



**TOWN OF LOS GATOS
COUNCIL MEETING AGENDA
MAY 18, 2021
110 EAST MAIN STREET
LOS GATOS, CA**

*Marico Sayoc, Mayor
Rob Rennie, Vice Mayor
Mary Badame, Council Member
Matthew Hudes, Council Member
Maria Ristow, Council Member*

PARTICIPATION IN THE PUBLIC PROCESS

How to participate: The Town of Los Gatos strongly encourages your active participation in the public process, which is the cornerstone of democracy. If you wish to speak to an item on the agenda, please follow the participation instructions on page 2 of this agenda. If you wish to speak to an item NOT on the agenda, you may do so during the “Verbal Communications” period, by following the participation instructions on page 2 of this agenda. The time allocated to speakers may change to better facilitate the Town Council meeting.

Effective Proceedings: The purpose of the Town Council meeting is to conduct the business of the community in an effective and efficient manner. For the benefit of the community, the Town of Los Gatos asks that you follow the Town’s meeting guidelines while attending Town Council meetings and treat everyone with respect and dignity. This is done by following meeting guidelines set forth in State law and in the Town Code. Disruptive conduct is not tolerated, including but not limited to: addressing the Town Council without first being recognized; interrupting speakers, Town Council or Town staff; continuing to speak after the allotted time has expired; failing to relinquish the podium when directed to do so; and repetitiously addressing the same subject.

Deadlines for Public Comment and Presentations are as follows:

- Persons wishing to make an audio/visual presentation on any agenda item must submit the presentation electronically, either in person or via email, to the Clerk’s Office no later than 3:00 p.m. on the day of the Council meeting.
- Persons wishing to submit written comments to be included in the materials provided to Town Council must provide the comments as follows:
 - For inclusion in the regular packet: by 11:00 a.m. the Thursday before the Council meeting
 - For inclusion in any Addendum: by 11:00 a.m. the Monday before the Council meeting
 - For inclusion in any Desk Item: by 11:00 a.m. on the day of the Council Meeting

***Town Council Meetings Broadcast Live on KCAT, Channel 15 (on Comcast) on the 1st and 3rd Tuesdays at 7:00 p.m.
Rebroadcast of Town Council Meetings on the 2nd and 4th Mondays at 7:00 p.m.
Live & Archived Council Meetings can be viewed by going to:
www.LosGatosCA.gov/TownYouTube***

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT THE CLERK DEPARTMENT AT (408) 354-6834. NOTIFICATION 48 HOURS BEFORE THE MEETING WILL ENABLE THE TOWN TO MAKE REASONABLE ARRANGEMENTS TO ENSURE ACCESSIBILITY TO THIS MEETING [28 CFR §35.102-35.104]

**TOWN OF LOS GATOS
COUNCIL MEETING AGENDA
MAY 18, 2021
7:00 PM**

IMPORTANT NOTICE REGARDING THE MAY 4, 2021 MEETING

This meeting is being conducted utilizing teleconferencing and electronic means consistent with State of California Executive Order N-29- 20 dated March 17, 2020, regarding the COVID-19 pandemic. The live stream of the meeting may be viewed on television and/or online at www.losgatosca.gov/AgendasAndVideos. **In accordance with Executive Order N-29- 20, the public may only view the meeting on television and/or online and not in the Council Chamber.**

PARTICIPATION

If you are not interested in providing oral comments in real-time during the meeting, you can view the live stream of the meeting on television (Comcast Channel 15) and/or online at www.LosGatosCA.gov/TownYouTube.

If you are interested in providing oral comments real-time during the meeting, you must join the Zoom webinar:

- Join from a PC, Mac, iPad, iPhone or Android device: click this link <https://us02web.zoom.us/j/82002147258?pwd=TEwxWFdGc0N3RIYwbkQ5TzN5QUYrdz09>. Password: 209648. You can also type in 82002147258 in the “Join a Meeting” page on the Zoom website at <https://zoom.us/join>.
- Join by telephone: Dial: 877 336 1839. Conference code: 969184

During the meeting:

- When the Chair announces the item for which you wish to speak, click the “raise hand” feature in Zoom. If you are participating by phone on the Zoom app, press *9 on your telephone keypad to raise your hand. If you are participating by calling in, press #2 on your telephone keypad to raise your hand.
- When called to speak, please limit your comments to three (3) minutes, or such other time as the Chair may decide, consistent with the time limit for speakers at a Council meeting.

If you are unable to participate in real-time, you may email to PublicComment@losgatosca.gov the subject line “Public Comment Item #__” (insert the item number relevant to your comment) or “Verbal Communications – Non Agenda Item.” Comments received by 11:00 a.m. the day of the meeting will be reviewed and distributed before the meeting. All comments received will become part of the record.

**TOWN OF LOS GATOS
COUNCIL MEETING AGENDA
MAY 18, 2021
7:00 PM**

REMOTE LOCATION PARTICIPANTS

The following Council Members are listed to permit them to appear electronically or telephonically at the Town Council meeting: MAYOR MARICO SAYOC, VICE MAYOR ROB RENNIE, COUNCIL MEMBER MARY BADAME, COUNCIL MEMBER MATTHEW HUDES, and COUNCIL MEMBER MARIA RISTOW. All votes during the teleconferencing session will be conducted by roll call vote.

MEETING CALL TO ORDER

ROLL CALL

PRESENTATIONS

- i. Government Finance Officers Association Distinguished Budget Presentation Award.

COUNCIL / MANAGER MATTERS

CONSENT ITEMS *(Items appearing on the Consent Items are considered routine and may be approved by one motion. Any member of the Council or public may request to have an item removed from the Consent Items for comment and action. A member of the public may request to pull an item from Consent by following the Participation Instructions contained on Page 2 of this agenda. If an item is pulled, the Mayor has the sole discretion to determine when the item will be heard. Unless there are separate discussions and/or actions requested by Council, staff, or a member of the public, it is requested that items under the Consent Items be acted on simultaneously.)*

1. Approve Draft Minutes of May 4, 2021 Joint Town Council and Library Board Study Session Meeting.
2. Approve Draft Minutes of May 4, 2021 Town Council Meeting.
3. Approve Draft Minutes of May 5, 2021 Special Town Council Meeting - Council Retreat.
4. Authorize the Following Actions:
 - a. Adopt A Resolution (Attachment 1) Authorizing the Town Manager to File an Application for the 2021/22 Metropolitan Transportation Commission (MTC) Transportation Development Act (TDA) Article 3 Funds in the Amount of \$62,884 for Pedestrian Improvements.
 - b. Authorize Revenue and Expenditure Budget Adjustments in the Amount of \$62,884 in the Adopted Fiscal Year 2020/21 Capital Improvement Program (CIP) Budget for the Curb, Gutter, and Sidewalk Maintenance Project (Project 813-9921).
5. Authorize the Town Manager to Execute Agreements with Burke, Williams & Sorensen, Richards Watson & Gershon, and the Renne Public Law Group, for Independent Police Auditor Investigation Services.
6. Receive the Third Quarter Investment Report (January through March 2021) for Fiscal Year 2020/21.

VERBAL COMMUNICATIONS (*Members of the public are welcome to address the Town Council on any matter that is not listed on the agenda consistent with the Participation Instructions contained on Page 2 of this agenda. To ensure all agenda items are heard and unless additional time is authorized by the Mayor, this portion of the agenda is limited to 30 minutes and no more than three (3) minutes per speaker. In the event additional speakers were not able to be heard during the initial Verbal Communications portion of the agenda, an additional Verbal Communications will be opened prior to adjournment.*)

PUBLIC HEARINGS (*Applicants/Appellants, their representatives, and members of the public wishing to address the Council on any Public Hearing item should follow the participation instructions contained on page 2 of this agenda. Applicants/Appellants and their representatives may be allotted up to a total of five minutes maximum for opening statements. Members of the public may be allotted up to three minutes to comment on any public hearing item. Applicants/Appellants and their representatives may be allotted up to a total of three minutes maximum for closing statements. Items requested/recommended for continuance are subject to Council's consent at the meeting.*)

7. Operating and Capital Budgets

- A. Consider the recommendations of the Finance Commission and staff, and provide direction on the Town of Los Gatos Proposed Operating and Capital Budget for Fiscal Year (FY) 2021/22 and on the Proposed Capital Improvement Program for FY 2021/22 – FY 2025/26; including but not limited to:
1. Determine the use of the accumulated \$1.2 Million Measure G funds through June 30, 2020
 2. Determine the use of the Measure G proceeds in FY 2020/21
 3. Determine the use of Measure G proceeds in FY 2021/22
 4. Determine the use of the of Measure G proceeds for the remaining years of the forecast period
 5. Provide direction balancing the FY 2020/21 Budget
 6. Provide direction on any changes to proposed expense/revenue assumptions for the FY 2021/22 Budget and the remaining forecast period
 7. Provide direction balancing the FY 2021/22 Proposed Budget
 8. Determine the use of \$1.2 Million in Surplus Property Reserve (Winchester property sale proceeds)
 9. Provide direction on the Proposed Operating Budget
 10. Provide direction on the Proposed Capital Budget
 11. Consider the FY 2021/22 List of Potential Donations consistent with the Town's Donation Policy
 12. Clarify the Council's Strategic Priority for revenue enhancements

ADJOURNMENT (*Council policy is to adjourn no later than midnight unless a majority of Council votes for an extension of time.*)

Writings related to an item on the Town Council meeting agenda distributed to members of the Council within 72 hours of the meeting are available for review on the official Town of Los Gatos website. Copies of desk items distributed to members of the Council at the meeting are available for review on the official Town of Los Gatos website.

Note: The Town of Los Gatos has adopted the provisions of Code of Civil Procedure §1094.6; litigation challenging a decision of the Town Council must be brought within 90 days after the decision is announced unless a shorter time is required by State or Federal law.



**DRAFT
Minutes of the Special Joint Meeting
of the Town Council and Library Board Study Session
May 4, 2021**

The Town Council of the Town of Los Gatos conducted a special meeting via Teleconference via COVID-19 Shelter in Place Guidelines on Tuesday, May 4, 2021, to hold a Study Session at 5:45 p.m.

STUDY SESSION CALLED TO ORDER AT 5:48 P.M.

ROLL CALL

Present: Mayor Marico Sayoc, Vice Mayor Rob Rennie, Council Member Mary Badame, Council Member Matthew Hudes, Council Member Maria Ristow. (All participating remotely).

Absent: None

Present: Vice Chair Sabiha Chunawala, Commissioner Susan Buxton, Commissioner Richard Capatosto, Commissioner Lyn Dougherty, and Youth Commissioner Jack Noymer. (All participating remotely).

Absent: Chair Trish Goldfarb and Commissioner Marie-Ange Tagne.

VERBAL COMMUNICATIONS

No one spoke.

STUDY SESSION

1. Review and Discuss the Library Board Accomplishments and Goals.

Ryan Baker, Library Director, presented the staff report and introduced Vice Chair Chunawala, Commissioners Buxton, Capatosto, Dougherty, and Noymer.

Vice Chair Chunawala described the Library Board workplan and addressed the goals of the Library Board outlined in the staff report.

Council and the Library Board discussed the items.

The Council thanked the Library Board for their great work and directed them to continue the programs and services.

PAGE 2 OF 2

SUBJECT: Draft Minutes of the Joint Town Council and Library Board

DATE: May 4, 2021

STUDY SESSION ADJOURNED

Study Session adjourned at 6:12 p.m.

Respectfully submitted:

Jenna De Long, Deputy Clerk



**DRAFT
Minutes of the Town Council Meeting
May 4, 2021**

The Town Council of the Town of Los Gatos conducted a regular meeting via Teleconference via COVID-19 Shelter in Place Guidelines on Tuesday, May 4, 2021, at 7:00 p.m.

MEETING CALLED TO ORDER AT 7:00 P.M.

ROLL CALL

Present: Mayor Marico Sayoc, Vice Mayor Rob Rennie, Council Member Mary Badame, Council Member Matthew Hudes, Council Member Maria Ristow. (All participating remotely).

Absent: None

PRESENTATIONS

Mayor Sayoc presented Proclamations for Public Works Week, Building Safety Month, and Municipal Clerks Week and recognized staff in these work groups.

COUNCIL/TOWN MANAGER REPORTS

Council Matters

- Vice Mayor Rennie stated he attended the Bay Area Air Quality Management District (BAAQMD) Legislative Committee and Mobile Source Committee meetings; Institute for Local Government Addressing Hate Crime webinar; Disasters Do Not Wait Emergency Preparedness Fair; two Finance Commission special meetings; Community Health and Senior Services Commission (CHSSC) meeting; Silicon Valley Clean Energy Authority (SVCEA) Finance and Administration Committee meeting; and visited a South County farm and orchard.
- Council Member Hudes stated he attended a Neighborhood Watch emergency preparedness meeting; Silicon Valley Leadership Group Mayor's Circle meeting; two Finance Commission special meetings; and Council Policy Committee meeting as an observer.
- Council Member Badame stated she attended the Finance Commission meeting as an observer and met with community member Kevin Arroyo regarding the Community Garden Project.

Council Matters - continued

- Council Member Ristow stated that in addition to the meetings already mentioned, she attended the Chamber of Commerce's Listen, Learn, Change, Grow campaign launch with Mayor Sayoc; two Finance Commission meetings as an observer; Council Policy Committee with Mayor Sayoc; met with residents including the Anti-Racism Coalition and Chamber of Commerce; attended the Highway 9 Trail Connector public meeting; announced the last General Plan Advisory Committee (GPAC) meeting on May 6, 2021; announced Bike to School Day will be on May 5, 2021.
- Mayor Sayoc stated in addition the meetings previously mentioned, the April 20 Council meeting was adjourned in honor of former Planning Commissioner Charles Ereksen and she attended a service for him.

Manager Matters

- Announced the GPAC Meeting will be held on May 6, 2021.
- Announced the Police Department will hold a community meeting to review automated license plate readers on May 11, 2021 and more information can be found on the Police Department website.
- Announced Employee Parking Surveys will be sent out this week by the Police Department.
- Announced free COVID-19 testing will be held at the Adult Recreation Center on May 17; appointments are strongly recommended and will be available beginning May 10.
- Stated recent economic activity catalyzed by the Council's economic recovery resolution.

CONSENT ITEMS (TO BE ACTED UPON BY A SINGLE MOTION)

1. Approve Minutes of the April 20, 2021 Closed Session Town Council Meeting.
2. Approve Minutes of the April 20, 2021 Regular Town Council Meeting.
3. Authorize Actions for the Purchase and Maintenance of Police Vehicle Mobile Audio and Video with Integrated Automated License Plate Reader Technology:
 - a. Authorize the Town Manager to Execute a Six-Year Agreement with Axon Enterprises Incorporated for the Purchase and Maintenance of Police Vehicle Mobile Audio and Video with Integrated Automated License Plate Reader Technology in an Amount of \$214,851.49.
 - b. Authorize an Expenditure Budget Transfer of \$35,222.28 from the Equipment Replacement Fund to the Police Department Operating Budget.
4. Adopt an Ordinance of the Town of Los Gatos Amending Chapter 25, by Renaming it to "Revenue and Taxation" and Adding Article VII, Sections 25.70.010- 25.70.140 of the Los Gatos Town Code Entitled Public Art Funding. **ORDINANCE 2318**
5. Adopt a Resolution Declaring Hazardous Vegetation (Brush) a Public Nuisance, Ordering Abatement, and Setting June 1, 2021 as a Public Hearing to Consider Objections to the Proposed Removal of Brush. **RESOLUTION 2021-011**

Consent Items – continued

6. Authorize the Following Actions:
 - a. Accept a California Department of Resources Recycling and Recovery (CalRecycle) Grant in the Amount of \$230,000; and
 - b. Authorize Revenue and Expenditure Budget Adjustment in the Amount of \$230,000 in the Fiscal Year 2020/21 Capital Improvement Program (CIP) Budget for the Street Repair and Resurfacing Project (CIP No. 811-9901).
7. Landscape and Lighting Assessment Districts 1 & 2
 - a. Adopt a Resolution (Attachment 1) Approving the Engineer's Report (Attachment 8) for FY 2021/22. **RESOLUTION 2021-012**
 - b. Adopt a Resolution (Attachment 2) of Intention to Order the Levy and Collection of Assessments for Landscape and Lighting District No. 1-Blackwell Drive Benefit Zone. **RESOLUTION 2021-013**
 - c. Adopt a Resolution (Attachment 3) of Intention to Order the Levy and Collection of Assessments for Landscape and Lighting District No. 1-Kennedy Meadows Benefit Zone. **RESOLUTION 2021-014**
 - d. Adopt a Resolution (Attachment 4) of Intention to Order the Levy and Collection of Assessments for Landscape and Lighting District No. 1-Santa Rosa Heights Benefit Zone. **RESOLUTION 2021-015**
 - e. Adopt a Resolution (Attachment 5) of Intention to Order the Levy and Collection of Assessments for Landscape and Lighting District No. 1-Vasona Heights Benefit Zone. **RESOLUTION 2021-016**
 - f. Move \$16,089 from the Kennedy Meadows Fund Balance to the Kennedy Meadows District Weed Abatement Budget.
 - g. Adopt a Resolution (Attachment 6) of Intention to Order the Levy and Collection of Assessments for Landscape and Lighting District No. 1-Hillbrook Drive Benefit Zone. **RESOLUTION 2021-017**
 - h. Adopt a Resolution (Attachment 7) of intention to Intention to Order the Levy and Collection of Assessments for Landscape and Lighting District No. 2-Gemini Court Benefit Zone. **RESOLUTION 2021-018**
 - i. Set June 15, 2021 as the Date for the Public Hearing to Consider Protests for the Levy and Collection of Assessments.
8. Approve a Funding Agreement with the Santa Clara Valley Transportation Authority for the State Route 17 Corridor Congestion Relief Project (CIP NO. 813-0237).
9. Adopt an Ordinance for a Zone Change from O:LHP (Office with a Landmark and Historic Preservation Overlay) to R-1D:LHP (Single-Family Residential Downtown with a Landmark and Historic Preservation Overlay) for Property Located at **246 Almendra Avenue**. APN: 510-14-019. Zone Change Application Z-20-001. Property Owner: Gary Filizetti. Applicant: Brett Brenkwitz. **ORDINANCE 2316**

Consent Items – continued

10. Adopt an Ordinance for a Zone Change from R-1D:LHP (Single-Family Residential Downtown with a Landmark and Historic Preservation Overlay) to C-2:LHP (Central Business District with a Landmark and Historic Preservation Overlay), for Property Located at **4 Tait Avenue**. APN: 510-44-054. Zone Change Application Z-20-002. Property Owner: Town of Los Gatos. Applicant: Jim Foley. **ORDINANCE 2317**
11. Authorize the Town Manager to Execute Agreements with the County of Santa Clara for:
 - a. Countywide Household Hazardous Waste Collection Program; and
 - b. AB939 Implementation Fee Collection and Distribution.
12. Authorize the Town Manager to Execute a Five-Year Agreement for Consultant Services with TruePoint Solutions DigEplan (LCT Software) for Electronic Plan Review Services in an Amount Not to Exceed \$89,474, Including a 3 Percent Increase Each Year with the First Year Not to Exceed \$16,859.

MOTION: Motion by Council Member Rennie to approve Consent Items 1-12. Seconded by Council Member Badame.

VOTE: Motion passed unanimously for items 1-8, and 11-12. Item 9 passed 3-0-2, Vice Mayor Rennie and Council Member Badame Recused. Item 10 passed 4-0-1, Council Member Ristow Recused.

VERBAL COMMUNICATIONS

Lynley Ker Hogan

- Commented in opposition to the Listen, Learn, Change, Grow campaign; requested Council act against Critical Race Theory; and requested the resignation of the Town Manager, Town Attorney, Town Council, and the Chamber of Commerce Executive Director.

Michael Hutchinson

- Requested the Council allow boutique cannabis dispensaries with Conditional Use Permits.

Rob Moore

- Commented in support of the Chamber's Listen, Learn, Change, Grow campaign; requested Council scrutinize the Police Department budget; and thanked the Council for their support of Bike Month.

Amy Nishide, Los Gatos Anti-Racism Coalition

- Commented she will advocate for additional mental health services during the budget discussions; requested Council consider freezing the Police Department budget other than pension obligations, and consider a hiring freeze.

OTHER BUSINESS

13. Receive the Report and Presentation from West Valley Solid Waste Management Authority Regarding Senate Bill 1383 Updates and Implementation.

Matt Morley, Director of Parks and Public Works, presented the staff report and introduced the Town's Environmental Programs staff Marina Chislett.

Marva Sheehan, West Valley Solid Waste Management Authority (WVSWA), gave the presentation.

Opened public comments.

Lynley Kerr Hogan

- Inquired if chicken owners are able to opt out of paying a fee for food waste management.

Closed public comments.

Council discussed the item.

Council received the report and presentation, and discussed Senate Bill 1383 updates and implementation.

14. Consider Requests for Additional Funding for Special Events and Destination Marketing and Other Town Needs, and Direct Staff on Next Steps.

Laurel Prevetti, Town Manager, presented the staff report.

Opened public comment.

Paul Kent

- Requested Council consider allowing events with live music to assist in supporting economic recovery.

Jim Foley, Chamber of Commerce Board of Directors

- Commented in support of the Town funding events and destination marketing.

Randi Chen, Chamber of Commerce

- Presented a brief overview of the proposed destination marketing and the current operations of the Visitor Information Center.

Donna McCurrie

- Commented in support of a destination marketing program.

Other Business Item #14 – continued

Alice Southwell

- Commented in support of utilizing American Rescue Plan Act (ARPA) funds for destination marketing.

Catherine Sommers

- Commented in support of using ARPA funds for destination marketing and special events.

Closed public comment.

Council discussed the item.

MOTION: Motion by Council Member Hudes to use the following principles to evaluate and consider these and potential future requests:

1. Allocate funds in an equitable and objective manner to benefit all residents and all areas of Town;
2. Enthusiastically support events from all community partners in a flexible manner and avoid high traffic times, using ARPA funds pending further guidance from staff;
3. Utilize the Community Grant process, including the equitable allocation, and consider the total budget for the Grants and moving the process timeline along as quickly as practical;
4. Include destination marketing and use it to improve the branding of Los Gatos with its historic heritage and iconic structures, and do so with a clear definition of the scope of work with assistance from staff;
5. Encourage opportunities and events to build synergy between the Town's office/tech companies and the local retail/restaurant business work force; and
6. Avoid any conflicts of interest in the public/private partnership with the Chamber of Commerce.

Seconded by Council Member Badame.

Friendly amendment by Vice Mayor Rennie to broaden the funding sources beyond ARPA to also include the Town's Economic Recovery Fund, sale of Winchester property proceeds, or other Town resources. **Friendly amendment accepted by the maker of the motion and seconder.**

VOTE: Motion passed unanimously.

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SUBJECT: Draft Minutes of the Town Council Meeting of May 4, 2021

DATE: May 11, 2021

Other Business Item #14 - continued

MOTION: Motion by **Vice Mayor Rennie** to allow up to seven Thursday night downtown street closures over the summer (to be completed by October 1), with \$80,000 of total Town funds to support the closures.

Seconded by **Council Member Hudes**.

VOTE: Motion passed unanimously.

ADJOURNMENT

The meeting adjourned at 10:02 p.m.

Respectfully submitted:

Jenna De Long, Deputy Clerk



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 05/18/2021

ITEM NO: 3

**DRAFT
Minutes of the Town Council Special Meeting – Council Retreat
May 5, 2021**

The Town Council of the Town of Los Gatos conducted a special in-person meeting on Wednesday, May 5, 2021, to hold a Council Retreat at 12:00 p.m. and the public was invited to participate via Teleconference consistent with COVID-19 Shelter in Place Guidelines.

MEETING CALLED TO ORDER AT 12:00 P.M.

ROLL CALL

Present: Mayor Marico Sayoc, Vice Mayor Rob Rennie, Council Member Mary Badame, Council Member Matthew Hudes, Council Member Maria Ristow.

Absent: None

VERBAL COMMUNICATIONS

No one spoke.

OTHER BUSINESS

1. Council Retreat and Team Building
 - Ice Breaker
 - Brown Act
 - Council Code of Conduct
 - Communications on Town Email

The Mayor conducted an ice breaker with the Council Members.

The Council received a presentation from Town Attorney Schultz on the Brown Act, Council Code of Conduct, and communications on Town email and personal devices. The Council and Town Attorney discussed the information.

SPECIAL MEETING ADJOURNED

Special Meeting adjourned at 1:15 p.m.

Respectfully submitted:

Jenna De Long, Deputy Clerk



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 05/18/2021

ITEM NO: 4

DATE: May 13, 2021
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Authorize the Following Actions:
a. Adopt A Resolution (Attachment 1) Authorizing the Town Manager to File an Application for the 2021/22 Metropolitan Transportation Commission (MTC) Transportation Development Act (TDA) Article 3 Funds in the Amount of \$62,884 for Pedestrian Improvements
b. Authorize Revenue and Expenditure Budget Adjustments in the Amount of \$62,884 in the Adopted Fiscal Year 2020/21 Capital Improvement Program (CIP) Budget for the Curb, Gutter, and Sidewalk Maintenance Project (Project 813-9921)

RECOMMENDATION:

Staff recommends that the Town Council authorize the following actions:

- a. Adopt a resolution (Attachment 1) authorizing the Town Manager to file an application for the 2021/22 Metropolitan Transportation Commission (MTC) Transportation Development Act (TDA) Article 3 funds in the amount of \$62,884 for pedestrian improvements; and
- b. Authorize revenue and expenditure budget adjustments in the amount of \$62,884 in the Adopted Fiscal Year 2020/21 Capital Improvement Program (CIP) Budget for the Curb, Gutter, and Sidewalk Maintenance project (Project 813-9921)

BACKGROUND:

The Santa Clara Valley Transportation Authority (VTA) issued a call for bicycle and pedestrian projects on March 8, 2021 for the TDA Article 3 funding program. The project application and the resolution are due to VTA by the end of June. VTA staff will review the project proposals for eligibility, completeness, and compliance. The resulting County-wide list of projects will be reviewed by the VTA Advisory Committees before adoption by the Board of Directors and subsequently forwarded to the MTC.

PREPARED BY: Ying Smith
Transportation and Mobility Manager

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, Finance Director, and Parks and Public Works Director

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SUBJECT: Resolution Authorizing the Town Manager to File an Application for the
2021/22 Transportation Development Act (TDA) Article 3 Funds

DATE: May 13, 2021

BACKGROUND (continued):

The portion of TDA funds that the Town is eligible for is calculated based on population. The Town has been given a “guarantee” share of \$62,884, which includes banked funds from Fiscal Year 2020/21.

DISCUSSION:

The TDA Article 3 program provides the greatest flexibility in the use of funds among all bicycle and pedestrian funding programs. Eligible uses include construction and/or engineering of a bicycle or pedestrian capital project, maintenance of a multi-purpose path which is closed to motorized traffic, bicycle safety education programs, and development of comprehensive bicycle or pedestrian facilities plans.

Town staff considered several options for use of the funds, including banking it for additional years. Staff is recommending allocating the TDA funds for pedestrian improvements. If approved, the project scope would include the engineering and construction costs for high-visibility crosswalks, Americans with Disabilities Act (ADA) compliant curb ramps, and other pedestrian improvements at multiple locations. The eligible improvements overlap well with those in the Town’s Curb, Gutter, and Sidewalk Maintenance project, which is an ongoing annual project for the repair and replacement of hazardous and non-compliant curbs, gutters, and sidewalks throughout Town to enhance pedestrian and bicyclist accessibility and safety.

The level of repair and maintenance performed in any given year has been limited by available annual funding from the General Fund Reserve (GFAR). Funds are utilized predominantly to address locations where paving projects create a requirement for curb ramps and curb and gutter repair. Allocating additional funds to an existing project would provide greater flexibility and efficiency in carrying out the design and construction activities.

CONCLUSION:

Staff recommends that the Council adopt a resolution authorizing the Town Manager to file an application for the 2021/22 TDA Article 3 funds in the amount of \$62,884 to fund pedestrian improvements. Staff further recommends that the TDA funds be allocated to the Curb, Gutter, and Sidewalk Maintenance project (Project 813-9921) by a revenue budget adjustment.

COORDINATION:

This report was coordinated with the Finance Department and the Complete Streets and Transportation Commission.

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SUBJECT: Resolution Authorizing the Town Manager to File an Application for the
2021/22 Transportation Development Act (TDA) Article 3 Funds

DATE: May 13, 2021

FISCAL IMPACT:

If Council approves this item, the Town will receive grant revenue of \$62,884 for the eligible expenses in the Curb, Gutter, and Sidewalk Maintenance project.

ENVIRONMENTAL ASSESSMENT:

The requested action is not considered a project defined under the California Environmental Quality Act (CEQA).

Attachment:

1. Draft Resolution - Request to the Metropolitan Transportation Commission for the allocation of Fiscal Year 2021/22 Transportation Development Act Article 3 Pedestrian/Bicycle project funding.

RESOLUTION 2021-

**RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS
REQUEST TO THE METROPOLITAN TRANSPORTATION COMMISSION
FOR THE ALLOCATION OF FISCAL YEAR 2021/22 TRANSPORTATION DEVELOPMENT ACT
ARTICLE 3 PEDESTRIAN/BICYCLE PROJECT FUNDING**

WHEREAS, Article 3 of the Transportation Development Act (TDA), Public Utilities Code (PUC) Section 99200 et seq., authorizes the submission of claims to a regional transportation planning agency for the funding of projects exclusively for the benefit and/or use of pedestrians and bicyclists; and

WHEREAS, the Metropolitan Transportation Commission (MTC), as the regional transportation planning agency for the San Francisco Bay region, has adopted MTC Resolution No. 4108, Revised, entitled "Transportation Development Act, Article 3, Pedestrian/Bicycle Projects," which delineates procedures and criteria for submission of requests for the allocation of "TDA Article 3" funding; and

WHEREAS, MTC Resolution No. 4108, Revised requires that requests for the allocation of TDA Article 3 funding be submitted as part of a single, countywide coordinated claim from each county in the San Francisco Bay region; and

WHEREAS, the **TOWN OF LOS GATOS** desires to submit a request to MTC for the allocation of TDA Article 3 funds to support the projects described in Attachment B to this resolution, which are for the exclusive benefit and/or use of pedestrians and/or bicyclists; and

BE IT FURTHER RESOLVED that the **TOWN OF LOS GATOS** declares it is eligible to request an allocation of TDA Article 3 funds pursuant to Section 99234 of the Public Utilities Code, and

BE IT FURTHER RESOLVED, that there is no pending or threatened litigation that might adversely affect the project or projects described in Attachment B to this resolution, or that might impair the ability of the **TOWN OF LOS GATOS** to carry out the project; and

BE IT FURTHER RESOLVED that the **TOWN OF LOS GATOS** attests to the accuracy of and approves the statements in Attachment A to this resolution; and

BE IT FURTHER RESOLVED that a certified copy of this resolution and its attachments, and any accompanying supporting materials shall be forwarded to the congestion management agency, countywide transportation planning agency, or county association of governments, as the case may be, of COUNTY OF SANTA CLARA for submission to MTC as part of the countywide coordinated TDA Article 3 claim.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California, held on the 18th day of May 2021 by the following vote:

COUNCIL MEMBERS:

AYES:

NAYS:

ABSENT:

ABSTAIN:

SIGNED:

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA
DATE: _____

ATTEST:

TOWN CLERK OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA
DATE: _____

Attachment A

Re: Request to the Metropolitan Transportation Commission for the Allocation of Fiscal Year **2021/22** Transportation Development Act Article 3 Pedestrian/Bicycle Project Funding

Findings

1. That the **TOWN OF LOS GATOS** is not legally impeded from submitting a request to the Metropolitan Transportation Commission for the allocation of Transportation Development Act (TDA) Article 3 funds, nor is the **TOWN OF LOS GATOS** legally impeded from undertaking the project(s) described in "Attachment B" of this resolution.
2. That the **TOWN OF LOS GATOS** has committed adequate staffing resources to complete the project(s) described in Attachment B.
3. A review of the project(s) described in Attachment B has resulted in the consideration of all pertinent matters, including those related to environmental and right-of-way permits and clearances, attendant to the successful completion of the project(s).
4. Issues attendant to securing environmental and right-of-way permits and clearances for the projects described in Attachment B have been reviewed and will be concluded in a manner and on a schedule that will not jeopardize the deadline for the use of the TDA funds being requested.
5. That the project(s) described in Attachment B comply with the requirements of the California Environmental Quality Act (CEQA, Public Resources Code Sections 21000 et seq.).
6. That as portrayed in the budgetary description(s) of the project(s) in Attachment B, the sources of funding other than TDA are assured and adequate for completion of the project(s).
7. That the project(s) described in Attachment B are for capital construction and/or final design and engineering or quick build project; and/or for the maintenance of a Class I bikeway which is closed to motorized traffic and/or Class IV separated bikeway; and/or for the purposes of restriping Class II bicycle lanes; and/or for the development or support of a bicycle safety education program; and/or for the development of a comprehensive bicycle and/or pedestrian facilities plan, and an allocation of TDA Article 3 funding for such a plan has not been received by the **TOWN OF LOS GATOS** within the prior five fiscal years.
8. That the project(s) described in Attachment B which are bicycle projects have been included in a detailed bicycle circulation element included in an adopted general plan, or included in an adopted comprehensive bikeway plan (such as outlined in Section 2377 of the California Bikeways Act, Streets and Highways Code section 2370 et seq.) or responds to an immediate community need, such as a quick-build project.
9. That any project described in Attachment B bicycle project meets the mandatory minimum safety design criteria published in the California Highway Design Manual or is in a National Association of City and Transportation Officials (NACTO) guidance or similar best practices document.
10. That the project(s) described in Attachment B will be completed in the allocated time (fiscal year of allocation plus two additional fiscal years).
11. That the **TOWN OF LOS GATOS** agrees to maintain, or provide for the maintenance of, the project(s) and facilities described in Attachment B, for the benefit of and use by the public.

Attachment B

TDA Article 3 Project Application Form

Fiscal Year of this Claim: FY2021/22 Applicant: Town of Los Gatos

Contact person: Ying Smith, Transportation and Mobility Manager

Mailing Address: Parks & Public Works, 41 Miles Avenue, Los Gatos CA 95030

E-Mail Address: YSmith@LosGatosCA.gov Telephone: (408) 827-3550

Secondary Contact (in event primary not available) Matt Morley

E-Mail Address: MMorley@losgatosca.gov Telephone: 408-399-5774

Project Title (Short Description): FY2021/22 Pedestrian Improvements

Amount of claim: \$62,884

Description of Overall Project:

Install high-visibility crosswalks, ADA-compliant curb ramps, and other pedestrian improvements at multiple locations. The Town will complete CEQA clearance upon the completion of the design phase, with improvement locations identified. It is estimated that the design will be completed in early 2022 and the construction will occur in spring and summer of 2022.

Project Scope Proposed for Funding: (Project level environmental, preliminary planning, and ROW are ineligible uses of TDA funds.)

Install high-visibility crosswalks, ADA-compliant curb ramps, and other pedestrian improvements at multiple locations. Project phases will include PS&E and construction.

Project Budget and Schedule

Project Phase	TDA 3	Other Funds	Total Cost	Estimated Completion (month/year)
ENV			-	
PA&ED			-	
PS&E	10,000		10,000	Dec-21
ROW			-	
CON	52,884		52,884	Dec-22
Total Cost	62,884	-	62,884	Dec-22

Project Eligibility:	YES?/NO?
A. Has the project been approved by the claimant's governing body? (If "NO," provide the approximate date approval is anticipated).	Yes May 18, 2021
B. Has this project previously received TDA Article 3 funding? If "YES," provide an explanation on a separate page.	No

C. For "bikeways," does the project meet Caltrans minimum safety design criteria pursuant to Chapter 1000 of the California Highway Design Manual? (Available on the internet via: http://www.dot.ca.gov).	N/A
D. Has the project been reviewed by the Bicycle and Pedestrian Advisory Committee? (If "NO," provide an explanation).	Yes
E. Has the public availability of the environmental compliance documentation for the project (pursuant to CEQA) been evidenced by the dated stamping of the document by the county clerk or county recorder? (required only for projects that include construction).	No CE will be filed.
F. Will the project be completed before the allocation expires? Enter the anticipated completion date of project (month and year) _____	Yes Dec. 2021
G. Have provisions been made by the claimant to maintain the project or facility, or has the claimant arranged for such maintenance by another agency? (If an agency other than the Claimant is to maintain the facility provide its name: _____)	Yes



**TOWN OF LOS GATOS
TOWN COUNCIL REPORT**

MEETING DATE: 05/18/2021

ITEM NO: 5

DATE: May 12, 2021
TO: Mayor and Town Council
FROM: Robert Schultz, Town Attorney
SUBJECT: Authorize the Town Manager to Execute Agreements with Burke, Williams & Sorensen, Richards Watson & Gershon, and the Renne Public Law Group, for Independent Police Auditor Investigation Services.

RECOMMENDATION:

Staff recommends that the Town Council authorize the Town Manager to execute agreements with Burke, Williams & Sorensen, Richards Watson & Gershon and the Renne Public Law Group, for Independent Police Auditor Investigation Services.

BACKGROUND:

On September 8, 2020, the Town hosted a Community Workshop regarding Police practices and subsequently potential changes were reviewed and discussed with community input at the September 15, 2020 and November 3, 2020 Town Council meetings. At the November 3, 2020 Council meeting, the Los Gatos Town Council unanimously authorized the Town Manager to establish an Independent Police Auditor (IPA) function.

On February 19, 2021, the Town issued a Request for Qualifications (RFQ) for Independent Police Auditor Investigation Services. The RFQ was made available on the Town's website and several firms specializing in conducting workplace investigations were contacted and informed about the RFQ. Five firms submitted qualifications and the submittals were reviewed and evaluated by the Town Attorney and Retired Judge Ladoris Cordell. Each proposal was ranked on specific criteria, including experience conducting workplace investigations, past and present experience with similar clients, pricing, and responses to the required information requested in the RFQ.

PREPARED BY: Robert Schultz
Town Attorney

Reviewed by: Town Manager and Assistant Town Manager

PAGE 2 OF 2

SUBJECT: Authorize the Town Manager to Execute Agreements with Burke, Williams & Sorensen, Richards Watson & Gershon and the Renne Public Law Group, for Independent Police Auditor Investigation Services

DATE: May 12, 2021

DISCUSSION:

The Town Attorney and Retired Judge Ladoris Cordell recommend that the Town execute agreements with three of the five firms that submitted proposals for Independent Police Auditor Investigation Services. The firms selected are Burke, Williams & Sorensen (Proposal Attachment 1), Richards Watson & Gershon (Proposal Attachment 2) and the Renne Public Law Group (Proposal Attachment 3). Each of these firms have substantial experience in conducting workplace investigations. The rates of each firm are competitive with other firms and each firm has the best depth of services and experience suited for the Town's needs. The three qualified law firms will serve on a rotating basis to independently investigate complaints submitted by the public or Town employees. The Town Attorney's Office would monitor the legal work and engage each firm on a as needed basis.

The draft agreements with Burke, Williams & Sorensen, Richards Watson & Gershon and the Renne Public Law Group (Attachment 4) are for a 3-year term.

COORDINATION:

This report was coordinated through the Town Manager's Office, the Police Chief's Office, and the Finance Department.

FISCAL IMPACT:

The agreements to be awarded are for a term of three years. Funds are available in the Fiscal Year (FY) 2020/21 Adopted Budget. Funds of \$50,000 are included in the FY 2021/22 budget. Budget authority for subsequent budget years will be requested in each annual budget for Council approval. Future funding is contingent upon Council approval and budget adoption.

CONCLUSION:

Staff recommends that the Town Council authorize the Town Manager to execute agreements with Burke, Williams & Sorensen, Richards Watson & Gershon and the Renne Public Law Group, for Independent Police Auditor Investigation Services.

