

FISCAL YEAR 2018/19

Annual Report

Town of Los Gatos



From the Town Manager

I am honored to present the Town of Los Gatos Annual Report for Fiscal Year 2018/19, which highlights key services the Town provided to the community and other accomplishments from July 1, 2018 through June 30, 2019.

The Town made great strides on the Council's Strategic Priorities, many of which are now ongoing commitments to infrastructure improvements, pension obligations, and emergency preparedness. Other priorities provide an opportunity to learn and try new ideas. Some of these efforts include a comprehensive parking study, innovative Library programs, the update of the General Plan, experimenting with downtown street changes, and multiple other pilots dedicated to streamlining Town processes for our businesses.

As always, we welcome community input and will continue to provide a high level of service to Los Gatos residents, business-owners, and visitors. We look forward to another wonderful year in beautiful Los Gatos.

-Laurel Prevetti,
Town Manager



Community Character

It has been an active and productive year as the Community Development Department continues its work to strengthen community character. The General Plan update process is underway, and Planning staff has been working with the Town Attorney to support the Town Council's ongoing commitment to streamline policies. Zoning Ordinance amendments were completed regarding affordable housing overlay zones, land use appeals, and regulations for fencing, shared parking, and demolition. The Town continued to fund a night-time Community Services Officer to handle evening complaints.

The Town's Economic Vitality program supports current and prospective businesses, property owners, and other industry professionals in Los Gatos by building a bridge between the business sector and Town government. Economic Vitality works alongside the Community Development Department as well as other Town Departments to provide high-quality customer assistance with a variety of business-related questions and policy topics.

FY 2018/19 Community Development Activities:

- **563** Planning Permit Applications
- **936** Building Permits Issued
- **595** Code Compliance Violations
- **1,000s** of Inspections



For more information on the General Plan update process, please visit:
www.losgatos2040.com

For Economic Vitality, FY 2018/19 brought opportunities to streamline business processes and support businesses seeking use modifications. These updates allowed for refreshed and relevant use provisions taking into account the commercial market, evolution of retail, and dynamic consumer habits. The Town Council adopted a series of Code Amendments, policy changes, and temporary resolutions to support the Town's business community, encourage business retention, attract new businesses, and provide for greater community vitality opportunities overall.

Public Safety

This year, the Police Department has continued working towards its vision of building a highly competent, professional police department providing traditional law enforcement services, building community relationships, and engaging in community problem solving. In April 2018, Chief Peter Decena was sworn in as the new Chief.

Chief Decena has over 39 years of law enforcement experience and has made important contributions to our Police Department during his tenure, including but not limited to, obtaining grant funding to support training that exceeds State standards, updating policies and procedures to reinforce our community policing standards, and mentoring the staff to perform at a high level in their interactions with the public.



The Department was re-structured to a two-Captain model, allowing an opportunity to promote an additional Sergeant assigned to the Support Services Bureau.

FY 2018/19 Police Department Statistics:

- **35,524** Calls for Service
- **1,100** Arrests
- **10,378** Calls to 911
- **3,244** Police Reports
- **281** Traffic Collisions
- **1,939** Hazardous Citations

The Department currently has two Bureaus, Operations and Support Services, with division and unit assignments in each.

The Police Department joined a County-wide effort that allowed for authorized first responder personnel to provide life-saving treatment to people who present signs of opioid overdose. In coordination with the County of Santa Clara Behavioral Health Department, officers received training in administering Naloxone to patients experiencing an opioid overdose. Patrol vehicles are now equipped with Naloxone kits.

Several “bicycle rodeos” were hosted at various elementary schools in collaboration with Safe Routes to School. Officers provided bicycle safety, pedestrian safety, and vehicle safety education to students, staff, and parents.

The Community Emergency Response Team (CERT) was restructured, providing enhanced training and revitalization of current emergency supplies at Neighborhood Incident Command Posts. In November 2018, CERT members participated in a training exercise hosted by the Police Department which included Emergency Operations Center communications, field work roles and responsibilities, and specialized disaster volunteer training.

The Department continues to recognize the importance of providing additional crisis intervention and mental health training to all officers and dispatchers in addition to mandatory in-service training. This fiscal year, four Officers attended 40-hour crisis intervention training academies. Currently, over 80% of the sworn Officers have attended an enhanced 40-hour crisis intervention course and 100% of the Dispatchers have received the additional training.

