectives by achieving greater internal efficiencies.

Once implemented; these recommendations will save time for applicants and city staff alike, while providing greater clarity and certainty for all involved in the permitting process; a true win, win.

In closing, it is important to clarify what was described as "philosophical opposition" to 100% cost recovery. In short, we take exception to the misplaced notion the General Fund is subsidizing business and development simply because fees a) have not been increased since the late 1980's, b) are much lower than surrounding cities and c) cost of staff time exceeds the amount of fees collected.

We submit the concept of "Full Cost Recovery" is achieved when City revenues exceed expenses. The business community consistently generates approximately 60% of the revenue the City depends on to provide the highest public safety, recreational, and social services of any city in the East Bay. Since fees were last increased in the late 80's City revenues have grown from roughly \$26 million to more than \$104 million annually. Year in and year out revenues exceed expenses, the business community generates the majority of the revenue, therefore costs recovered.

For purposes of remaining competitive with our neighboring cities as a place to do business, there is value in comparing the 'cost' of doing business but it is typically a very subjective process. When doing so, it is critical to remain focused on the over-riding goal of maintaining a strong local economy by remaining attractive and competitive as a place to do business. The Economic and Fiscal Element of the General Plan, from which the 'Full Cost Recovery' policy comes, articulates this clearly.

Best regards,

A handwritten signature in black ink, appearing to read "Scott Raty", is written over a horizontal line.

Scott Raty
President/CEO