ATTACHMENTS:

1. Burke, Williams & Sorensen Proposal
2. Richards Watson & Gershon Proposal
3. Renne Public Law Group Proposal
4. Draft Agreements



Proposal to Provide Independent
Police Auditor Investigation
Services to the

TOWN OF LOS GATOS

Proposed Lead Attorney
Timothy L. Davis

Burke, Williams & Sorensen, LLP
60 South Market Street, Suite 1000
San Jose, CA 95113-2336

p: 408.606.6317 | e: tdavis@bwslaw.com

Submitted March 10, 2021



March 10, 2021

Via email to manager@losgatosca.gov

Laurel Prevetti
Town Manager
Town of Los Gatos
110 E. Main Street
Los Gatos, California 95030

Re: Statement of Qualifications to Provide Independent Police Auditor Investigation
Services to the Town of Los Gatos

Dear Ms. Prevetti:

On behalf of Burke, Williams & Sorensen, LLP ("Burke"), I am pleased to submit this response to the Request for Qualifications issued by the Town of Los Gatos ("Town"). Burke is extremely interested in the possibility of providing independent police auditor investigation services to the Town.

Burke was founded in 1927, and is a diverse, dynamic, and preeminent public law firm. For nearly 80 years, the representation of public agencies has been the cornerstone of Burke's legal practice. The firm currently serves the legal needs of over 200 local governmental entities, including cities, counties, joint powers authorities, and water and school districts. We take pride in our long-standing tradition of providing excellent legal services at reasonable rates and believe our team at Burke offers the depth, expertise, and commitment that the Town seeks from its counsel. Ours is a rich tradition of providing high quality advice and services to public agencies. We are prepared to work closely with you in budgeting, performing, reporting on, and updating the legal services you need.

Our background and experience in conducting workplace investigations is extensive. We have conducted investigations in response to internal grievances and complaints, inquiries by state and federal agencies, and complaints of misconduct filed by members of the public. We have also conducted investigations for public agencies that involved high-level employees, elected officials, and political issues, as well as conducting administrative or personnel investigations in the private sector.

As described in the attached materials, we propose that Sally Trung Nguyen and I serve as investigators. Sally and I each have significant experience handling complex workplace investigations involving both sworn and non-sworn employees.

Laurel Prevetti
March 10, 2021
Page 2

We have reviewed the Town's contract template and do not have any exceptions or requested changes to the contract provisions.

Thank you for considering us. If you have any questions regarding this proposal, or if you would like additional information, please feel free to contact me at the number listed above. I look forward to hearing from you.

Very truly yours,

Burke, Williams & Sorensen, LLP



Timothy L. Davis
Partner and Chair
Labor and Employment Law Practice Group

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SCOPE OF SERVICES

We understand that each complaint is different and can lend itself to a different investigatory approach. Because of this, we will tailor each investigation to the needs of the Town. Our attorneys will familiarize themselves with any internal investigation protocols to ensure that the investigation complies not only with the special statutory and due process requirements for those employees, but also with the Town's internal procedures.

We will work directly with the Town to identify the best investigator(s) and to determine the appropriate process for each investigation. Ultimately, Burke will always strive to provide the best service to the Town at the most reasonable cost.

While the details of each investigation process may vary, there are some general approaches that will be followed in every investigation. Each investigation will begin with appropriate fact-gathering, including the review of relevant Town policies and procedures, review of relevant records and evidence, and interviews of the complaining employee(s), any witnesses, and the accused employee(s).

In keeping with any applicable legal or Town standards, Burke attorneys develop interview admonitions that are provided to all witnesses which cover topics such as confidentiality of interview (to the extent allowed by law), right to representation, and no retaliation. When necessary, each investigator will make credibility assessments of the witnesses and involved parties. In order to assess credibility and make findings of fact, we conduct in-person interviews unless circumstances are such that a telephonic interview is the only option available.

We have interviewed dozens of represented and unrepresented employees and are familiar with sources of representation rights. We will inquire into and adhere to any standard practices or contractual obligations that the Town may have with respect to representation. Further, our attorney investigators are familiar with the procedural requirements of the POBRA and FBRA, and will adhere to all necessary legal requirements for police and fire employees.

The assigned attorney may or may not use a digital recorder during an investigation, depending on the circumstances of the investigation. When utilizing a recorder, Burke's standard practice is to have working transcripts of those recordings created internally. We do not routinely provide transcripts or recordings of interviews (unless required to do so by law), but instead provide summaries of those interviews. Exceptions to this standard practice can be evaluated on a case-by-case basis.

After fact-gathering has been completed, the assigned attorney(s) will analyze all information gathered and provide a comprehensive written report of findings of fact to the individual designated as the point of contact by the Town. Our reports will be limited to making factual determinations. At the request of the Town, we can also evaluate whether any applicable Town rule or policy has been violated. We do not make legal findings or recommendations for discipline or any related issues.

At the request of the Town, we can meet with appropriate staff or officials to present our findings.

We are also mindful of confidentiality and privilege issues, and our retainer is specially drafted to establish the attorney-client privilege pursuant to *City of Petaluma v. Superior Court*. Our team of attorney investigators will be sensitive to privilege and confidentiality throughout the investigation process. We are also committed to being responsive, timely, and will keep you updated throughout the investigation.

EXPERIENCE AND EXPERTISE

Members of Burke's Labor and Employment Law Practice Group understand the frequent and unique challenges facing public entity employers in California. Burke's employment attorneys have been providing public sector investigative services for over 25 years.

Because Burke's employment attorneys regularly oversee workplace investigations by outside investigators, interact with union representatives, advise on discipline and remedial measures stemming from misconduct investigations, represent employers in disciplinary appeals, and defend investigations in litigation, we bring critical experience and perspective to performing timely, high-quality investigations that will withstand subsequent scrutiny.

Our background and experience in conducting workplace investigations is extensive. Our investigations have involved allegations of workplace harassment, discrimination and retaliation, threats of violence, inappropriate or unlawful hiring practices, bullying, insubordination and conduct unbecoming, whistleblower retaliation, general workplace misconduct, and conflict of interest, among other issues. We have conducted investigations in response to internal grievances and complaints, inquiries by state and federal agencies, and complaints of misconduct filed by members of the public.

Burke attorneys are familiar with investigations that require compliance with special rules for peace officers and firefighters and the unique procedural rights that apply to investigations involving public employees. We are always mindful of statutory deadlines, representation considerations, proper admonitions, and other procedural and substantive considerations.

Our experience includes investigations for public agencies involving high-level employees, elected or appointed officials, and sensitive personnel and political issues. We have also been involved in multi-party investigations, and we are well-equipped to handle the complications involved when there are cross-allegations made during investigations.

Additionally, our attorneys regularly teach Human Resource Professionals and other in-house investigators on appropriate investigation techniques and preparing effective investigation reports.

We offer the investigatory skills of very experienced labor and employment attorneys with knowledge and expertise of investigations of workplace misconduct of all types.

A copy of an actual investigative report written by Tim and Sally is included as Attachment C to this proposal.

QUALIFICATIONS OF KEY PERSONNEL

We are committed to keep the same personnel throughout the Project and propose that Timothy Davis and Sally Nguyen serve as investigators. Tim is an owner of the firm and has been with Burke since 1994. Sally is a partner who joined the firm in 2018.

Timothy L. Davis

Timothy Davis is an equity partner of Burke and serves as Chair of Burke's Labor and Employment Law Practice Group. He has been with Burke his entire legal career, starting at the firm as a summer clerk. Tim has handled internal investigations of employment complaints involving discrimination and harassment, as well as grievances. He also trains Human Resources professionals and managers regarding proper investigation techniques.

Tim is an experienced workplace investigator, who has handled complex and high-profile investigations. For example, Tim, along with Katy Suttorp, was retained to conduct an investigation for a public agency into ten concurrent allegations of race harassment and discrimination, including three employees who had submitted their complaints to the Department of Fair Employment and Housing. One employee pursued her DFEH complaint and lawsuit against the agency, and Tim was called upon to defend their investigative work during deposition. Tim and Katy were retained a second time to investigate additional allegations of race discrimination in the agency's hiring practices.

In June 2012, the City of Oakland retained Tim to conduct internal affairs investigations for the Oakland Police Department in response to Occupy Oakland related protests in October 2011. The protests led to confrontations between protesters and the police and resulted in 1,127 citizen complaints alleging excessive use of force and other policy violations. To assist with the significant influx of cases and meet a court imposed deadline to complete the investigations, the Police Department organized the complaints into 150 different cases and assigned 16 cases with over 20 complainants to the Burke team. With only three months to complete the investigations, the Burke team followed the Police Officers Bill of Rights requirements and identified potential rule violations, noticed and interviewed a total of 60 subject and witness officers, analyzed every alleged use of force by Oakland police officers at different locations and times, including use of specialty impact less lethal munitions, chemical agents, and long batons, and brought to findings all allegations of use of force. As part of the investigations, the Burke team also analyzed collateral policy issues relating to use of force in crowd control situations and made training and policy recommendations for future crowd management and police planning.

Tim's practice also includes development of personnel rules and policies including discipline and grievance procedures, and the investigation of grievances. He advises management clients on labor and employment law compliance matters. He has also served as legal adviser during grievance proceedings. Additionally, Tim has negotiated numerous labor agreements between cities and their employee groups, including police, fire, general employees, and management groups. He currently serves as lead negotiator in collective bargaining for the cities of San Diego, Roseville, Santa Cruz, San Rafael, and Tracy, as well as the Santa Cruz Port District, and he has advised numerous other public agencies throughout the state of California on

collective bargaining issues. An experienced litigator, his reported decisions include *Alhambra Police Officers Association v. City of Alhambra*, (2003) 113 Cal.App.4th, 413.

Tim received his B.A. degree cum laude in Integral Studies from Saint Mary's College of California in 1992 and his J.D. degree from the University of the Pacific, McGeorge School of Law in 1995.

Sally Trung Nguyen

Sally Nguyen is an income partner and a member of the firm's Labor and Employment Law Practice Group. She has been practicing exclusively labor and employment law for over a decade. She frequently handles work-related investigations involving both sworn and non-sworn employees. She has successfully completed the Association of Workplace Investigators' (AWI) Training Institute for Workplace Investigations and earned her AWI Certificate (AWI-CH).

Sally has conducted a wide-variety of workplace investigations, including complex matters involving numerous complainants and subjects. Recently, Sally conducted an investigation for a public agency involving four complainants alleging, collectively and separately, sex discrimination and abusive conduct against one subject. Eighteen individuals were interviewed as part of that investigation. Shortly after that investigation concluded, the same public agency retained Sally to conduct another workplace investigation. The second investigation involved cross-complaints between a manager and subordinate, each alleging abusive conduct and personnel policy violations by the other.

In addition, Sally has conducted workplace investigations involving violations of a various department policies, race discrimination, sex discrimination, age discrimination, harassment, and retaliation. She regularly advises public agencies on the Public Safety Officers Procedural Bill of Rights, Weingarten rights, and the *Skelly* process. Sally has also advised public agencies on how to conduct workplace investigations that may involve potential crimes, including the *Garrity* and *Lybarger* warnings that must be provided. Moreover, Sally has represented public agencies in administrative proceedings concerning appeals of disciplinary actions taken against sworn officers and other employees.

Sally received her B.A. degree from the University of Berkeley in 2005 and her J.D. degree from the University of California, Hastings College of Law in 2009.

DISCLOSURE OF LITIGATION/DISCIPLINE

City of Industry v. Burke, Williams & Sorensen, LLP, LASC Case No. KC 068777 – The parties and insurer settled this matter in November 2019 and the settlement agreement is subject to a non-disclosure agreement.

Jane Doe v. Burke, Williams & Sorensen, LLP, LASC Case No. BC553797 – In 2014, plaintiff Doe filed a meritless class action complaint against Burke alleging various causes of action regarding its contingency fee agreement. Thereafter, in response to numerous adverse court rulings, the plaintiff filed three different amended complaints. The court ruled in favor of Burke and dismissed the class action portion of the third amended complaint. The case regarding the

individual plaintiff's action was stayed because it related to a separate legal action in which Burke was awarded substantial attorney's fees against the plaintiff. The plaintiff's appeal of the court's ruling in favor of Burke was denied on September 30, 2020 and the case is subject to a protective order. The stay in the individual plaintiff's action has been lifted now and the plaintiff has hired her fourth new attorney to pursue the matter. There is a status conference set for March 9, 2021.

REFERENCES & CERTIFICATION FORMS

Burke's completed Reference Form and Certification Forms are included as Attachment A.

INSURANCE

Burke maintains a comprehensive insurance program with high limits through carriers which are rated A or A+ by A. M. Best rating service. The General Liability Policy provides primary limits of \$1 Million per Occurrence, including Personal Injury, followed by a \$10 Million Umbrella Policy limit. Where indemnification is required, the firm's policy includes contractual liability, blanket additional insured pro-visions, primary and non-contributory wording, severability of interests, and blanket waiver of subrogation (applicable to the workers compensation policy also). As the firm owns no automobiles, liability coverage is written to include hired or non-owned autos which may be used by the firm or its employees.

The Lawyers Professional Indemnity program provides no less than \$5 Million in coverage for each claim and no less than \$10 Million in the aggregate for all claims made during the policy period in connection with acts by or on behalf of the firm by its attorneys, employees and others in the firm's capacity as Attorneys, Counselors at Law, or Notaries; subject to the policy's terms, conditions, exclusions and limitations.

FEE SCHEDULE

We believe that the rates quoted below are reasonable and competitive.

Hourly Rates

Staffing	Hourly Rate
Timothy L. Davis	\$350
Sally Trung Nguyen	\$325
Associate Attorneys	\$290

Adjustments

The rates for legal services quoted in this proposal will remain in effect for the first year of the contract. Thereafter, unless otherwise negotiated, rates may be adjusted based on a standard annual adjustment upon consultation with the Town Manager and approved by the Town

Council as part of the Council's standard budget adoption process, equal to the greater of the average Consumer Price Index for the previous four quarters or any across the board salary increase granted to represented management personnel within the district.

Reimbursements

We routinely charge our clients for our direct out-of-pocket expenses and costs incurred in performing the services. These costs and expenses commonly include such items as reproduction of documents, facsimile, mileage reimbursement for travel at the IRS approved rate, and other costs reasonably and necessarily incurred in performing services for the Town. We do not charge a service fee or overhead for cost reimbursement items. We also do not charge for computer or word processing time. Reimbursement amounts may be adjusted annually.

Expense	Rate
In-house reproduction charges	
black and white	20¢ per page
color	\$1 per page
Mileage	56¢ per mile (or current IRS rate)
Facsimile	\$1 per page
All other costs reasonably and necessarily incurred in performing services for the Town	at cost

Billing Format and Procedure

Bills are sent out each month invoicing charges for the prior month. Fees for our services are charged in increments of 1/10th of an hour. The bills provide a specific description of the work performed by all attorneys, the time actually spent on the work item, and the billing rate of the attorney. These bills also contain itemized descriptions of any out-of-pocket expenses incurred during the prior month.

ATTACHMENT B – RESUMES



Timothy L. Davis

Partner

Pronouns: he, him, his

Silicon Valley

60 South Market Street, Suite 1000
San Jose, California 95113

tdavis@bwslaw.com

408.606.6317 D
408.606.6300 T

Timothy Davis is a partner in Burke, Williams & Sorensen's Silicon Valley office and is Chair of the firm's Labor and Employment Law practice group.

PRACTICE GROUPS

Labor and Employment
Litigation
Public

EDUCATION

J.D., University of the Pacific, McGeorge School of Law, 1995

B.A., *cum laude*, Integral Studies, Saint Mary's College of California, 1992

ADMISSIONS

State Bar of California

United States District Court for the Central District of California

Tim has tried to verdict employment cases in both federal and state court, and has conducted over 70 employment arbitrations. Tim routinely defends employers in litigation matters in actions involving state and federal law, such as Title VII, the California Fair Employment and Housing Act, Americans with Disability Act, Age Discrimination and Employment Act, Family and Medical Leave Act, California Family Rights Act, California Pregnancy Disability Act, Public Safety Officers Procedural Bill of Rights, and wage and hour issues, including wage and hour class actions. He has represented employers in claims of wrongful termination, breach of fiduciary duty, breach of loyalty, unlawful interference with prospective economic advantage, unfair competition, and constitutional rights violations. His practice also includes the representation of employers before state, federal, and local administrative proceedings, including the Department of Labor, local civil service commissions, PERB, EEOC, and OSHA. Tim's reported decisions include *Alhambra Police Officers Association v. City of Alhambra*, (2003) 113 Cal.App.4th, 413.

Tim also represents both public and private employers as a lead negotiator during collective bargaining with their employee groups, including police, fire, general employees, and management groups. Additionally, his practice includes internal investigations of employment complaints involving discrimination and harassment, as well as the presentation of seminars on how to prevent discrimination and harassment and investigate allegations of discrimination and harassment. He also trains human resources professionals and managers regarding proper investigation techniques. His practice includes development of personnel rules and policies including discipline and grievance procedures, and the investigation of grievances. He advises management clients on labor and employment law compliance matters. He has also served as legal advisor during grievance proceedings.

Tim's commitment and experience in public law began in law school, where he co-authored the article, "Does a Public Law Attorney Owe a Duty to Third Parties?" which appeared in the Summer 1994 issue of the *Public Law Journal*.

RESULTS

- *Torrance et al. v. City of Alhambra*. Public Safety Officers Procedural Bill of Rights litigation. Prevailed at trial; employee writ and request for injunction denied; affirmed on appeal.
- *Flannagan v. City of Alhambra*. Police First Amendment litigation. Federal jury trial verdict for plaintiff limited to \$8,000 damages.

- *Alhambra Police Officers Association v. City of Alhambra*. Public Safety Officers Procedural Bill of Rights litigation. Prevailed at trial; affirmed on appeal.

Employment-Related Litigation

- *Tony Reeves v. City of Alhambra*. Race discrimination litigation. Prevailed on summary judgment.
- *Anthony Jones v. City of Alhambra*. Race discrimination litigation. Prevailed on summary judgment.
- *Earl Botke v. City of Alhambra*. Race discrimination litigation. Prevailed on summary judgment.
- *Alhambra Firefighters Association v. City of Alhambra*. Employment litigation. Prevailed on summary judgment.
- *Edith Lopez v. City of Alhambra*. Police discrimination litigation - race, gender, religion. Settled at mediation.
- *Isaac Amey v. City of South Gate, et al.* Race discrimination/ harassment litigation. Settled at mediation.
- *Sonia Clayton v. City of South Gate, et al.* Pregnancy and gender discrimination litigation. Settled after mediation.
- *Armando Castillo v. Ventura County Community College Dist.* Race and age discrimination litigation. Settled at mediation.
- *Ray Centeno v. Ventura County Community College District.* Race discrimination and harassment litigation. Settled at mediation.

Arbitrations Involving Public Employee Claims

- *Peter Nava v. City of Alhambra*. Wrongful termination arbitration. Prevailed at arbitration; employee writ denied; affirmed on appeal.
- *Daniel Humphreys v. City of Alhambra*. Wrongful termination arbitration. Prevailed at arbitration; employee writ denied.
- *Philip Sheriden v. City of Alhambra*. Wrongful termination. Prevailed at arbitration; employee writ denied.
- *Pfau v. City of Alhambra*. Employment arbitration. Prevailed at arbitration.
- *Jose Feliciano v. City of Glendale*. Wrongful demotion arbitration. Prevailed at arbitration.
- *Mike Briedert v. City of Santa Clarita*. Wrongful termination. Prevailed at arbitration.
- *R.P. Brar v. City of Banning*. Wrongful termination. Prevailed at arbitration; writ of mandate denied.
- *Cecelia Costlano v. City of Moorpark*. Wrongful suspension and wrongful termination. Prevailed at arbitration on both matters.
- *Celia Hernandez v. City of Moorpark*. Wrongful termination arbitration. Prevailed at arbitration.
- *Anthony Smith v. City of Chino Hills*. Wrongful termination arbitration. Prevailed at arbitration.
- *Michael Johnson v. Port Hueneme*. Wrongful termination arbitration. Prevailed at arbitration.
- *John Harbor v. City of Santa Paula*. Wrongful termination. Prevailed at arbitration.
- *Larry Blinn v. Port Hueneme*. Wrongful termination. Prevailed at arbitration.
- *Israel Reyes v. Port Hueneme*. Wrongful termination. Prevailed at arbitration.
- *Myrna Kassack v. City of Hemet*. Termination. Prevailed at arbitration; upheld on writ before in Superior Ct.

INSIGHTS

Presentations

“Health Insurance Opt-Outs After the Affordable Care Act and Flores v. City of San Gabriel Decision,” County Counsels' Association of California Employment Law Conference, Santa Barbara, November 2016

“Essentials of Workplace Investigations,” CALPELRA Annual Training Conference, Monterey Conference Center, November 2016

“Firefighters Procedural Bill of Rights and the Police Officer Bill of Rights: At the Intersection of Labor Relations and POBR/FPBRA,” CALPELRA Annual Training Conference, Monterey Conference Center, October 2015

“Going with the Flow: Managing Multiple Bargaining Units to Obtain Optimal Settlements,” CALPELRA Annual Training Conference, Monterey Conference Center, November 2014

“Preparing for Factfinding: Tools to Navigate the Impasse Process Under the MMBA,” CALPELRA Annual Training Conference, Monterey Conference Center, November 20, 2013

“Preparing for Factfinding: Tools to Navigate the Impasse Process Under the MMBA,” County Counsels Association of California Employment Law Fall Conference, November 7, 2013

“Negotiating Changes to Pension Benefits,” San Diego Taxpayers Association, September 12, 2013

“Predict a Better Future: Dealing with Difficult Employees,” 2013 Western Region IPMA Annual Training Conference, May 1, 2013

“Creating Effective Documentation,” California Joint Powers Insurance Authority's Human Resources Academy, April 23, 2013



Sally Trung Nguyen

Partner

Pronouns: she, her, hers

Silicon Valley

60 South Market Street, Suite 1000
San Jose, California 95113

snguyen@bwslaw.com

408.606.6311 D
408.606.6300 T

PRACTICE GROUPS

Labor and Employment

EDUCATION

J.D., University of California, Hastings College of the Law, 2009

B.A., University of California, Berkeley 2005

ADMISSIONS

State Bar of California

State Bar of New York

United States District Court for the Northern District of California

United States District Court for the Central District of California

United States District Court for the Eastern District of California

AFFILIATIONS

Association of Workplace Investigators

National Association of Women Lawyers

Vietnamese American Bar Association of Northern California

RECOGNITIONS

Selected to Northern California Super Lawyers, Rising Stars 2015-2019

First Place Team, 2008 International Academy of Dispute Resolution Mediation Competition

Sally Trung Nguyen is a partner in the firm’s Silicon Valley office and is a member of Burke’s Labor and Employment Practice Group. She is experienced in handling a wide-range of labor and employment disputes, including wage and hour compliance (individual and collective actions), employment discrimination, harassment, retaliation, FMLA/CFRA, and disability accommodations.

Sally has devoted her legal career to helping others resolve their disputes and has a special affinity in representing clients in labor and employment law matters. She regularly provides advice and counseling to management pertaining to labor and employment law compliance, as well as serves as the lead negotiator for various agencies. She also frequently handles investigations concerning allegations of, among other things, harassment, discrimination, retaliation, abusive conduct, and policy violations. Additionally, she regularly reviews investigation files and advises management on appropriate and strategic remedial actions. She has successfully completed the AWI’s Training Institute for Workplace Investigations and earned her AWI Certificate (AWI-CH).

Prior to joining Burke, Sally worked at multiple law firms in the San Francisco Bay Area where she represented clients in individual and class action employment cases in state, federal, and administrative proceedings before the California Division of Labor Standards Enforcement (DLSE), the California Department of Fair Employment and Housing (DFEH), and the Equal Employment Opportunity Commission (EEOC). In addition, Sally has earned a mediation certificate with Community Boards.

INSIGHTS

Presentations

“How to Document an Employee File,” Webinar, December 19, 2017

“Maternity and Pregnancy Legal Rights Program,” San Jose, CA, September 10, 2016

Monthly Radio Segments on Various Worker’s Rights Topics, Viet Tribune, San Jose, 2013-2014

Town of Los Gatos

Statement of Qualifications for Independent Police Auditor Investigation Services

March 10, 2021

Dave Fleishman

847 Monterey Street, Suite 206
San Luis Obispo, California 93401
Telephone: 805.706.0962
Email: dfleishman@rwglaw.com



In Your Community
At Your Side

March 10, 2021

VIA EMAIL: manager@losgatosca.gov

Laurel Prevetti
Town Manager
Town of Los Gatos
Town Manager's Office
110 East Main Street
Los Gatos, California 95030

Re: ***Town of Los Gatos Independent Police Auditor Investigation Services***

Dear Ms. Prevetti:

Richards Watson & Gershon (RWG) is pleased to submit this proposal in response to the Town of Los Gatos' Request for Qualifications for Independent Police Auditor Investigation Services.

Dave Fleishman is proposed to serve as lead counsel and primary contact for the Town. Dave has previously provided investigation services for the Town's police and public works departments. Dave will be supported by Rebecca Green and will provide the Town with high-quality, proactive, and cost-efficient legal services.

Our contact information is as follows:

Richards, Watson & Gershon
847 Monterey Street, Suite 206
San Luis Obispo, California 93401
Main: 805.706.0962
Fax: 800.552.0078

Richards, Watson & Gershon
350 South Grand Avenue, 37th Floor
Los Angeles, California 90071
Main: 213.626.8484
Fax: 213.626.0078

Dave Fleishman
Lead Attorney and Point of Contact
Phone: 805.706.0962
E-mail: dfleishman@rwglaw.com

Kayser O. Sume
Chairman, Board of Directors
Phone: 213.626.8484
E-mail: ksume@rwglaw.com

Contract Exceptions:

We have reviewed the sample agreement and would request the following modifications in a final agreement:

Indemnity: In Section 3.4, we request that “willful or negligent act” be changed to “willfully wrongful or negligent act.” In addition, we would request modifications to clarify that RWG’s obligations only apply to the extent that damages, etc., are caused by RWG’s errors or omissions.

Termination: We request a minor revision to incorporate a mutual right of termination without cause.

Compensation: We would request modification to clarify that the “Not-To-Exceed” provisions are not intended to convert the contract to a “flat-fee” basis for all services under the contract.

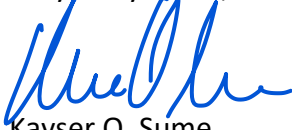
Insurance: In Section 3.2 All Coverages, the sample agreement states: “Each insurance policy required in this item shall be endorsed to state that coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Town. Current certification of such insurance shall be kept on file at all times during the term of this agreement with the Town Clerk.”

We request this section be revised to reflect the following:

Our insurance carriers will provide cancellation notice only. Our professional liability carriers will not provide any notice to third parties, as this insurance is designed to protect the Firm. The cancellation notice provided by the Firm’s general liability, auto and workers comp carriers will be delivered via regular US mail. The 30-day notice of cancellation will not be provided in the event of non-payment of premium. Instead, a ten (10) day notice of non-payment of premium will be provided.

We believe that the highly qualified team we are proposing, backed by RWG’s extensive resources, would provide exceptional representation to the Town and we look forward to discussing our proposal with you. If you have any questions or comments, please do not hesitate to contact us.

Very Truly Yours,

A handwritten signature in blue ink, appearing to read "Kayser O. Sume".

Kayser O. Sume
Chairman, Board of Directors

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Attachment 2 Non-Collusion Declaration

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Insurance Acknowledgement Certificate

Attachment 5 Sample Consultant Services Agreement

Scope of Services and Work Plan

Understanding of Requirements

We have read and understand the requirements in the Request for Proposal and scope of services and we have the legal expertise and skills to provide employment and labor law services to the Town.

RWG has the broad experience necessary to address virtually any legal problem and the depth of personnel to do so quickly, efficiently, and expertly. We are known for resolving difficult issues with creative solutions under the highest standards of professionalism and ethics. We understand that identifying legal issues and constraints is only the first part of the job of representing our clients, because finding effective solutions is the final measure of success.

Technical Capabilities

We have 24-hour access to electronic mail, the Internet, video conferencing, database services, and legal research facilities, as well as word processing and other computer-based automation tools. Using the latest technology, we are able to stay in immediate contact with our clients and with one another to provide economical and timely delivery of legal services.

We have administrative help with word processing and printing, which minimizes the amount of time attorneys spend on clerical matters. We also have the ability to scan seals, logos, and other graphics, so that, with permission, they can be embedded into documents we prepare, eliminating the need for later merges or reprints by the client. We transmit and receive documents to and from clients in a number of ways, including emails with PDF or Word attachments. Clients always should feel free to pick up the telephone, send an email, or request a meeting to ask a question or request written advice. We pride ourselves on fast and efficient communication with our clients.

Work Plan

At the beginning of any engagement, we would be pleased to meet with Town staff to introduce our team, discuss the Town's needs, and secure any relevant background information. Depending on the nature and the volume of work that is anticipated, we will want to discuss the Town's desired communication methods and frequency to keep Town personnel informed of work status. When specific assignments are made and lend themselves to a plan, we can suggest a plan for discussion or Town approval. Discreet inquiries or small projects that are completed quickly will be handled without a work plan to reduce the Town's legal costs.

When it comes to interactions with the Town Manager, Town Attorney, and senior management team, we regard accessibility and responsiveness as two of the most critical factors in the provision of legal services. Our proposed members of the team can be reached by telephone, mobile phone, and email, including when the attorney is out of the office or traveling. It is our practice to be available to clients on a very short notice. Furthermore, we take pride in our ability to completely and accurately respond to assignments and inquiries within whatever reasonable time constraints are imposed and to manage our cases with extensive client communication and input.

Expertise and Experience

Six Decades of Service

Founded in 1954, RWG employs a dedicated team of lawyers who specialize in the representation of public entities of all types. We take an interdisciplinary approach to the challenges faced by California public agencies. Our attorneys deliver practical and solution-oriented advice tailored to the unique needs of our public clients. We have built a reputation as the lawyers of choice for clients seeking reliable, efficient, and effective legal counsel to help achieve their goals.

A Premier Full-Service Firm

RWG is a premier, full-service law firm. While our proposal focuses on the labor and employment services addressed in the RFP, we represent clients in all types of matters, from constitutional law to tort litigation to real estate. The Firm previously has provided legal services for the Town on matters similar to those described in the RFP, as well as on other matters. This breadth of our practice areas provides a solid base for the practical labor and employment advice and representation we provide to clients. Throughout California, public, private, and non-profit entities rely on our Firm because we have assembled a large and diverse group of talented attorneys who are dedicated to providing top-quality legal services with a “client first” attitude and approach.

RWG has expertise in the wide variety of legal issues faced by our clients. We regularly represent our clients in advisory and transactional matters, investigative and administrative proceedings, and in litigation at all levels of the state and federal court systems. Our areas of expertise include:

- Brown Act
- CEQA
- Coastal Act
- Code Enforcement
- Conflicts of Interest
- Constitutional Law
- Elections
- Human Resources
- Labor Negotiations
- Landlord Tenant Law
- Municipal Law
- NPDES
- Police and Fire practices
- Public Finance
- Public Retirement
- Public Works
- Real Estate Law
- Tort Defense
- Transportation Law
- Water Law
- Writs and Appeals

Demonstrated Experience

The Firm's Labor and Employment Law Department represents employers in all aspects of the employment relationship. We offer a full range of labor and employment legal services in human resources administration, employment investigations, legal compliance, employer-employee relations, and employment litigation, including the following:

- Human resources administration, including work involving the application, interpretation, and updating of employee handbooks, compensation and benefits, and policy compliance. We also provide advice and representation in internal investigations and termination. We have conducted training programs covering performance evaluations, workplace investigations, family and medical leave programs, and harassment prevention. Recently our Labor and Employment Department has provided training programs on AB 5, the Brown Act, and Policy and Procedure Writing.
- Compliance with employment laws such as those governing wages and hours (FLSA, California Labor Code), equal employment (Title VII, FEHA, ADA, ADEA), protected leaves of absence (FMLA, CFRA, PDL, Kin Care, Labor Code, military leave), and other employee rights (privacy, whistleblower, Peace Officer Bill of Rights). We also have expertise in matters surrounding the COVID-19 pandemic, including the Families First Coronavirus Response Act, and ADA implications of COVID-19.
- Employee relations including labor negotiations, MOU administration, meet and confer issues, grievances, unfair labor practice charges, and grievance appeals. We work to remain flexible in providing the employee relations services that will best serve the specific client involved.
- Employment litigation, with the overall goal of labor and employment counseling to avoid litigation through a positive personnel program, preventive advice, and legally compliant procedures. When litigation is unavoidable, we have been very successful in defending the decisions of our clients in actions involving labor problems, alleged discrimination and

harassment, and challenges to disciplinary decisions. On behalf of our clients, we also appear in alternative dispute resolution proceedings, such as mediation and arbitration, as well as administrative proceedings before the California Department of Fair Employment and Housing (DFEH), and the U.S. Equal Employment Opportunity Commission (EEOC).

Investigative Reports

Dave has completed the following reports for the Town of Los Gatos. We have not included copies of these reports due to their confidential nature.

1. 2020 Los Gatos Police Department investigation involving allegations of misconduct by two police officers. (Report dated 10/14/2020)
2. 2019 Los Gatos Public Works Department investigation involving allegations of misconduct by a supervisor. (Report dated 9/11/2019)
3. 2016 Los Gatos Police Department investigation involving allegations of misconduct by a police officer. (Report dated 7/15/2016)

We have included a redacted copy of an investigative report completed by Rebecca Green as Exhibit B.

Team

RWG is committed to giving the Town the attention of our talented attorneys, and to delivering timely, high quality, and practical legal services on a cost-efficient basis. We believe that establishing a client service team at the outset of representation is an invaluable tool to ensure that the client's needs and service expectations are continuously met.

The following attorneys will serve as the primary attorneys to provide the legal services for the Town of Los Gatos as requested in the RFP, each of whom has confirmed his or her availability and willingness to provide the services requested.



Dave Fleishman | Lead Attorney and Point of Contact

847 Monterey Street, Suite 206
San Luis Obispo, California 93401-3263
Direct: 805.706.0962
E-mail: dfleishman@rwglaw.com

Dave has practiced extensively in the area of labor and employment law for both public and private employers. His practice has focused on the representation of public agencies in an advisory role as city attorney or general counsel in the areas of civil rights, Fair Labor Standards Act, wrongful termination, employment investigations, as well as in public entity defense litigation, including writs and appeals, public contracting, tort claims, and code enforcement. He has prosecuted a significant number of disciplinary and grievance appeal hearings on behalf of employers. He has served as lead negotiator for collective bargaining negotiations, and he has represented agencies in labor disputes. He also has represented private employers throughout California in wrongful termination, wage and hour, and other employment matters. Dave also has volunteered as a board member and officer for a number of non-profit corporations. He currently serves as the First Vice-President for the City Attorneys Department of the League of California Cities.



Rebecca Green | Senior Counsel

350 South Grand Avenue, 37th Floor
Los Angeles, California 90071
Direct: 213.253.0217
E-mail: rgreen@rwglaw.com

Rebecca is Chair of the Labor and Employment Department. She specializes in advisory matters and litigation, and has been practicing law for 14 years. She represents cities and public entities on labor and employment issues including hiring, compliance with state and federal laws, implementing personnel policies, preventing discrimination and harassment, providing reasonable accommodations, administering discipline and termination, and managing labor relations. Rebecca also assists in drafting employment contracts, separation agreements, and memoranda of understanding; conducts workplace investigations; and provides training to employers to ensure compliance with labor and employment laws.

- A seasoned trial attorney, Rebecca represents clients in labor and employment disputes, including in mediation, arbitration, administrative hearings, and litigation in state and federal court. Rebecca’s experience as a litigator gives her a unique insight into the prevention and negotiation of employment disputes, with an eye toward staving off litigation.
- Rebecca clerked for the Honorable Richard A. Paez on the United States Court of Appeals for the Ninth Circuit, and has been in private practice since then. Rebecca’s appellate-level clerkship has helped her write many winning appellate briefs.

In addition to the summaries above, resumes for the team are included as Exhibit A.

Disclosure of Litigation/Discipline

Neither RWG, nor any attorney while employed at RWG, has ever been disciplined by the California State Bar. Additionally, neither the Firm nor any attorney while employed at RWG has ever been successfully sued for malpractice. We are unaware of any complaints to the State Bar ever being made against any of our attorneys.

Pricing Proposal

Time incurred in providing legal services will be billed in increments of one-tenth of an hour. Our invoices provide detailed explanations of tasks performed, dates of work, and the name of the attorney that performed the work.

Fee Schedule

The proposed hourly billing rates for the core team members are as follows:

Attorney	Rate
Dave Fleishman	\$250
Rebecca Green	\$250

To the extent that the services of other Firm attorneys with specialized expertise are required, such services would be billed at a rate of \$250 per hour for all attorneys and \$155 per hour for paralegals.

Items Billed Separately

Items such as mileage, photocopying, messenger and delivery services, and legal research services will be billed separately at the rates detailed below.

Photocopying. Copies will be billed at five cents per page.

Mileage. RWG bills mileage at the standard rate established by the IRS for calculating the operating expenses of an automobile used for business purposes, which currently is .56 cents per mile.

All other costs, including messenger and delivery services and court reporter or court filing fees, will be charged at the rate of the Firm's actual out-of-pocket expense. The Firm will not charge for word processing and similar clerical tasks.

Adjustments

RWG proposes that commencing on July 1, 2023, and on each July 1 thereafter, the rates charged above automatically shall be increased by a percentage amount equal to the percentage increase in the United States Department of Labor, Bureau of Labor Statistics' Consumer Price Index for All Urban Consumers for the Western Region (or other applicable region as agreed upon by RWG and the Town Council) ("CPI") for the twelve-month period ending on the immediately prior March 31. Should the Western Region CPI cease to be published in its entirety or on a periodic basis ending on March 31, RWG and the Town Council shall negotiate in good faith for a mutually acceptable alternative. Any other adjustments in the rates shall require prior approval of the Town Council.

Exhibit A

Attorney Resumes

Dave FLEISHMAN

Of Counsel

CENTRAL COAST
T 805.439.3515



Dave Fleishman has practiced extensively in the area of public law and in the area of labor and employment law for both public and private employers. His practice has focused on the representation of public agencies in an advisory role as city attorney or general counsel, as well as in public entity defense litigation, including writs and appeals, civil rights, Fair Labor Standards Act, wrongful termination, employment investigations, public contracting, tort claims and code enforcement. He has also represented private employers throughout California in wrongful termination, wage and hour, and other employment matters.

WORK FOR CLIENTS

He currently serves as City Attorney for the City of Pismo Beach and interim City Attorney for the City of Solvang. He formerly served as City Attorney for the cities of Guadalupe, Pacific Grove and Solvang, and deputy city attorney for the City of Atascadero. He also previously served as assistant city attorney for the City of Morro Bay. He was formerly Assistant General Counsel for the Cambria Community Services District and the Los Osos Community Services District. He also previously served as General Counsel for the San Simeon Community Services District. He has served as special counsel for the City of Torrance and City of Seal Beach civil service commissions. He has represented over 40 cities and special districts in California and Nevada in various labor and employment matters.

PROFESSIONAL EXPERIENCE

Prior to returning to Richards, Watson & Gershon, where he began his legal career in 1991, Dave was a partner for nearly 25 years in the law firm of Hanley & Fleishman, LLP, which focused on public agency representation throughout California.