The School Resource Officer took a collaborative approach to the deterrence and education of increased “vaping” amongst youth. In partnership with Los Gatos High School Administration and the Los Gatos Home and School Club, the School Resource Officer developed a vaping diversion program for offenders, which provides education to students and their parents regarding the potential health risks of vaping, as well as other substance abuse.

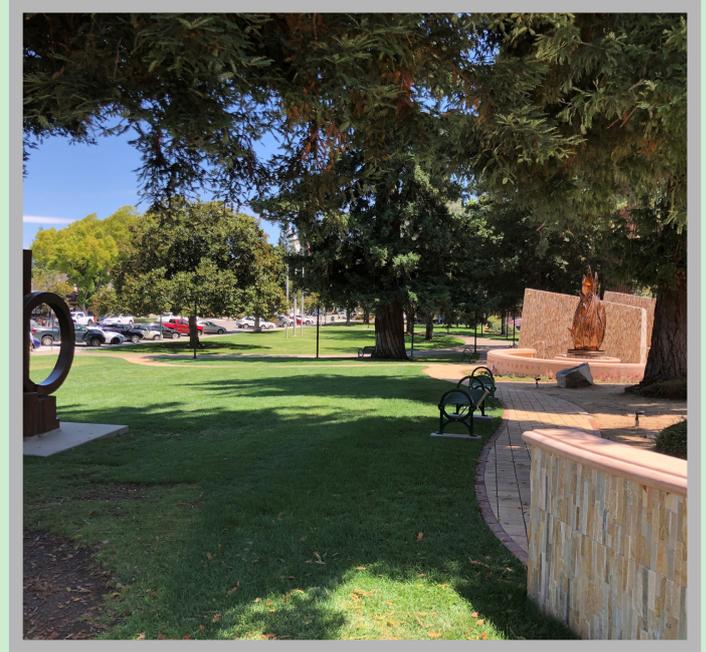
The Police Department continues to work with the homeless population and local volunteer services. In 2018, Homeless Liaison Officers dedicated numerous hours to proactive outreach with homeless individuals to provide local and County-wide available services. As a part of this outreach program, Officers ensure compliance with local ordinances, work in collaboration with other jurisdictions, and promote safety to reduce hazardous encampment conditions.



Internal Operations

The Town completed a multitude of important information technology upgrades to enhance efficiency, ensure system security, increase transparency, and improve response to emergencies. These included upgrades to servers running our document management system, upgraded our electronic signature capabilities, improved the agenda management system, replaced an aging public meeting video encoding and streaming system, began implementing multi-factor authentication for enhanced security, replaced older audio and visual equipment in the Emergency Operations Center, and replaced anti-virus software vendors.

As a service organization, high performing employees are key to the delivery of exceptional Town services. The Town Human Resources Department completed negotiations with its three bargaining groups and conducted competitive salary studies for all part-time and full-time classifications to ensure retention and attraction of employees while also filling 16 vacancies. To promote the health and well-being of employees, a cross-departmental Wellness Committee was formed and an employee Health and Wellness Fair with various local vendors attending offered related information, preventative health screenings, flu shots, and healthy snacks.

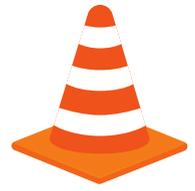


The Department also ensured that mandated and informational training was provided that included the topics of harassment, workers' compensation, and reasonable suspicion reporting.

The Clerk's Office participated in Spring into Green, promoting volunteer opportunities to join the Town's Commissions and be a pledge leader. The annual Municipal Clerk's Week in May helped residents to learn more about Town government.

Thanks to the work of the Finance Department, the Town received two national awards. The Town was awarded the Distinguished Budget Presentation Award for the FY 2018/19 Budget and has received this award since 2003. The Town also received the Certificate of Achievement for the FY 207/18 Comprehensive Annual Financial Report for the 19th consecutive year.

Transportation, Infrastructure, and Environmental Success



The Parks and Public Works Department (PPW) has been hard at work on improvements throughout the Town this past year. A Town-wide Energy Efficiency upgrade was completed, which enhanced the functionality of Town facilities and lowered energy use from lighting, heating, and ventilation. This project was funded through PG&E utilizing on bill financing and required no up-front expenditures from the Town.

The Department supported construction of the Veteran's Memorial at the Civic Center, which was unveiled in June.

