



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Councilmember George Casey  
Councilmember Pamela Campos  
Councilmember Peter Ortiz  
Councilmember Bien Doan  
Councilmember Domingo Candelas

**SUBJECT:** SEE BELOW

**DATE:** June 5, 2026

Approved:  
Date: 6/5/26

**SUBJECT: Approval of the 2026-2027 Operating and Capital Budgets for the City of San José and Schedule of Fees and Charges**

## RECOMMENDATION

Direct the City Manager to return to the City Council in fall 2026 with recommendations for potential adjustments to the City's cardroom regulatory fee structure that:

1. Maintain the City's commitment to strong public safety;
2. Evaluate opportunities to reduce or restructure cardroom regulatory fees where operational efficiencies or alternative cost allocations exist;
3. Include implementation timing, noticing requirements, and any related budget actions.

## BACKGROUND

The City annually adopts the Proposed Fees and Charges Report as part of the budget process. Included within that report are regulatory fees associated with the City's oversight of cardroom operations. These fees support Police Department regulatory activities and reimburse portions of administrative and indirect overhead costs associated with compliance and oversight responsibilities.

Over the past year, stakeholders raised concerns regarding the scale and structure of the current regulatory fees and their impact on local cardroom operations. In response, the City previously evaluated targeted adjustments to the fee structure. Last year's Council action reduced regulatory fees paid by cardroom operators by \$441,000.

Restructuring the regulatory program would be best approached early in the budget development process. Thus, a future Council discussion would provide the most

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appropriate forum to evaluate targeted adjustments to the City's cardroom regulatory fee structure to improve proportionality and predictability while preserving public safety oversight and fiscal accountability.

### **COORDINATION**

For questions, please contact David Gomez, Chief of Staff, Council District 10, at david.a.gomez@sanjoseca.gov or (408) 535-4910.

*The signers of this memorandum have not had, and will not have, any private conversation with any other member of the City Council, or that member's staff, concerning any action discussed in the memorandum, and that each signer's staff members have not had, and have been instructed not to have, any such conversation with any other member of the City Council or that member's staff.*