PRACTICE AREAS

Labor & Employment
Municipal & Public Agency
Law

FOCUS AREAS

Personnel & Human Resources
Public Records & E-Documents
Public Works & Public
Contracting

EDUCATION

J.D. *cum laude*, University of
Arizona School of Law
A.B., University of California,
Berkeley

PROFESSIONAL AND COMMUNITY AFFILIATIONS

Chairperson, Legal Advocacy Committee, League of California Cities, 2018-19, Member 2017-18, 2012-14

First Vice-President, City Attorneys Department, League of California Cities, 2020-2021

Member of Ad Hoc Committee - League of California Cities City Attorneys Department Listserv

Moderator – League of California Cities City Attorneys Department Listserv

Legislative Consultant – League of California Cities

EXPERIENCE

PUBLISHED OPINIONS

▶ *George v. City of Morro Bay*, 177 F. 3d. 885 (9th Cir. 1999)

NEWS

Supreme Court Reaffirms "California Rule" for Public Agency Employee Pensions and Upholds PEPRAs Changes
07.31.2020

PRESENTATIONS

Email and E-Records Retention Issues under the Public Records Act
League of California Cities City Attorneys Conference, 05.2013

Dealing With Disruptive Members of the Public
League of California Cities Annual Conference, 10.2002

PUBLICATIONS

Paper Terrorism: The Impact of the "Sovereign Citizen" on Local Government
Public Law Journal, Vol. 27, No. 2, 2004

Featured Lawyer
Wired Lawyers, 11 *Law Office Computing* 2, April/May 2001

Rebecca GREEN

Senior Attorney

LOS ANGELES

T 213.626.8484

E rgreen@rwglaw.com



Rebecca represents cities, special districts, and other public agencies on labor and employment issues including hiring and recruitment, compliance with state and federal labor regulations, drafting and implementing personnel policies, discrimination and harassment prevention, reasonable accommodation and the interactive process, discipline and termination. Rebecca also conducts personnel investigations and provides training to ensure compliance with the rapidly evolving arena of labor and employment law. She represents clients in personnel hearings, including appeals of discipline, and negotiates with employee associations to resolve grievances and form memoranda of understanding under the Meyers-Milias-Brown Act.

A seasoned trial attorney, Rebecca represents clients in employment disputes, including in mediation, arbitration, administrative hearings and litigation. She has successfully litigated collective actions under the Fair Labor Standards Act and individual claims brought under the Fair Employment and Housing Act, as well as a variety of disputes ranging from breach of employment contract to Private Attorney General Act and whistleblower lawsuits.

PROFESSIONAL EXPERIENCE

Rebecca began her legal career as a white collar criminal defense attorney at Kirkland & Ellis in Washington, D.C., where she worked with clients to ensure compliance with federal and international laws. She moved to California to clerk for the Honorable Richard A. Paez on the United States Court of Appeals for the Ninth Circuit. Following her clerkship, Rebecca worked as a civil trial attorney, representing clients in a wide variety of areas and focusing on employment litigation. She also gained significant experience advising clients on employment matters and negotiating employment disputes with the goal of pre-litigation resolution.

PRACTICE AREAS

Labor & Employment

FOCUS AREAS

Discipline & Termination

Discrimination & Harassment

Litigation (Labor & Employment)

EDUCATION

J.D., Harvard Law School

M.A., Harvard University

B.A., cum laude, Swarthmore College

PROFESSIONAL AND COMMUNITY AFFILIATIONS

Member, Leadership Council on Legal Diversity

NEWS

"Beyond Bostock" by Rebecca Green Is Los Angeles Lawyer Magazine's February Cover Story

02.09.2021

Governor Signs Law Impacting COVID-19 Workplace Exposures

09.21.2020

Governor Signs Law Creating "Bona Fide Business-to-Business Contracting" Exemption to AB 5 for Public Agencies

09.08.2020

Department of Labor Addresses "Back to School" Issues Regarding Leave Under the Families First Coronavirus Response Act

08.31.2020

Supreme Court Reaffirms "California Rule" for Public Agency Employee Pensions and Upholds PEPRA Changes

07.31.2020

EEOC Issues Updated Guidance Regarding COVID-19 Response

06.19.2020

Workplace Discrimination Against LGBTQ Employees Is Prohibited by Federal Law

06.17.2020

CalPERS Expands Its COVID-19 Frequently Asked Questions Webpage

05.08.2020

New Regulations Help Define the Families First Coronavirus Response Act (FFCRA)

04.03.2020

Department of Labor Issues New Guidance on the Families First Coronavirus Response Act

03.30.2020

New Regulations Regarding Employment of Retired Annuitants

03.19.2020

California Supreme Court Allows Elimination of “Air Time” Benefit but Avoids Reconsideration of the “California Rule”

03.08.2019

Court of Appeal Takes Practical Approach to Police Discipline Statute of Limitations

07.09.2018

Mandatory Union Agency Fees Violate First Amendment

06.27.2018

PRESENTATIONS

Sexual Harassment Prevention for Elected Local Agency Officials

Institute for Local Government, 08.01.2019

Policy and Procedure Writing

Victorville City Hall, 03.13.2019

Sexual Harassment Prevention for Elected Local Agency Officials

California Contract Cities Association, Indian Wells, 12.11.2018

Workplace Implications of the Me Too and Time’s Up Movements

Municipal Management Association of Southern California, Women’s Leadership Summit, Yorba Linda, California,

05.09.2018



RENNE PUBLIC LAW GROUP

Proposal for Independent Police Auditor Investigation Services

March 10, 2021

Primary Contact:

Julian Gross

Renne Public Law Group

jgross@publiclawgroup.com

350 Sansome Street, Suite 300

San Francisco, CA 94104



March 10, 2021

Via Email

Laurel Prevetti
Town Manager
Town of Los Gatos – Town Manager’s Office
110 E. Main St.
Los Gatos, CA 95030
Manager@losgatosca.gov

Re: Proposal for Independent Police Auditor Investigation Services

Dear Ms. Prevetti:

Renne Public Law Group® LLP (“RPLG” or “Offeror”) is pleased to submit this Proposal for Independent Police Auditor Investigation Services to the Town of Los Gatos (“Town”).

RPLG is a San Francisco-based law firm that serves the public sector, including cities, counties and special districts, throughout the state of California. The firm is headed by Louise Renne, the former long-time City Attorney for the City and County of San Francisco, and includes attorneys with decades of experience in public sector governance, public safety – including the operation of police and fire departments, labor relations, and litigation.

With experience in nearly every area of public law, our attorneys have the knowledge necessary to conduct thorough, impartial, and fair investigations, and to produce well-written, comprehensive reports that will withstand scrutiny. Our thorough and impartial investigations have been key to resolving workplace misunderstandings, deciding matters of discipline, preventing unsafe or discriminatory working environments, and demonstrating that a public entity has complied with its policies prohibiting discrimination, retaliation and harassment.

RPLG is associated with RPLG.Solutions (Solutions Group), a public policy advisory group, which advises public entities on important public issues, such as crisis management, and police and fire department operations. RPLG also includes a Public Safety Reform and Innovations Practice Group that currently advises public entities on police reform issues in the wake of the death of George Floyd. The group works across disciplines with a focus on common sense, pragmatic, public safety reform, as well as racial and economic equity.

RPLG brings to this project a fundamental commitment to good government, including fair and equitable policing, a critical component of which, as noted in the RFQ, is building and maintaining trust with the community. To that end, RPLG has assembled a diverse project team with extensive

experience in investigations, municipal governance, public safety reform, police department administration, labor and employment law, criminal law and procedure, as well as community involvement and engagement.

In 2019, the Daily Journal recognized RPLG as a Top Boutique Law Firm in the State of California; of the twenty firms honored, RPLG is the only firm that represents public agencies. The Daily Journal also named two of the firm's partners, Linda Ross, and Louise Renne, as among the top 100 women lawyers of 2019 in California, and in 2020 named Art Hartinger and Linda Ross as among the State's top labor and employment lawyers. The Recorder newspaper has named four of the firm's attorneys as "Superlawyers." Firm partners Louise Renne, Art Hartinger and Jon Holtzman have been named Superlawyers in each of the 16 years since the inception of the award.

RPLG was founded on the principle that representing government is public interest work. We provide the tools to strengthen and preserve public services, and to devise and implement government innovation. Although we are a "private" firm, our attorneys work with our clients to form a collaborative team with in-house staff to identify workable solutions to complex problems. For more information about our practice and team, please visit our [website](#).

I will be our firm's point of contact for this proposal and Jamal Anderson will be the Project Manager. Our contact information is:

Julian Gross, Partner
Renne Public Law Group® LLP
350 Sansome Street, Suite 300
San Francisco, CA 94104
t: 415.848.7200 | f: 415-848-7230
jgross@publiclawgroup.com

Jamal Anderson, Senior Associate
Renne Public Law Group® LLP
350 Sansome Street, Suite 300
San Francisco, CA 94104
t: 415.848.7200 | f: 415-848-7230
janderson@publiclawgroup.com

We understand the scope of services required, as set forth by the Town, and affirm our commitment to perform these services if selected. We have also reviewed the Town's contract template for the Consultant Services Agreement, which is acceptable to us. We look forward to the Town's review and consideration of our firm for such services.

Very truly yours,



Julian Gross

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Review of Scope of Services

RPLG is uniquely suited to provide the services requested in the Request for Qualifications given the firm's familiarity with and proximity to the Town of Los Gatos, and other Bay Area municipalities. In addition, RPLG has a longstanding and demonstrated commitment to working with and advising public entities throughout California, including through the provision of comprehensive, independent, and transparent investigative services.

RPLG has a dedicated Investigations Practice Group, comprised of seasoned attorney investigators with years of public sector experience. Our attorney investigators are not only familiar with the best practices associated with investigations, but are also expert in several relevant areas of the law including criminal law and procedure, labor and employment law, and administrative law. In addition, our project team brings to this work a commitment to improving the relationship between law enforcement and the community, and each team member has extensive experience working with government officials and employees, as well as individual members of the community. Consequently, we would approach our work on this project understanding that our role is unique, but also part of a broader goal, shared by the Town and members of the community alike, to facilitate independent investigative processes that are fair to complainants and subjects alike.

We understand the importance of impartial investigations and the fact that well-reasoned investigative findings can support a public entity's actions if they are challenged in disciplinary proceedings or in a state or federal court. But beyond the legal implications, we also understand the importance of impartial and transparent investigations to the community and commit to conducting our work in a manner that is beyond reproach. To that end, and to the extent any modifications could be made to the scope of services already detailed, we would recommend focused efforts to keep the public informed about this work and engaged in the associated processes, when possible.

In addition to our investigations work, our public safety reform work will also be important to this project. RPLG has extensive experience representing public agencies in the area of public protection and labor & employment.

We are poised to provide support to public agencies in the area of public safety reform by advising on policy, procedures, legal limits on police powers, legislation and related issues including:

- The Meyers-Milias-Brown Act and the scope of bargaining regarding police practices
- Policy changes including the use-of-force, chokeholds, and officer responsibility for fellow officers' misconduct
- Revisions to language in peace officer collective bargaining agreements and model contract language
- Qualified Immunity
- Changes to the disciplinary process for police officers, including evaluation of requirements of the Peace Officers' Bill of Rights
- Treatment of personnel files and disciplinary documents
- Changes to judicial appeal in excessive use of force discipline cases

Our role in public safety reform efforts has been varied. In some cases, we have been asked to facilitate blue-ribbon committees, in others, to propose oversight bodies, revise policies, and to negotiate and defend changes in policies. RPLG is a source of information on best practices and the state of the field for California jurisdictions: we have assembled a database on what jurisdictions across California are doing on police reform, and track innovations and best practices from around the country. This deep level of knowledge will aid in the investigations conducted by our project team.

Experience and Expertise

Investigations

The firm and proposed project team bring years of experience to this work. Among the project team members are a former Deputy District Attorney, several former Deputy City Attorneys, the former City Attorney for the City and County of San Francisco, and a national leader in policy development and analysis. These RPLG team members have conducted numerous independent investigations, including for the clients listed below.

- Bay Area Air Quality Management District
- City of Berkeley
- City of Burbank
- City and County of San Francisco
- City of Fremont
- City of Fullerton
- City of Pleasanton
- City of Stockton
- City of Sunnyvale
- Kensington Police Protection and Community Services District
- Metropolitan Transportation Commission
- Moraga-Orinda Fire District
- Solano County
- Santa Clara Valley Water District
- Santa Clara County Fire District
- Seneca Healthcare District
- Tehama County
- UC Hastings College of the Law

Representative Investigations

Listed below are representative samples that our attorneys and consultants have handled, both at RPLG and in other employment.

Police Chief Investigation. We recently conducted a comprehensive investigation of a complaint against a Chief of Police alleging more than 10 incidents of misconduct. We interviewed multiple witnesses, reviewed extensive documentation including organizational charts, emails, policy statements, peace officer personnel records, training records, City Council documents, budgetary documents, and photographs and made factual findings regarding each of the misconduct allegations.

Santa Clara County Jail. We conducted an investigation of the actions of correctional officers at the Santa Clara County Jail that resulted in the death of one inmate and the injury to another. In connection with this investigation, we reviewed video footage, jail layout, jail policies and practices, and reviewed the interviews done by homicide officers with dozens of inmates. We produced a written report that included a timeline based on the video and documentary evidence, summarized witness testimony, and provided conclusions on officer responsibility.

Oscar Grant Shooting. One of our partners, and a member of the proposed project team, participated in the investigation of the fatal shooting of Oscar Grant on a BART platform by BART police. The investigation included a forensic analysis of video recordings, and re-positioning a BART train to recreate the scene at the platform at the time of the shooting.

Oakland “Riders:” One of our partners participated in the prosecution of the termination of several police officers known infamously as the “Riders.” These officers were accused of beating suspects, planting drugs on them, making unjustified arrests and filing false reports. The disciplinary appeals were stayed pending the outcome of criminal trials – both of which ended in mistrials. The arbitrator upheld the terminations.

Andaya v. City and County of San Francisco. This case involved SFPD officers subduing and pepper spraying a suspect. The suspect was bound with wrist and ankle cuffs, and was placed face down in a police van. He later died, and discipline ensued. San Francisco prevailed in upholding the discipline imposed by the Police Commission.

Investigation for a major Bay Area public employer into allegations of systemic gender and race discrimination. A professional employee claimed that high level supervisors discriminated in making promotions and in the day-to-day treatment of women and minorities. We interviewed two dozen witnesses, examined hundreds of pages of documents and produced a 76-page report. We also conducted a follow-up investigation, involving multiple witnesses and extensive documentation, into the employee’s claim that he was a whistleblower and was retaliated against for coming forward.

Investigation for a Bay Area City into allegations of gender discrimination and retaliation. We investigated allegations of retaliation committed by the director of a local agency and harassment committed by a coworker. As part of the investigation, we evaluated an earlier internal investigation of a gender discrimination complaint, making this an “investigation of an investigation.” In connection with this investigation, we interviewed over 10 witnesses, reviewed extensive documentation, and drafted a 45-page report regarding the retaliation allegations against the director and a 28-page report regarding the harassment allegations against the coworker.

Police Reform. The City of Fresno retained Jon Holtzman to serve as General Counsel for its Commission on Police Reform. Holtzman also assisted the City of Berkeley in crafting a ballot measure for November 2020, which would create a new Police Accountability Board.

Through PolicyLink, a nationally-recognized racial equity advocacy organization, Julian Gross represented a coalition of community stakeholders in negotiation and advocacy regarding police accountability measures in San Francisco, as the City moved to implement the recommendations of its Blue Ribbon Panel on Transparency, Accountability, and Fairness in Law Enforcement.

Additionally, Julian Gross and Jamal Anderson currently serve as consultants to the City of Berkeley and the Reimagining Public Safety Task Force. In their roles, Mr. Gross and Mr. Anderson are conducting analysis of local and national policies related to the use-of-force and police discipline, advising the City and Commission on best practices, and participating in a robust community engagement effort to include residents in conversations about public safety reform.

Attachment A contains a copy of a redacted investigative report.

Qualifications of Key Personnel

We work as a team, providing a network of legal and consulting support for our public sector clients. The Los Gatos RFQ seeks qualified investigators who can independently investigate Police Department complaints submitted by the public or any other source. Accordingly, we include in our team experts in City governance, police department administration, investigations, including public safety investigations, criminal law and procedure, crowd control and after-action reports.

The proposed primary project team will be led by RPLG Senior Associate Jamal Anderson, a former Deputy District Attorney and member of firm's Investigations Practice Group. Additional members of the team include RPLG attorneys Ruth Bond, Jenica Maldonado and Julian Gross.

Additional expert personnel will be consulted as needed based on their expertise in police administration, City governance, and police reform. They include RPLG attorneys Louise Renne, Art Hartinger, Jonathan Holtzman and Linda Ross.

RPLG is committed to maintaining the same personnel throughout the Project.

Louise Renne

Louise Renne is a founding partner of Renne Public Law Group and leads the firm's public interest litigation. As a nationally recognized and respected leader in municipal law, she often testifies before federal, state, and other governmental bodies. She also is frequently requested to conduct impartial investigations for local public agencies in high-profile cases. Ms. Renne pioneered the model of public interest plaintiff coalitions comprised of government agencies, individuals, and non-profit organizations during her 16-year tenure as San Francisco City Attorney.

Ms. Renne served as President of the San Francisco Police Commission, after her tenure as City Attorney. She is actively involved in numerous matters on behalf of community-based organizations that represent African-American residents, including affirmative litigation against private corporations that discriminate in the selection of Board members.

Ms. Renne's detailed resume is included in Attachment B.

Jonathan "Jon" Holtzman

RPLG founding partner Jonathan Holtzman is an expert on police reform and labor relations matters. Mr. Holtzman leads the firm's Public Safety Reform and Innovations Practice Group, and the firm's labor relations practice. Mr. Holtzman also advises public agencies on a wide variety of public matters. Prior to private practice, he served variously as former San Francisco Mayor Willie L. Brown's Director of Labor and Policy, San Francisco's Chief Deputy City Attorney, and head of the Labor and Employment Team at the San Francisco City Attorney's Office.

The City of Fresno recently retained Mr. Holtzman to serve as General Counsel for its Commission on Police Reform. Mr. Holtzman also assisted the City of Berkeley in crafting a ballot measure for November 2020, which would create a new Police Accountability Board. Mr. Holtzman is a veteran of innumerable negotiations with police unions over wages, hours, and departmental policies.

Mr. Holtzman's detailed resume is included in Attachment B.

Arthur “Art” Hartinger

Named by the Daily Journal on multiple occasions as a “Top Labor and Employment Lawyer,” “Top 100 Lawyer” and “Top Municipal Law Lawyer, Art Hartinger brings decades of experience with local government and police agencies. His expertise derives from handling numerous collective bargaining projects involving law enforcement unions; prosecuting police discipline matters; advising about adherence to the Police Officer Procedural Bill of Rights Act; conducting investigations, providing advice and handling litigation on behalf of police departments and Sheriffs. Mr. Hartinger is frequently called upon to evaluate police investigations, and to recommend follow up action. He regularly handles police civil rights litigation in state and federal courts.

Mr. Hartinger has represented public entities in high profile police excessive force cases. He represented the City of Oakland in disciplining the officers involved in the infamous “Rider” cases, and was a member of the investigative team that conducted the investigation into the Oscar Grant killing on BART.

Mr. Hartinger’s detailed resume is included in Attachment B.

Ruth M. Bond

Ms. Bond is a Partner at RPLG, and is a key member of the firm’s government, labor law and investigations practice groups. Before joining the firm, Ms. Bond served as Deputy City Attorney for the City and County of San Francisco.

Ms. Bond’s practice focuses on representing public entities in labor and employment matters as well as other areas of public law. The labor and employment matters include litigation in state and federal court, arbitrations, labor relations, day-to-day advice regarding compliance with relevant statutes and regulation, and more. Ms. Bond also conducts workplace investigations and oversees the firm’s investigations practice.

As part of the San Francisco City Attorney’s Labor and Employment team, Ms. Bond often represented San Francisco in employment litigation in state and federal court, grievance arbitrations, and labor negotiations. She advises city agencies on compliance with federal, state and local laws relating to employment including Title VII, the Fair Labor Standards Act, the Americans with Disabilities Act, the California Fair Employment and Housing Act and San Francisco’s Civil Service Rules. Ms. Bond’s experience furthermore includes extensive motion practice, trial and appellate work in the California Court of Appeal, Ninth Circuit Court of Appeals and the California Supreme Court. She was a member of the San Francisco City Attorney’s Affirmative Litigation Task Force from June 2015 – June 2017.

Ms. Bond’s detailed resume is included in Attachment B.

Linda M. Ross

Linda Ross, recently named by the Daily Journal as a Top 100 female attorney in California, is a key member of RPLG’s government and investigation practice groups. Prior to joining the firm, Ms. Ross was a Deputy City Attorney for the City and County of San Francisco. There, she served for eight years as general counsel to the Mayor’s Office, under then-Mayor Gavin Newsom, and before that for many years as General Counsel to the San Francisco Police Department and Police

Commission. Ms. Ross has experience in high profile investigations involving law enforcement activities, and in law enforcement policies. During her tenure with San Francisco, she advised four separate police chiefs and currently advises other cities on police practices. In addition, Ms. Ross is an expert litigator and appellate lawyer. In recent years, her practice has focused on representing counties, cities and other public agencies on a wide variety of public law issues in complex litigation.

Ms. Ross's detailed resume is included in Attachment B.

Julian Gross

RPLG partner Julian Gross provides additional capacity on police reform and labor relations components of the engagement. His expertise includes a range of high-profile matters involving negotiation with community stakeholders. These include labor negotiations, police accountability efforts, project labor agreements, and community benefits agreements.

Through PolicyLink, a nationally-recognized racial equity advocacy organization, Mr. Gross represented a coalition of community stakeholders in negotiation and advocacy regarding police accountability measures in San Francisco, as the City moved to implement the recommendations of its Blue Ribbon Panel on Transparency, Accountability, and Fairness in Law Enforcement against the backdrop of collective bargaining negotiations.

Mr. Gross's detailed resume is included in Attachment B.

Jamal H. Anderson

Jamal Anderson is a Senior Associate in the firm's Litigation, Investigations and Public Safety Reform and Innovations practice groups. Prior to joining RPLG, Mr. Anderson served as a Deputy District Attorney in the San Mateo County District Attorney's Office, where he was lead counsel in nearly two dozen jury trials.

As a Deputy District Attorney, Mr. Anderson participated in numerous investigations, reviewed and analyzed thousands of police reports, and made critical determinations regarding the filing of charges and the prosecution of individuals accused of criminal conduct, including, on occasion, law enforcement officers. He also worked closely with members of the broader community including witnesses, victims, judicial officers, and law enforcement personnel. His practice focuses on representing and advising public agencies in litigation and general advice issues, conducting objective investigations, and assisting public agencies with police reform.

Prior to becoming an attorney, Mr. Anderson served as a Congressional Aide to three Members of Congress in Washington, DC, and brings years of experience in policy and legislative affairs to RPLG. In addition, Mr. Anderson previously served as Special Assistant, Policy Analyst and Federal Affairs Advisor to the former Mayor of Washington, DC, Adrian M. Fenty. Mr. Anderson also served as Policy Advisor on Washington, DC Mayor Muriel Bowser's 2014 mayoral campaign and worked as an aide on a 2004 presidential campaign.

Mr. Anderson's detailed resume is included in Attachment B.

Jenica Maldonado

Jenica Maldonado has dedicated her professional life to public service, having started her career in government over twenty years ago. She is an experienced municipal law and employment attorney, equally comfortable litigating and providing advice and counsel. Prior to joining RPLG, Ms. Maldonado served as a Deputy City Attorney in the San Francisco City Attorney's Office. During her tenure in the Office, she worked on the Ethics and Elections Team and the Labor Team. Ms. Maldonado also worked with the San Francisco Police Department (SFPD), advising their Internal Affairs staff, and served as co-counsel on *Daugherty v. CCSF*, in which she defended SFPD following termination of officers after discovery of racist and other offensive text messages.

As a member of the Ethics and Elections Team at the San Francisco City Attorney's Office, Ms. Maldonado advised the Department of Elections regarding local and state election laws and municipal law matters, including public records and open meeting laws.

As a Deputy City Attorney on the Labor Team, Ms. Maldonado represented the City in employment litigation matters at the trial and appellate court levels. Her matters ranged from single plaintiff cases alleging discrimination or disability-related claims to large, multi-plaintiff lawsuits contesting promotional exams for alleged disparate impact based on race or age.

Prior to joining the Office of the City Attorney, Ms. Maldonado was an associate at Perkins Coie LLP and Hanson Bridgett LLP. During law school, she externed for Associate Justice Joyce Kennard of the Supreme Court of California and clerked for the Government Team at the San Francisco City Attorney's Office.

Ms. Maldonado's detailed resume is included in Attachment B.

Disclosure of Litigation/Discipline

Neither the firm nor the attorneys have been disciplined by a regulatory body or involved in litigation relating to the provision of services.

References

RPLG's references are in Attachment 3.

Insurance Coverage

A sample of our insurance with details regarding the carrier, type and limit is in Attachment C.

Preliminary Fee Schedule

Our fees for professional services are based on the fair value of the services rendered. To help us determine the value of our services, our attorneys and paralegals maintain time records for each client and matter. Our attorneys and paralegals are assigned hourly rates which are based on years of experience, specialization, training, and level of professional attainment. We adjust our rates periodically (usually at the beginning of each year) to account for inflation and the increased experience of our professional personnel.

To keep professional fees at a minimum, legal work that does not require more experienced attorneys will be performed, where feasible, by attorneys with lower billing rates. Paralegals and

law clerks are available to do a variety of tasks to support attorneys, including maintaining and organizing files, conducting research, and drafting documents.

RPLG will bill the Town on a monthly basis. Each bill will indicate the date of the work done, the nature of the work that was accomplished, the attorney that performed the work, and the fee for the work.

The following out-of-pocket expenses will be separately itemized and included in bills to the Town, without markup: (1) extraordinary operating expenses, including items such as messenger services, overnight mail charges, extraordinary copying and computer-assisted research; (2) necessary travel and subsistence expenses; (3) court costs, including filing fees, witness fees, and deposition and discovery costs not paid directly by the Town. All travel will be reimbursed at the IRS prevailing rate for mileage only.

The Town will review and, if it agrees with the amounts, approve RPLG's monthly statements and pay RPLG for services rendered and expenses incurred at the rates and in the amounts provided in this agreement within thirty (30) days of receipt of the monthly statements.

The following rates reflect our 2021 public sector hourly fee schedule:

Partners	\$375 - \$550
Of Counsel	\$305 - \$425
Associates	\$275 - \$350
Law Clerks	\$145 - \$155
Paralegals	\$135 - \$195
Analysts	\$95 - \$160
Consultants	\$175 - \$450



Julian Gross

Partner

415.848.7200 • jgross@publiclawgroup.com

Practice Areas

- Employment Law
- Labor Relations and Labor Law
- Public Safety Reform and Innovations

Bar Admission

- California

Education

- University of California at Berkeley, JD
- University of Virginia, BA, with High Distinction

Experience

Julian Gross is one of the nation's principal experts on community benefits in land use development and public infrastructure. For over 25 years, Mr. Gross has represented nonprofits and public entities in contract negotiations, legislative and administrative drafting, and policy development aimed at advancing racial and economic equity. He has negotiated dozens of community benefits agreements (CBAs), initiating and refining a groundbreaking contractual approach to resolution of challenging urban development issues. He has taught, published, and spoken widely on the subject of land use and community benefits, with a focus on public and private negotiation strategies. Mr. Gross has also drafted numerous local hiring and contracting policies, and has worked on living wage policies, disadvantaged-business policies, and many other community economic development initiatives. He has also represented public entities and nonprofit affordable housing developers in negotiation of project labor agreements that advance multiple policy goals. In addition, he has extensive experience advising California nonprofits on a wide variety of organizational legal needs.

RELATED EXPERIENCE

Prior to joining RPLG, Mr. Gross founded and operated Law Office of Julian Gross, which served clients for over 20 years, prior to Mr. Gross bringing his practice into RPLG. He was the Legal Director at Partnership for Working Families / Community Benefits Law Center and the Executive Director of the San Francisco Independent Task Force on Affirmative Action in Public Contracting. Early in his career, Mr. Gross received a Skadden Fellowship, and was a staff attorney at Employment Law Center / Legal Aid Society of San Francisco. In recent years, Mr. Gross was honored to serve as the inaugural James O. Gibson Innovation Fellow at PolicyLink, a national advocacy organization advancing racial equity.

TEACHING

Mr. Gross's course offerings and guest lectures have included:

- University of California, Goldman School of Public Policy, 2016, 2017, 2018, 2019 – Guest Lecturer: "Tackling Inequality through Equitable Development: Perspectives on Race, Place and Class in the San Francisco Bay Area"

- Stanford Law School, 2017 – Guest Lecturer: Land Use Planning
- New York University, Wagner School of Public Service, 2015 – Guest Lecturer: multi-disciplinary course: Race, Ethnicity & Class in American Cities
- University of California, Hastings College of the Law, 2014 – Instructor, “Contract Drafting and Negotiation,” two-credit course. PACE evals: Global Index 4.52 out of 5; 19 out of 19 respondents “would recommend the course.”
- McGill University, School of Urban Planning, 2013 – Instructor, “Negotiation of Community Benefits: Power Dynamics and Practical Approaches.”
- Yale University, School of Law, 2013 – Guest Lecturer: Community Economic Development Clinic course
- Stanford Law School, 2013 – Guest Lecturer: Community Law Clinic
- University of California, Hastings College of the Law, 2008-2014 – Guest Lecturer and 2009 Practitioner in Residence, Civil Justice Clinic, Community Economic Development course.

PUBLICATIONS

- *“CBAs: The Future of Contractual Urbanism? An Interview with Julian Gross”* in *Urbanité*. (2012 – in French).
- *“Commentary”* in Ingram, Gregory K. and Yu-Hung Hong, *Value Capture and Land Policies*, Cambridge, MA: Lincoln Institute of Land Policy (May 2012).
- *“Public Contracting in the Proposition 209 Era: Options for Preventing Discrimination and Supporting Minority- and Women-Owned Businesses,”* (January 2012), with Tim Lohrentz, a publication of the Insight Center for Community Economic Development.
- *“Community Benefits Agreements,”* chapter in *Building Healthy Communities: A Guide to Community Economic Development for Advocates, Lawyers, and Policymakers*; a publication of the Forum on Affordable Housing & Community Development of the American Bar Association (2009).
- *“CBAs: Definitions, Values, and Legal Enforceability,”* (2008) in *Journal of Affordable Housing & Community Economic Development Law*, Volume 17, Issues 1-2, a publication of the Forum on Affordable Housing & Community Development of the American Bar Association. Selected by West Publishing as a leading land use article for 2009; reprinted in *Zoning and Planning Law Handbook*, West Publishing, Salkin (Ed.) (2009).
- *“Community Benefits Agreements: Making Development Projects Accountable,”* (2005) by Julian Gross, with Greg LeRoy and Madeline Janis-Aparicio.

SPEAKING ENGAGEMENTS

- Harvard/Kennedy School, Ash Center for Democratic Governance (March 2019)

- All-in Cities Convening, Austin, TX (November 2018)
- "Community Benefits for Health," presentation at San Mateo County Health System's Get Healthy San Mateo convening (May 2016)
- "Leveraging Equity for Economic Growth," presentation at PolicyLink's Equity Institute (October 2015)
- City Attorney's Conference, League of California Cities (May 2014)
- American Public Transportation Association Legal Affairs Seminar (February 2014)
- Partnership for Working Families conference (February 2014)
- McGill University, School of Urban Planning, Lecture Series (September 2013)
- Transportation Equity Network / Gamaliel webinar, "Jobs for America" (September 2013)
- Office of Federal Contract Compliance Programs/Transportation Equity Network webinar re U.S. Executive Order 11246 (April 2013)
- Lectures in Planning Series, Graduate School of Architecture, Planning, and Preservation at Columbia University (October 2012)
- "Best Practices in Developing and Implementing Targeted Hiring Policies," National Employment Law Project webinar (February 2012)
- Bay Area Contract Compliance Officers Association conference (January 2012 and May 2012)
- Lincoln Institute Land Policy Conference, Boston, MA (May 2011)
- School of Urban Planning, McGill University, Montreal, Canada, public symposium on community benefits agreements, and course on CBAs (February 2011)
- Public Dialogue on Community Benefits Agreements, Downtown East Side Neighborhood Coalition, Vancouver, Canada (February 2011)
- Green for All Communities of Practice conference (January 2011)
- Shaking the Foundations conference, Stanford Law School (October 2010)
- Green for All national webinar on contracting and hiring agreements in retrofit sector (October 2010)
- BetterBuildings Community Workshop, Chicago, IL, (September 2010)
- Forum on community benefits agreements, Legal Aid Society of San Francisco's public interest issues series, San Francisco (July 2010)
- C. Berkeley School of Law Symposium on federal procurement (2010)
- New York City Bar Association speaker series, special event re community benefits agreements (May 2010)
- American Bar Association Forum on Affordable Housing and Community Development Law Conference (May 2010).



Jamal H. Anderson

Senior Associate

415.848.7200 • janderson@publiclawgroup.com

Practice Areas

- Litigation
- Trials and Hearings
- Arbitrations
- Investigations
- Public Safety Reform and Innovations

Bar Admission

- California

Education

- University of San Francisco, JD
- The Johns Hopkins University, MA
- Howard University, BA

Experience

Jamal Anderson is a Senior Associate in the firm's Litigation, Investigations and Police Reform practice groups. Prior to joining RPLG, Mr. Anderson served as a Deputy District Attorney in the San Mateo County District Attorney's Office, where he was lead counsel in nearly two dozen jury trials. His practice focuses on representing and advising public agencies in litigation and general advice issues, conducting objective investigations, and assisting public agencies with police reform.

RELATED EXPERIENCE

Prior to becoming an attorney, Mr. Anderson served as a Congressional Aide to three Members of Congress in Washington, DC, and brings years of experience in policy and legislative affairs to RPLG. In addition, Mr. Anderson previously served as Special Assistant, Policy Analyst and Federal Affairs Advisor to the former Mayor of Washington, DC, Adrian M. Fenty. In that capacity, Mr. Anderson represented the interests of the District of Columbia and coordinated the District's appropriations request process and legislative agenda. Mr. Anderson also acted as liaison between the Mayor and the United States Congress, along with other federal entities, including the Office of Management and Budget at the White House. Additionally, Mr. Anderson served as Policy Advisor on Washington, DC Mayor Muriel Bowser's 2014 mayoral campaign and worked as an aide on a 2004 presidential campaign, traveling and working in a number of states including Vermont, Iowa, South Carolina and Michigan.

Mr. Anderson is a proud graduate of Howard University and the University of San Francisco School of Law, where he served as President of the Student Bar Association.

PROFESSIONAL AND COMMUNITY AFFILIATIONS

- South San Francisco High School, Mock Trial Coach

- Charles Houston Bar Association, Member
- Bay Area Lawyers for Individual Freedom (BALIF), Member
- Big Brothers Big Sisters of the Bay Area, Big Brother (2015 – 2019)
- New Leaders Council – San Francisco, 2017 Fellow; Board of Directors (2017 – 2019)

AGREEMENT FOR CONSULTANT SERVICES

THIS AGREEMENT is made and entered into on ____, 2021 by and between TOWN OF LOS GATOS, a California municipal corporation, (“Town”) and BURKE, Williams & Sorensen, (“Consultant”). This Agreement is made with reference to the following facts.

I. RECITALS

- 1.1 The Town desires to engage Consultant to provide **independent, objective, fair, and transparent review of citizen and internal complaints regarding the conduct of Police Department personnel.**
- 1.2 The Consultant represents and affirms that it is willing to perform the desired work pursuant to this Agreement.
- 1.3 Consultant warrants it possesses the distinct professional skills, qualifications, experience, and resources necessary to timely perform the services described in this Agreement. Consultant acknowledges Town has relied upon these warranties to retain Consultant.

II. AGREEMENTS

- 2.1 Scope of Services. Consultant shall provide services as described in that certain Proposal sent to the Town on March 10, 2021, which is hereby incorporated by reference and attached as Exhibit A.
- 2.2 Term and Time of Performance. This contract will remain in effect from ____ 2021 to June 30, 2025. Consultant shall perform the services described in this agreement as follows: Independent Police Auditor Investigation Services.
- 2.3 Compliance with Laws. The Consultant shall comply with all applicable laws, codes, ordinances, and regulations of governing federal, state and local laws. Consultant represents and warrants to Town that it has all licenses, permits, qualifications and approvals of whatsoever nature which are legally required for Consultant to practice its profession. Consultant shall maintain a Town of Los Gatos business license pursuant to Chapter 14 of the Code of the Town of Los Gatos.
- 2.4 Sole Responsibility. Consultant shall be responsible for employing or engaging all persons necessary to perform the services under this Agreement.
- 2.5 Information/Report Handling. All documents furnished to Consultant by the Town and all reports and supportive data prepared by the Consultant under this Agreement are the Town’s property and shall be delivered to the Town upon the completion of Consultant's services or at the Town's written request. All reports, information, data, and exhibits prepared or assembled by Consultant in connection with the performance of its services

pursuant to this Agreement are confidential until released by the Town to the public, and the Consultant shall not make any of these documents or information available to any individual or organization not employed by the Consultant or the Town without the written consent of the Town before such release. The Town acknowledges that the reports to be prepared by the Consultant pursuant to this Agreement are for the purpose of evaluating a defined project, and Town's use of the information contained in the reports prepared by the Consultant in connection with other projects shall be solely at Town's risk, unless Consultant expressly consents to such use in writing. Town further agrees that it will not appropriate any methodology or technique of Consultant which is and has been confirmed in writing by Consultant to be a trade secret of Consultant.

- 2.6 Compensation. Compensation for Consultant's professional services shall be as set forth in their proposal attached as Exhibit A.
- 2.7 Billing. Billing shall be monthly by invoice within thirty (30) days of the rendering of the service and shall be accompanied by a detailed explanation of the work performed by whom at what rate and on what date. Also, plans, specifications, documents or other pertinent materials shall be submitted for Town review, even if only in partial or draft form.

Payment shall be net thirty (30) days. All invoices and statements to the Town shall be addressed as follows:

Invoices:

Town of Los Gatos

Attn: Accounts Payable

P.O. Box 655

Los Gatos, CA 95031-0655

- 2.8 Availability of Records. Consultant shall maintain the records supporting this billing for not less than three years following completion of the work under this Agreement. Consultant shall make these records available to authorized personnel of the Town at the Consultant's offices during business hours upon written request of the Town.
- 2.9 Assignability and Subcontracting. The services to be performed under this Agreement are unique and personal to the Consultant. No portion of these services shall be assigned or subcontracted without the written consent of the Town.
- 2.10 Independent Contractor. It is understood that the Consultant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and not an agent or employee of the Town. As an independent contractor he/she shall not obtain any rights to retirement benefits or other benefits which accrue to Town employee(s). With prior written consent, the Consultant may perform some obligations under this Agreement by subcontracting, but may not delegate ultimate responsibility for

performance or assign or transfer interests under this Agreement. Consultant agrees to testify in any litigation brought regarding the subject of the work to be performed under this Agreement. Consultant shall be compensated for its costs and expenses in preparing for, traveling to, and testifying in such matters at its then current hourly rates of compensation, unless such litigation is brought by Consultant or is based on allegations of Consultant's negligent performance or wrongdoing.

- 2.11 Conflict of Interest. Consultant understands that its professional responsibilities are solely to the Town. The Consultant has and shall not obtain any holding or interest within the Town of Los Gatos. Consultant has no business holdings or agreements with any individual member of the Staff or management of the Town or its representatives nor shall it enter into any such holdings or agreements. In addition, Consultant warrants that it does not presently and shall not acquire any direct or indirect interest adverse to those of the Town in the subject of this Agreement, and it shall immediately disassociate itself from such an interest, should it discover it has done so and shall, at the Town's sole discretion, divest itself of such interest. Consultant shall not knowingly and shall take reasonable steps to ensure that it does not employ a person having such an interest in this performance of this Agreement. If after employment of a person, Consultant discovers it has employed a person with a direct or indirect interest that would conflict with its performance of this Agreement, Consultant shall promptly notify Town of this employment relationship, and shall, at the Town's sole discretion, sever any such employment relationship.
- 2.12 Equal Employment Opportunity. Consultant warrants that it is an equal opportunity employer and shall comply with applicable regulations governing equal employment opportunity. Neither Consultant nor its subcontractors do and neither shall discriminate against persons employed or seeking employment with them on the basis of age, sex, color, race, marital status, sexual orientation, ancestry, physical or mental disability, national origin, religion, or medical condition, unless based upon a bona fide occupational qualification pursuant to the California Fair Employment & Housing Act.