The Bachman Park improvement project was completed, resulting in practical upgrades to a wonderful neighborhood park. The irrigation system in downtown planters was rebuilt and PPW took on oversight of the volunteer program to maintain the planters.

The number of electric vehicle charging stations more than doubled and was increased from 13 to 34 ports. This was made possible by upgrading existing Town charging locations and through a partnership with Tesla that added supercharger stations and made Level 2 stations available to the public for free. Town charging stations each average three users per day.

The Town-run pilot School Bussing Program was launched to help manage traffic and congestion around schools. The program includes two routes serving four schools. The volunteer efforts for Town cleanups were expanded, including 13 total cleanup events, 115 volunteers, and 362 volunteer hours.



In total, the Parks and Public Works Department completed 1,315 work requests in streets and parks, which is a 21% increase over the last 4 years. 64% of those requests were completed within 14 days of receipt.

Lastly, a comprehensive downtown parking study was launched, and the downtown area was prepared for the one-way street pilot to begin on July 8, 2019. The results from both these efforts will be reviewed over the next fiscal year.



The Almond Grove Street Reconstruction Project was Completed in FY 18/19

Including:

- **2.3 Miles** of New Concrete Streets
- **3.5 Miles** of New Curbs & Gutters
- Over **85,000 sq ft** of New Sidewalks
- **64** Accessibility Ramps
- **297** Trees Planted



Almond Grove Ribbon Cutting Ceremony

Music in the Park

Los Gatos Music in the Park (MIP) turned 20 years old in 2018! Since 1988, Music in the Park has been a free public summer concert series held on Sunday afternoons on the Los Gatos Civic Center lawn. The concert series was originally produced by the Town of Los Gatos and the Town's Arts Commission. Over time, the series has been managed through a variety of outside concert production management teams. For the 2018 concert season, the Town was proud to become the producer of the event once again when no outside production teams stepped forward.

The Town Council wanted to preserve the tradition of Los Gatos Music in the Park and thus approved a five-concert series for the 2018 Music in the Park season beginning in early July.

The Town used existing staff resources to brand, market, coordinate, and implement the event to ensure that the show would go on.



Connecting and Communicating

During the past year, the Town has continued its focus on community engagement by increasing our social media presence, encouraging residents to sign up for “Notify Me” email blasts, and improving website content.

The Town has been very active in using social media to deliver timely and relevant information. The Town has over 1,100 followers on both Facebook and Instagram, while almost 1,000 people follow the Town’s Twitter page. In addition, the Town maintains a separate Facebook page dedicated to Music in the Park, which has garnered over 170 followers so far.

Every Friday morning, the Town releases a new “Did You Know...?” graphic on Facebook and Twitter, which provides concise answers to some of the public’s most commonly asked questions and features some of the many helpful services provided by the Town. Additionally, after every Council meeting, the Town posts an “Our Town” announcement, providing a photo and succinct summary of the outcomes of the meeting.

Every Friday afternoon, the Town’s “What’s New” email blast goes out, providing weekly news about services, events, and issues in Los Gatos to those signed up through the “Notify Me” system on the Town website. Links to this content are also posted to the Town’s Facebook and Twitter pages. To sign up for this email blast and others, please visit www.losgatosca.gov/list.aspx.

The Town’s website now has individual pages dedicated to information regarding annexations and the new short-term rental ordinance as well as a separate website (www.losgatos2040.com) regarding the General Plan update.



Library Life



The Library continues to serve as a center for community life and involvement with over 260,000 patron visits and 550 programs this year. Programs for adults ranged from educational lectures and author visits, to poetry readings and hands-on arts programs.



The Numbers:

- **485,000** items circulated
- **835** items checked out by the top Library patron
- **433** kids attended a STEM program
- **42,951** children's picture book checkouts (the most used section)

Children's and family programs remain the Library's largest draw with an average of approximately 500 participants each week at Storytime and other special family programs. Bilingual (Spanish/English) Storytimes are now offered every week to meet community demand.



In response to community feedback, the Library launched a new app with a more intuitive interface, changed Library hours based on statistical data and public input, and installed a glass wall and door to the entrance of the Teen Room to mitigate sound and noise issues. Additionally, Fisher Middle School has joined the High School in allowing the Library to convert school-issued Student Ids into public Library cards.