III. INSURANCE AND INDEMNIFICATION

- 3.1 Minimum Scope of Insurance:
- i. Consultant agrees to have and maintain, for the duration of the contract, General Liability insurance policies insuring him/her and his/her firm to an amount not less than: one million dollars (\$1,000,000) combined single limit per occurrence for bodily injury, personal injury and property damage.
 - ii. Consultant agrees to have and maintain for the duration of the contract, an Automobile Liability insurance policy ensuring him/her and his/her staff to an amount not less than one million dollars (\$1,000,000) combined single limit per accident for bodily injury and property damage.

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- iv. Consultant agrees to have and maintain, for the duration of the contract, professional liability insurance in amounts not less than \$1,000,000 which is sufficient to insure Consultant for professional errors or omissions in the performance of the particular scope of work under this agreement.

General Liability:

- i. The Town, its officers, officials, employees and volunteers are to be covered as insured as respects: liability arising out of activities performed by or on behalf of the Consultant; products and completed operations of Consultant, premises owned or used by the Consultant. This requirement does not apply to the professional liability insurance required for professional errors and omissions.
- ii. The Consultant's insurance coverage shall be primary insurance as respects the Town, its officers, officials, employees and volunteers. Any insurance or self-insurances maintained by the Town, its officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
- iii. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Town, its officers, officials, employees or volunteers.
- iv. The Consultant's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.

3.2 All Coverages. Each insurance policy required in this item shall be endorsed to state that coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Town. Current certification of such insurance shall be kept on file at all times during the term of this agreement with the Town Clerk.

3.3 Workers' Compensation. In addition to these policies, Consultant shall have and maintain Workers' Compensation insurance as required by California law and shall provide evidence of such policy to the Town before beginning services under this Agreement. Further, Consultant shall ensure that all subcontractors employed by Consultant provide the required Workers' Compensation insurance for their respective employees.

3.4 Indemnification. The Consultant shall save, keep, hold harmless and indemnify and defend the Town its officers, agent, employees and volunteers from all damages, liabilities, penalties, costs, or expenses in law or equity that may at any time arise or be set up because of damages to property or personal injury received by reason of, or in the course of performing work which may be occasioned by a willful or negligent act or omissions of the Consultant, or any of the Consultant's officers, employees, or agents or any subconsultant.

IV. GENERAL TERMS

4.1 Waiver. No failure on the part of either party to exercise any right or remedy hereunder shall operate as a waiver of any other right or remedy that party may have hereunder, nor does waiver of a breach or default under this Agreement constitute a continuing waiver of a subsequent breach of the same or any other provision of this Agreement.

4.2 Governing Law. This Agreement, regardless of where executed, shall be governed by and construed to the laws of the State of California. Venue for any action regarding this Agreement shall be in the Superior Court of the County of Santa Clara.

4.3 Termination of Agreement. The Town and the Consultant shall have the right to terminate this agreement with or without cause by giving not less than fifteen days (15) written notice of termination. In the event of termination, the Consultant shall deliver to the Town all plans, files, documents, reports, performed to date by the Consultant. In the event of such termination, Town shall pay Consultant an amount that bears the same ratio to the maximum contract price as the work delivered to the Town bears to completed services contemplated under this Agreement, unless such termination is made for cause, in which event, compensation, if any, shall be adjusted in light of the particular facts and circumstances involved in such termination.

4.4 Amendment. No modification, waiver, mutual termination, or amendment of this Agreement is effective unless made in writing and signed by the Town and the Consultant.

4.5 Disputes. In any dispute over any aspect of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, including costs of appeal.

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Town of Los Gatos
Attn: Town Clerk
110 E. Main Street
Los Gatos, CA 95030

CONSULTANT
Attn: Tim Davis

or personally delivered to Consultant to such address or such other address as Consultant designates in writing to Town.

4.7 Order of Precedence. In the event of any conflict, contradiction, or ambiguity between the terms and conditions of this Agreement in respect of the Products or Services and any attachments to this Agreement, then the terms and conditions of this Agreement shall prevail over attachments or other writings.

4.8 Entire Agreement. This Agreement, including all Exhibits, constitutes the complete and exclusive statement of the Agreement between the Town and Consultant. No terms, conditions, understandings or agreements purporting to modify or vary this Agreement, unless hereafter made in writing and signed by the party to be bound, shall be binding on either party.

IN WITNESS WHEREOF, the Town and Consultant have executed this Agreement.

Town of Los Gatos

Consultant

Laurel Prevetti, Town Manager

By:

Approved as to Form:

Robert Schultz, Town Attorney

Attest:

Shelley Neis, CMC, Town Clerk

AGREEMENT FOR CONSULTANT SERVICES

THIS AGREEMENT is made and entered into on ____ 2021 by and between TOWN OF LOS GATOS, a California municipal corporation, ("Town") and RICHARDS WATSON & GERSHON ("Consultant"). This Agreement is made with reference to the following facts.

I. RECITALS

- 1.1 The Town desires to engage Consultant to provide independent, objective, fair, and transparent review of citizen and internal complaints regarding the conduct of Police Department personnel.
- 1.2 The Consultant represents and affirms that it is willing to perform the desired work pursuant to this Agreement.
- 1.3 Consultant warrants it possesses the distinct professional skills, qualifications, experience, and resources necessary to timely perform the services described in this Agreement. Consultant acknowledges Town has relied upon these warranties to retain Consultant.

II. AGREEMENTS

- 2.1 Scope of Services. Consultant shall provide services as described in that certain Proposal sent to the Town on March 10, 2021, which is hereby incorporated by reference and attached as Exhibit A.
- 2.2 Term and Time of Performance. This contract will remain in effect from ____ 2021 to June 30, 2025. Consultant shall perform the services described in this agreement as follows: Independent Police Auditor Investigation Services.
- 2.3 Compliance with Laws. The Consultant shall comply with all applicable laws, codes, ordinances, and regulations of governing federal, state and local laws. Consultant represents and warrants to Town that it has all licenses, permits, qualifications and approvals of whatsoever nature which are legally required for Consultant to practice its profession. Consultant shall maintain a Town of Los Gatos business license pursuant to Chapter 14 of the Code of the Town of Los Gatos.
- 2.4 Sole Responsibility. Consultant shall be responsible for employing or engaging all persons necessary to perform the services under this Agreement.
- 2.5 Information/Report Handling. All documents furnished to Consultant by the Town and all reports and supportive data prepared by the Consultant under this Agreement are the Town's property and shall be delivered to the Town upon the completion of Consultant's services or at the Town's written request. All reports, information, data, and exhibits prepared or assembled by Consultant in connection with the performance of its services

pursuant to this Agreement are confidential until released by the Town to the public, and the Consultant shall not make any of these documents or information available to any individual or organization not employed by the Consultant or the Town without the written consent of the Town before such release. The Town acknowledges that the reports to be prepared by the Consultant pursuant to this Agreement are for the purpose of evaluating a defined project, and Town's use of the information contained in the reports prepared by the Consultant in connection with other projects shall be solely at Town's risk, unless Consultant expressly consents to such use in writing. Town further agrees that it will not appropriate any methodology or technique of Consultant which is and has been confirmed in writing by Consultant to be a trade secret of Consultant.

- 2.6 Compensation. Compensation for Consultant's professional services shall be as set forth in their proposal attached as Exhibit A.
- 2.7 Billing. Billing shall be monthly by invoice within thirty (30) days of the rendering of the service and shall be accompanied by a detailed explanation of the work performed by whom at what rate and on what date. Also, plans, specifications, documents or other pertinent materials shall be submitted for Town review, even if only in partial or draft form.

Payment shall be net thirty (30) days. All invoices and statements to the Town shall be addressed as follows:

Invoices:

Town of Los Gatos

Attn: Accounts Payable

P.O. Box 655

Los Gatos, CA 95031-0655

- 2.8 Availability of Records. Consultant shall maintain the records supporting this billing for not less than three years following completion of the work under this Agreement. Consultant shall make these records available to authorized personnel of the Town at the Consultant's offices during business hours upon written request of the Town.
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- 2.10 Independent Contractor. It is understood that the Consultant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and not an agent or employee of the Town. As an independent contractor he/she shall not obtain any rights to retirement benefits or other benefits which accrue to Town employee(s). With prior written consent, the Consultant may perform some obligations under this Agreement by subcontracting, but may not delegate ultimate responsibility for

performance or assign or transfer interests under this Agreement. Consultant agrees to testify in any litigation brought regarding the subject of the work to be performed under this Agreement. Consultant shall be compensated for its costs and expenses in preparing for, traveling to, and testifying in such matters at its then current hourly rates of compensation, unless such litigation is brought by Consultant or is based on allegations of Consultant's negligent performance or wrongdoing.

- 2.11 Conflict of Interest. Consultant understands that its professional responsibilities are solely to the Town. The Consultant has and shall not obtain any holding or interest within the Town of Los Gatos. Consultant has no business holdings or agreements with any individual member of the Staff or management of the Town or its representatives nor shall it enter into any such holdings or agreements. In addition, Consultant warrants that it does not presently and shall not acquire any direct or indirect interest adverse to those of the Town in the subject of this Agreement, and it shall immediately disassociate itself from such an interest, should it discover it has done so and shall, at the Town's sole discretion, divest itself of such interest. Consultant shall not knowingly and shall take reasonable steps to ensure that it does not employ a person having such an interest in this performance of this Agreement. If after employment of a person, Consultant discovers it has employed a person with a direct or indirect interest that would conflict with its performance of this Agreement, Consultant shall promptly notify Town of this employment relationship, and shall, at the Town's sole discretion, sever any such employment relationship.
- 2.12 Equal Employment Opportunity. Consultant warrants that it is an equal opportunity employer and shall comply with applicable regulations governing equal employment opportunity. Neither Consultant nor its subcontractors do and neither shall discriminate against persons employed or seeking employment with them on the basis of age, sex, color, race, marital status, sexual orientation, ancestry, physical or mental disability, national origin, religion, or medical condition, unless based upon a bona fide occupational qualification pursuant to the California Fair Employment & Housing Act.

III. INSURANCE AND INDEMNIFICATION

- 3.1 Minimum Scope of Insurance:
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- iv. The Consultant's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.

3.2 All Coverages. Each insurance policy required in this item, other than professional liability insurance, shall be endorsed to state that coverage shall not be cancelled except after thirty (30) days' prior written notice (except in the case of non-payment of premium, in which case notice shall be ten (10) days) by regular mail, has been given to the Town. Current certification of such insurance shall be kept on file at all times during the term of this agreement with the Town Clerk.

3.3 Workers' Compensation. In addition to these policies, Consultant shall have and maintain Workers' Compensation insurance as required by California law and shall provide evidence of such policy to the Town before beginning services under this Agreement. Further,

Consultant shall ensure that all subcontractors employed by Consultant provide the required Workers' Compensation insurance for their respective employees.

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IV. GENERAL TERMS

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Town of Los Gatos
Attn: Town Clerk
110 E. Main Street

Los Gatos, CA 95030
CONSULTANT
Attn:

ADDRESS

or personally delivered to Consultant to such address or such other address as Consultant designates in writing to Town.

4.7 Order of Precedence. In the event of any conflict, contradiction, or ambiguity between the terms and conditions of this Agreement in respect of the Products or Services and any attachments to this Agreement, then the terms and conditions of this Agreement shall prevail over attachments or other writings.

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IN WITNESS WHEREOF, the Town and Consultant have executed this Agreement.

Town of Los Gatos

Consultant

Laurel Prevetti, Town Manager

By:

Approved as to Form:

Robert Schultz, Town Attorney

Attest:

Shelley Neis, CMC, Town Clerk

AGREEMENT FOR CONSULTANT SERVICES

THIS AGREEMENT is made and entered into on ___ 2021 by and between TOWN OF LOS GATOS, a California municipal corporation, (“Town”) and RENNE PUBLIC LAW GROUP (“Consultant”). This Agreement is made with reference to the following facts.

I. RECITALS

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II. AGREEMENTS

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CONSULTANT
Attn:
ADDRESS

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IN WITNESS WHEREOF, the Town and Consultant have executed this Agreement.

Town of Los Gatos

Consultant

Laurel Prevetti, Town Manager

By:

Approved as to Form:

Robert Schultz, Town Attorney

Attest:

Shelley Neis, CMC, Town Clerk



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 5/18/2021

ITEM NO: 6

DATE: May 12, 2021
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Receive the Third Quarter Investment Report (January through March 2021) for Fiscal Year 2020/21.

RECOMMENDATION:

Receive the Third Quarter Investment Report (January through March 2021) for Fiscal Year 2020/21.

DISCUSSION:

As of March 31, 2021, the Town's weighted portfolio yield was 1.43% which trended above the Local Agency Investment Fund (LAIF) yield of 0.36%. This favorable yield differential was primarily due to the LAIF portfolio's weighted average maturity (WAM) of 220 days and the Town's longer WAM of 572 days. The Town's weighted average rate of return of 1.43% at the close of the third quarter was 52 basis points lower when compared to the third quarter return of 1.95% in 2020.

During the third quarter, with LAIF yields dropping steadily each month, staff in coordination with the Town's investment advisor began replacing maturing investments in shorter term maturities in the two to three year maturity range to capture current yields available that exceed the rates expected to be earned in the State Local Agency Investment Fund (LAIF) pool during that same time period. The State LAIF pool typically lags the market when current market yields are either increasing or decreasing. However, with LAIF's WAM of 220 days, staff continues to expect a steady decline in LAIF portfolio yields until the LAIF portfolio reflects the low short-term investment yields prevailing in the market.

The Federal Reserve (Fed) continues to confirm no expected change to its policy until late 2023. The Fed said it is committed to keeping the target range for the federal funds rate at 0% to 0.25% until "labor market conditions have reached levels consistent with the Committee's assessment of maximum employment."

PREPARED BY: Stephen Conway
Finance Director

Reviewed by: Town Manager, Assistant Town Manager, and Town Attorney

PAGE 2 OF 2

SUBJECT: Receive the Third Quarter Investment Report (January through March 2021) for
Fiscal Year 2020/21

DATE: May 13, 2021

The Fed's quarterly economic forecasts improved significantly reflecting the President's \$1.9 billion stimulus package and the accelerating pace of COVID-19 vaccinations. Unemployment is expected to fall below 4% by the end of calendar year 2022, compared to the Fed's previous estimate of 5.5%. The Fed also forecasts a gross domestic product (GDP) of 6.5%, which if achieved, would mean a recovery in GDP beyond the pre-pandemic levels. The forecast also anticipates that inflation could be approaching or at the Fed's annual target of 2%. In recent months, perceptions about potential inflation has led to Treasury yields rising dramatically. For example, on March 31, 2020, ten-year US Treasury notes were yielding .70% versus 1.74% on March 31, 2020.

To meet the Town's Investment Policy deadline for submittal of this report to the Town Council, staff was not able to provide this report to the Finance Commission prior to Town Council deadline. Staff plans on bringing this report to the Finance Commission for review in its June 2021 meeting. Staff's current goal is to have all subsequent Investment Reports available to the Finance Commission for review prior to submittal to the Town Council.

CONCLUSION:

Staff recommends that the Town Council receive the Third Quarter Investment Report (January through March 2021) for Fiscal Year 2020/21.

Attachment:

1. Third Quarter Investment Report for FY 2020/21 (January through March 2021)

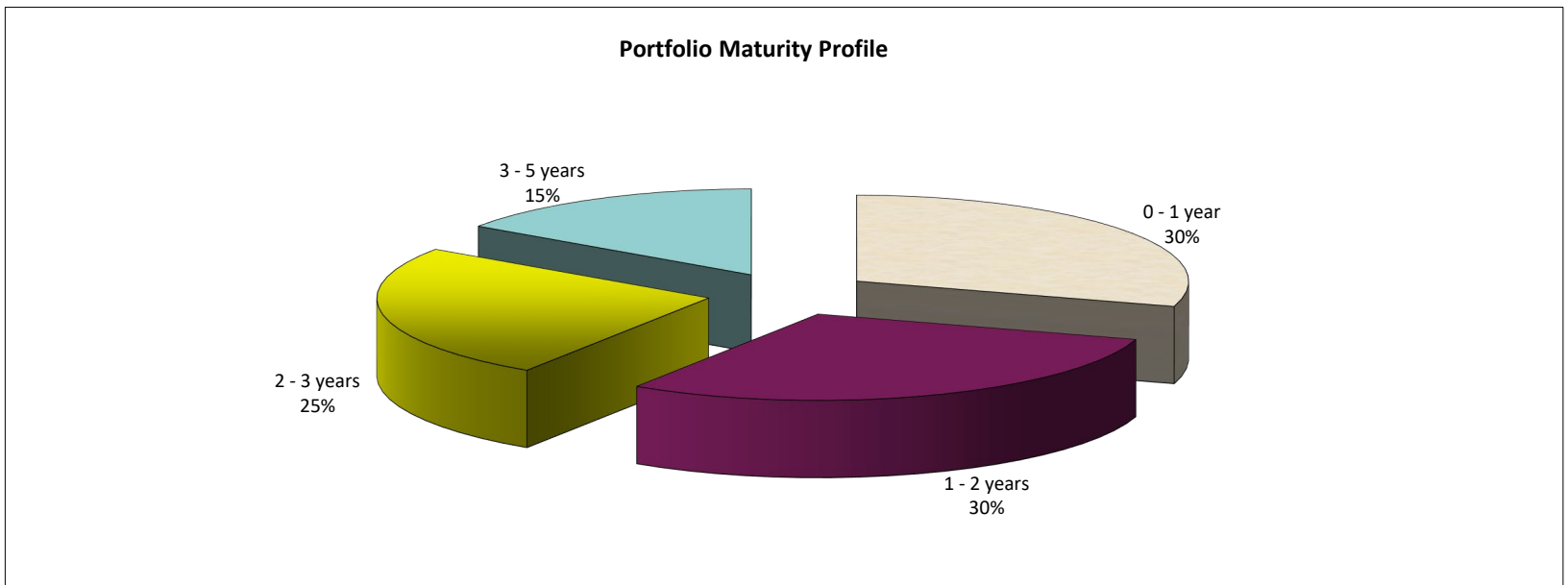
**Town of Los Gatos
Summary Investment Information
March 31, 2021**

Weighted Average YTM Portfolio Yield: **1.43%** **Weighted Average Maturity (days)** **572**

Portfolio Balance	<u>This Month</u>	<u>Last Month</u>	<u>One year ago</u>
	\$63,051,470	\$62,768,611	\$68,160,286

Benchmarks/ References:

Town's Average Yield	1.43%	1.53%	1.95%
LAIF Yield for month	0.36%	0.41%	2.39%
3 mo. Treasury	0.02%	0.04%	2.44%
6 mo. Treasury	0.04%	0.05%	2.50%
2 yr. Treasury	0.16%	0.13%	2.52%
5 yr. Treasury (most recent)	0.94%	0.73%	2.51%
10 Yr. Treasury	1.74%	1.41%	2.72%

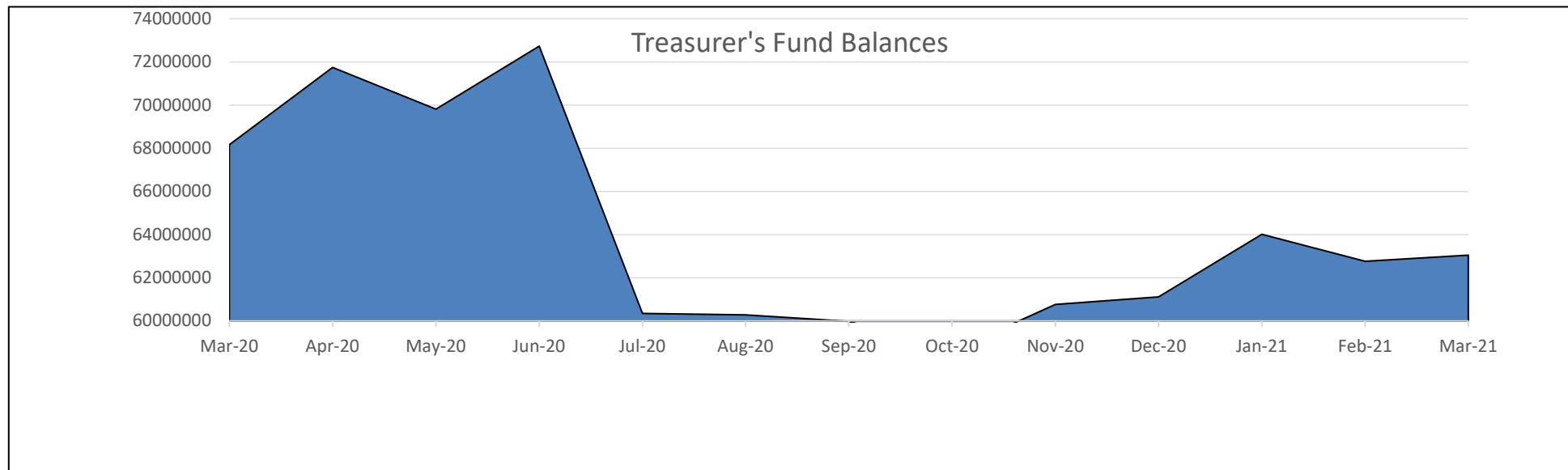
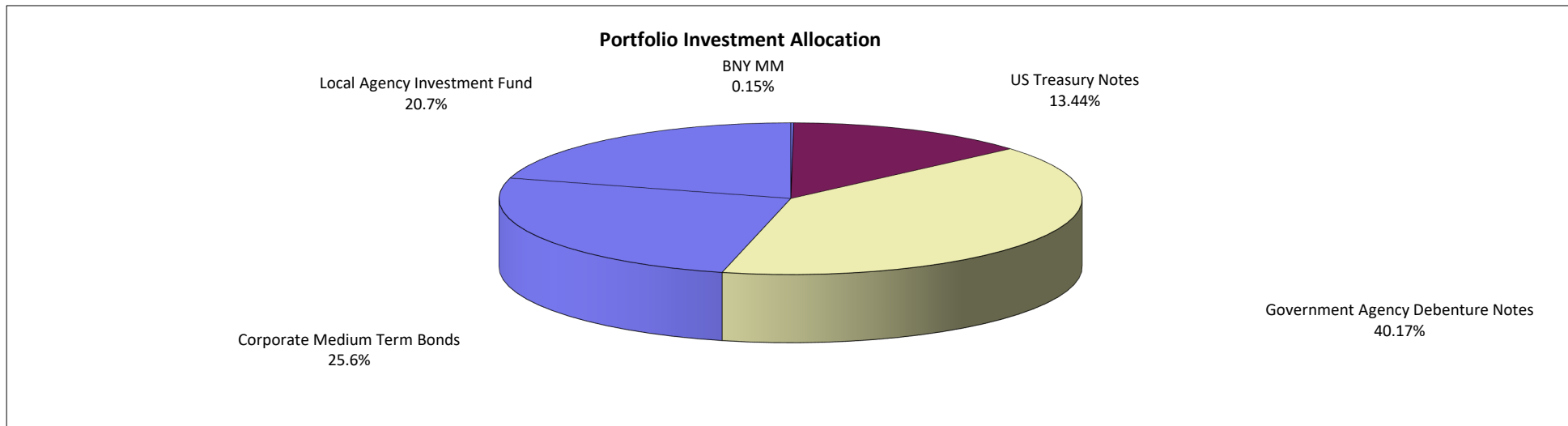


Compliance: The Town's investments are in compliance with the Town's investment policy dated November 3, 2020 and also in compliance with the requirements of Section 53601 of the California State Code. Based on the information available, the Town has sufficient funds to meet the cash demands for the next six months.

Town of Los Gatos
Portfolio Allocation & Treasurer's Fund Balances
March 31, 2021

	<u>Month</u>	<u>YTD</u>
Fund Balances - Beginning of Month/Period	\$62,768,611.02	\$72,729,892.43
Receipts	3,536,261.91	37,042,183.31
Disbursements	<u>(3,253,402.56)</u>	<u>(46,720,605.37)</u>
Fund Balances - End of Month/Period	<u>\$63,051,470.37</u>	<u>\$63,051,470.37</u>

<u>Portfolio Allocation:</u>	<u>% of Portfolio</u>	<u>Max. % Or \$ Allowed Per State Law or Policy</u>
BNY MM	\$88,696.50	0.15%
US Treasury Notes	\$7,723,416.42	13.44%
Government Agency Debenture Notes	\$23,078,639.75	40.17%
Corporate Medium Term Bonds	\$14,689,262.51	25.57%
Local Agency Investment Fund	\$11,866,415.40	20.66%
Subtotal - Investments	57,446,430.58	100.00%
Reconciled Demand Deposit Balances	<u>5,605,039.79</u>	
 Total Treasurer's Fund	 <u>\$63,051,470.37</u>	



Town of Los Gatos
Non-Treasury Restricted Fund Balances
March 31, 2021

	Beginning Balance	MAR 21 Deposits Realized Gain/Adj.	MAR 21 Interest/ Earnings	MAR 21 Withdrawals	Ending Balance	
Non-Treasury Funds:						
Cert. of Participation 2002 Series A Reserve Fund	\$ 686,251.00	\$ 5.32			\$ 686,256.32	Note 1
Cert. Of Participation 2010 Ser A Lease Pymt Fund	0.39				\$ 0.39	Note 1
Cert. of Participation 2002 Lease Payment Fund	19.71				\$ 19.71	Note 1
Cert. of Participation 2010 Series Reserve Fund	1,298,153.63	10.03			1,298,163.66	Note 2
Total Restricted Funds:	<u>\$ 1,984,424.73</u>	<u>\$15.35</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$1,984,440.08</u>	
CEPPT IRS Section 115 Trust	701,513.03	0.00	(1,833.99)		699,679.04	
Grand Total COP's and CEPPT Trust	<u>\$ 2,685,937.76</u>	<u>\$ 15.35</u>	<u>\$ (1,833.99)</u>	<u>\$ -</u>	<u>\$ 2,684,119.12</u>	

These accounts are not part of the Treasurer's fund balances reported elsewhere in this report, as they are for separate and distinct entities.

Note 1: The three original funds for the Certificates of Participation 2002 Series A consist of construction funds which will be expended over the next few years, reserve funds which will guarantee the payment of lease payments, and a third fund for the disbursement of lease payments and initial delivery costs.

Note 2: The 2010 COP Funds are all for the Library construction, reserves to guarantee lease payments, and a lease payment fund for the life of the COP issue. The COI fund was closed in September 2010.

Note 3: The CEPPT Section IRS Section 115 Trust was established as an irrevocable trust dedicated to accumulate resources to fund the Town's unfunded liabilities related to pension and other pc

Town of Los Gatos
Statement of Interest Earned
March 31, 2021

Interest by Month

July 2020	\$78,263.77
August 2020	78,263.76
September 2020	75,077.38
October 2020	71,634.00
November 2020	68,018.31
December 2020	70,285.58
January 2021	69,933.93
February 2021	60,470.54
March 2021	65,158.26
April 2021	
May 2021	
June 2021	
	\$637,105.53

**Town of Los Gatos Investment Schedule March
2021**

Institution	CUSIP #	Security	Deposit Date	Par Value	Original Cost	Market Value	Purchased Interest	Maturity Date or Call Date	Yield to Maturity or Call	Interest Received to Date	Interest Earned Prior Yrs.	Interest Earned Current FY	Days to Maturity
Treasury	912828WR7	US Treasury Note	4/2/2019	1,000,000.00	995,625.00	1,005,107.30		6/30/2021	2.33%	\$ 37,099.45	\$ 28,917.32	\$ 17,413.95	91
Toyota Motor Credit	892367DP7	Corporate Bond	05/20/19	1,100,000.00	1,102,596.00	1,119,713.64		1/11/2022	2.50%	\$ 46,951.67	\$ 30,798.33	\$ 20,734.01	286
Toyota Motor Credit	892367CZ6	Corporate Bond	3/13/2020	500,000.00	504,440.00	500,068.71		4/8/2021	1.06%	\$ 5,409.72	\$ 1,599.24	\$ 4,020.10	8
FFCB	3133EKM1	Gov. Agency Debenture	8/2/2019	1,000,000.00	1,014,400.00	1,052,236.19		2/23/2024	1.90%	\$ 40,325.83	\$ 17,466.66	\$ 14,371.97	1059
FFCB	3133EMBE1	Gov. Agency Debenture	10/8/2020	1,600,000.00	1,598,000.00	1,596,851.73		3/28/2024	0.34%	\$ 2,253.34	\$ -	\$ 2,562.88	1093
FFCB	3133EMCQ3	Gov. Agency Debenture	10/16/2020	2,000,000.00	1,998,000.00	1,996,980.86	46.67	10/13/2024	0.31%	\$ (46.67)	\$ -	\$ 2,774.56	1292
BankAmerica Corp	06051GHC6	Corporate Bond	10/9/2020	1,300,000.00	1,366,287.00	1,352,013.98		12/20/2023	0.66%	\$ 7,701.92	\$ -	\$ 8,682.97	994
IBM	459200HG9	Corporate Bond	8/8/2019	1,000,000.00	995,010.00	1,022,156.96		8/1/2022	2.05%	\$ 27,760.42	\$ 18,296.32	\$ 15,330.86	488
IBM	459200JY8	Corporate Bond	3/25/2021	1,000,000.00	1,071,040.00	1,072,161.60	10,833.33	5/15/2024	0.71%	\$ (10,833.33)	\$ -	\$ 121.54	1141
US Treasury	912828R28	US Treasury Note	7/2/2019	500,000.00	497,246.09	514,902.35		4/30/2023	1.77%	\$ 10,796.54	\$ 8,819.78	\$ 6,639.07	760
American Express	0258M0EB1	Corporate Bond	2/11/2020	1,000,000.00	1,007,210.00	1,000,000.00		4/4/2021	1.66%	\$ 16,500.00	\$ 6,215.30	\$ 12,164.24	4
Freddie Mac	3137EAEN5	Gov. Agency Debenture	7/19/2019	2,000,000.00	2,072,358.00	2,112,171.58		6/19/2023	1.79%	\$ 77,916.67	\$ 34,741.74	\$ 27,432.96	810
FFCB	3133EKVF0	Gov. Agency Debenture	7/22/2019	1,000,000.00	999,630.00	1,030,850.95		1/17/2023	1.89%	\$ 27,864.58	\$ 17,771.06	\$ 14,154.86	657
Treasury	912828L57	US Treasury Note	7/2/2019	1,200,000.00	1,197,988.40	1,229,015.63		9/30/2022	2.09%	\$ 35,516.39	\$ 20,385.25	\$ 16,237.09	548
Freddie Mac	3137EADB2	Gov. Agency Debenture	1/17/2020	2,100,000.00	2,132,039.70	2,137,786.29		1/13/2022	2.12%	\$ 49,320.84	\$ 15,274.50	\$ 25,364.93	288
US Treasury	912828Y20	Gov. Agency Debenture	1/31/2020	1,000,000.00	1,016,601.56	1,007,500.00		7/15/2021	1.47%	\$ 25,096.16	\$ 6,138.62	\$ 11,138.95	106
American Honda	02665WCZ2	Corporate Bond	11/27/2019	1,000,000.00	1,012,410.01	1,048,106.99		6/27/2024	2.12%	\$ 36,733.34	\$ 12,601.45	\$ 15,985.17	1184
JP Morgan Chase	46625HJE1	Gov. Agency Debenture	2/11/2020	900,000.00	934,587.00	938,944.32		9/23/2022	1.74%	\$ 32,662.50	\$ 6,148.83	\$ 12,034.14	541
Honeywell Int'l.	438516BW5	Corporate Bond	11/20/2019	1,000,000.00	1,014,660.00	1,058,358.32		7/15/2024	1.64%	\$ 27,983.33	\$ 12,127.88	\$ 14,901.52	1202
Caterpillar Financial Serv	14913Q2V0	Corporate Bond	2/23/2021	1,000,000.00	1,077,370.00	1,067,200.30	7,600.00	5/17/2024	0.44%	\$ (7,600.00)	\$ -	\$ 448.52	1143
FNMA	3135G0V75	Gov. Agency Debenture	10/17/2019	1,100,000.00	1,105,833.30	1,147,185.09		7/2/2024	1.63%	\$ 23,581.25	\$ 12,682.51	\$ 13,521.43	1189
US Bancorp	91159HHV5	Corporate Bond	12/24/2019	1,000,000.00	1,049,040.00	1,076,342.29		1/5/2024	2.12%	\$ 37,593.75	\$ 11,183.73	\$ 16,213.44	1010
FHLB	3133834G3	Gov. Agency Debenture	3/11/2021	1,400,000.00	1,460,522.00	1,458,887.99	7,602.78	6/9/2023	0.19%	\$ (7,602.78)	\$ -	\$ 153.99	800
FFCB	3133EKQA7	Gov. Agency Debenture	10/21/2019	1,000,000.00	1,019,780.00	1,054,587.34		9/10/2024	1.66%	\$ 28,831.11	\$ 11,615.55	\$ 12,579.69	1259
PNC Financial	693476BN2	Corporate Bond	8/15/2019	1,000,000.00	1,029,280.00	1,025,568.15		2/6/2022	2.12%	\$ 51,608.33	\$ 18,589.78	\$ 15,917.50	312
FHLB	313379Q69	Gov. Agency Debenture	7/22/2019	1,000,000.00	1,006,960.00	1,023,775.49		6/10/2022	1.87%	\$ 29,395.83	\$ 17,755.82	\$ 14,142.72	436
FNMA	3135G0V59	Gov. Agency Debenture	11/27/2019	1,540,000.00	1,562,924.44	1,574,114.56		4/12/2022	1.61%	\$ 30,318.75	\$ 14,793.93	\$ 18,766.37	377
JP Morgan Chase	46625HJT8	Corporate Bond	9/23/2019	1,400,000.00	1,485,414.00	1,524,873.66		2/1/2024	2.39%	\$ 73,538.89	\$ 26,688.85	\$ 26,024.01	1037
American Honda	02665WDH1	Corporate Bond	2/14/2020	600,000.00	603,756.00	617,445.25		5/10/2023	1.75%	\$ 10,595.00	\$ 3,955.80	\$ 7,911.60	770
FHLB	3130AABG2	US Treasury Note	4/15/2019	1,000,000.00	988,250.00	1,011,913.79		11/29/2021	2.34%	\$ 30,416.67	\$ 28,121.02	\$ 17,432.49	243
FNMA	3135G0Q89	Gov. Agency Debenture	2/10/2020	1,000,000.00	998,702.00	1,006,710.42		10/7/2021	1.38%	\$ 9,052.08	\$ 5,614.15	\$ 10,909.77	190
FHLB	3130ALH98	Gov. Agency Debenture	2/26/2021	1,000,000.00	997,610.00	996,437.65		2/26/2024	0.33%	\$ -	\$ -	\$ 298.05	1062
Treasury	912828M80	US Treasury Note	7/22/2019	1,000,000.00	1,006,175.23	1,030,781.25		11/30/2022	1.81%	\$ 27,158.47	\$ 17,118.04	\$ 13,634.71	609
Treasury	912828U57	US Treasury Note	7/31/2019	1,000,000.00	1,011,875.00	1,049,179.69		11/30/2023	1.84%	\$ 28,333.33	\$ 16,990.40	\$ 13,896.62	974
Treasury	912828X70	US Treasury Note	12/30/2019	1,000,000.00	1,010,589.29	1,049,375.00		4/30/2024	1.75%	\$ 18,703.30	\$ 9,805.98	\$ 14,682.18	1126
Treasury	912828XT2	US Treasury Note	10/31/2019	1,000,000.00	1,015,667.41	1,049,921.88		5/31/2024	1.64%	\$ 21,639.34	\$ 11,040.77	\$ 12,449.26	1157
Wells Fargo	94988J6A0	Corporate Bond	6/24/2020	1,350,000.00	1,370,749.50	1,360,281.86		9/9/2021	0.80%	\$ 18,912.83	\$ 163.99	\$ 7,488.78	162
FFCB	3133EJ3Q0	Gov. Agency Debenture	8/28/2019	1,500,000.00	1,587,503.75	1,603,501.74		12/21/2023	2.12%	\$ 56,661.46	\$ 19,226.80	\$ 17,160.07	995
Freddie Mac	3133EKK2	Gov. Agency Debenture	6/24/2019	1,550,000.00	1,573,188.00	1,610,287.33		2/8/2023	1.82%	\$ 65,293.75	\$ 29,033.70	\$ 21,385.03	679

Subtotal			\$	44,640,000.00	\$	45,491,318.68	\$	46,133,298.13	\$	26,082.78	\$	1,043,444.06	\$	491,683.08	\$	497,081.99
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BNY MM	Money Market				88,696.50	88,696.50			0.00%							1
LAIF	State Investment Pool				11,866,415.40	11,866,415.40			0.36%			54,178.42				1

					\$57,446,430.58	\$58,088,410.03				\$	1,043,444.06	\$	491,683.08	\$	551,260.41	
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<u>Matured Assets</u>													
FNMA	3133EHY9	Gov. Agency Debenture	9/21/2017	1,300,000.00	1,295,866.00			9/14/2020	1.61%	\$ 58,120.83	\$ 57,964.67	\$ 4,348.78	
FFCB	3133ELV3	Gov. Agency Debenture	4/8/2020	1,600,000.00	1,600,000.00			10/8/2020	0.93%	\$ 7,600.00	\$ 3,456.44	\$ 4,164.38	
FNMA	3136G0AW1	Gov. Agency Debenture	12/13/2017	2,000,000.00	2,017,900.00			10/16/2020	2.02%	\$ 133,558.33	\$ 103,715.85	\$ 12,044.42	
BankAmerica Corp	06051GGS2	Corporate Bond	4/30/2020	1,300,000.00	1,302,314.00			10/1/2020	1.21%	\$ 12,694.08	\$ 4,141.23	\$ 6,313.69	
Disney	254687CK0	Corporate Bond	3/4/2020	1,000,000.00	1,029,080.00			2/15/2021	1.39%	\$ 42,625.00	\$ 4,687.49	\$ 9,136.62	
FNMA	3135G0J20	Gov. Agency Debenture	2/10/2020	1,000,000.00	998,882.00			2/26/2021	1.48%	\$ 14,361.11	\$ 5,724.31	\$ 9,784.10	
FFCB	3133EKCS3	Gov. Agency Debenture	3/21/2019	1,400,000.00	1,403,262.00			3/11/2021	2.43%	\$ 70,408.33	\$ 43,563.60	\$ 23,694.12	
Oracle	68389XBL8	Corporate Bond	7/8/2019	1,000,000.00	1,008,880.00			3/25/2021	2.18%	\$ 40,466.67	\$ 21,374.17	\$ 16,359.00	

Total Investments "Matured"												\$	85,845.12
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Total Interest FY 20_21 Matured and Current												\$	637,105.53
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<u>Maturity Profile</u>		Amount
0-1 year		\$23,100,605.66
1-2 years		\$9,276,463.07
2-3 years		\$14,744,011.84
3-5 years		\$ 10,325,350.01
		<u>\$57,446,430.58</u>

<u>Market to Cost Position Report</u>		Amortized Cost
Institution		
BNY Assets		\$45,491,318.68
BNY MM		88,696.50
LAIF		11,866,415.40
Totals:		<u>\$57,446,430.58</u>