Commissions, Committees, and Boards



The **Los Gatos Youth Commission** continued to facilitate their progressive work on the “No Smoking” project. For FY 2018/19, they finalized designs for the community-friendly “No Smoking” signs that will be installed throughout Los Gatos. The Commission also worked with Los Gatos High School to organize a multicultural week with events and activities, an intergenerational event at the Los Gatos Adult Recreation Center, and a teen de-stress event in partnership with Canine Companions. Some Commissioners also continue to serve as youth liaisons to the Town’s other Commissions.



The **Parks Commission** reviewed capital projects at parks and identified best practices in park stewardship programs, working toward implementation in Los Gatos. They considered community input regarding Worcester Park, resulting in an engaged neighborhood volunteer program to help care for the park.



The work of the **Community and Senior Services Commission** helped the Town achieve the designation of an “Age Friendly City” by the World Health Organization. For FY 2018/19, the Commission continued monitoring and implementing the Age-Friendly goals for the Town and development of potential new age-friendly initiatives. In addition, the Commission provides quarterly participation at the Los Gatos Service Providers forum which is a collective of local faith-based and community-based organizations.



The **Transportation and Parking Commission** provided recommendations to staff as the School Bus Pilot began, including providing information to and receiving information from the community. The Commission is playing an integral role in the preparation of the Comprehensive Parking Study, including conducting parking counts and providing feedback on the scope of the Study. They also proactively provided feedback to the Planning Commission specific to the General Plan update.



The **Arts and Culture Commission** spent the year working on three major projects which included working toward funding sources for the arts, selection of artists to develop gateway installation designs, and a project to add additional community artwork to the Forbes Mill Footbridge. All three of these projects are slated to be completed in the 2019/20 artwork to the Forbes Mill Footbridge. All three of these projects are slated to be completed in the 2019/20 fiscal year.

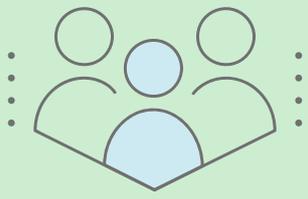


The **Bicycle and Pedestrian Advisory Committee** provided input to staff on both capital design and maintenance projects to allow for better bicycle and pedestrian travel through the Town and contributed to the Complete Street Element of the General Plan update. They continued to provide bike valet services at Los Gatos events.



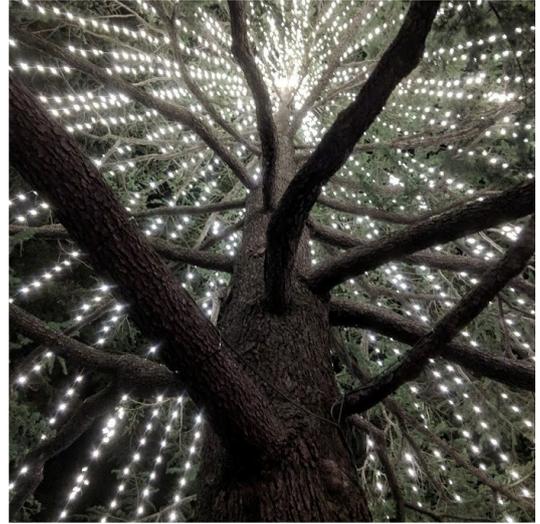
The **Library Board** began reviewing and updating library rules and procedures. The change of Library hours recommended by the Library Board went into effect in September with positive feedback from the community.





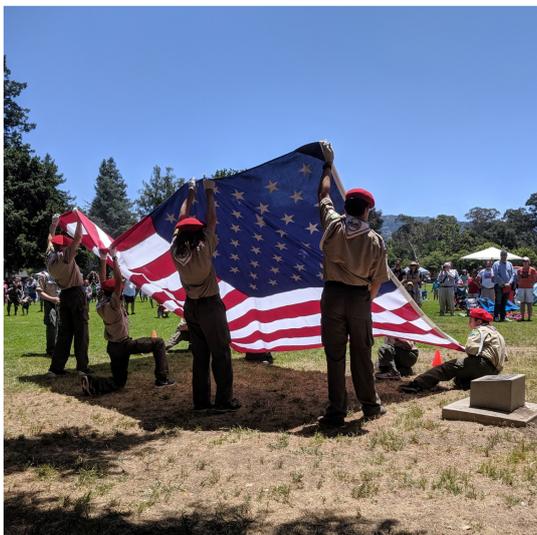
Community Events

The 2018/2019 Fiscal Year was an exciting year of changes and new initiatives for special events in Los Gatos. Town staff made large efforts to streamline the special event process which included updating the special events webpage on the Town site, creating comprehensive special event FAQs and guidelines, a new application, and other helpful resources for event organizers. The Town piloted a one-time special event grant program and awarded six non-profit organizations a total of \$10,000 to assist with their special events in Town, which included Fiesta de Artes, Jazz on the Plazz, and St. Mary's County Fair, among others. Town Council also granted an additional \$9,000 in special event funds to the Chamber of Commerce to help pilot their new "Third Thursdays Block Parties," a three-part series of events that took place in downtown Los Gatos over the summer months.