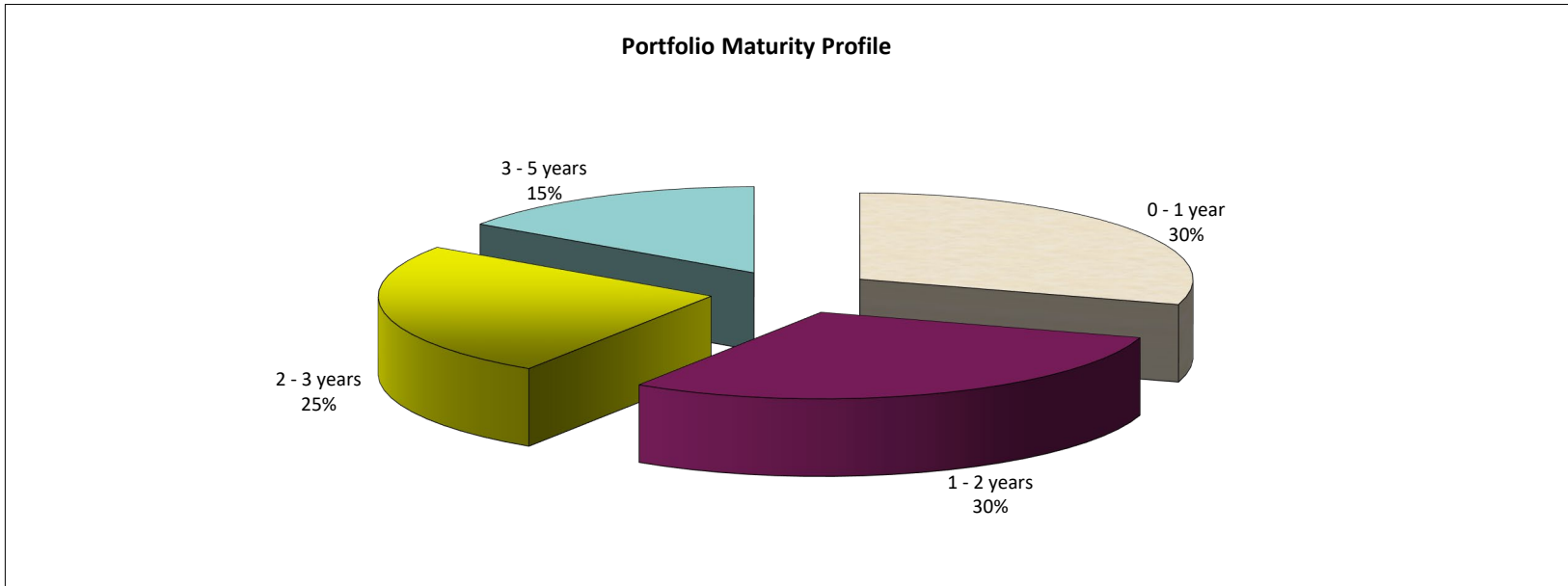
**Town of Los Gatos
Summary Investment Information
February 28, 2021**

Weighted Average YTM Portfolio Yield: **1.53%** **Weighted Average Maturity (days)** **571**

	<u>This Month</u>	<u>Last Month</u>	<u>One year ago</u>
Portfolio Balance	\$62,768,611	\$64,003,778	\$67,400,124

Benchmarks/ References:

Town's Average Yield	1.53%	1.62%	1.91%
LAIF Yield for month	0.41%	0.46%	1.91%
3 mo. Treasury	0.04%	0.06%	1.56%
6 mo. Treasury	0.05%	0.07%	1.54%
2 yr. Treasury	0.13%	0.11%	1.32%
5 yr. Treasury (most recent)	0.73%	0.42%	1.32%
10 Yr. Treasury	1.41%	1.07%	1.51%

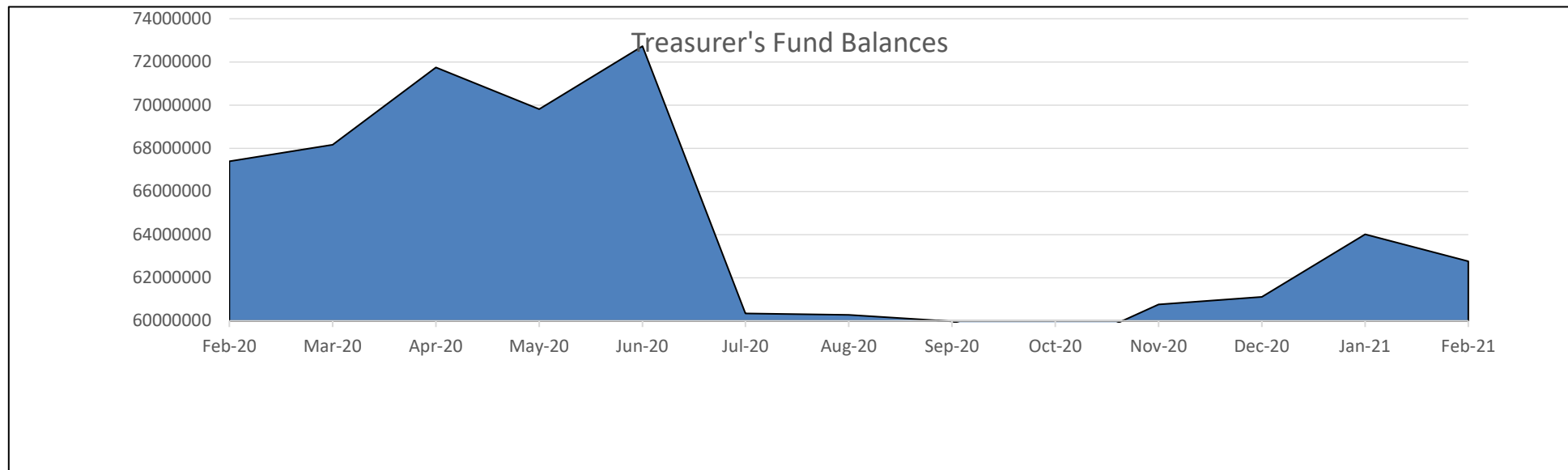
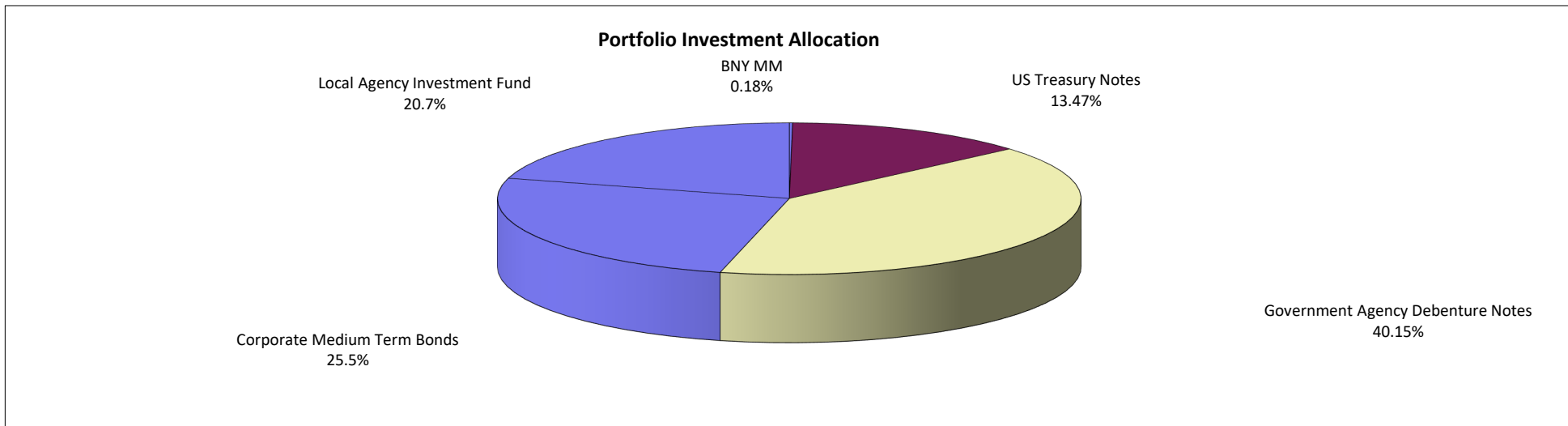


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Town of Los Gatos
Portfolio Allocation & Treasurer's Fund Balances
February 28, 2021

	<u>Month</u>	<u>YTD</u>
Fund Balances - Beginning of Month/Period	\$64,003,777.85	\$72,729,892.43
Receipts	2,458,236.55	33,505,921.40
Disbursements	<u>(3,693,403.38)</u>	<u>(43,467,202.81)</u>
Fund Balances - End of Month/Period	<u>\$62,768,611.02</u>	<u>\$62,768,611.02</u>

<u>Portfolio Allocation:</u>		<u>% of Portfolio</u>	<u>Max. % Or \$ Allowed Per State Law or Policy</u>
BNY MM	\$101,996.51	0.18%	20% of Town Portfolio
US Treasury Notes	\$7,723,416.42	13.47%	No Max. on US Treasuries
Government Agency Debenture Notes	\$23,021,379.75	40.15%	No Max. on Non-Mortgage Backed
Corporate Medium Term Bonds	\$14,627,102.51	25.51%	30% of Town Portfolio
Local Agency Investment Fund	\$11,866,415.40	20.69%	\$75 M per State Law
Subtotal - Investments	57,340,310.59	100.00%	
Reconciled Demand Deposit Balances	<u>5,428,300.43</u>		
 Total Treasurer's Fund	 <u>\$62,768,611.02</u>		



Town of Los Gatos
Non-Treasury Restricted Fund Balances
February 28, 2021

	Beginning Balance	FEB 21 Deposits Realized Gain/Adj.	FEB 21 Interest/ Earnings	FEB 21 Withdrawals	Ending Balance	
Non-Treasury Funds:						
Cert. of Participation 2002 Series A Reserve Fund	\$ 686,264.82		\$ 5.89	\$ 19.71	\$ 686,251.00	Note 1
Cert. Of Participation 2010 Ser A Lease Pymt Fund	315,989.59	0.00	0.39	315,989.59	\$ 0.39	Note 1
Cert. of Participation 2002 Lease Payment Fund	35.41	141,146.80	0.00	141,162.50	\$ 19.71	Note 1
Cert. of Participation 2010 Series Reserve Fund	1,298,142.53		11.10		1,298,153.63	Note 2
Total Restricted Funds:	<u>\$ 2,300,432.35</u>	<u>\$141,146.80</u>	<u>\$17.38</u>	<u>\$457,171.80</u>	<u>\$1,984,424.73</u>	
CEPPT IRS Section 115 Trust	705,301.74	0.00	(3,788.71)		701,513.03	
Grand Total COP's and CEPPT Trust	<u>\$ 3,005,734.09</u>	<u>\$ 141,146.80</u>	<u>\$ (3,771.33)</u>	<u>\$ 457,171.80</u>	<u>\$ 2,685,937.76</u>	

These accounts are not part of the Treasurer's fund balances reported elsewhere in this report, as they are for separate and distinct entities.

Note 1: The three original funds for the Certificates of Participation 2002 Series A consist of construction funds which will be expended over the next few years, reserve funds which will guarantee the payment of lease payments, and a third fund for the disbursement of lease payments and initial delivery costs.

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**Town of Los Gatos
Statement of Interest Earned
February 28, 2021**

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July 2020	\$78,263.77
August 2020	78,263.76
September 2020	75,077.38
October 2020	71,634.00
November 2020	68,018.31
December 2020	70,285.58
January 2021	69,933.93
February 2021	60,470.54
March 2021	
April 2021	
May 2021	
June 2021	
	<hr/>
	<u>\$571,947.27</u>

**Town of Los Gatos Investment Schedule February
2021**

<u>Institution</u>	<u>CUSIP #</u>	<u>Security</u>	<u>Deposit Date</u>	<u>Par Value</u>	<u>Original Cost</u>	<u>Market Value</u>	<u>Purchased Interest</u>	<u>Maturity Date or Call Date</u>	<u>Yield to Maturity or Call</u>	<u>Interest Received to Date</u>	<u>Interest Earned Prior Yrs.</u>	<u>Interest Earned Current FY</u>	<u>Days to Maturity</u>
Treasury	912828WR7	US Treasury Note	4/2/2019	1,000,000.00	995,625.00	1,008,359.38		6/30/2021	2.33%	\$ 37,099.45	\$ 28,917.32	\$ 15,443.75	122
Toyota Motor Credit	892367DP7	Corporate Bond	05/20/19	1,100,000.00	1,102,596.00	1,123,368.21		1/11/2022	2.50%	\$ 46,951.67	\$ 30,798.33	\$ 18,388.19	317
Toyota Motor Credit	892367TCZ6	Corporate Bond	3/13/2020	500,000.00	504,440.00	501,596.50		4/8/2021	1.06%	\$ 5,409.72	\$ 1,599.24	\$ 3,565.27	39
FFCB	3133EKM1	Gov. Agency Debenture	8/2/2019	1,000,000.00	1,014,400.00	1,060,713.62		2/23/2024	1.90%	\$ 40,325.83	\$ 17,466.66	\$ 12,745.94	1090
FFCB	3133EMBE1	Gov. Agency Debenture	10/8/2020	1,600,000.00	1,598,000.00	1,600,019.34	146.66	3/28/2024	0.34%	\$ (146.66)	\$ -	\$ 2,106.28	1124
FFCB	3133EMCQ3	Gov. Agency Debenture	10/16/2020	2,000,000.00	1,998,000.00	2,000,331.92	46.67	10/13/2024	0.31%	\$ (46.67)	\$ -	\$ 2,256.42	1323
BankAmerica Corp	06051GHC6	Corporate Bond	10/9/2020	1,300,000.00	1,366,287.00	1,361,820.69		12/20/2023	0.66%	\$ 7,701.92	\$ -	\$ 7,127.06	1025
IBM	459200HG9	Corporate Bond	8/8/2019	1,000,000.00	995,010.00	1,026,776.43		8/1/2022	2.05%	\$ 27,760.42	\$ 18,296.32	\$ 13,596.35	519
Oracle	68389XBL8	Corporate Bond	7/8/2019	1,000,000.00	1,008,880.00	1,049,644.34		7/15/2023	2.18%	\$ 28,466.67	\$ 21,374.17	\$ 14,508.16	867
US Treasury	912828R28	US Treasury Note	7/2/2019	500,000.00	497,246.09	516,582.03		4/30/2023	1.77%	\$ 10,796.54	\$ 8,819.78	\$ 5,887.93	791
American Express	0258M0EB1	Corporate Bond	2/11/2020	1,000,000.00	1,007,210.00	1,003,527.39		4/4/2021	1.66%	\$ 16,500.00	\$ 6,215.30	\$ 10,787.99	35
Freddie Mac	3137EAEN5	Gov. Agency Debenture	7/19/2019	2,000,000.00	2,072,358.00	2,123,468.98		6/19/2023	1.79%	\$ 77,916.67	\$ 34,741.74	\$ 24,329.23	841
FFCB	3133EKVF0	Gov. Agency Debenture	7/22/2019	1,000,000.00	999,630.00	1,033,886.89		1/17/2023	1.89%	\$ 27,864.58	\$ 17,771.06	\$ 12,553.39	688
Treasury	912828L57	US Treasury Note	7/2/2019	1,200,000.00	1,197,988.40	1,232,484.37		9/30/2022	2.09%	\$ 25,016.39	\$ 20,385.25	\$ 14,400.05	579
Freddie Mac	3137EADB2	Gov. Agency Debenture	1/17/2020	2,100,000.00	2,132,039.70	2,145,434.45		1/13/2022	2.12%	\$ 49,320.84	\$ 15,274.50	\$ 22,495.17	319
US Treasury	912828Y20	Gov. Agency Debenture	1/31/2020	1,000,000.00	1,016,601.56	1,011,523.44		7/15/2021	1.47%	\$ 25,096.16	\$ 6,138.62	\$ 9,878.70	137
American Honda	02665WCZ2	Corporate Bond	11/27/2019	1,000,000.00	1,012,410.01	1,061,498.20		6/27/2024	2.12%	\$ 36,733.34	\$ 12,601.45	\$ 14,176.63	1215
JP Morgan Chase	46625HJE1	Gov. Agency Debenture	2/11/2020	900,000.00	934,587.00	943,920.76		9/23/2022	1.74%	\$ 18,037.50	\$ 6,148.83	\$ 10,672.62	572
Honeywell Int'l.	438516BW5	Corporate Bond	11/20/2019	1,000,000.00	1,014,660.00	1,064,470.00		7/15/2024	1.64%	\$ 27,983.33	\$ 12,127.88	\$ 13,215.58	1233
Caterpillar Financial Serv	14913Q2V0	Corporate Bond	2/23/2021	1,000,000.00	1,077,370.00	1,000,892.47	7,600.00	5/17/2024	0.44%	\$ (7,600.00)	\$ -	\$ 62.29	1174
FNMA	3135G0V75	Gov. Agency Debenture	10/17/2019	1,100,000.00	1,105,833.30	1,156,224.11		7/2/2024	1.63%	\$ 23,581.25	\$ 12,682.51	\$ 11,991.63	1220
US Bancorp	91159HHV5	Corporate Bond	12/24/2019	1,000,000.00	1,049,040.00	1,084,379.60		1/5/2024	2.12%	\$ 37,593.75	\$ 11,183.73	\$ 14,379.08	1041
FFCB	3133EKCS3	Gov. Agency Debenture	3/21/2019	1,400,000.00	1,403,262.00	1,403,856.62		3/11/2021	2.43%	\$ 52,558.33	\$ 43,563.60	\$ 22,668.00	11
FFCB	3133EKQA7	Gov. Agency Debenture	10/21/2019	1,000,000.00	1,019,780.00	1,063,683.87		9/10/2024	1.66%	\$ 18,431.11	\$ 11,615.55	\$ 11,156.44	1290
PNC Financial	693476BN2	Corporate Bond	8/15/2019	1,000,000.00	1,029,280.00	1,030,736.62		2/6/2022	2.12%	\$ 35,108.33	\$ 18,589.78	\$ 14,116.62	343
FHLB	313379Q69	Gov. Agency Debenture	7/22/2019	1,000,000.00	1,006,960.00	1,027,220.20		6/10/2022	1.87%	\$ 29,395.83	\$ 17,755.82	\$ 12,542.63	467
FNMA	3135G0V59	Gov. Agency Debenture	11/27/2019	1,540,000.00	1,562,924.44	1,580,859.80		4/12/2022	1.61%	\$ 30,318.75	\$ 14,793.93	\$ 16,643.17	408
JP Morgan Chase	46625HJT8	Corporate Bond	9/23/2019	1,400,000.00	1,485,414.00	1,538,465.28		2/1/2024	2.39%	\$ 73,538.89	\$ 26,688.85	\$ 23,079.68	1068
American Honda	02665WDH1	Corporate Bond	2/14/2020	600,000.00	603,756.00	621,466.78		5/10/2023	1.75%	\$ 10,595.00	\$ 3,955.80	\$ 7,016.49	801
FHLB	3130AABG2	US Treasury Note	4/15/2019	1,000,000.00	988,250.00	1,014,728.74		11/29/2021	2.34%	\$ 30,416.67	\$ 28,121.02	\$ 15,460.20	274
FNMA	3135G0Q89	Gov. Agency Debenture	2/10/2020	1,000,000.00	998,702.00	1,008,790.09		10/7/2021	1.38%	\$ 9,052.08	\$ 5,614.15	\$ 9,675.46	221
FHLB	3130ALH98	Gov. Agency Debenture	2/26/2021	1,000,000.00	997,610.00	1,001,530.00		2/26/2024	0.33%	\$ -	\$ -	\$ 18.06	1093
Treasury	912828M80	US Treasury Note	7/22/2019	1,000,000.00	1,006,175.23	1,034,296.88		11/30/2022	1.81%	\$ 27,158.47	\$ 17,118.04	\$ 12,092.10	640
Treasury	912828U57	US Treasury Note	7/31/2019	1,000,000.00	1,011,875.00	1,055,390.62		11/30/2023	1.84%	\$ 28,333.33	\$ 16,990.40	\$ 12,324.38	1005
Treasury	912828X70	US Treasury Note	12/30/2019	1,000,000.00	1,010,589.29	1,057,617.19		4/30/2024	1.75%	\$ 18,703.30	\$ 9,805.98	\$ 13,021.06	1157
Treasury	912828XT2	US Treasury Note	10/31/2019	1,000,000.00	1,015,667.41	1,058,750.00		5/31/2024	1.64%	\$ 21,639.34	\$ 11,040.77	\$ 11,040.77	1188
Wells Fargo	94988J6A0	Corporate Bond	6/24/2020	1,350,000.00	1,370,749.50	1,364,386.87		9/9/2021	0.80%	\$ 5,357.48	\$ 163.99	\$ 6,641.51	193
FFCB	3133EJ3Q0	Gov. Agency Debenture	8/28/2019	1,500,000.00	1,587,503.75	1,614,392.84		12/21/2023	2.12%	\$ 56,661.46	\$ 19,226.80	\$ 15,218.60	1026
Freddie Mac	3133EKK2	Gov. Agency Debenture	6/24/2019	1,550,000.00	1,573,188.00	1,615,116.40		2/8/2023	1.82%	\$ 65,293.75	\$ 29,033.70	\$ 18,965.56	710
Subtotal				\$ 44,640,000.00	\$ 45,371,898.68	\$ 46,202,211.92	\$ 7,793.33			\$ 1,074,924.82	\$ 556,620.85	\$ 476,248.44	
BNY MM		Money Market			101,996.51	101,996.51			0.00%				1
LAIF		State Investment Pool			11,866,415.40	11,866,415.40			0.41%			49,906.83	1
					\$57,340,310.59	\$58,170,623.83				\$ 1,074,924.82	\$ 556,620.85	\$ 526,155.28	

<u>Matured Assets</u>													
FNMA	3133EHYM9	Gov. Agency Debenture	9/21/2017	1,300,000.00	1,295,866.00			9/14/2020	1.61%	\$ 58,120.83	\$ 57,964.67	\$ 4,348.78	
FFCB	3133ELVV3	Gov. Agency Debenture	4/8/2020	1,600,000.00	1,600,000.00			10/8/2020	0.93%	\$ 7,600.00	\$ 3,456.44	\$ 4,164.38	
FNMA	3136G0AW1	Gov. Agency Debenture	12/13/2017	2,000,000.00	2,017,900.00			10/16/2020	2.02%	\$ 133,558.33	\$ 103,715.85	\$ 12,044.42	
BankAmerica Corp	06051GGS2	Corporate Bond	4/30/2020	1,300,000.00	1,302,314.00			10/1/2020	1.21%	\$ 12,694.08	\$ 4,141.23	\$ 6,313.69	
Disney	254687CK0	Corporate Bond	3/4/2020	1,000,000.00	1,029,080.00			2/15/2021	1.39%	\$ 42,625.00	\$ 4,687.49	\$ 9,136.62	
FNMA	3135G0J20	Gov. Agency Debenture	2/10/2020	1,000,000.00	998,882.00			2/26/2021	1.48%	\$ 14,361.11	\$ 5,724.31	\$ 9,784.10	0

Total Investments "Matured" \$ 45,792.00

Total Interest FY 20_21 Matured and Current \$ 571,947.27

<u>Maturity Profile</u>		<u>Amount</u>
0-1 year		\$24,517,167.67
1-2 years		\$9,276,463.07
2-3 years		\$12,694,369.84
3-5 years		\$ 10,852,310.01
		<u>\$57,340,310.59</u>

Market to Cost Position Report

<u>Institution</u>	<u>Amortized Cost</u>
BNY Assets	\$45,371,898.68
BNY MM	101,996.51
LAIF	11,866,415.40
Totals:	\$57,340,310.59

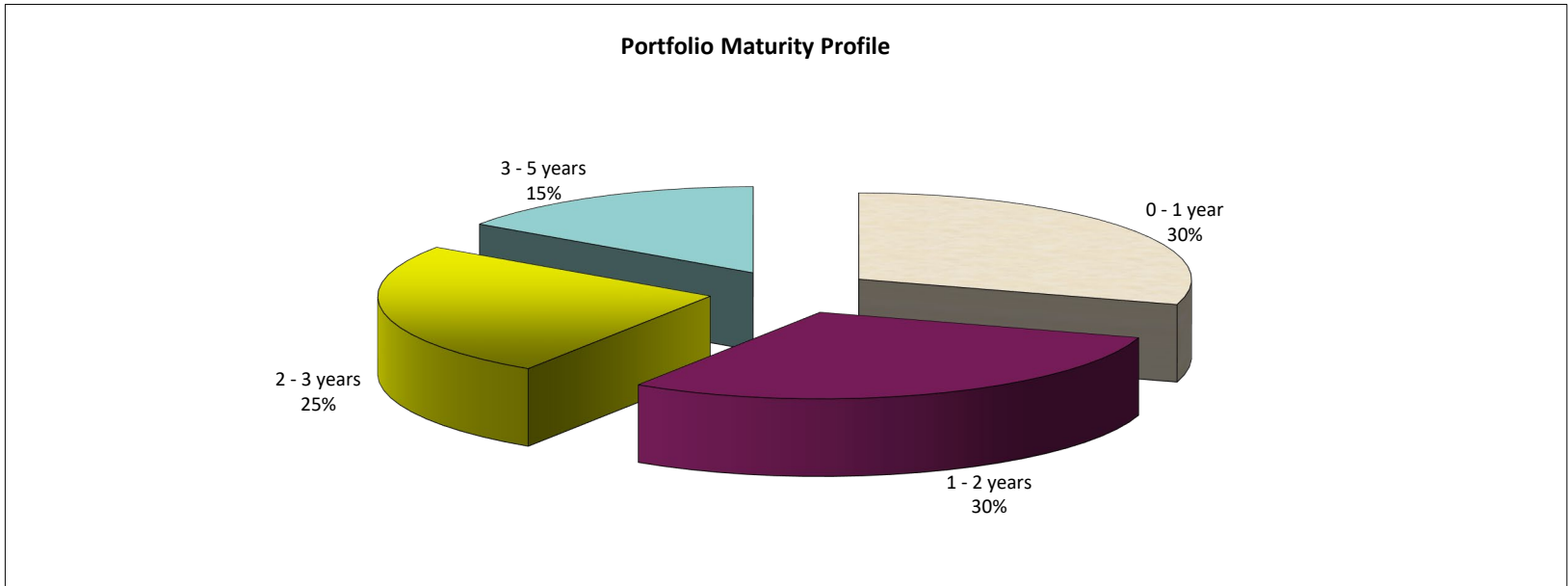
**Town of Los Gatos
Summary Investment Information
January 31, 2021**

Weighted Average YTM Portfolio Yield: **1.62%** **Weighted Average Maturity (days)** **554**

	<u>This Month</u>	<u>Last Month</u>	<u>One year ago</u>
Portfolio Balance	\$64,003,778	\$61,118,129	\$63,890,429

Benchmarks/ References:

Town's Average Yield	1.62%	1.62%	1.93%
LAIF Yield for month	0.46%	0.54%	2.04%
3 mo. Treasury	0.06%	0.09%	1.55%
6 mo. Treasury	0.07%	0.09%	1.59%
2 yr. Treasury	0.11%	0.12%	1.57%
5 yr. Treasury (most recent)	0.42%	0.36%	1.69%
10 Yr. Treasury	1.07%	0.92%	1.69%

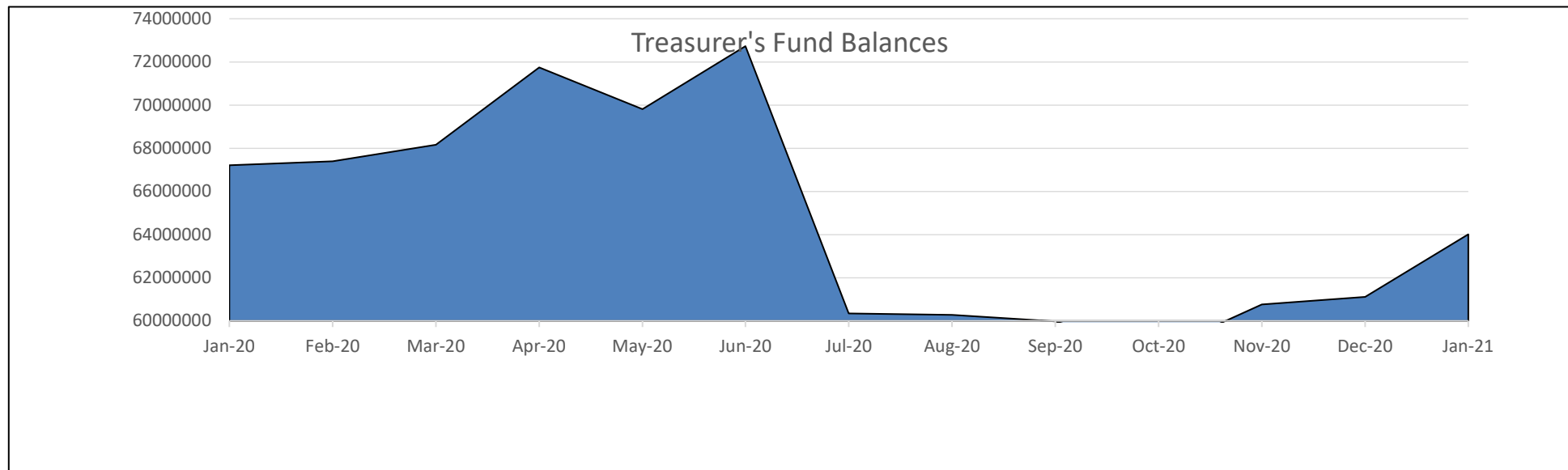
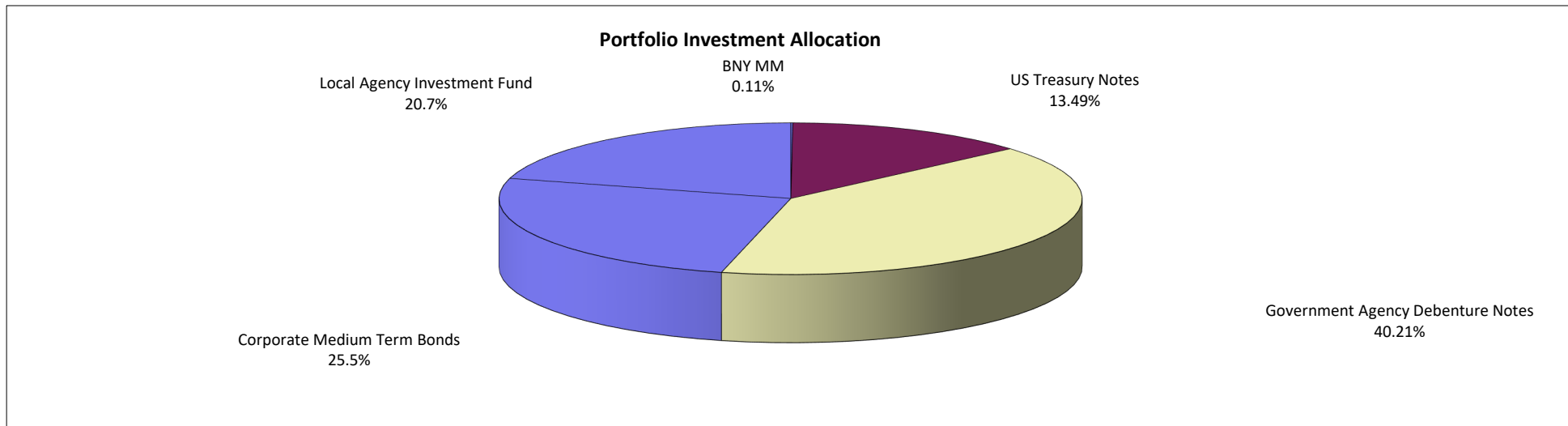


Compliance: The Town's investments are in compliance with the Town's investment policy dated November 3, 2020 and also in compliance with the requirements of Section 53601 of the California State Code. Based on the information available, the Town has sufficient funds to meet the cash demands for the next six months.

Town of Los Gatos
Portfolio Allocation & Treasurer's Fund Balances
January 31, 2021

	<u>Month</u>	<u>YTD</u>
Fund Balances - Beginning of Month/Period	\$61,118,129.45	\$72,729,892.43
Receipts	7,847,104.60	31,047,684.85
Disbursements	<u>(4,961,456.20)</u>	<u>(39,773,799.43)</u>
Fund Balances - End of Month/Period	<u>\$64,003,777.85</u>	<u>\$64,003,777.85</u>

<u>Portfolio Allocation:</u>	<u>% of Portfolio</u>	<u>Max. % Or \$ Allowed Per State Law or Policy</u>
BNY MM	\$61,737.50	0.11%
US Treasury Notes	\$7,723,416.42	13.49%
Government Agency Debenture Notes	\$23,022,651.75	40.21%
Corporate Medium Term Bonds	\$14,578,812.51	25.46%
Local Agency Investment Fund	\$11,866,415.40	20.73%
Subtotal - Investments	57,253,033.58	100.00%
Reconciled Demand Deposit Balances	<u>6,750,744.27</u>	
 Total Treasurer's Fund	 <u>\$64,003,777.85</u>	



Town of Los Gatos
Non-Treasury Restricted Fund Balances
January 31, 2021

	Beginning Balance	JAN 21 Deposits Realized Gain/Adj.	JAN 21 Interest/ Earnings	JAN 21 Withdrawals	Ending Balance	
Non-Treasury Funds:						
Cert. of Participation 2002 Series A Reserve Fund	\$ 686,256.70		\$ 8.12	\$ -	\$ 686,264.82	Note 1
Cert. Of Participation 2010 Ser A Lease Pymt Fund	6.13	315,983.46	0.00		\$ 315,989.59	Note 1
Cert. of Participation 2002 Lease Payment Fund	35.41	0.00	0.00		\$ 35.41	Note 1
Cert. of Participation 2010 Series Reserve Fund	1,298,131.42		11.11		1,298,142.53	Note 2
Total Restricted Funds:	<u>\$ 1,984,429.66</u>	<u>\$315,983.46</u>	<u>\$19.23</u>	<u>\$0.00</u>	<u>\$2,300,432.35</u>	
CEPPT IRS Section 115 Trust	708,807.33	0.00	(3,505.59)		705,301.74	
Grand Total COP's and CEPPT Trust	<u>\$ 2,693,236.99</u>	<u>\$ 315,983.46</u>	<u>\$ (3,486.36)</u>	<u>\$ -</u>	<u>\$ 3,005,734.09</u>	

These accounts are not part of the Treasurer's fund balances reported elsewhere in this report, as they are for separate and distinct entities.

Note 1: The three original funds for the Certificates of Participation 2002 Series A consist of construction funds which will be expended over the next few years, reserve funds which will guarantee the payment of lease payments, and a third fund for the disbursement of lease payments and initial delivery costs.

Note 2: The 2010 COP Funds are all for the Library construction, reserves to guarantee lease payments, and a lease payment fund for the life of the COP issue. The COI fund was closed in September 2010.

Note 3: The CEPPT Section IRS Section 115 Trust was established as an irrevocable trust dedicated to accumulate resources to fund the Town's unfunded liabilities related to pension and other pc

Town of Los Gatos
Statement of Interest Earned
January 31, 2021

Interest by Month

July 2020	\$78,263.77
August 2020	\$78,263.76
September 2020	\$75,077.38
October 2020	\$71,634.00
November 2020	\$68,018.31
December 2020	\$70,285.58
January 2021	\$69,933.93
February 2021	
March 2021	
April 2021	
May 2021	
June 2021	
	\$511,476.73

**Town of Los Gatos Investment Schedule January
2021**

<u>Institution</u>	<u>CUSIP #</u>	<u>Security</u>	<u>Deposit Date</u>	<u>Par Value</u>	<u>Original Cost</u>	<u>Market Value</u>	<u>Purchased Interest</u>	<u>Maturity Date or Call Date</u>	<u>Yield to Maturity or Call</u>	<u>Interest Received to Date</u>	<u>Interest Earned Prior Yrs.</u>	<u>Interest Earned Current FY</u>	<u>Days to Maturity</u>
Treasury	912828WR7	US Treasury Note	4/2/2019	1,000,000.00	995,625.00	1,008,359.38		6/30/2021	2.33%	\$ 37,099.45	\$ 28,917.32	\$ 13,664.23	150
Toyota Motor Credit	89236TDP7	Corporate Bond	05/20/19	1,100,000.00	1,102,596.00	1,123,368.21		1/11/2022	2.50%	\$ 46,951.67	\$ 30,798.33	\$ 16,269.39	345
Toyota Motor Credit	89236TCZ6	Corporate Bond	3/13/2020	500,000.00	504,440.00	501,596.50		4/8/2021	1.06%	\$ 5,409.72	\$ 1,599.24	\$ 3,154.46	67
FFCB	3133EKMX1	Gov. Agency Debenture	8/2/2019	1,000,000.00	1,014,400.00	1,060,713.62		2/23/2024	1.90%	\$ 29,175.83	\$ 17,466.66	\$ 11,277.27	1118
FFCB	3133EMBE1	Gov. Agency Debenture	10/8/2020	1,600,000.00	1,598,000.00	1,600,019.34	146.66	3/28/2024	0.34%	\$ (146.66)	\$ -	\$ 1,693.86	1152
FFCB	3133EMCQ3	Gov. Agency Debenture	10/16/2020	2,000,000.00	1,998,000.00	2,000,331.92	46.67	10/13/2024	0.31%	\$ (46.67)	\$ -	\$ 1,788.42	1351
BankAmerica Corp	06051GHC6	Corporate Bond	10/9/2020	1,300,000.00	1,366,287.00	1,361,820.69		12/20/2023	0.66%	\$ 7,701.92	\$ -	\$ 5,721.73	1053
IBM	459200HG9	Corporate Bond	8/8/2019	1,000,000.00	995,010.00	1,026,776.43		8/1/2022	2.05%	\$ 18,385.42	\$ 18,296.32	\$ 12,029.69	547
Oracle	68389XBL8	Corporate Bond	7/8/2019	1,000,000.00	1,008,880.00	1,049,644.34		7/15/2023	2.18%	\$ 28,466.67	\$ 21,374.17	\$ 12,836.44	895
US Treasury	912828R28	US Treasury Note	7/2/2019	500,000.00	497,246.09	516,582.03		4/30/2023	1.77%	\$ 10,796.54	\$ 8,819.78	\$ 5,209.49	819
American Express	0258M0EB1	Corporate Bond	2/11/2020	1,000,000.00	1,007,210.00	1,003,527.39		4/4/2021	1.66%	\$ 16,500.00	\$ 6,215.30	\$ 9,544.93	63
Freddie Mac	3137EAEN5	Gov. Agency Debenture	7/19/2019	2,000,000.00	2,072,358.00	2,123,468.98		6/19/2023	1.79%	\$ 77,916.67	\$ 34,741.74	\$ 21,525.86	869
FFCB	3133EKVF0	Gov. Agency Debenture	7/22/2019	1,000,000.00	999,630.00	1,033,886.89		1/17/2023	1.89%	\$ 27,864.58	\$ 17,771.06	\$ 11,106.91	716
Treasury	912828L57	US Treasury Note	7/22/2019	1,200,000.00	1,197,988.40	1,232,484.37		9/30/2022	2.09%	\$ 25,016.39	\$ 20,385.25	\$ 12,740.78	607
Freddie Mac	3137EADB2	Gov. Agency Debenture	1/17/2020	2,100,000.00	2,132,039.70	2,145,434.45		1/13/2022	2.12%	\$ 49,320.84	\$ 15,274.50	\$ 19,903.14	347
US Treasury	912828Y20	Gov. Agency Debenture	1/31/2020	1,000,000.00	1,016,601.56	1,011,523.44		7/15/2021	1.47%	\$ 25,096.16	\$ 6,138.62	\$ 8,740.42	165
American Honda	02665WCZ2	Corporate Bond	11/27/2019	1,000,000.00	1,012,410.01	1,061,498.20		6/27/2024	2.12%	\$ 24,733.34	\$ 12,601.45	\$ 12,543.11	1243
JP Morgan Chase	46625HJE1	Gov. Agency Debenture	2/11/2020	900,000.00	934,587.00	943,920.76		9/23/2022	1.74%	\$ 18,037.50	\$ 6,148.83	\$ 9,442.85	600
Honeywell Int'l.	438516BW5	Corporate Bond	11/20/2019	1,000,000.00	1,014,660.00	1,064,470.00		7/15/2024	1.64%	\$ 16,483.33	\$ 12,127.88	\$ 11,692.80	1261
Disney	254687CK0	Corporate Bond	3/4/2020	1,000,000.00	1,029,080.00	1,001,530.00		2/15/2021	1.39%	\$ 20,125.00	\$ 4,687.49	\$ 8,540.76	15
FNMA	3135G0V75	Gov. Agency Debenture	10/17/2019	1,100,000.00	1,105,833.30	1,156,224.11		7/2/2024	1.63%	\$ 23,581.25	\$ 12,682.51	\$ 10,609.88	1248
US Bancorp	91159HHV5	Corporate Bond	12/24/2019	1,000,000.00	1,049,040.00	1,084,379.60		1/5/2024	2.12%	\$ 20,718.75	\$ 11,183.73	\$ 12,722.23	1069
FFCB	3133EKCS3	Gov. Agency Debenture	3/21/2019	1,400,000.00	1,403,262.00	1,403,856.62		3/11/2021	2.43%	\$ 52,558.33	\$ 43,563.60	\$ 20,056.05	39
FFCB	3133EKQA7	Gov. Agency Debenture	10/21/2019	1,000,000.00	1,019,780.00	1,063,683.87		9/10/2024	1.66%	\$ 18,431.11	\$ 11,615.55	\$ 9,870.92	1318
PNC Financial	693476BN2	Corporate Bond	8/15/2019	1,000,000.00	1,029,280.00	1,030,736.62		2/6/2022	2.12%	\$ 35,108.33	\$ 18,589.78	\$ 12,490.01	371
FHLB	313379Q69	Gov. Agency Debenture	7/22/2019	1,000,000.00	1,006,960.00	1,027,220.20		6/10/2022	1.87%	\$ 29,395.83	\$ 17,755.82	\$ 11,097.39	495
FNMA	3135G0V59	Gov. Agency Debenture	11/27/2019	1,540,000.00	1,562,924.44	1,580,859.80		4/12/2022	1.61%	\$ 30,318.75	\$ 14,793.93	\$ 14,725.44	436
JP Morgan Chase	46625HJT8	Corporate Bond	9/23/2019	1,400,000.00	1,485,414.00	1,538,465.28		2/1/2024	2.39%	\$ 46,413.89	\$ 26,688.85	\$ 20,420.30	1096
American Honda	02665WDH1	Corporate Bond	2/14/2020	600,000.00	603,756.00	621,466.78		5/10/2023	1.75%	\$ 10,595.00	\$ 3,955.80	\$ 6,208.00	829
FHLB	3130AABG2	US Treasury Note	4/15/2019	1,000,000.00	988,250.00	1,014,728.74		11/29/2021	2.34%	\$ 30,416.67	\$ 28,121.02	\$ 13,678.77	302
FNMA	3135G0Q89	Gov. Agency Debenture	2/10/2020	1,000,000.00	998,702.00	1,008,790.09		10/7/2021	1.38%	\$ 9,052.08	\$ 5,614.15	\$ 8,560.59	249
FNMA	3135G0J20	Gov. Agency Debenture	2/10/2020	1,000,000.00	998,882.00	1,000,892.47		2/26/2021	1.48%	\$ 7,486.11	\$ 5,724.31	\$ 8,728.56	26
Treasury	912828M80	US Treasury Note	7/22/2019	1,000,000.00	1,006,175.23	1,034,296.88		11/30/2022	1.81%	\$ 27,158.47	\$ 17,118.04	\$ 10,698.77	668
Treasury	912828U57	US Treasury Note	7/31/2019	1,000,000.00	1,011,875.00	1,055,390.62		11/30/2023	1.84%	\$ 28,333.33	\$ 16,990.40	\$ 10,904.28	1033
Treasury	912828X70	US Treasury Note	12/30/2019	1,000,000.00	1,010,589.29	1,057,617.19		4/30/2024	1.75%	\$ 18,703.30	\$ 9,805.98	\$ 11,520.69	1185
Treasury	912828XT2	US Treasury Note	10/31/2019	1,000,000.00	1,015,667.41	1,058,750.00		5/31/2024	1.64%	\$ 21,639.34	\$ 11,040.77	\$ 9,768.58	1216
Wells Fargo	94988J6A0	Corporate Bond	6/24/2020	1,350,000.00	1,370,749.50	1,364,386.87		9/9/2021	0.80%	\$ 5,357.48	\$ 163.99	\$ 5,876.23	221
FFCB	3133EJ3Q0	Gov. Agency Debenture	8/28/2019	1,500,000.00	1,587,503.75	1,614,392.84		12/21/2023	2.12%	\$ 56,661.46	\$ 19,226.80	\$ 13,465.02	1054
Freddie Mac	3133EKKT2	Gov. Agency Debenture	6/24/2019	1,550,000.00	1,573,188.00	1,615,116.40		2/8/2023	1.82%	\$ 47,856.25	\$ 29,033.70	\$ 16,780.23	738
Subtotal				\$ 44,640,000.00	\$ 45,324,880.68	\$ 46,202,211.92	\$ 193.33			\$ 1,004,673.43	\$ 567,032.64	\$ 437,608.46	
BNY MM		Money Market			61,737.50	61,737.50			0.00%				1
LAIF		State Investment Pool			11,866,415.40	11,866,415.40			0.46%			45,635.25	1
					\$57,253,033.58	\$58,130,364.82				\$ 1,004,673.43	\$ 567,032.64	\$ 483,243.71	

<u>Matured Assets</u>													
FNMA	3133EHYM9	Gov. Agency Debenture	9/21/2017	1,300,000.00	1,295,866.00			9/14/2020	1.61%	\$ 58,120.83	\$ 57,964.67	\$ 4,348.78	
FFCB	3133ELVV3	Gov. Agency Debenture	4/8/2020	1,600,000.00	1,600,000.00			10/8/2020	0.93%	\$ 7,600.00	\$ 3,456.44	\$ 4,164.38	
FNMA	3136G0AW1	Gov. Agency Debenture	12/13/2017	2,000,000.00	2,017,900.00			10/16/2020	2.02%	\$ 133,558.33	\$ 103,715.85	\$ 12,044.42	
BankAmerica Corp	06051GGS2	Corporate Bond	4/30/2020	1,300,000.00	1,302,314.00			10/1/2020	1.21%	\$ 12,694.08	\$ 4,141.23	\$ 6,313.69	
Total Investments "Matured"												\$ 26,871.27	
Total Interest FY 20_21 Matured and Current												\$ 510,114.98	

<u>Maturity Profile</u>			Amount
0-1 year			\$25,475,590.66
1-2 years			\$8,732,555.07
2-3 years			\$10,770,133.84
3-5 years			\$ 12,274,754.01
			<u>\$57,253,033.58</u>

Market to Cost Position Report

<u>Institution</u>	<u>Amortized Cost</u>
BNY Assets	\$45,324,880.68
BNY MM	61,737.50
LAIF	11,866,415.40
Totals:	<u>\$57,253,033.58</u>



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 05/18/2021

ITEM NO: 7

DATE: May 13, 2021

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Operating and Capital Budgets

A. Consider the recommendations of the Finance Commission and staff, and provide direction on the Town of Los Gatos Proposed Operating and Capital Budget for Fiscal Year (FY) 2021/22 and on the Proposed Capital Improvement Program for FY 2021/22 – FY 2025/26; including but not limited to:

1. Determine the use of the accumulated \$1.2 Million Measure G funds through June 30, 2020
2. Determine the use of the Measure G proceeds in FY 2020/21
3. Determine the use of Measure G proceeds in FY 2021/22
4. Determine the use of the of Measure G proceeds for the remaining years of the forecast period
5. Provide direction balancing the FY 2020/21 Budget
6. Provide direction on any changes to proposed expense/revenue assumptions for the FY 2021/22 Budget and the remaining forecast period
7. Provide direction balancing the FY 2021/22 Proposed Budget
8. Determine the use of \$1.2 Million in Surplus Property Reserve (Winchester property sale proceeds)
9. Provide direction on the Proposed Operating Budget
10. Provide direction on the Proposed Capital Budget
11. Consider the FY 2021/22 List of Potential Donations consistent with the Town's Donation Policy
12. Clarify the Council's Strategic Priority for revenue enhancements

RECOMMENDATION:

The Town Council should conduct a public hearing, consider the recommendations of the Finance Commission and staff, and provide direction on the Town of Los Gatos Proposed

PREPARED BY: Stephen Conway
Finance Director

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

Operating and Capital Budgets for Fiscal Year 2021/22 and the Town of Los Gatos Proposed Capital Improvement Program for Fiscal Years 2021/22 - 2025/26, including but not limited to:

1. Determine the use of accumulated \$1.2 million Measure G funds through June 30, 2020
2. Determine the use of Measure G funds for FY 2020/21
3. Determine the use of Measure G funds for FY 2021/22
4. Determine the future use of Measure G funds for the remaining years of the forecast period
5. Provide direction balancing the FY 2020/21 budget
6. Provide direction on any changes to proposed revenue/expense assumptions for the FY 2021/22 Budget and the remaining forecast period
7. Provide direction balancing the FY 2021/22 Proposed Budget
8. Determine the use of \$1.2 Million in Surplus Property Reserve (Winchester property sale proceeds)
9. Provide direction on the Proposed Operating Budget
10. Provide direction on the Proposed Capital Budget
11. Consider the FY 2021/22 List of Potential Donations consistent with the Town's Donation Policy
12. Clarify the Council's Strategic Priority for revenue enhancements

BACKGROUND:

On April 19, 2021, the Town Manager's Proposed FY 2021/22 Operating and Capital Budgets were posted on the Town's website for the public's review and comment (see Attachments 1 and 2). The Proposed Budgets were published a month earlier than prior practice and 22 business days before May 18, 2021 (Council's public hearing on the Budgets), in accordance with Measure A. The transmittal letter in the Proposed FY 2021/22 Operating Budget provides an executive summary of the budget, including the fiscal outlook, key budget assumptions, and other information.

The Proposed Operating and Capital Budget for FY 2021/22 (Attachment 1) is the Town Manager's recommended comprehensive financial plan to provide services to the Town of Los Gatos and address the priorities set by the Town Council. The Proposed FY 2021/22 – 2025/26 Capital Improvement Program (Attachment 2) is a five-year capital improvement plan which identifies projects to construct and maintain the Town's infrastructure.

Both budget documents were prepared with contributions from all Town Departments. Of particular note, the Finance Department took the lead in developing revenue and expenditure forecasts, ensuring that the most current information was used in the preparation of the proposed budgets. In addition, the Department of Parks and Public Works identified high

BACKGROUND (continued):

priority projects for inclusion in the Capital Budget based on its familiarity with the Town's facilities, equipment, and infrastructure, and its work with various Town Commissions on these assets.

The proposed Budget also acknowledges the economic realities associated with the global COVID-19 pandemic and other unforeseen budgetary impacts. As stated in last year's Budget message and remains true today, the ultimate impact to the organization is not expected to be known until the depth and breadth of the pandemic recession is fully understood. Even with areas of continued uncertainty, this Budget positions the organization well for continued excellence in service delivery to the community.

The FY 2021/22 Budget endeavored to maintain essential public services while controlling operational costs in light of the Five-Year Financial Forecast, which predicts operating shortfalls in subsequent fiscal years. Providing current service levels to the community in future fiscal years will require a strong return to pre-pandemic performance of the Town's economically sensitive revenues and/or revenue enhancements as identified as one of the Town Council's Strategic Priorities. However, in the event pre pandemic revenue levels do not return and new revenue sources are not identified, the current projected deficits may need to be addressed through service delivery reductions. If this occurs, the Council will need significant input from the community to identify and determine service reductions.

With the passage of Measure A, the newly constituted Finance Commission has been tasked with a thorough review of the FY 2021/22 Proposed Operating and Capital Budgets. As stated in the Measure A adopted Ordinance, the Finance Commission is to perform the following functions:

(a) The Finance Commission shall:

(2) Review the Town Manager's annual proposed budget prepared in accordance with section 2.30.295(6) of the Town Code. and provide written comments and recommendations to the Town Council.

(A) The Finance Commission's comments and recommendations shall include a recommendation about whether the Town Council should approve or disapprove the proposed budget. The Finance Commission may make a recommendation of approval of the budget conditional upon the Town Council's acceptance of one or more of the Finance Commission's recommendations.

(B) The Town Manager must provide a proposed budget to the Finance Commission at least twenty (20) business days before the first meeting at which the proposed budget is considered by the Town Council.

BACKGROUND (continued):

In addition to the Town Manager's Proposed Budget, the Town Council is being asked to consider the Finance Commission recommendations contained in Attachment 3. The Town Council is also being asked to consider additional staff recommended changes based on additional review and analysis since publication (Attachment 5). Any recommended changes and additional direction to the Proposed Operating and/or Capital Budgets provided by Council at the May 18, 2021 budget hearing will be incorporated into the implementing documents to be presented for final Council approval on June 1, 2021. Finally, the Council is asked to review the annual list of donations and approve budget adjustments for FY 2020/21.

DISCUSSION:

Proposed Operating and Capital Budgets and Five-Year Forecast Development

The FY 2021/22 General Fund Budget programs total revenues and reserve transfers of \$47 million, and expenditures and allocations of \$46 million. The Budget currently anticipates no significant new programming, and does maintain existing service and staffing levels. This Budget also provides for limited, continued strategic investments toward important wildfire vegetation management as grant funding allows and other necessary infrastructure improvements, as the pandemic is not the only threat to our community's health and safety.

The Proposed Operating and Capital Budgets and Five-Year Forecast were developed with a cautionary post COVID-19 economic recovery base case. The economic ramifications of the pandemic have created lower revenue bases than in prior years which reverberate throughout the forecast period as future revenue growth is extrapolated from the lower initial base revenues. Revenue forecasts for the current Budget have been developed in close consultation with the Santa Clara County Assessor, Town Sales Tax consultant MuniServices, and a review of national and regional hospitality research.

In addition to developing revenue growth projections, the Proposed Budget also forecasts anticipated increases in the Town's pension obligations and salaries. The delivery of Town services is highly dependent on talented staff which comprises 68.7% of budgeted General Fund expenditures and 51.0% of budgeted total expenditures for FY 2021/22. One of the major cost drivers for the Town's service delivery over the past decade has been unanticipated increases in pension and Other Post-Employment Benefits (OPEB).

For FY 2021/22, the Proposed Operating Budget was balanced utilizing three primary budget balancing strategies. The first was direction to all Departments to identify expenditure reductions that would not degrade service levels and other expense containment strategies. To that end, all Departments programmed savings from traditional travel and training budgets, expecting that most professional development opportunities will continue to be offered

DISCUSSION (continued):

remotely. Other examples include the use of one-time unbenefited part time employees where applicable, delayed purchase of additional recycling bins, and limited in-person Library programming to reflect the slow easing of the pandemic’s effects.

The second strategy is the use of \$1.56 million of the Town’s \$5.7 million allocation from the American Rescue Plan Act to replace lost revenue as a result of COVID as directed by the Town Council in early April. The Act identified four eligible uses for funding including the provision of government services to the extent that the COVID–19 public health emergency resulted in a reduction in revenue.

The third strategy was full programming of Measure G funds toward eligible operating purposes per the Sales Tax Measure that the voters approved a 1/8th cent sales tax dedicated to the Town of Los Gatos. Eligible uses are discussed in more detail later in this report.

The culmination of these revenue, expense, and other assumptions is a FY 2021/22 balanced budget and projected deficits in the range of \$0.8 million to a maximum of \$1.3 million per year in the remaining years of the forecast five-year forecast.

5 Year Forecast	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast
Base Case Modest Growth (millions)	(\$1.3)	(\$0.8)	(\$0.8)	\$0.1	\$0.5

Given the unknown nature of the transitioning economy, staff continues to monitor revenue trends. In the event pre pandemic revenue levels do not return and new revenue sources are not identified the current projected deficits may need to be addressed through service delivery reductions at mid-year FY 2021/22. If this occurs, the Council will need significant input from the community through various means to identify and determine service reductions.

The FY 2021/22 – FY 2025/26 Capital Improvement Program (CIP) sets forth a five-year plan for proposed streets, parks, and public facility projects. The transmittal letter contained in the CIP provides a summary of the program including funding sources, recently completed projects, and the proposed projects for FY 2021/22. Only the first year of the plan is formally adopted with funds appropriated by the Town Council as part of the budget process.

During the January 2021 Strategic Priorities discussion, the Town Council stated its priorities to begin to implement the Comprehensive Parking Study, continue mobility improvements for all

DISCUSSION (continued):

transportation modes, manage the vegetation on Town lands to protect against wildfire, and advance other needed improvements. All of these efforts support improving and enhancing transportation options, public safety, and quality of life within the context of prudent fiscal management. The Proposed CIP for FY 2021/22 includes a total budget of \$22.7 million of new and carry-forward funding.

Town staff go through a rigorous process to evaluate all previously funded projects and potential new projects when preparing the CIP. There are more needs than available funding, and staff recommends high priority projects that are consistent with the Strategic Priorities. This year, due to limited available funds, the proposed CIP concentrates on funding key ongoing maintenance commitments (e.g., street paving), projects that have grant funding and the FY 2021/22 schedule obligation, and supplementing projects that are underway to ensure that they re completed. On April 28, 2021, the Planning Commission reviewed the proposed CIP, found it consistent with the General Plan, and recommended its adoption by the Town Council.

Proposed Operating and Capital Budgets and Five-Year Forecast in Relation to Finance Commission Recommendations

As previously mentioned, the newly constituted Finance Commission is tasked with a thorough review of the FY 2021/22 Proposed Operating and Capital Budgets. The Finance Commission recommended approval of the Proposed Budgets predicated on nine recommended changes to the Proposed Budget.

The Commission's deliberations coalesced around the following goals and observations:

- Enhance transparency in budget development, budget assumptions, and budget presentation.
- The Proposed Budget significantly restricts capital expenditures relative to historic allocations.
- The Proposed Capital Improvement Plan (CIP) is challenged by a lack of dedicated funding.
- The higher percentage increases in the primary expenditures of Salary and Benefits relative to revenues is constraining other investments.
- Recommend strategies to slow the growth in expenditures until there is greater clarity on impacts to revenues.

Of the nine recommendations, three have no impact on the Proposed Budget, four have direct impacts on the Proposed Budget, and two provide budget balancing recommendations.

DISCUSSION (continued):

Town Council Budget Considerations

Decisions Pertaining to Measure G

Per Measure G, prior to the Town's expenditure of any revenues from the tax the Finance Commission is to review the proposed expenditures and advise the Town Council on whether such expenditures meet the Town Council's objectives for that tax:

- (A) Maintaining and enhancing neighborhood police patrols and local crime prevention programs;
- (B) Improving traffic flow to reduce congestion;
- (C) Repairing potholes and maintaining the Town's streets, roads, and sidewalks: and
- (D) Maintaining the Town's long-term financial stability.

To date, no Measure G funds have been expended. Approximately \$1.2 M have accumulated in a Measure G Reserve through June 30, 2020. Forecasted revenues are as follows:

Measure G District Tax	2020/21 Estimate	2021/22 Proposed	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast
Revenues (millions)	\$0.9	\$1.0	\$1.0	\$1.0	\$1.1	\$1.1	\$1.1

The Finance Commission (FC) has made recommendations for the use of Measure G funds and the Council should consider the recommendations as it makes its decisions for the use of the funds. For each FC recommendation, potential impacts are identified.

FC Recommendation: Recommend to Council the allocation of the accumulated Measure G funds through June 30, 2020 in the Measure G Reserve (\$1.2 million) to the General Fund Appropriated Reserve (GFAR) for capital budgeting purposes as determined by the Town Council's priorities.

Potential Impacts: The recommendation has no direct impact on the Proposed Operating Budget, would establish resources for future capital budgeting by committing previously unallocated monies.

FC Recommendation: Allocate 50% Measure G proceeds for capital purposes in FY 2020/21, FY 2021/22, and all periods after.

Potential Impacts: If Council agrees with this recommendation, operating deficits would increase by approximately \$500k per year based on Measure G revenue estimates.

DISCUSSION (continued):

Council Actions:

1. Determine the use of accumulated \$1.2 million Measure G funds through June 30, 2020
2. Determine the use of Measure G funds for FY 2020/21
3. Determine the use of Measure G funds for FY 2021/22
4. Determine the future use of Measure G funds for the remaining years of the forecast period

Decisions Pertaining to Budget Balancing Strategies for FY 2020/21

Based on the Town Council’s decision regarding the allocation of Measure G funds, an additional \$500k FY 2020/21 deficit may develop. The Finance Commission was presented with the following options for FY 2020/21 budget balancing consideration:

Budget Balancing Strategies	Pros	Cons
Use of either the Budget Stabilization or Catastrophic Reserves	<ul style="list-style-type: none"> • Sufficient funding available in each reserve 	<ul style="list-style-type: none"> • Funds are required to be replenished
Cancellation of the annual OPEB actuarial contribution funding	<ul style="list-style-type: none"> • Legally viable • \$600k in FY 20/21 and \$500k in FY 21/22 	<ul style="list-style-type: none"> • Counter to past funding objectives • Potential rating agency implications
Utilization of the OPEB IRS 115 Trust for annual Pay Go healthcare expenses	<ul style="list-style-type: none"> • Legally viable • \$1.3M in FY 20/21 and \$1.3M in FY 21/22 	<ul style="list-style-type: none"> • Counter to past funding objectives
Cancel programmed GF GFAR contribution for FY 21/22	<ul style="list-style-type: none"> • \$600k 	<ul style="list-style-type: none"> • Counter to the Commissions CIP funding objective
ARPA	<ul style="list-style-type: none"> • \$1.4M FY 20/21 and \$650k FY 21/22 	<ul style="list-style-type: none"> • Depletes resources available for other ARPA eligible purposes

Another option for Council consideration is using the unprogrammed proceeds from the Winchester property sale (\$1.2 M). The Proposed Operating Budget recommends maintaining these funds unprogrammed as future contingency due to an uncertain fiscal future. The FC recommended putting these proceeds towards the Capital Budget.

DISCUSSION (continued):

FC Recommendation: Cancel the FY 2020/21 and future years’ Other Post-Employment Benefits (OPEB) actuarial contribution(s) to the extent necessary to fund the CIP, increased salaries, and address uncertainties.

Potential Impacts: The recommendation provides legally viable resources of approximately \$600k in FY 2020/21 and \$500k in FY 2021/22. The recommendation is not consistent with past practice to prefund benefit obligations and could have rating agency implications.

Council Actions:

5. Provide direction to balance the FY 2020/21 budget

Decisions Associated with Revenue and Expenditure Assumptions in FY 2021/22 and Five-Year Forecast

An important aspect of the Town’s budget development process is taking a multi-year approach to understand revenue and expenditure trends over time. The Forecast takes a forward look at the Town's General Fund revenues and expenditures and is updated regularly. Its purpose is to identify financial trends, potential shortfalls, and other issues so the Town can proactively address them and budget accordingly. It does so by projecting out into the future the fiscal results of continuing the Town's current service levels and policies. The revenue and expense forecast assumptions can be found on pages A21-A24 of the Proposed Operating Budget and in Attachment 4.

FC Recommendation: Use a 2% inflation factor for development of base salary expenses for FY 2021/22 and the remaining forecast period, without implying a particular outcome for negotiations with bargaining units.

Potential Impacts: The recommendation would increase the FY 2021/22 operating deficit by approximately \$460k and throughout the forecast period as illustrated below.

2% Base Salary Inflation Factor	2021/22	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast
Total Projected Increase (millions)	\$0.46	\$0.90	\$1.34	\$1.80	\$2.24	\$2.72

Council Actions:

6. Provide direction on any changes to proposed revenue/expense assumptions for the FY 2021/22 Budget and the remaining forecast period

DISCUSSION (continued):**Decisions Pertaining to the Proposed FY 2021/22 Operating Budget**

Salary Costs: The FC discussed salary and benefit costs over time and recommended that the Town Council start taking action to control costs (see Attachment 3).

FC Recommendation: Freeze budgeted Full Time Equivalent (FTEs) at 145 for six months.

Potential Impacts: The recommendation would provide \$346,830 (\$69,366/FTE) savings in FY 2021/22. The table below provides an analysis of existing vacancies.

Vacant Position	Dept	Vacancy Date	Salary Range	Hourly Rate	6 mo. Salary/Benefit Cost Saving
Comms Dispatcher	PD	Dec-20	TEA - 14	\$39.05 - \$50.41	\$66,528
Comms Dispatcher	PD	Jan-21	TEA - 14	\$39.05 - \$50.41	\$66,528
Comms Dispatcher	PD	Mar-21	TEA - 14	\$39.05 - \$50.41	\$66,528
Comms Dispatcher	PD	Apr-21	TEA - 14	\$39.05 - \$50.41	\$66,528
Parks Maintenance Worker	PPW	Aug-20	AFSCME-05	\$29.90 - \$38.17	\$51,849
Legal Admin Assistant	Town Attorney	Jan-21	Conf-02	\$33.43 - \$43.26	\$58,459
Police Officer	PD	Dec-20	POA-02-0710	\$48.90	69,534
Police Officer	PD	Apr-21	POA-02-0711	\$51.47 - 62.57	\$108,224

It is important to note that the total minimum required employer pension contribution is the sum of the Plan's Employer Normal Cost Rate and the Employer Unfunded Accrued Liability (UAL). For FTE costing purposes, staff assumes a total pension percentage rate; however, the UAL portion is paid as a lump sum in July of each fiscal year, while the normal cost is paid with

DISCUSSION (continued):

the biweekly payroll. Consequently, anticipated savings are less since the lump sum payment happens regardless if the position is filled or not.

The FC did not think that freezing Town positions would impact services; however, as a lean service delivery organization, each position is critical to maintain service levels. An Addendum is expected to be published tomorrow documenting sample impacts to services.

Destination Marketing: The Chamber of Commerce requested the FC recommend to the Town Council funding for an “emergency” destination marketing campaign with the intended outcome of attracting visitors to stay at Los Gatos hotels and increasing Transient Occupancy Tax revenues.

FC Recommendation: Allocate \$55K to the Chamber of Commerce for a destination marketing utilizing American Rescue Plan Act funds.

Potential Impacts: ARPA funds would become unavailable for other uses.

Council Actions:

7. Provide direction on the Proposed Operating Budget, including but not limited to the FC recommendations. Council may wish to utilize its recently approved principles (see Attachment 6). If the Council is interested in the destination marketing concept, it should determine if the work should start in the current fiscal year or FY 2021/22 and determine its potential funding source (e.g., ARPA, Economic Recovery Fund, etc.).

Decisions to Balance the FY 2021/22 Operating Budget

Based on the Town Council’s decisions regarding the allocation of Measure G funds and any revenue and expense assumption changes, additional FY 2021/22 deficits may develop. The options for budget balancing for FY 2021/22 are the same as presented earlier in the report and are repeated for ease of use):

Budget Balancing Strategies	Pros	Cons
Use of either the Budget Stabilization or Catastrophic Reserves	<ul style="list-style-type: none"> • Sufficient funding available in each reserve 	<ul style="list-style-type: none"> • Funds are required to be replenished
Cancelation of the annual OPEB actuarial contribution funding	<ul style="list-style-type: none"> • Legally viable • \$600k in FY 20/21 and \$500k in FY 21/22 	<ul style="list-style-type: none"> • Counter to past funding objectives • Potential rating agency implications

Utilization of the OPEB IRS 115 Trust for annual Pay Go healthcare expenses	<ul style="list-style-type: none"> • Legally viable • \$1.3M in FY 20/21 and \$1.3M in FY 21/22 	<ul style="list-style-type: none"> • Counter to past funding objectives
Cancel programmed GF GFAR contribution for FY 21/22	<ul style="list-style-type: none"> • \$600k 	<ul style="list-style-type: none"> • Counter to the Commissions CIP funding objective
ARPA	<ul style="list-style-type: none"> • \$1.4M FY 20/21 and \$650k FY 21/22 	<ul style="list-style-type: none"> • Depletes resources available for other ARPA eligible purposes

Another option for Council consideration is using the unprogrammed proceeds from the Winchester property sale (\$1.2 M). The Proposed Operating Budget recommends maintaining these funds unprogrammed as future contingency due to an uncertain fiscal future. The FC recommended putting these proceeds towards the Capital Budget.

FC Recommendation: Cancel the FY 2020/21 and future years’ Other Post-Employment Benefits (OPEB) actuarial contribution(s) to the extent necessary to close, fund the CIP, increased salaries, and address uncertainties.

Potential Impacts: The recommendation will provide legally viable resources of approximately \$600k in FY 2020/21 and \$500k in FY 2021/22. The recommendation is not consistent with past practice to prefund benefit obligations and could have rating agency implications.

In addition to the formal recommendation for the use of OPEB contributions, the Commission opined that the savings from a 6-month hiring freeze should alleviate any additional deficits in FY 2021/22 from their recommended actions.

Council Actions:

8. Provide direction balancing the FY 2021/22 Proposed Budget

Determine the Use of the Winchester Property Sale Proceeds

In the FY 2021/22 Proposed Operating Budget the proceeds from the sale of the Winchester property remain in reserve and unallocated. Dependent on other Council action(s), the proceeds are still available for budget balancing or other uses.

FC Recommendation: Recommend the allocation of the \$1.2 million Surplus Property Reserve (Winchester property sale proceeds) to the Capital/Special Project Reserve for capital budgeting purposes as determined by the Town Council’s priorities.

Potential Impacts: The recommendation has no direct impact on the Proposed Operating Budget but would commit previously unallocated monies.

DISCUSSION (continued):

Council Actions:

9. Determine the use of \$1.2 Million in Surplus Property Reserve (Winchester property sale proceeds)

Decisions Pertaining to the Capital Budget

In addition to the aforementioned budget actions, the Council may wish to consider other Proposed Capital budgetary items.

FC Recommendation: Allocate \$500k from the previously recommended additional allocations to the Capital Budget for continuation of the roadside vegetation management project.

Potential Impacts: The recommendation has no direct impact on the budget but would commit previously unallocated monies.

Council Actions:

10. Provide direction on the Proposed Capital Budget

Cumulative Consideration of FC Recommendations

To understand the cumulative effects of most of the Finance Commission recommendations, the table below contains an updated five-year forecast.

The updated Forecast on the following page incorporates the following:

- 2% salary escalator built in the forecast from FY 2021/22 to FY2026/27
- OPEB payment eliminated from FY 2021/22 to FY2026/27
- 50% of the Measure G proceeds allocated to capital spending FY 2020/21 to FY2026/27
- \$1.2 million Measure G reserve (balance accumulated until 6/30/2020) allocated to capital in FY 2021/22
- \$1.2 million balance of the Surplus Property Reserve (Winchester property sale proceeds) is allocated to capital in FY 2021/22

**Town of Los Gatos General Fund 5-Year Forecast - FC Recommendations
(in \$ million)**

Account	Revenue Category	2020/21 Adjusted Budget	2020/21 Estimates	2021/22 Proposed Budget	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast
4100	Property Tax	\$ 13.9	\$ 14.7	\$ 15.7	\$ 15.8	\$ 16.3	\$ 16.8	\$ 17.3	\$ 17.8
4110	VLF Backfill Property Tax	4.1	4.1	4.2	4.3	4.4	4.5	4.7	4.8
4200	Sales & Use Tax	6.7	6.2	7.2	7.4	7.7	7.8	8.0	8.2
4200	Measure G District Sales Tax	1.0	0.9	1.0	1.0	1.0	1.1	1.1	1.1
4250	Franchise Fees	2.5	2.5	2.6	2.7	2.8	2.8	2.9	3.0
4251	Transient Occupancy Tax	0.7	0.7	0.9	1.1	1.2	1.3	1.4	1.5
4400	Business License Tax	1.1	1.3	1.3	1.3	1.4	1.4	1.4	1.4
4400	Licenses & Permits	3.0	3.0	2.7	2.8	2.9	3.0	3.0	3.1
4500	Intergovernmental	1.5	4.3	3.9	0.9	0.9	0.9	0.9	0.9
4600	Town Services	3.9	3.7	3.6	3.4	3.5	3.6	3.7	3.8
4700	Fines & Forfeitures	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2
4800	Interest	0.6	0.6	0.4	0.3	0.2	0.2	0.2	0.2
4850	Other Sources	3.4	3.5	2.4	2.3	2.3	2.2	2.2	2.2
4900	Fund Transfers In	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
TOTAL OPERATING REVENUES & TRANSFERS*		\$ 43.1	\$ 46.2	\$ 46.7	\$ 44.1	\$ 45.4	\$ 46.4	\$ 47.6	\$ 48.8
	Use of Capital/Special Project Reserve - Capital	3.4	3.4	0.6	1.3	1.3	1.9	1.3	1.4
	Use of Pension/OPEB Reserve	4.5	4.5	-	-	-	-	-	-
	Use of Capital/Special Project Reserve - Other	0.9	0.9	-	-	-	-	-	-
	Use of Property Surplus Reserve	-	-	1.2	-	-	-	-	-
	Use of Measure G Reserve	-	-	1.2	-	-	-	-	-
TOTAL REVENUES, TRANSFERS, AND USE OF RESERVES		\$ 51.9	\$ 55.0	\$ 49.7	\$ 45.4	\$ 46.7	\$ 48.3	\$ 48.9	\$ 50.2
0									
Account	Expenditure Category	2020/21 Adjusted Budget	2020/21 Estimates	2021/22 Proposed Budget	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast
5110	Salary	20.3	20.6	20.3	20.6	21.0	21.5	21.9	22.3
5120	CalPERS Benefits	7.3	6.4	7.3	7.8	8.2	8.7	8.6	8.9
5200	All Other Benefits	4.1	3.8	4.2	3.9	4.1	4.2	4.3	4.4
6211	OPEB Pay as You Go	1.3	1.3	1.3	1.4	1.5	1.7	1.8	1.9
6000	Operating Expenditures	6.6	6.1	6.1	6.1	6.1	6.4	6.4	6.7
7200	Grants & Awards	0.2	0.6	0.5	0.2	0.3	0.3	0.3	0.3
7400	Utilities	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.7
8060	Internal Service Charges	2.4	2.4	2.7	2.9	3.1	3.3	3.4	3.4
8900	Debt Service	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
TOTAL OPERATING EXPENDITURES		\$ 44.6	\$ 43.7	\$ 45.0	\$ 45.5	\$ 46.8	\$ 48.4	\$ 49.2	\$ 50.4
	GASB 45 Retiree Medical Actuarial	0.6	-	-	-	-	-	-	-
	Additional Discretionary Payment - Pension	4.9	4.9	0.4	0.4	0.4	0.4	0.4	0.4
TOTAL OPERATING & DISCRETIONARY EXPENDITURES		\$ 50.1	\$ 48.6	\$ 45.4	\$ 45.9	\$ 47.2	\$ 48.8	\$ 49.6	\$ 50.8
	Capital Transfers Out to GFAR	3.4	3.9	3.4	1.3	1.3	1.9	1.3	1.4
	Allocate to Property Surplus Reserve	1.2	1.2	-	-	-	-	-	-
	Allocate to ARPA Reserve	-	1.2	0.9	-	-	-	-	-
TOTAL EXPENDITURES & RESERVE ALLOCATIONS		\$ 54.7	\$ 54.9	\$ 49.7	\$ 47.2	\$ 48.5	\$ 50.7	\$ 50.9	\$ 52.2
NET REVENUES RESERVE TRANSFERS LESS EXPENDITURES & RESERVE ALLOCATIONS FOR FINAL ALLOCATION AFTER YEAR END CLOSE		\$ (2.8)	\$ 0.1	\$ -	\$ (1.8)	\$ (1.8)	\$ (2.4)	\$ (2.0)	\$ (2.0)

* Due to rounding of individual categories FY 2021/22 Total Expenditures and Reserve Allocations includes \$0.1 million.
General Fund (111) Forecast does not include Pension Trusts activities.

DISCUSSION (continued):

Donation Opportunities - FY 2021/22 List of Town Needs

As part of the budget development process, the List of Town Needs is updated per Town Council Donation Policy (Attachment 7) to reflect goods, services, and other contributions that would help enhance Town services, programs, and events (Attachment 8).

CONCLUSION AND NEXT STEPS:

At its May 18, 2021 meeting, the Council will have an opportunity to listen to public testimony, ask questions, consider the Finance Commission's recommendations, deliberate, and direct changes to the Proposed Operating and/or Capital Improvement Program Budgets. Any changes to the Proposed Operating and/or Capital Budgets directed by Council or identified by staff (see Attachment 5.) will be included for Council consideration in the resolution formally adopting the Budgets to be considered by Council on June 1.

The recommendation section identifies a series of decisions for the Town Council to work through the Budget documents. Individual requests for new spending (e.g., the Chamber's Emergency Destination Marketing Campaign) should be considered in the context of the Proposed Operating Budget, using the Council's principles (Attachment 6), and identifying the source of funding for these items.

During and after the Budget adoption, staff continues to monitor revenues and expenditures closely and will report to the Town Council actual revenues and expenditures later in the year as the data become available. Any modifications needed will be brought back to the Council as Budget Adjustments.

Given the Finance Commission's concern about cost containment, staff will initiate community surveys and workshops to ask the public about service reductions. This engagement is critical for the Council to make sound decisions about potential service reductions especially if revenues do not rebound. While Town staff continues to implement efficiencies and cost cutting ideas (e.g., electronic bidding, digital contract approvals, online permits, etc.), staff will also be consulted for additional expenditure reduction ideas.

Finally, the Town Council identified revenue enhancement as one of its Strategic Priorities. As the Finance Commission is scheduled to discuss this topic next, the Town Council should clarify the purpose of revenue enhancements to ensure the Commission is following Council direction on this Strategic Priority. For example, is the purpose of revenue enhancement to maintain existing high levels of operating services, create a sustainable source for the capital program, or both?

COORDINATION:

The preparation of the budget documents involved the participation of all Town Departments. The Finance Commission deliberated and provided its recommendations to the Council as discussed in this report.

FISCAL IMPACT:

Under State law, the Town Council is required to enact a balanced budget. The Proposed Operating and Capital Budgets are balanced and as the Council directs changes, the outcome must be a balanced fiscal plan.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:

1. FY 2021/22 Proposed Operating and Capital Budget, provided to the Council in April and available: <https://www.losgatosca.gov/2668/FY-21-22-Proposed-Operating-Budget>
2. FY 2021/22 – FY 2025/26 Proposed Capital Improvement Program Budget, provided to the Council in April and available: <https://www.losgatosca.gov/2669/FY-21-22-Proposed-Capital-Budget>
3. Finance Commission Recommendations
4. Revenue and Expense Forecast Assumptions
5. List of proposed changes related to typos and adding clarifications
6. Council Principles for Considering Requests
7. Town of Los Gatos Donation Policy
8. Town of Los Gatos Donation Opportunities: FY 2021/22



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 05/18/2021

ITEM NO:

DATE: May 11, 2021
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager on behalf of the Finance Commission
SUBJECT: Receive Measure G, FY 2020/21, FY 2021/22 Proposed Operating and Capital Budgets, and Five-Year Forecast Recommendations from the Town Finance Commission per Measure A

RECOMMENDATION:

Receive Measure G, FY 2020/21, FY 2021/22 Proposed Operating and Capital Budgets, and Five-Year Forecast recommendations from the Town Finance Commission per Measure A.

BACKGROUND:

On April 19, 2021, the Town Manager's Proposed FY 2021/22 Operating and Capital Budgets were posted on the Town's website for the public's review and comment. The Proposed Budgets were published a month earlier than prior practice and 22 business days before May 18, 2021 (Council's public hearing on the Budgets), in accordance with Measure A.