Holiday Tree Lighting

In addition to the new events and programs the Town continued to issue Special Events and Parks Special Use Permits to some of the time-honored Los Gatos events such as the 62nd Annual Los Gatos Children's Holiday Parade, The Great Race, Plein Air, and Billy Jones Wildcat Railroad Pumpkin Train, to name a few. The Town also hosted their traditional community events including Spring into Green, Screen on the Green, the Holiday Tree Lighting, and 4th of July Symphony in the Park which continue to grow in size and programming.



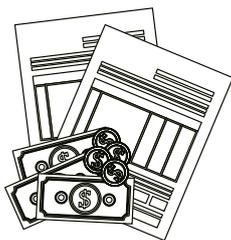
*4th of July
Symphony in the Park*

- Total Permit Numbers:**
- 20 Special Events
 - 27 Parks Special Use Occurrences
 - 3 Block Parties
 - 9 Town-Sponsored Events

Fiscal Responsibility

Among other important fiscal work, the Town Council and the Town Finance Committee reviewed and ultimately determined to place a 1/8 sales tax ballot measure on the November 2018 ballot. The passage of the measure is projected to add \$800,000 in additional revenue annually dedicated solely to Los Gatos and the critical services offered to residents.

In addition, the Town Council approved an ordinance allowing regulated short-term rentals in Town. The regulations were designed to balance the rights of homeowners to rent their homes on a short-term basis while also protecting neighbors from nuisance situations. The ordinance also established that short-term rentals are subject to the Town's 12% Transient Occupancy Tax (TOT) currently paid by hotel guests. The anticipated volume of short-term rentals is anticipated to generate another \$200,000 in annual TOT collection.



The Town also continued to endeavor to find cost containment strategies. One of the major cost drivers effecting the Town over the past decade has been unanticipated increases in pension and Other Post-Employment Benefits (OPEB). During the most recent labor negotiations, the Town's bargaining groups and all unrepresented employees partnered with the Council to eliminate the Town's existing retiree healthcare benefit prospectively. It is anticipated that this collaboration will yield significant savings in the future.



Budget at a Glance

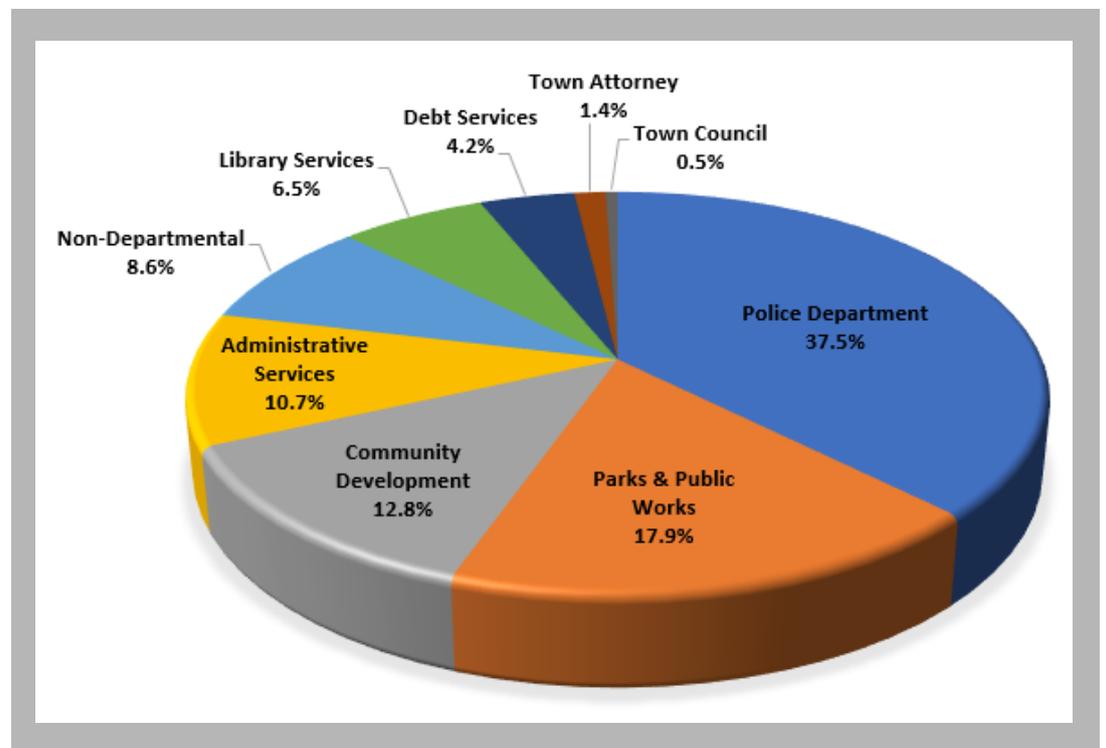
The Town Council of Los Gatos unanimously adopted a balanced budget for the Fiscal Year 2019/20. The Town's fiscal year runs from July 1, 2019 through June 30, 2020. Each fiscal year the budget is adopted in June following a discussion of Council Strategic Priorities and a public hearing process. Town budgets can be found at: www.losgatosca.gov/townbudget.

For Fiscal Year 2019/20, the total Operating Budget Expenditure is programmed for \$45.2 million, excluding Capital Transfers. In addition to the Operating Budget, the Council annually approves the Capital Improvement Budget which has \$13.2 million in new funding. The Operating Budget funds day-to-day Town services while the Capital Improvement Budget funds street maintenance, park improvements, and other facility upgrades.

FY 2019/20 General Fund Operating Expenditures \$45.2 Million (Excluding Capital & Internal Service Transfers)

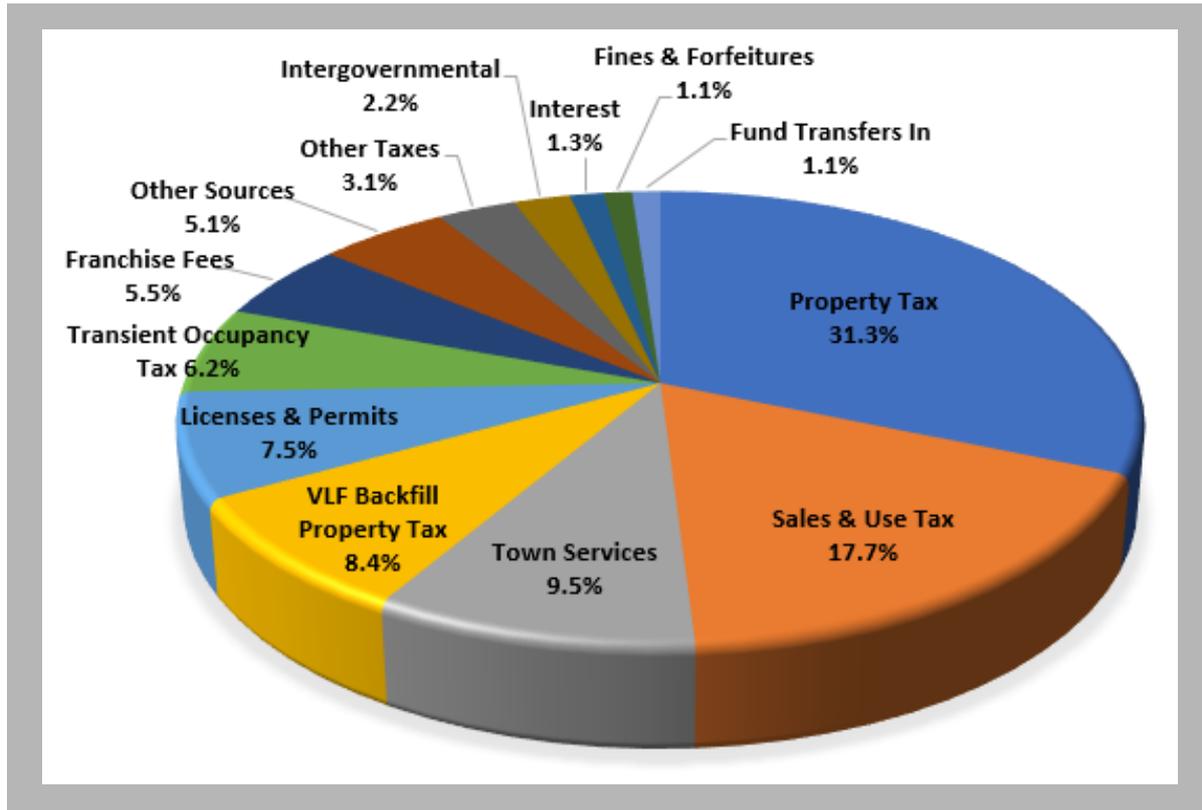


The allocation of funding for key Town services align with the Town goals of Public Safety, Quality Public Infrastructure, Community Character, Good Governance, Fiscal Stability, and Civil Enrichment.

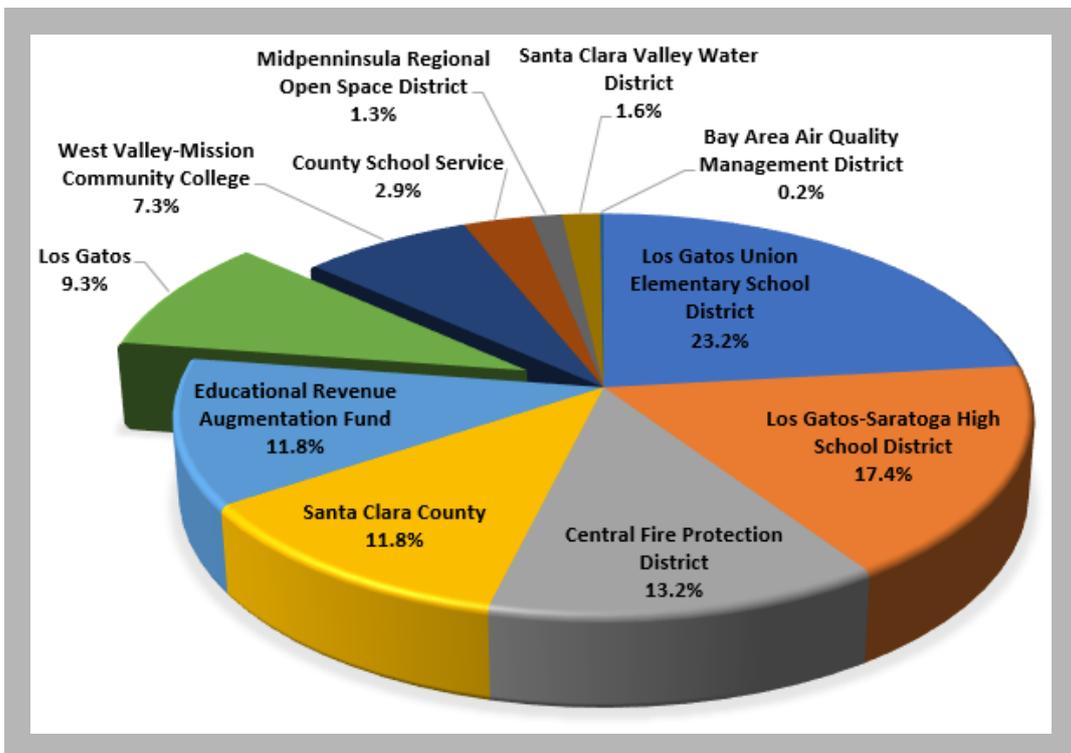


Where Does the Money Come From?

FY 2019/20 General Fund Operating Revenue - \$45.3 million



How Is Property Tax Distributed?



- The Town receives \$9.30 of every \$100 collected in property tax paid by property owners.
- The Town receives \$1.125 of every \$9.125 of sales tax paid for taxable sales generated in Town.

Looking Ahead...

While this report focuses on FY 2018/19, below are some key items for FY 2019/20:

- Continue to allocate additional funds and develop strategies towards addressing the pension and OPEB unfunded obligations.
- Provide staff support and financial support of approximately \$10,000 for a potential downtown Business Improvement District.
- Support community vitality for Chamber summer events with \$10,000.
- Improve the quality of the Town's roadways as much as possible, as measured by a Pavement Condition Index (PCI).
- Begin to set aside funds for downtown streetscape improvements/revitalization with approximately \$1 million.
- Develop a Wildfire Evacuation Assessment Plan for Los Gatos.