With the passage of Measure A, the Finance Commission has been tasked with several mandated duties as described in the provisions of the adopted Ordinance. Section 2.50.225. – Duties states that:

- (a) The Finance Commission shall:
 - (2) Review the Town Manager's annual proposed budget prepared in accordance with section 2.30.295(6) of the Town Code. and provide written comments and recommendations to the Town Council.
 - (A) The Finance Commission's comments and recommendations shall include a recommendation about whether the Town Council should approve or disapprove the proposed budget. The Finance Commission may make a recommendation of

PREPARED BY: Arn Andrews
Assistant Town Manager

ATTACHMENT 3

Reviewed by: Town Manager, Town Attorney, and Finance Director

SUBJECT: Finance Commission Budget Recommendations to the Town Council per Measure A

DATE: May 11, 2021

BACKGROUND (continued):

approval of the budget conditional upon the Town Council's acceptance of one or more of the Finance Commission's recommendations.

- (B) The Town Manager must provide a proposed budget to the Finance Commission at least twenty (20) business days before the first meeting at which the proposed budget is considered by the Town Council.

In addition, the Measure A ballot initiative disbanded the prior Measure G Sales Tax Oversight Committee. Among other responsibilities, the Finance Commission is charged with reviewing proposed Measure G expenditures prior to the Town's expenditure of those revenues. Following is the language established in the Measure A Finance Commission pertaining to Measure G:

- (6) Prior to the Town's expenditure of any revenues from the tax authorized by sections 25.60.010 et seq. of the Town Code, review the proposed expenditures and advise the Town Council on whether such expenditures meet the Town Council's objectives for that tax:
- (A) Maintaining and enhancing neighborhood police patrols and local crime prevention programs;
 - (B) Improving traffic flow to reduce congestion;
 - (C) Repairing potholes and maintaining the Town's streets, roads, and sidewalks; and
 - (D) Maintaining the Town's long-term financial stability.
- (7) Issue an annual public report of the expenditures and appropriations of sales tax revenues approved by the Town Council during each fiscal year.

The Finance Commission established the following schedule to discuss and provide comments on the Proposed Budgets and Measure G allocation (meeting Agenda and Minutes link provided):

- April 19, 2021 – Special Finance Commission meeting
- April 26, 2021 - Special Finance Commission meeting
- May 3, 2021 – Special Finance Commission meeting
- May 10, 2021 – Regular Finance Commission meeting

<https://meetings.municode.com/PublishPage/index?cid=LOSGATOS&ppid=548dac6e-53b3-414b-85a3-1e2ab00d8040&p=0>

BACKGROUND (continued):

In addition, the meeting schedule provided ample opportunities for the public to engage in the process either through written comment or verbal comment through Zoom.

The discussion section of this report details the deliberations of the Finance Commission and its recommendations to the Town Council.

DISCUSSION:

Finance Commission Current Budget Cycle Deliberations

Over the course of the Commission's budget proceedings the Commission received presentations on the Proposed Operating and Capital Budgets, Measure G allocation requirements per Measure A, and expense and revenue alternative assumption scenarios. In addition, staff provided responses to Commissioner inquiries throughout the process.

The Commissions deliberations coalesced around the following goals and observations:

- Enhance transparency in budget development, budget assumptions, and budget presentation.
- The Proposed Budget significantly restricts capital expenditures relative to historic allocations.
- The Proposed Capital Improvement Plan (CIP) is challenged by a lack of dedicated funding.
- The higher percentage increases in the primary expenditures of Salary and Benefits relative to revenues is constraining other investments.
- Recommend strategies to slow the growth in expenditures until there is greater clarity on impacts to revenues.

Based on the aforementioned areas of emphasis, the Commission ultimately made a series of nine recommendations to the Town Council. In addition, the Commission made a recommendation to approve both the Proposed Operating and Capital Budgets based on acceptance of the following nine recommendations:

Capital Improvement Plan Recommendations

As previously mentioned, Commissioners expressed that the Town needed to plan and budget proactively for its capital needs and find reliable funding source(s). The Commission agreed that the previous approach that created year-end surpluses was inadequate. As such, the Commission recommended that additional funding be programmed to ensure continued investment in critical Town infrastructure.

DISCUSSION (continued):

Motion by Commissioner Rick Tinsley to recommend to Council the allocation of the \$1.2 million Surplus Property Reserve (Winchester property sale proceeds) to the Capital/Special Project Reserve for capital budgeting purposes as determined by the Town Council's priorities. **Seconded by Chair Ron Dickel.**

Motion passed unanimously

Motion by Commissioner Rick Tinsley to recommend to Council the allocation of the accumulated Measure G funds through June 30, 2020 in the Measure G Reserve (\$1.2 million) to the General Fund Appropriated Reserve (GFAR) for capital budgeting purposes as determined by the Town Council's priorities. **Seconded by Chair Ron Dickel.**

Motion passed 4 to 1, Commissioner Loren Huddleston opposed.

Motion by Chair Ron Dickel to allocate 50% Measure G proceeds for capital purposes in FY 2020/21 and all periods after. **Seconded by Commissioner Stacey Dell.**

Motion passed 3 to 2, Commissioners Kyle Park and Rick Tinsley opposed.

Capital Improvement Plan Expenditure Recommendations

In addition to the recommended additional allocations to the Capital Program, the Commission believed that the continuation of the roadside vegetation management program was essential to be included in the workplan for FY 2021/22.

Motion by Chair Ron Dickel to add \$500k from the previously recommended additional allocations to the Capital Budget for continuation of the roadside vegetation management project. **Seconded by Commissioner Kyle Park.**

Motion passed unanimously.

Operating Budget Expense Recommendations

The Commission reviewed historical time series and other data provided by staff as it relates to the organization's base salary and benefit expenses. As previously mentioned, the Commission observed that higher percentage increases in the primary expenditures of Salary and Benefits relative to revenues is constraining other investments. The table on the following page illustrates the salary and benefit trends from FY 2014/15 through FY 2019/20 used by the Commission during their deliberations.

SUBJECT: Finance Commission Budget Recommendations to the Town Council per Measure A

DATE: May 11, 2021

DISCUSSION (continued):

Combined GF & ISF Fund Salaries							
	2014_15	2015_16	2016_17	2017_18	2018_19	2019_20	
Salaries-Total	\$ 15,324,291	\$ 15,416,095	\$ 15,758,451	\$ 16,921,167	\$ 17,942,181	\$ 19,254,973	
Salaries-Temp	\$ 867,364	\$ 869,152	\$ 913,362	\$ 811,194	\$ 648,097	\$ 881,908	
Salaries-OT	\$ 436,917	\$ 415,372	\$ 545,427	\$ 583,001	\$ 707,046	\$ 708,955	
Benefits-Total	\$ 6,526,096	\$ 7,224,479	\$ 9,470,413	\$ 8,238,405	\$ 8,861,044	\$ 9,678,595	
Benefits-PERS	\$ 3,362,328	\$ 3,818,073	\$ 6,088,841	\$ 4,739,853	\$ 5,282,681	\$ 6,059,646	

Adjustments for Temporary & OT Salaries

Salaries	\$ 15,324,291	\$ 15,416,095	\$ 15,758,451	\$ 16,921,167	\$ 17,942,181	\$ 19,254,973	
Less:Temp Salaries	(867,364)	(869,152)	(913,362)	(811,194)	(648,097)	(881,908)	
OT Salaries	(436,917)	(415,372)	(545,427)	(583,001)	(707,046)	(708,955)	
	\$ 14,020,010	\$ 14,131,571	\$ 14,299,662	\$ 15,526,972	\$ 16,587,038	\$ 17,664,110	

Year Over Year % Change

Based Upon Actuals	Salaries	0.80%	1.19%	8.58%	6.83%	6.49%
	Benefits	10.70%	31.09%*	-13.01%	7.56%	9.23%

SALARY CHANGE ANALYSIS

Total Change FY 14/15 to FY 19/20	\$ 3,644,100
Total % Change	25.99%
Annual Change Unadjusted	5.20%

Total Change FY 14/15 to FY 19/20	\$ 3,644,100
Less One-Time Equity Adjustments FY 18/19 & 19/20 (salary only)	\$ (1,558,864)
Total Adjusted Change	\$ 2,085,236

Total Five Year % Change Adjusted	14.87%
Annual Change Adjusted For One-Time Equity Adj.	2.97%

BENEFITS CHANGE ANALYSIS

Total Change FY 14/15 to FY 19/20	\$ 3,152,499
Total % Change	48.31%
Annual Change Unadjusted	9.66%

Total Change FY 14/15 to FY 19/20	\$ 3,152,499
Less One-Time Equity Adjustments FY 18/19 & 19/20 (benefits only)	\$ (580,321)
Total Adjusted Change	\$ 2,572,178

Total Five Year % Change Adjusted	39.41%
Annual Change Adjusted For One-Time Equity Adj.	7.88%

* Benefits impacted by Implementation beginning in FY 2016/17 of annual calculated Pension Expense for Internal Service Funds as per provisions of GASB 68- (Accounting and Financial Reporting for Pensions)

SUBJECT: Finance Commission Budget Recommendations to the Town Council per Measure A

DATE: May 11, 2021

DISCUSSION (continued):

In addition, the Commission received information from staff regarding current staffing vacancies and associated savings if unfilled for six months.

Vacant Position	Department	Vacancy Date	Salary Range	Hourly Rate	Current Status	6 Mos. Salary/Benefits Cost
1 Communications Dispatcher	Police	Dec-20	TEA - 14	\$39.05 - \$50.41	New employee scheduled to start in May	\$ 76,902
2 Communications Dispatcher	Police	Jan-21	TEA - 14	\$39.05 - \$50.41	Background	\$ 76,902
3 Communications Dispatcher	Police	Mar-21	TEA - 14	\$39.05 - \$50.41	Background	\$ 76,902
4 Communications Dispatcher	Police	Apr-21	TEA - 14	\$39.05 - \$50.41	Recruitment in progress	\$ 76,902
5 Legal Administrative Assistant	Town Attorney	Jan-21	Conf - 02	\$33.43 - \$43.26	Dept Review of Applications	\$ 67,344
6 Parks & Maintenance Worker*	Parks & Public Works	Oct-20	AFSCME - 05	\$29.90 - \$38.17	Interviews Scheduling	\$ 59,794
7 Police Officer	Police	Dec-20	POA - 02-0710	\$48.90	New employee scheduled to start June - Police Officer Trainee	\$ 81,317
8 Police Officer	Police	Apr-21	POA - 02-0711	\$51.47 - 62.57	Final stages of background	\$ 133,224
* Recruitment Timeline Events:						
- Oral Board 12/8/20						
- Invited 6, 3 no show						
- 2 offers extended, both declined						
- Next Oral Board 5/13/21						

The following recommendations are based on the Commission’s desire to slow the growth in expenses in FY 2021/22 and reflect historic trends in expense assumptions in the Five-Year Forecast:

Motion by Commissioner Park to freeze budgeted FTE’s at 145 for six months.

Seconded by Chair Ron Dickel.

Motion passed unanimously.

Motion by Chair Ron Dickel to use a 2% inflation factor for development of base salary expenses for FY 2021/22 and the remaining forecast period, without implying a particular outcome for negotiations with bargaining units. **Seconded by Stacey Dell.**

Motion passed unanimously.

In addition, the Commission recommended the inclusion of a destination marketing allocation into the budget to expedite the return of Transient Occupancy Tax revenues.

Motion by Chair Ron Dickel to allocate \$55K to destination marketing utilizing ARPA funds. **Seconded by Loreen Huddleston.**

Motion passed 4-0-1, Rick Tinsley abstained.

Operating Budget Balancing Recommendations

Based on the recommendation to divide Measure G proceeds evenly (50%/50%) between eligible Operating and Capital uses, the Commission recommended utilizing anticipated Other Post-Employment Benefit (OPEB) actuarial contributions as the budget balancing strategy for FY 2020/21 through the forecast period. This recommendation would replace the proposed use of Measure G allocations for eligible 100% Operating purposes.

DISCUSSION (continued):

Motion by Commissioner Rick Tinsley to cancel the FY 2020/21 and future years' Other Post-Employment Benefits (OPEB) actuarial contribution(s) to the extent necessary to close, fund the CIP, increased salaries, and address uncertainties.

Seconded by Chair Ron Dickel.

Motion passed unanimously.

Motion by Commissioner Rick Tinsley to cancel the FY 2021/22 and future years' Other Post-Employment Benefits (OPEB) actuarial contribution(s) to the extent necessary to close, fund the CIP, increased salaries, and address uncertainties.

Seconded by Chair Ron Dickel.

Motion passed unanimously.

Finance Commission Coming Year Workplan

During the current budget cycle deliberations, the Commission identified areas for continued review in addition to specific work items already identified in Measure A. Following are the highlights of anticipated Commission review in the coming year:

- Further review of expenses in the coming year to better understand the cost structure of the organization.
- A review of revenue enhancements and cost containment strategies.
- A framework for capital project decision making should be developed to assess projects through the lens of: recurring, upkeep, quality of life, mandate, and improvement.
- During budget discussions, a 36% decline in the liability Internal Service Fund was identified and attributable to increases in settlements in insurance pool. In addition, a 73% decline in the workers compensation fund was attributable to increased settlements. These and other Internal Service Funds and other reserve accounts will be reviewed.
- Town Service Fees will be reviewed, including the Police Services for Monte Sereno.
- OPEB funding and expense will be reviewed for options to lower costs.
- Financial practices and policies will be reviewed.
- Key performance Indicators and Town Investments will be reviewed quarterly in addition to the CAFR and Auditor reviews.

CONCLUSION:

Per Measure A this report provides written comments and recommendations to the Town Council regarding the Commission's review of the Proposed FY 2021/22 Operating and Capital Budgets.

PAGE 8 OF 8

SUBJECT: Finance Commission Budget Recommendations to the Town Council per
Measure A

DATE: May 11, 2021

The Commission would like to express its thanks to the Town staff for their engagement in the budget review process.

COORDINATION:

This staff report was coordinated with the Town Manager, Town Attorney, Director of Finance, and Finance Commission Chair.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

FORECAST ASSUMPTIONS

REVENUE BASELINE AND PROJECTION FACTORS

Type of Revenue	Base Line Estimate	FY 2021/22 Budget	FY 2022/23 Forecast	FY 2023/24 Forecast	FY 2024/25 Forecast	FY 2025/26 Forecast
Property Tax/VLF Backfill	Current baseline set by SCC Assessor Office January 2020 report.	3%	3%	3%	3%	3%
North 40 Property Sales	Starting in FY 2021/22	North 40 Phase 1 Sales	3%	3%	3%	3%
ERAF	Current baseline set by SCC Assessor Office March 2021 report	SCCA recommend 50% of FY 2020/21 anticipated proceeds	\$400K	\$400K	\$400K	\$400K
Sales Tax	MuniServices 3/19/2021	MuniServices 3/19/2021 Optimistic Estimates	MuniServices 3/19/2021 Most Likely Estimates	MuniServices 3/19/2021 Most Likely Estimates	MuniServices 3/19/2021 Most Likely Estimates	MuniServices 3/19/2021 Most Likely Estimates
Sales Tax - Measure G	MuniServices 3/19/2021	MuniServices 3/19/2021 Most Likely Estimates	MuniServices 3/19/2021 Most Likely Estimates	MuniServices 3/19/2021 Most Likely Estimates	MuniServices 3/19/2021 Most Likely Estimates	MuniServices 3/19/2021 Most Likely Estimates
Franchise Fee	Current baseline set by FY 2020/21 Year End Estimates	3%	3%	3%	3%	3%
Transient Occupancy Tax	Current baseline set by FY 2020/21 Year End Estimates	20%	10%	10%	5%	5%

FORECAST ASSUMPTIONS

REVENUE BASELINE AND PROJECTION FACTORS

Type of Revenue	Base Line Estimate	FY 2021/22 Budget	FY 2022/23 Forecast	FY 2023/24 Forecast	FY 2024/25 Forecast	FY 2025/26 Forecast
Business License Tax	Current baseline set by FY 2020/21 Year End Estimates	5%	5%	0%	0%	0%
License & Permits	Current baseline set by FY 2020/21 Year End Estimates	3%	3%	3%	3%	3%
Town Services	Current baseline set by FY 2020/21 Year End Estimates	3%	0%	3%	3%	3%
Fine & Forfeitures	Current baseline set by FY 2020/21 Year End Estimates	Varies	Varies	Varies	Varies	Varies
Interest	Current baseline set by FY 2020/21 Year End Estimates	0%	0%	0%	0%	0%
Other Sources	Current baseline set by FY 2020/21 Year End Estimates	Varies	Varies	Varies	Varies	Varies

FORECAST ASSUMPTIONS

EXPENDITURE BASELINE AND PROJECTION FACTORS

Beginning in FY 2020/21, the Town is budgeting salaries at the actual salary plus a one-step increase. 68% of the workforce is already top step or one step below top step. As of mid-April 2021, the Town has nine vacant positions and is actively recruiting eight of these positions. In the Five-Year Forecast, positions are forecasted at the actual rate of pay including salaries and benefits as of April 1, 2021 and rate is increasing in the actual anniversary date.

Type of Expenditure	FY 2021/22 Budget	FY 2022/23 Forecast	FY 2023/24 Forecast	FY 2024/25 Forecast	FY 2025/26 Forecast	FY 2026/27 Forecast
Salaries*	0%	0%	0%	0%	0%	0%
Benefit - Medical**	7%	7%	7%	7%	7%	7%
Operating Expenditures***	Varies	3%	3%	3%	3%	3%
Grants & Awards	0%	0%	0%	0%	0%	0%
Utilities***	Varies	3%	3%	3%	3%	3%
Internal Service Charges***	Based on operating cost and scheduled replacement	Based on operating cost and scheduled replacement	Based on operating cost and scheduled replacement	Based on operating cost and scheduled replacement	Based on operating cost and scheduled replacement	Based on operating cost and scheduled replacement
Debt Service	Debt Service Schedules					

**Salary increases are based on actual step increases and approved Memoranda of Understanding with the bargaining units.*

*** Benefit increase estimates are provided by CalPERS/Public Employees' Medical and Hospital Care Act (PEMHCA)*

**** Based on historical trends.*

The Town's required employer contribution rate estimates were developed using estimates provided by each pension plan's most recent actuarial valuation received from CalPERS. The employer contribution rates illustrated below reflect percentages of covered payroll. Rates shown for FY 2021/22 are actual rates as prescribed by CalPERS. Forecasted rates for FY 2022/23 and subsequent years are based on the most recent CalPERS actuarial valuation reports and staff assumptions regarding staff's current estimate of returns for FY 2020/21 which are presently expected to exceed the 7% discount rate.

∞ FORECAST ASSUMPTIONS ∞

Beginning in FY 2021/22, the estimates of employer contributions were credited with an anticipated reductions associated with the approximate \$4.8M 2016 unfunded amortization base paid off in October 2019 and the total of approximately \$5.8 million (2013 partial and 2015) unfunded amortization bases that were paid off in FY 2020/21. Employer contribution rate projections also include small percentage increases reflecting the anticipation of CalPERS gradually lowering its discount rate over the five-year forecast period in accordance with the CalPERS adopted risk mitigation strategy, lowering its discount rate from the present rate of 7.0% to 6.6% as of the 6/30/27 actuarial valuation. Estimates were also informed by recent rate estimates developed by the Town's actuary using the most recent actuarial valuation updated with current year projections of covered payrolls by plan type.

Type of Expenditure	FY 2021/22 Budget	FY 2022/23 Forecast	FY 2023/24 Forecast	FY 2024/25 Forecast	FY 2025/26 Forecast	FY 2026/27 Forecast
Safety POA	62.94%	74.89%	78.61%	82.33%	84.63%	86.78%
Safety Management POA	65.94%	77.89%	81.61%	85.33%	87.63%	89.78%
Safety POA - PEPR	15.74%	15.07%	15.07%	14.03%	14.05%	14.06%
Miscellaneous TEA/Confidential/Management	33.54%	31.37%	32.29%	33.31%	31.25%	31.94%
Miscellaneous TEA/Confidential/Management PEPR						
Separate PEPR rate for Miscellaneous has not been established yet by CalPERS.	33.54%	31.37%	32.29%	33.31%	31.25%	31.94%

*Safety Classic Rate reflects 3% decrease in employer's contribution rate to reflect 3% contribution as negotiated with the Town's POA during the collective bargaining process effective FY 2019/20.

Based on staff additional review and Finance Commissioners recommendations the following updates are recommended to include in the final operating and capital budget documents:

Proposed Operating & Capital Summary Budget FY 2021/22

General: Staff will include hyperlinks to the final digital documents to Finance Commission and Council deliberations regarding the proposed budget. In addition, staff will continue to work on creating a more digital user friendly final budget document

Page A – 3 – reverse transposed staff expenses as a percentage of General Fund and total expenditures.

Page A – 12 – correct % typo in second paragraph

Page A – 12/16 – align general fund revenues on both pages

Page x-

Page x –

Page x –

Page x –

Page A-15 – Add Measure G District sales Tax Reserve Description (Measure G district sales Tax assigned fund balance will be used to track receipt and use of the 1/8 cents District tax funds collected by the Town.

Page A-21 – Update North 40 Property Sales FY 2022/23 assumption from 3% to North 40 Phase 1 Sales (The five-year forecast includes FY 2022/23 North 40 additional property tax estimates.)

Page A-21 – ERAF FY 2021/22 assumption from SCCA recommend 50% of FY 2020/21 anticipated proceeds to SCCA recommend 100% of FY 2020/21 anticipated proceeds. (The property tax figure includes 100% in FY 2021/22.)

Page A-45 – A-54 – Include the Investment Policy updated by Council on the 11/3/2020 meeting (page A-54 reference to inclusion of the Town of Los Gatos Environmental, Social and Governance (ESG) scores and Finance Commission review)

Page C-19, C-25 Add additional information Measure G anticipated use and breakout measure G revenue separately.

Proposed Capital Improvement Program Budget

Page B-11 update table 6101 Fire Suppression (Halon) for Server Rooms to 6101 Information System Update

Town Council Principles for Considering Future Funding Requests
Approved May 4, 2021

1. Allocate funds in an equitable and objective manner to benefit all residents and all areas of Town;
2. Enthusiastically support events from all community partners in a flexible manner and avoid high traffic times, using available Town resources and/or ARPA funds, pending further guidance from staff;
3. Utilize the Community Grant process, including the equitable allocation, and consider the total budget for the Grants and moving the process timeline along as quickly as practical;
4. Include destination marketing and use it to improve the branding of Los Gatos with its historic heritage and iconic structures, and do so with a clear definition of the scope of work with assistance from staff;
5. Encourage opportunities and events to build synergy between the Town's office/tech companies and the local retail/restaurant business work force; and
6. Avoid any conflicts of interest in the public/private partnership with the Chamber of Commerce.

**COUNCIL POLICY
TOWN OF LOS GATOS**

Subject: SOLICITATION AND DONATION
POLICY

Page 1 of 4

Enabling Actions:

Approved:

Effective
Date: 4/21/2008

Revised Date:

PURPOSE

The purpose of this policy is to effect Town donations and solicitations in a manner that complies with both the letter and spirit of California ethics laws and, within that framework, to expand the potential for community donations by establishing a mechanism by which individuals and organizations may be more readily advised of donation opportunities.

SOLICITATION GUIDELINES

Targeted Solicitation

Targeted solicitation is defined as the direct petition or contact of specific individuals, companies, foundations or other entities initiated by the Town Council and other elected officials, Council advisory bodies, and Town employees herein called "Town Officials" for the purpose of receiving goods, services, or other contributions for the Town. Targeted solicitation excludes the direct petition for government, private, or non-profit grants for Council-approved programs, projects, and services. Unless prior approval has been given by the Council, Town Officials shall not engage in targeted solicitation activities on behalf of the Town.

BROAD OUTREACH GUIDELINES

Broad Outreach

Broad outreach is defined as the process of informing a broad spectrum of individuals, companies, foundations, non-profit organizations, or other entities of donation opportunities through various communication vehicles, including but not limited to written, electronic, or internet-related publications, flyers, brochures, news releases, and television or radio announcements. Broad outreach is permitted by the Town Manager or designee subject to the guidelines provided in this policy.

The following broad outreach guidelines apply when communicating a Town need for goods, services, or other contributions:

- Broad outreach must relate to a Town Council-approved purpose, service, project, or program.

- Broad outreach for goods, services, or other contributions should be made by using a variety of communication methodologies to ensure outreach to the entire community.
- Donations shall not be made under the guise, pretense, or presumption of receiving official Town endorsement or approval of the donating party, product, project, or activity.

PROCEDURE FOR ESTABLISHING COUNCIL APPROVED TOWN NEEDS

The Council shall direct the Town Manager to develop a list of recommended Town needs for donation opportunities. Council consideration and approval of the list of Town needs may occur as part of the annual operating and capital budget development process and can be amended by Council at any time.

DONATION ACCEPTANCE GUIDELINES

All goods, services, or other contributions offered by individuals, companies, foundations, non-profit organizations, or other entities will be considered for acceptance or rejection, including items offered for donation that are identified on a Council approved list of needs. The acceptance of all donations to the Town will be based on the following guidelines.

- Purpose of the donation.
- Community or municipal need for the donation.
- Compatibility of the donation with Los Gatos Municipal Code, policies, programs, and other applicable laws.
- Timeliness of the donation as it relates to implementation.
- Level of benefit and financial impact to the Town.

All donations should be reviewed by the Town Manager or designee in advance of acceptance to ensure consistency with established policy guidelines.

AUTHORITY TO ACCEPT DONATIONS

The authority to accept all donations is based on the market value of the donation as reasonably determined.

Donations \$25,000 and Under

The Town Manager or designee is authorized to accept or reject all minor donations that have a market value equal to or less than \$25,000.

Donations over \$25,000

The Town Council shall consider and accept or reject all major donations that have a market value greater than \$25,000.

PROCEDURES FOR ACCEPTING MAJOR DONATIONS

For all major donations, a staff report, containing analysis based on the donation acceptance guidelines established in this policy, will be written to guide the Council when considering major donations. The report will also provide donation recognition alternatives for Council consideration should the donation be accepted. The Council will determine on a case by case basis if the donation should be accepted or rejected.

DONOR RECOGNITION GUIDELINES

Acceptance of donations shall be acknowledged by the Town. Donation recognition practices shall be implemented in a consistent manner and adhere to Town Municipal Code, all applicable laws, regulations, and policies. Recognition of donations will be determined by the Council or Town Manager and shall be consistent with acceptance requirements of this policy and the guidelines set forth below:

Donations accepted by the Town may be acknowledged through one or more of the forms of recognition as indicated below. Other forms of recognition may be approved by the Town Council via resolution if compelled by special circumstances which shall be specified in the resolution.

- Written and/or verbal recognition.
- Public recognition at Town Council meetings.
- Inclusion in Town public communication materials, such as electronic media and selected publications.
- Plaques.


Plaques may be used to commemorate donations accepted by the Town from persons, businesses, and organizations according to the following standards:

Plaques used for recognition purposes may be affixed to an appropriate Town facility, which includes, but is not limited to a building or any portion thereof, structure, equipment, furniture or natural asset. Plaques shall include the name(s) of the person(s) being recognized and applicable date, with standard wording limited to:

- The Town of Los Gatos recognizes and appreciates _____ [and his/her family] for [his/her/their] donation to [identify facility].
- The Town of Los Gatos recognizes and appreciates _____ [business or organization] for its donation to [identify facility].
- The Town of Los Gatos recognizes and appreciates _____ for [his/her/its] donation to [identify facility] in the name of _____.
- Or language acceptable to the Town Council.

The size of the plaque shall not exceed 8"x10," unless the number of donors exceeds the allowable space. For multiple donors, the names of the donors should be proportioned thereto, and the size of the plaque shall not exceed four (4) square feet. The location, materials, size and color of plaques shall be consistent with acceptance requirements of this policy or by Council on a case by case basis should special circumstances exist, which shall be specified in a resolution. Unless compelled by special circumstances and approved by the Town Council via resolution, Town facilities shall not be named after an individual, group, organization or business as a result of any donated good, service, or other contribution to the Town.

APPROVED AS TO FORM:



Town Attorney

N:\MGR\AdminMasters\Council Policies\Solicitation and Donation.doc

SOLICITATION AND DONATION POLICY FAQ

FREQUENTLY ASKED QUESTIONS

Q: *What does the Solicitation and Donation policy do?*

A: The policy does the following:

- Restricts Town officials from engaging in targeted solicitation of specific individuals, companies, businesses, foundations and other entities. (Town officials are defined as elected and appointed officials and employees)
- Establishes guidelines for the acceptance and recognition of donations and naming of Town facilities.

Q: *What does “targeted solicitation” mean?*

A: Targeted solicitation is defined as the direct petition of contact of specific individuals, companies, foundations, or other entities by Town officials for the purpose of receiving goods and services.

Q: *Does this mean that the Town cannot apply for a grant?*

A: No. The policy specifically states that targeted solicitation excludes the direct petition for government, private, or non-profit grants for Council approved programs, projects, and services.

Q: *Who can directly solicit for goods, services or other contributions on behalf of the Town?*

A: Unless authorized by the Town Council, Town officials cannot engage in targeted solicitation activities on behalf of the Town. The Arts Commission is the only appointed body that has been authorized by the Town Council to engage in “targeted solicitation” and fundraise for the Music in the Park program.

Q: *How does the policy change the way the Town communicates its donation needs to non-profit organizations/foundations and the general public?*

A: Town officials may not directly petition individuals or other entities and request goods, services, or other contributions for the Town. Instead, officials may share an established list of Town needs with interested persons. The list of Town needs will be developed as part of the FY2008/09 budget process.

Q: *If a member of the public or non-profit/foundation engages the Town in a conversation about donation opportunities, can Town officials share specific needs?*

A: Yes. If members of the public or other entities engage the Town in a conversation about donation opportunities, Town officials may discuss specific service/equipment needs. Town officials should also advise the public about the list of Town needs established by the Council.

Q: *Will all donations be accepted?*

A: No. The acceptance of donations will be based on guidelines outlined in the policy.

Q: *Who is responsible for accepting/evaluating donations?*

A: Donations that have a market value of \$25,000 or less will be considered by the Town Manager. Donations with a market value of over \$25,000 will be considered by the Town Council. Major donations (those over \$25,000) will be agendaized for Council discussion and should be accompanied by a staff analysis along with recognition alternatives.

Q: *How are donors recognized? Who determines the type of recognition given to donors?*

A: Donors may be acknowledged through verbal or written recognition, public recognition at a Council meeting and/or inclusion in public information materials. Donors may also be recognized with a plaque. Recognition of donations will be determined by the Council or Town Manager and is consistent with the acceptance requirements outlined in the policy.

Q: *Can Town facilities be named after an individual or organization?*

A: Unless compelled by special circumstances, Town facilities shall not be named after an individual, group, organization, or business as a result of a donation to the Town.

**TOWN OF LOS GATOS DONATION OPPORTUNITIES
FY 2021/22 LIST OF TOWN NEEDS**

To ensure that all donations and contributions are sought and accepted in an ethical manner, the Council established a Donation and Solicitation Policy. A list of Town needs was developed to identify goods, services, and other contributions to enhance Town services, programs, and events. The recommended needs for FY 2021/22:

PUBLIC SAFETY

- Volunteer Program Materials and Equipment
- Specialized Public Safety Equipment and Supplies, including Support for Canine Program
- Training Support for Public Safety Staff and Volunteers
- Equipment, Supplies and Materials to support Police Operations
- Community Outreach Program Supplies

LIBRARY SERVICES

- Children, Youth, and Adult Program Collections, Supplies and Services
- Library Books, media items and other items for public circulation
- Funding to Support Technological Enhancements, including Digital Services
- Equipment and Services to Support Historical Preservation Efforts
- Resource support for Collection Development and Reference, Local History, and Library Policy

SENIOR SERVICES

- Contributions that Support Senior Health and Wellbeing
 - Home emergency kits geared towards the needs of seniors
 - Home voice activated personal assistants (Google, Alexa, Siri, etc.) to help bridge the digital divide
 - Yard waste pickup and clearing services

COMMUNITY EVENTS

- Supplies, Materials, and Services for Special Community and Volunteer Events and Activities

PUBLIC ART

- Funding for the realization of Public Art projects or Donations of Public Art subject to Public Art Selection Policy

TOWN PARKS AND FACILITIES

- Beautification Materials and Services for Town Parks, Open Space, and Infrastructure; Land for Parks and Open Space
- Contributions that Support Development of a Community Garden
- Contributions that Support Recreation or Expansion of Athletic Fields
- Contributions that support multi-modal transportation.

SUSTAINABILITY

- Contributions to Help Minimize Impacts on Local, Regional, and Global Ecosystems through Conservation, Reduced Pollution, Increased Efficiency, and Protection of Wildlife, Vegetation, and other Ecosystems.

TECHNOLOGY

- Equipment, Software and Services to Enhance Communication with the Public and Organizational Productivity



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 05/18/2021

ITEM NO: 7

ADDENDUM

DATE: May 14, 2021

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Operating and Capital Budgets

A. Consider the recommendations of the Finance Commission and staff, and provide direction on the Town of Los Gatos Proposed Operating and Capital Budget for Fiscal Year (FY) 2021/22 and on the Proposed Capital Improvement Program for FY 2021/22 – FY 2025/26; including but not limited to:

1. Determine the use of the accumulated \$1.2 Million Measure G funds through June 30, 2020
2. Determine the use of the Measure G proceeds in FY 2020/21
3. Determine the use of Measure G proceeds in FY 2021/22
4. Determine the use of the of Measure G proceeds for the remaining years of the forecast period
5. Provide direction balancing the FY 2020/21 Budget
6. Provide direction on any changes to proposed expense/revenue assumptions for the FY 2021/22 Budget and the remaining forecast period
7. Provide direction balancing the FY 2021/22 Proposed Budget
8. Determine the use of \$1.2 Million in Surplus Property Reserve (Winchester property sale proceeds)
9. Provide direction on the Proposed Operating Budget
10. Provide direction on the Proposed Capital Budget
11. Consider the FY 2021/22 List of Potential Donations consistent with the Town's Donation Policy
12. Clarify the Council's Strategic Priority for revenue enhancements

REMARKS:

This Addendum contains additional information regarding the potential impacts of sustained vacancies and public comment to date.

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

BACKGROUND:

As the Town Council considers the Finance Commission's recommendation to freeze total budgeted positions from 150 to 145 Full Time Equivalents (FTEs), the Council should be aware that this would not only be a cost containment decision but could also affect municipal service delivery to the Los Gatos community. The Town of Los Gatos provides a high level of services in all Departments, consistent with the Council's Core Goals of Good Governance, Fiscal Stability, Quality Public Infrastructure, Community Character, Civic Enrichment, and Public Safety. These Goals were affirmed unanimously by the Council in January 2021.

Unlike the private sector, municipal governments are structured to maintain a consistent and steady delivery of service regardless of economic cycles. Whereas the private sector is capable of quickly scaling its businesses up or down dependent on supply and demand, municipal services are designed to meet consistent or increasing resident demand. As a service delivery organization, it is primarily staff who provide the day to day municipal services that the Los Gatos community has come to expect. The quality of the work is directly related to the skills, knowledge, and abilities of the staff to provide high touch, thoughtful, and responsive government services. Staff take the time to understand a community member's needs and tailors the response to those specific needs, whether it be crime prevention, Library services, or remodeling a home. Please see the Proposed FY 2021/22 Operating Budget for accomplishments, service descriptions, and performance measures for each of the Town Departments.

At any given time, the organization has vacancies due to resignations, retirements, and/or other organic attrition. Vacancies are typically unplanned, resulting in an unpredictable impact to services. Given the lean structure of our organization, the Town's Human Resources Department tends to fast-track recruitments and speed up the hiring process to minimize the effects on service delivery.

Currently, the Town has eight vacancies (four Dispatchers, two Police Officers, one Legal Administrative Assistant, and one Parks and Maintenance Worker). Two of these positions have been filled with individuals scheduled to start later this month or June, respectively. Three are in background, a process that takes several weeks to ensure the individuals will be a good fit for Los Gatos.

DISCUSSION:

Examples of Service Impacts of Vacant Positions

While not an exhaustive list of the service impacts associated with vacant positions, below are examples of the service effects of vacancies if they were to occur in various Town Departments.

DISCUSSION (continued):

Town of Los Gatos Library

The Library is a front-facing public service Department open to the community seven days a week. Under normal operations (non-COVID), we provide full day and evening hours; approximately 400 programs a month for families, teens, adults, and seniors; and provide service and materials for about 30,000 library card holders. Based on current trends, we believe there is a high likelihood of the Department returning to full operations during FY 2021-22. Front end service during normal operations requires staffing at a front customer service desk which is staffed by two people during peak hours and one person during non-peak hours, staffing at a children's reference desk, and an adult reference desk. We also staff two people during afterschool hours to work with the heavy influx of teens that use the library. Back end operations involve program planning, book purchases and processing, return and shelving of books from patrons, and general administration.

The Library maintains a pool of temporary staffing (on-call part time) as part of its normal operating budget to maintain service levels during staff vacancy due to use of normal leave, Family Medical Leave Act (FMLA) leave, or position vacancies due to resignation/retirement. In order to maintain service levels expected by the public, vacancies generally do not result in a net cost savings as those cost savings are diverted to backfilling with substitute staff. The Library has experienced six full time position vacancies in the past four years. Of these, one was due to maternity leave, two were FMLA medical leaves, and only three were due to vacant positions. In all cases, staff backfill was necessary and was used to maintain service levels.

The impact of a long-term full time vacancy as a cost saving measure would trigger the reduction of front facing service hours to the public, likely realized as moving from seven day a week service to six day a week service, or a reduction of morning hours (greatest impact to seniors) or reduction of afternoon/evening hours (greatest impact to students).

Parks and Public Works (PPW)

PPW utilized data from the Town's asset management program in assessing impacts from service reductions that could result from an ongoing vacancy. The analysis included:

- Exclusion from consideration of work funded with restricted funds (e.g., street sweeping).
- Prioritization of urgent response items (e.g., work during heavy storms).
- Prioritization of mandated work (e.g., storm drain cleaning, sign maintenance).

DISCUSSION (continued):

- Consideration for eliminating a service fully versus providing limited service as it relates to maintaining efficiencies.

Based on that analysis, one FTE in the Maintenance Worker classification is equivalent to about a 10% reduction in capacity. Staff has identified several categories of maintenance that could be reduced to meet a short-term staffing reduction.

1. Concrete maintenance – Maintenance staff responds and addresses small concrete issues, typically tripping hazards. This work makes up approximately 10% of the annual workload. Work in this category could be deferred into a backlog for a period of six months. Potential impacts include increased claims from tripping incidents. Longer term recovery from a potential six-month deferral would require additional capital funding.
 - a. Pavement maintenance – Staff currently allocates approximately 20% of time on pavement maintenance. Cutting this in half would result in only severe pothole patching, with other work requests or needs deferred until such time that the work occurs through the Capital Improvement Program. Impacts would include more severely degraded roadways as areas that are patched historically continue to degrade over time and a potential decrease to the Pavement Condition Index (PCI). Longer term recovery from a potential six-month deferral would require additional capital funding.
 - b. Storm Drain Maintenance – The work to maintain the storm drain system amounts to an average of 13% of the Department’s assigned efforts. Foregoing this work would allow for a vacant position for six months. The associated work is mandated through the Town’s stormwater permit with the State and recovery from deferred work is not possible because the work is routine cleaning. The annual reporting to the State would simply show a missed maintenance cycle. Ramifications from this could include increased stormwater pollution and sanctions, including fines, from the State for non-compliance with the permit.

Los Gatos Monte Sereno Police Department (LGMSPD)

Dispatchers: The LGMSPD Communications Center provides public safety dispatch services 24 hours a day, 365 days a year. When fully staffed (8 Dispatchers), the Communications Center operates with two Dispatchers on duty for 16 hours per day (10:00 a.m. to 2:00 a.m.) to handle the increased call volume, and a single Dispatcher on duty for the remaining eight hours (2:00 a.m. to 10:00 a.m.). All Dispatchers work a 12-hour shift. Due to retirements and unexpected resignations, the Communications Center has been operating at 50% staffing for the last six months. Dispatchers have worked throughout the course of the pandemic and this staffing level made working conditions difficult but tolerable due to the reduced call volume.

DISCUSSION (continued):

As the pandemic recedes, calls for service have increased significantly. In order to maintain safe and viable service levels in the Communications Center, the Department has reduced the number of hours that two Dispatchers are on duty to 12 (with a single Dispatcher on Sunday) and mandated overtime shifts for all Dispatchers. This has resulted in longer wait and response times for community members reporting non-emergency situations, as well as a marked increase in overtime expenditures (\$225,449 FY20/21 to date versus \$99,481 FY19/20).

Ultimately a 50% staffing level in the Communications Center is untenable. The physical, mental, and emotional fatigue of working 50-80 hours of overtime in a two-week period with all vacations and training cancelled is having a deleterious effect on morale as well as the ability of the Dispatchers to function in a safe and effective manner.

Police Officers: The LGMSPD Operations Bureau which includes Patrol and Investigations Divisions provides public safety services 24 hours a day, 365 days a year. When fully staffed, Patrol Division fields four patrol teams consisting a Sergeant, Corporal and four to five Officers depending on the shift (based on call volume). At full staffing, Investigations Division consists of one Sergeant and five Detectives, plus the School Resource Officer. Including the two traffic enforcement (motorcycle) Officers and the Captain, Operations Bureau should have 35 sworn positions when completely staffed.

There are currently three identified vacancies (two in Patrol and one in Investigations). This doesn't account for an additional five long-term vacancies for injuries incurred both on and off duty in addition to having two recruit Officers still training in the Police Academy. To manage vacancies and ensure minimum staffing for a safe response to calls for service, each Patrol Team and Investigations Division carries one vacant position. In addition, the two motorcycle Officers have been re-assigned to the day shift Patrol Teams to supplement staffing while continuing to enforce traffic laws as time allows.

As mentioned with the Dispatchers, the waning of the pandemic has led to an increase in calls for service, including a significant uptick in property crimes. The reductions in the size of the Patrol Teams has led to increased call volume for every Officer and since most calls for service require a two-Officer response, a Patrol Team can typically only handle two calls for service at any given time. This results in longer wait times for community members who have reported low priority incidents. Due to the normal occurrence of Officers requesting time off, calling in sick, or attending mandatory training, the use of overtime shifts is necessary to maintain minimum staffing levels.

DISCUSSION (continued):

Overtime costs for FY20/21 to date are \$169,387 versus \$159,102 for FY19/20.

Mitigation strategies to alleviate the current staffing shortage should it continue or as a result of a freeze on vacancies may include:

- Proactive patrol, directed traffic enforcement, etc. will be limited to ensure an equitable workload among fewer staff per shift.
- Low level criminal offenses or reports for insurance claims with no suspect information will be referred to online reporting system.
- Non-injury traffic collisions will no longer receive a Police response; parties will be advised to exchange insurance information and file a non-injury collision report with their insurance company.
- Officer responses to select Priority 2 Calls for Service may be re-evaluated and re-classified as beat information only (alarm calls, 911 hang ups, welfare checks with no exigent circumstances).
- Quality of life and low-level code compliance calls will be prioritized as available or forwarded to other Town staff.
- Event security for pre-planned events by Officers may be referred to other resources.
- Community engagement events, Neighborhood Watch, and other outreach programs may be temporarily halted based on availability of staff.
- Misdemeanor property crimes (cases involving loss of property under \$950) and fraud cases with bank reimbursements in process will no longer be investigated.
- Investigative case assignment and follow up will be re-prioritized based on crime severity in the following order: Violent crimes, Sex crimes, Assaults, Property crimes, and Fraud. As discussed with the Town Council, hate crimes are typically an enhancement associated with another crime.

Other Cost Containment Approaches

The Town is continuously looking for ways to provide high value services at reduced costs. Some recent examples include:

- Position evaluations when vacancies occur: When the Deputy Town Attorney left Los Gatos for a higher paying job with another jurisdiction, a position analysis was completed and identified that a lower cost approach would best meet the needs of the Town Attorney's Office. The Legal Administrative Assistant is a lower cost position compared to a Deputy Town Attorney which had provided support to the Town Attorney.
- Use of technology for routine work to increase staff capacity for higher value work: The Library installed an automated book return system which no longer requires staff to

DISCUSSION (continued):

manually check in returned materials. On-line Building and Planning application submittals are another example.

- Selective use of vendors: In some cases, a vendor can accomplish more than our limited staff. For example, the Town contracts with a tree service to prune and manage the Town's urban forest. This frees up staff time for other parks and streets maintenance projects. In other cases, a vendor is not the cheaper option and for this reason, the Town staff perform street sweeping services.
- Creative programming: Throughout the pandemic, staff pivoted to continue to offer services in different ways. Library programming continued to bring the community together for online book clubs, storytimes, and craft work. Parks and Public Works implemented online bidding to continue to receive contractor proposals and select the lowest cost proposal that met the capital project objectives.

CONCLUSION:

While staff respects the Finance Commission's concerns regarding the overall cost structure of the organization, we believe a more structured approach to potential service reductions is warranted. If Council is interested in reducing FTEs, it should engage in a community process to determine which services the community would be willing to forego. Once acceptable service reductions are identified, then the Town can systematically reduce positions through attrition or other means to meet the Council's service reduction goals. This approach ensures that the Council is meeting its goals for municipal service delivery without having the random service impacts that would result from a hiring freeze.

Attachments received with the Staff Report:

1. FY 2021/22 Proposed Operating and Capital Budget, provided to the Council in April and available: <https://www.losgatosca.gov/2668/FY-21-22-Proposed-Operating-Budget>
2. FY 2021/22 – FY 2025/26 Proposed Capital Improvement Program Budget, provided to the Council in April and available: <https://www.losgatosca.gov/2669/FY-21-22-Proposed-Capital-Budget>
3. Finance Commission Recommendations
4. Revenue and Expense Forecast Assumptions
5. List of proposed changes related to typos and adding clarifications
6. Council Principles for Considering Requests
7. Town of Los Gatos Donation Policy
8. Town of Los Gatos Donation Opportunities: FY 2021/22

Attachments received with this Addendum:

9. Public Comment received from the release of the staff report on May 13, 2021 and before 11:00 a.m. on May 14, 2021



Date: May 13, 2021
To: Los Gatos Town Mayor and Council
From: Los Gatos Chamber of Commerce
Subject: **Emergency Destination Marketing Plan**

As you know, the Los Gatos TOT revenue was drastically affected because of the COVID pandemic. Business travel is not expected to return to pre-pandemic levels for many years. A shift in focus to the leisure traveler is our best chance to make up the difference. A destination marketing effort, something we have never done before, will attract people to Los Gatos and infuse our local economy with outside money. Not only is this effort essential to Los Gatos right now, but we believe a sustained destination marketing campaign will assure that tourism will continue to bring visitors to Los Gatos to dine in our restaurants, shop in our stores, and stay overnight in our hotels for years to come. This effort is so important, that Governor Newsom announced just this morning that his revisions for the state's proposed 2021-22 budget will include \$95 million in one-time stimulus funding for Visit California's tourism marketing programs for the coming year.

The Chamber is uniquely positioned to complete these short-term efforts because of our existing relationships with our hotels, restaurants and local shops.

The Chamber's short-term emergency efforts include:

- **Visit Los Gatos website** – this website will be a one-stop shop for everything Los Gatos. It will include a section on restaurants, merchants, wineries, breweries, outdoor activities and lodging. It will include all Los Gatos businesses that fall into each category. In addition, we will feature itineraries that tie multiple activities together – such as a wine tasting excursion, a family outdoor funday, shopping & dining weekend, spa pampering day, Date Night, etc. The website will be updated regularly to highlight special events around Town and to announce the openings of new businesses.
- **Social Media Effort** – Research by Visit California has found that under normal circumstances, more than 70% of all tourism visits in California are by Californian residents, making Californians our most powerful economic resource. Because of the pandemic, this number is likely higher, as people are not venturing as far and visiting more accessible destinations. We will boost our posts to a broader range of California, from San Diego to Sacramento. In addition, we will utilize Facebook ads. Facebook ads have the highest return on ad spending (ROAS) of any social media platform. Micro-targeting allows for higher click-through rates, thus better returns.
- **Video Production** – Tourism video that highlights the various aspects of our Town: dining, shopping, outdoor activities, our natural beauty, our history, etc. This video will be used on the website, as well as in promotions with Visit California, on our social media sites and YouTube.
- **Visit California** – We will take advantage of no-cost content submissions with Visit California. Chamber staff will compile and submit content information on Los Gatos regularly, promoting our assets - trip ideas (a perfect day in LG, Los Gatos for wine lovers, scenic hikes, etc). Although

there is no cost to submit content, the development of editorial content requires staff or contractor time.

- **Media Relations** – provide press kits and content to media outlets in California to expand our reach.
- **Fam Trips** - A familiarization trip, or FAM for short, is a trip designed for travel advisors to learn about a destination. We would conduct two of these trips for hotel staff in Los Gatos in the next few months. These trips improve the chances of hotel staff referring their guests to Los Gatos to eat, shop, hike, etc.
- **Visitor Center** – per our agreement, we will continue to provide services as outlined in our scope of services, through our physical location.

Success of the destination marketing plan can be measured by the following metrics:

- Visit Los Gatos website – site analytics
- Social Media – Facebook & Instagram analytics on our posts and boosts, click-throughs on ads
- TOT – Increase in hotel stays, thus providing an increase in the TOT revenue. However, this metric may not be evident for 5-6 months.
- Media Reach – measurable by media coverage

Below is the budget for Emergency Destination Marketing for the next 6 months:

Immediate Destination Marketing			
Visit California content development			\$ 3,500.00
Website Development (includes hosting & labor)			\$ 6,500.00
domain name	18.99/ yr	\$ 18.99	
hosting & website	\$7/ month	\$ 84.00	
website security	\$100/month	\$ 1,200.00	
contractor/staff to make website	200 hrs @\$25/hr.	\$ 5,000.00	
		\$ 6,302.99	
Video production – includes drone photography, editing, story-boarding, voice over, any licensing fees	10,000		\$10,000.00
Social media – Facebook, Instagram			
staff/ contractor, includes original content creation and editing	\$3000/month for 6 months		\$18,000.00
advertising & boosts	\$1000/month		\$12,000.00
Public & Media Relations – press kits & content			\$ 3,000.00
Fam Trips for Los Gatos hotels	2 @\$1000 ea		\$ 2,000.00
TOTAL			\$55,000.00

Long term strategy:

- Branding Los Gatos
- Advertising & Marketing:
 - Out of area ads
 - Airport marketing
 - Other Visitor Centers
 - Ads in regional airline carriers such as Southwest or Alaska
 - Paid advertising with Visit California in their travel magazines, on their website, or in their e-newsletter.
- Fam Trips – Expand Fam Trips (outlined above) to surrounding areas, such as Campbell, Saratoga, San Jose and the greater Santa Clara Valley. These trips improve the chances of hotel staff referring their guests to Los Gatos to eat, shop, hike, etc.
- Travel & Tourism Trade shows – Trade shows and conferences in the tourism industry are a great way to interact with hoteliers, travel agents, airlines, technology providers, etc. to promote Los Gatos.
- Reimagined Visitor Center
- Join travel industry organizations
- Promotion through TripAdvisor, Expedia and other travel sites

Possible funding sources for long-term destination marketing:

- Destination marketing tax on hotel stays (this would require a ballot measure)
- TBID – Tourism Business Improvement District – Tourism-related businesses (usually hotels) agree to an assessment on their guests.
- Percentage of our TOT – we could allocate 5% of our current TOT revenues to pay for Destination Marketing
- A line item in the Town budget



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 05/18/2021

ITEM NO: 7

ADDENDUM B

DATE: May 17, 2021
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Operating and Capital Budgets

A. Consider the recommendations of the Finance Commission and staff, and provide direction on the Town of Los Gatos Proposed Operating and Capital Budget for Fiscal Year (FY) 2021/22 and on the Proposed Capital Improvement Program for FY 2021/22 – FY 2025/26; including but not limited to:

1. Determine the use of the accumulated \$1.2 Million Measure G funds through June 30, 2020
2. Determine the use of the Measure G proceeds in FY 2020/21
3. Determine the use of Measure G proceeds in FY 2021/22
4. Determine the use of the of Measure G proceeds for the remaining years of the forecast period
5. Provide direction balancing the FY 2020/21 Budget
6. Provide direction on any changes to proposed expense/revenue assumptions for the FY 2021/22 Budget and the remaining forecast period
7. Provide direction balancing the FY 2021/22 Proposed Budget
8. Determine the use of \$1.2 Million in Surplus Property Reserve (Winchester property sale proceeds)
9. Provide direction on the Proposed Operating Budget
10. Provide direction on the Proposed Capital Budget
11. Consider the FY 2021/22 List of Potential Donations consistent with the Town’s Donation Policy
12. Clarify the Council’s Strategic Priority for revenue enhancements

REMARKS:

This Addendum contains public comment received from 11:01 a.m. Friday, May 14, 2021 to 11:00 a.m. Monday, May 17, 2021.

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

PAGE 2 OF 2

SUBJECT: Operating and Capital Budgets

DATE: May 13, 2021

Attachments received with the Staff Report:

1. FY 2021/22 Proposed Operating and Capital Budget, provided to the Council in April and available: <https://www.losgatosca.gov/2668/FY-21-22-Proposed-Operating-Budget>
2. FY 2021/22 – FY 2025/26 Proposed Capital Improvement Program Budget, provided to the Council in April and available: <https://www.losgatosca.gov/2669/FY-21-22-Proposed-Capital-Budget>
3. Finance Commission Recommendations
4. Revenue and Expense Forecast Assumptions
5. List of proposed changes related to typos and adding clarifications
6. Council Principles for Considering Requests
7. Town of Los Gatos Donation Policy
8. Town of Los Gatos Donation Opportunities: FY 2021/22

Attachment received with Addendum:

9. Public Comment received from the release of the staff report on May 13, 2021 and before 11:00 a.m. on May 14, 2021

Attachment received with this Addendum B

10. Public Comment received from 11:01 a.m. May 14, 2021 to 11:00 a.m. May 17, 2021

From: Jess B. Guy
Sent: Saturday, May 15, 2021 12:22 PM
To: Council <Council@losgatosca.gov>
Subject: Do Not "Freeze" Law Enforcement Positions

Council Member,

I understand the Finance Commission will recommend "freezing" positions within the Los Gatos-Monte Sereno Police Department.

This is a mistake. With the wave of anti-police hysteria infecting society, we need to stand with those have dedicated their lives to keep us safe.

Thank you.

Jess B. Guy

ATTACHMENT 10

From: Amy

Sent: Sunday, May 16, 2021 10:49 PM

To: Council <Council@losgatosca.gov>; Laurel Prevetti <LPrevetti@losgatosca.gov>

Subject: Public Comment Item #7

Dear Town Council,

I'm a member of the Los Gatos Anti-Racism Coalition. We support the town budget freeze of 6 months recommended by the finance committee given the current financial situation. We advocate **the town council pledges to transition to a broader model of public safety via a resolution**. We request that the police budget remain frozen after the 6 months is up, and the actual sworn officer headcount remain flat as it currently is at 37 when the revenue allows for the operating budget to be unfrozen. At that time, the additional expenditure dollars would not be used to hire sworn officers to the headcount of 39, and instead be used for hiring mental health community service or social workers workers.

This will allow sworn and armed officers, as well as those with data analysis and investigative expertise, to focus on solving crimes such as robberies and burglaries in Los Gatos. The community mental health workers or social workers will focus on calls regarding mental health crises and homeless persons situations that do not involve an armed police response. They will have special skills and training for de-escalation so that no one gets shot or injured unnecessarily. The existing community service officer volunteers can focus on noise and barking dogs complaints, etc. This will free up trained, highly skilled officers, to attend to actual violent crimes and prevent and solve property crimes.

In the words of Chief Decena during LG's community conversation on police ([timestamp: 1:17:45](#)), "one of the recommendations was to hire a social worker for the town of Los Gatos. I'd be happy to do that. [...] I think we all want that; and I would be happy for that— if we can find some kind of solution. Honestly, if you can take mental health calls and homeless issues off our plates, defund me in a heartbeat. Defund me. But I don't think we're there yet. We're working on it. I think it's very important. But we're trying to work toward solutions."

In the recent wave of harassment in anti-Asian hate, the police department has claimed that they cannot do anything since the harassment isn't technically criminal. The LGMSPD is proud of its community policing philosophy initiated by Chief Scott Seaman. Part of community policing needs to include responding to harassment calls targeted at citizens for their race, religion, ethnicity, sexual orientation or identity, or political affiliation. In the community forum on hate incidents, DA Jeff Rosen stated that we have to be vigilant to not allow hate incidents to escalate to hate crimes.

Compared to other nearby cities, Los Gatos spends more money per capita on policing and has similar or higher rates of non-violent crime. According to the town's 2015 staff report, we spend more money per capita on police than any of our neighboring towns and cities. There is little evidence that suggests that our town or city is safer because we spend more money. From that same 2015 staff report, our reported crime rates are higher than Cupertino's and

Saratoga’s. More recent data sourced from 2020 FBI data shows that we have higher crime rates From now on, we need to be more conscientious about how we spend the hard-earned tax dollars of our community. See data below:

	Los Gatos- Monte Sereno	Cupertino	Los Altos*	San Jose
Proposed 21- 22 Fiscal Police Expenditures	\$17,239,482	\$15,706,972	\$12,985,378	\$472,844,880
Population served	34414	60,614	30,588	1,030,000
per capita expense	\$500.94	\$259.13	\$424.53	\$459.07
Violent Crime rate (per 1000 people)	0.53	0.98	0.76	4.53
Property Crime rate (per 1000 people)	14	17.33	10.44	25.05
Crime index**	43	55	32	15
* fiscal 20-21				
**safer than % of other cities-100 is safest				

data sources: <https://datausa.io/profile/geo/san-jose-ca>
<https://www.neighborhoodscout.com/ca/los-altos/crime>

Thank you,
 Amy

From: Paul Dorsa

Sent: Sunday, May 16, 2021 10:58 AM

To: Council <Council@losgatosca.gov>

Subject: police officers

Please, put more officers on the street! We need more police not less! Who do you think will protect you from rioters, and criminals. The black lives matter demonstrations have personally cost me over \$9,000 dollars for security for protection for my building (OperaHouse). Thank you, Paul Dorsa

From: Patti & Tim Perry

Sent: Sunday, May 16, 2021 11:10 AM

To: council@losgatos.gov; Council <Council@losgatosca.gov>; Town Manager <Manager@losgatosca.gov>

Cc:

Subject: LG/MS Police Department Funding

Los Gatos Town Council,

Please ensure adequate funding for the Los Gatos - Monte Sereno Police department!

Los Gatos is a clean, safe, and friendly town. Los Gatos and Monte Sereno are both very desirable places to live, raise families, and retire. Residents are able to go about their lives with an underlying sense of security and protection from crimes of violence and property due specifically to the diligent work of the Los Gatos - Monte Sereno Police department.

Whenever we see a LG/MS PD patrol unit on our streets we are confident a competent, well-trained police officer is doing their job for our town. We believe that our town is a desirable place to live and work because of all of the employees of all of the town departments who work hard every day to keep it that way. Most, including our elected officials such as yourself, go unseen working in the background, but all are ready and willing to respond at a moment's notice to the needs of any resident when called upon.

You were elected to guide our town on a path that benefits all residents as a whole. Reductions in police funding around our country have inevitably resulted in an increase in crime, lawlessness and civil unrest. Please do not start down the path presented by the current political pressure of a vocal few who wish to demonize or defund our competent and professional police department.

Thank you,

Patricia and Timothy Perry

From: Cathy Smith
Sent: Sunday, May 16, 2021 11:38 AM
To: PublicComment <PublicComment@losgatosca.gov>
Subject: Please

Do not defund or let any of the police or anyone in that dept. go. We need them more than ever.. It is getting less and less safer in our community. We pay a lot of taxes and protection is one of the highest priorities. Every week we see theft in peoples homes and cars.. please do not do this.

Cathy

Cathy H. Smith
ELREPCO, Inc.
President

From: Suzanne Jackson
Sent: Sunday, May 16, 2021 12:29 PM
To: PublicComment <PublicComment@losgatosca.gov>
Subject: Defunding LG/MS police

Los Gatos Town Council. Agenda item #7
Financial Report

The unelected LG financial committee has put forward recommendations to defund the LG/MS police department!!!! Although MS is not a city embroiled in current anti police strife , we still require and appreciate our police department. We have had increases in residential thefts - car break ins, mail theft, package theft as well as other negative public safety occurrences. Most disturbing is the reduction of call service(911) responses due to decreased personnel. This reduction of staff will contribute to adverse outcomes and possible deaths. Monte Sereno does require an assessment to our property taxes to fund the services of the police department, therefore we have a say as to what services we require and need. We strongly support the LG/MS Police department and strongly recommend the LGTown Council and the City of Monte Sereno vote NO on this current financial report. WE NEED TO SUPPORT OUR POLICE, especially in these turbulent times!

Suzanne Jackson, former Mayor, City of Monte Sereno

From: Angela Pappanastos>
Sent: Sunday, May 16, 2021 1:23 PM
To: PublicComment <PublicComment@losgatosca.gov>
Subject: Item #7

To the Los Gatos Town Council

I've learned that there is some thinking we might have less police in Los Gatos.

I'm 81 and I appreciate seeing the police and feel we need MORE, not less police presence.

Thank you,

Angela Pappanastos

From: Rob Moore
Sent: Sunday, May 16, 2021 11:13 PM
To: PublicComment <PublicComment@losgatosca.gov>
Subject: Public Comment Item #7

Mayor, Town Council, and City Manager,

First, thank you for your hard work during these unprecedented times. Dealing with the fiscal side effects of a global pandemic as a town is a daunting and difficult task, so thank you for doing what you can to keep our town afloat. Your work does not go unnoticed.

I am writing to you today as a community member and a member of the Los Gatos Anti Racism Coalition. I worked with other members of the coalition to recommend two tangible asks that will create better public safety outcomes for **all** the residents of Los Gatos. These are asks are:

- (1) freeze the police budget for the foreseeable future,
- (2) allow for hiring professionals (e.g. culturally competent social workers) who can deal with non-criminal situations that involve homelessness, mental illness, harassment, and etc.

The most compelling reason for these asks come in the form of an anecdote that was told to me by a resident of Los Gatos who is experiencing homelessness. He said to me, imagine the absolute worst day of your life. On this day you are dealing not only with the difficult events of the day but also with severe mental illness. So you reach out for help, you call who you have been told to call all of your life, 911. And then, when you are at your most vulnerable and distraught, a man with a gun shows up and tells you there's nothing he can do. He clearly doesn't want to be there and is of no help. He then leaves you, having done nothing to make things better, and you feel more alone than you did before. This is the experience for so many of our neighbors that are living with mental illness. This is why we need culturally competent social workers to respond to these sorts of calls and not our police officers.

I ask that as we as a community consider what we want public safety to look like, we think first of the people who most likely to be on the receiving end of that service.

I, along with the other members of the LGARC, would be happy to meet with any of you to further discuss what the future of policing could look like in Los Gatos.

Thank you for your time and for your service to the community.

Take care,

Rob Moore

From: Violet Wallerstein
Sent: Monday, May 17, 2021 7:17 AM
To: PublicComment <PublicComment@losgatosca.gov>
Subject: Public Comment Item #7

Dear Town Council,

I'm a member of the Los Gatos Anti-Racism Coalition. We support the town budget freeze of 6 months recommended by the finance committee given the current financial situation. We advocate **the town council pledges to transition to a broader model of public safety via a resolution**. We request that the police budget remain frozen after the 6 months is up, and the actual sworn officer headcount remain flat as it currently is at 37 when the revenue allows for the operating budget to be unfrozen. At that time, the additional expenditure dollars would not be used to hire sworn officers to the headcount of 39, and instead be used for hiring mental health community service or social workers.

This will allow sworn and armed officers, as well as those with data analysis and investigative expertise, to focus on solving crimes such as robberies and burglaries in Los Gatos. The community mental health workers or social workers will focus on calls regarding mental health crises and homeless persons situations that do not involve an armed police response. They will have special skills and training for de-escalation so that no one gets killed or injured unnecessarily. The existing community service officer volunteers can focus on noise and barking dogs complaints, etc. This will free up trained, highly skilled officers, to attend to actual violent crimes and prevent and solve property crimes.

In the words of Chief Decena during LG's community conversation on police ([timestamp: 1:17:45](#)), "one of the recommendations was to hire a social worker for the town of Los Gatos. I'd be happy to do that. [...] I think we all want that; and I would be happy for that— if we can find some kind of solution. Honestly, if you can take mental health calls and homeless issues off our plates, defund me in a heartbeat. Defund me. But I don't think we're there yet. We're working on it. I think it's very important. But we're trying to work toward solutions." We could work now to move toward a solution that is supported both by the police force and the citizens of Los Gatos.

In the recent wave of harassment in anti-Asian hate, the police department has claimed that they cannot do anything since the harassment isn't technically criminal. The LGMSPD is proud of its community policing philosophy initiated by Chief Scott Seaman. Part of community policing needs to include responding to harassment calls targeted at citizens for their race, religion, ethnicity, sexual orientation or identity, or political affiliation. In the community forum on hate incidents, DA Jeff Rosen stated that we have to be vigilant to not allow hate incidents to escalate to hate crimes. To do this, we need a model of public safety that centers on keeping our community safe, rather than the strict role of policing that is currently in place.

Compared to other nearby cities, Los Gatos spends more money per capita on policing and has similar or higher rates of non-violent crime. According to the town's 2015 staff report, we spend more money per capita on police than any of our neighboring towns and cities. There is little evidence that suggests that our town or city is safer because we spend more money, so why are we continuing to spend money on a program that is not actually furthering public safety? From that same 2015 staff report, our reported crime rates are higher than Cupertino's and Saratoga's. More recent data sourced from 2020 FBI data shows that we have higher crime rates (<https://www.neighborhoodscout.com/ca/los-gatos/crime>) than Los Altos (<https://www.neighborhoodscout.com/ca/los-altos/crime>) and Saratoga (<https://www.neighborhoodscout.com/ca/saratoga/crime>). From now on, we must be more conscientious about how we spend the tax dollars of our community to protect our community.

Thank you,
Violet Wallerstein

From: Jeffrey Suzuki
Sent: Monday, May 17, 2021 9:08 AM
To: PublicComment <PublicComment@losgatosca.gov>
Subject: Public Comment Item #7

To the Los Gatos Town Council:

As a member of the Los Gatos Anti-Racism Coalition, I propose that **the town council pledges to transition to a broader model of public safety via a resolution.** We do this by **(1) pledging to freeze the police budget for the foreseeable future** and **(2) allow for hiring professionals (e.g. culturally competent social workers) who can deal with non-criminal situations that involve homelessness, mental illness, harassment, and etc.**

First, the budget of the LGMSPD is exorbitant. We spend more money than Cupertino does on police despite that we are a little more than half their population. According to the town's 2015 staff report, we spend more money per capita on police than any of our neighboring towns and cities. There is little evidence that suggests that our town or city is safer because we spend more money. From that same 2015 staff report, our reported crime rates are higher than Cupertino's and Saratoga's. More recent data from 2020 FBI data shows that we have higher crime rates (<https://www.neighborhoodscout.com/ca/los-gatos/crime>) than Los Altos (<https://www.neighborhoodscout.com/ca/los-altos/crime>) and Saratoga (<https://www.neighborhoodscout.com/ca/saratoga/crime>). When we pay extra, we aren't safer.

The town council should pledge to freeze police expenditure for the foreseeable future, even after six months. As our town expands, our budget will naturally fit more reasonably for the town's population and needs. Regardless of political orientation, this isn't much of a choice. Our own town's staff report in 2015 states that a reduction in the number of billable hours of 30% in order to have this budget to be sustainable in the long run. Our town will be put to a choice. It is the choice between an eventual fiscal crisis or a reallocation to more cost-effective solutions.

Secondly, the upper limit of 145 personnel for the entire town is a potential obstacle to our transition to a broader and more effective model of public safety. For instance, we shouldn't restrict ourselves from hiring social workers who would make our community safer.

In April 2019, the LGMSPD received a call regarding a non-violent verbal altercation about junk on someone's property. In the video footage, the man showed visible psychological distress and stated that he had a brain tumor and has had previous heart attacks as he was being detained. The LGMSPD officer broke several of the man's ribs and effectively choked the man unconscious with a carotid restraint. It would be far too easy to blame the individual officer here. Our chief decided to hire this man despite his prior history of police brutality. The LGMSPD decided to send an armed officer to the scene with no crime committed. And Jonathan Silva was cleared of any wrongdoing after the incident.

What if we hadn't sent a police officer there? What if we had a social worker that specialized in dealing with these sorts of disputes? When the tool you have is a hammer, everything looks like a nail. We didn't have an alternative person to send to quell and understand the situation at that time. If we did, **we wouldn't know of Jonathan Silva and he wouldn't be suing the town for potential damages.** Effectively, we still do not have that alternative.

A commonly stated point is that we already have the MCRT with the county, which renders the need for social workers unnecessary. According to a Public Records Request submitted by a coalition member, the LGMSPD collaborated with the county a grand total of 4 times between September 2020 to February 2021. The MCRT is a limited reactive tool for urgent and life-threatening crises. It's too limited for the needs of our community.

Lastly, in the recent wave of harassment in anti-Asian hate, the police department has claimed that they cannot do anything since the harassment isn't technically criminal. For a department that claims to engage in community policing and responds to minor disturbances like dogs barking, this reveals that the "community" aspect of "community policing" is simply up to the discretion of the department. DA Jeff Rosen stated that we have to be vigilant to not allow hate incidents to escalate to hate crimes. We need personnel hired specifically for improving our community atmosphere and mental health. The police are ill-equipped for this responsibility-- it's not what they are paid for.

We need an alternative. Having specialized personnel to deal with non-violent incidents would also benefit our own police department for its personnel to focus its precious time and energy on investigating crime, patrolling, and etc. In the words of **Chief Decena** during LG's community conversation on police ([timestamp: 1:17:45](#)), "one of the recommendations was to hire a social worker for the town of Los Gatos. I'd be happy to do that. [...] I think we all want that; and I would be happy for that— if we can find some kind of solution. Honestly, if you can take mental health calls and homeless issues off our plates, defund me in a heartbeat. Defund me. But I don't think we're there yet. We're working on it. I think it's very important. But we're trying to work toward solutions."

Smaller towns than Los Gatos have successfully implemented such programs. For instance, Alexandra, Kentucky has 10,000 people and has two social workers. If they can do it, so can we.

Thank you,
Jeffrey Suzuki

From: Alicia Spargo
Sent: Monday, May 17, 2021 10:15 AM
To: PublicComment <PublicComment@losgatosca.gov>
Subject: The Overall Budget

Hello City Council and Planning Committees,

The Town of Los Gatos needs to be open to becoming better and not being so stuck in its ways.

People have always been afraid of change and frankly, we elected you to make the tough choices and move us forward.

We hired a Finance Committee and they then advised on what they saw could improve. Let them do their job. Otherwise, the money we spent on the committee will also have been a wasted. We hired experts and now the townspeople, without having seen the data think they know what's best? That's like having people who work in Human Resources tell the Accountant how to do their job. Honestly, everyone just needs to stop making every single thing some huge political play. It's not. So tired of everyone being so dramatic about things easily fixed when there are actually bigger issues that need to be discussed.

This meeting would be a good opportunity to inform the public that it's not just the police department that would be temporarily frozen but it's many different areas of this town to assess how to move forward.

Think of it like a business, for a moment. Every company takes time to assess its spending. I am in favor of taking a moment to asses out Town's spending and then become better. Do better. It is clear that we need new solutions.

Give it a chance and please be courageous with your time that you have been given to truly make Los Gatos better. It is time to grow and try new solutions to old problems. Let Los Gatos evolve and become better.

Thank you.

Best Regards,
Cinema Stereo

From: Rick Van Hoesen
Sent: Monday, May 17, 2021 10:07 AM
To: Phil Koen
Cc: Ron Dickel; Kyle Park; Rick Tinsley; Loreen Huddleston; Stacey Dell; Rob Rennie <RRennie@losgatosca.gov>; Matthew Hudes <MHudes@losgatosca.gov>; Marico Sayoc <MSayoc@losgatosca.gov>; Mary Badame <MBadame@losgatosca.gov>; Maria Ristow <MRistow@losgatosca.gov>; Jak Van Nada; Lee Fagot; Catherine Somers <catherine@losgatoschamber.com>; Jim Foley; Laurel Prevetti <LPrevetti@losgatosca.gov>; Robert Schultz <RSchultz@losgatosca.gov>; Rob Stump; Dennis McEvoy
Subject: Re: Setting the record straight

Good post, and necessary. Hopefully it will receive at least as much readership as the POA's flawed post.

Rick (VH)

On May 17, 2021, at 9:49 AM, Phil Koen wrote:

All,

I just posted my thoughts below on Nextdoor. It is important to set the record straight regarding the FC recommendation on budgeted headcount. I trust the TC will also address this during the TC meeting to insure the public is not mis-informed as to the actual recommendation made by the FC. The facts are the facts and the POA is not entitled to make up their own.

Phil Koen

Unfortunately, the information posted by the Los Gatos POA is inaccurate and sadly misleading. If you want to hear the actual recommendation made by the FC, please listen to the recording of the entire FC meeting held on May 10, 2021.

The final version of the staffing recommendation is at the 1 hour 32 minute mark. Once you listen to the recommendation, you can then decide whether or not the POA has been accurate in their description of the FC's recommendation.

To set the record straight the Town of Los Gatos currently has on board 142 active employees. There are 8 openings, 6 of which are in the Police Department, 4 of which are in the dispatch center.

In the past 6 months the Town has seen a 50% turnover in the dispatch center. The Town is aware of this and trying to fill positions. The dispatch center has been successfully operating at

this reduced headcount for months primarily by using overtime. Everyone on the FC agreed that this was not an optimum long- term solution.

The FY 2022 budget calls for a total of 150 positions to be funded. If all budgeted positions are filled, the actual headcount for the Town would increase by 8. For the past 10 years the Town has approved annual budgets with approximately 150 funded positions. Historically the Town has operated at actual headcounts that are 12 to 15 people below the budgeted positions (i.e. 135 - 138 actual headcount).

In an effort to "slow down" the growth in total operating costs and being mindful of the warning the Town Manager stated in the Budget Transmittal Letter that " in the event pre pandemic revenue levels do not return and new revenue sources are not identified, the current projected deficits may need to be addressed through service delivery reductions" the FC voted to recommend to the Town Council to approve a budget for 145 positions for 6 months and then evaluate the situation. The determination of exactly which positions would be filled was left to the total discretion of the Town Manager.

To be clear the FC did not make an "unconscionable recommendation to freeze dispatch center staffing and to freeze two currently-vacant police officer positions". If the POA actually listened to the meeting recording, they would know this. For now, I am choosing to believe the POA is just misinformed.

Lastly, here is a very uncomfortable fact that everyone should be aware of. In FY 2010, the Town incurred net expenditures (defined as gross expenditures less revenue for services and grants received) of \$11.1m for public safety. In FY 2010 that represented 37.2% of all general tax revenues (property tax, sales tax, etc.) collected by the Town.

By FY 2020 net expenditures for public safety had increased to \$17.9m, which is a 61% increase over the 10 year period. In FY 2020 that represented 59.1% of all general tax revenues. And during that 10 year period, the Town's general tax revenue went from \$29.8m to \$30.3m, which is only a 1.7% increase.

This is the problem that the FC and the Town Council are jointly struggling with, namely the operating costs for public safety specifically as well as the total operating costs for the Town are both growing at rates that are considerably higher than the growth in tax revenues. That is an unsustainable condition that needs to be addressed.

And, as the operating costs for public safety consume more and more of the general tax revenues, there is less funding available for other critical services such as senior services, community services, the library and investing in critical infrastructure. This "crowding out" effect is very real problem.

In conclusion, setting a budgeted headcount at 145 for 6 months seems reasonable and prudent. The Staff did not warn the FC that by doing this there would be a reduction in current service levels.

If the Town revenues are stronger than forecasted, then the Council could certainly increase the budget to 150. And letting our professional staff determine how to fill the 145 budgeted positions gives the Town the flexibility to be prudent in where staff should be added.

The final decision is in the hands of the Town Council. The FC only makes recommendations.

Now you have the entire picture.

Below is the POA posting on Nextdoor.

Dear Valued Community Member,

We are writing to alert you that the safety of our community is in jeopardy!

Your Los Gatos / Monte Sereno Police Department has quietly been operating at critical staffing levels and a recommendation from the newly-formed Los Gatos Finance Commission puts your officers, dispatchers and the community at risk. Your police officers have decided that we cannot just stand by and watch this happen.

Over the past 20 years, the Los Gatos Town Council has reduced your Police Department from 50 officers to less than 39 today.

The Dispatch Center answering all 911 calls from our community and some neighboring areas should have a total staff of 8 but is operating on only the dedication and perseverance of four dispatchers working extreme amounts of overtime every month. **The unelected Finance Commission has made the unconscionable recommendation to freeze Dispatch Center staffing at the current level and to freeze two currently-vacant police officer positions. This is a recipe for disaster.**

Finding qualified applicants to be police officers and dispatchers in today's financial and anti-police environment is extremely difficult. For those who are qualified, the careful hiring and training process takes over one full year. Freezing positions will directly impact the police department's ability to respond to an emergency, possibly your emergency.

The members of your police department are deeply committed to our community. While we perform standard law enforcement services, we also work collaboratively deep within the community to ensure the Town of Los Gatos and City of Monte Sereno remain the most peaceful, safe and family-oriented place to live in the Bay Area.

The need to take action is urgent! The Los Gatos Town Council is expected to make a decision on the Finance Commission's recommendations at the Council meeting in four days, this Tuesday evening, May 18.

Please select the link above/below to urge your Los Gatos Town Council to vote NO on the Finance Commission's recommendation.

From: Kiyoshi Nishide
Sent: Monday, May 17, 2021 10:58 AM
To: Council <Council@losgatosca.gov>; Laurel Prevetti <LPrevetti@losgatosca.gov>
Subject: Public Comment Item #7 - RESEND

Dear Town Council,

I'm a resident of Los Gatos. Here is my proposal for the Public Comment Item #7:

1. I support Finance Committee's 6-month freeze of the police budget.
2. I advocate that the police budget frozen even after the temporary 6-month freeze.
 1. If an additional budget becomes available at some point, that fund should be allocated to hire mental health community service or social workers who are skilled in de-escalation and knowledgeable about all available resources, and not additional armed police officers. There is no evidence that more armed police officers would make Los Gatos safer. The Los Gatos police expense per capita is already higher than our neighboring cities.
3. I believe Los Gatos will be a safer place to live with the proposed approach (#2.1 above) by offloading the armed police officers from non-violent social and community issues, such as neighborhood disturbances, homeless support, etc. Police officers will then be able to focus more on solving violent crimes or crimes that require many hours of uninterrupted/intensive investigative work.

Thank you.

Kiyoshi Nishide

Below are two supporting data/information for this proposal:

In the words of Chief Decena during LG's community conversation on police ([timestamp: 1:17:45](#)):

"one of the recommendations was to hire a social worker for the town of Los Gatos. I'd be happy to do that. [...] I think we all want that; and I would be happy for that— if we can find some kind of solution. Honestly, if you can take mental health calls and homeless issues off our plates, defund me in a heartbeat. Defund me. But I don't think we're there yet. We're working on it. I think it's very important. But we're trying to work toward solutions."

LGMS Police Expenditures/Crimes vs. Neighboring Cities

	Los Gatos- Monte Sereno	Cupertino	Los Altos*	San Jose
Proposed 21- 22 Fiscal Police Expenditures	\$17,239,482	\$15,706,972	\$12,985,378	\$472,844,880
Population served	34414	60,614	30,588	1,030,000
per capita expense	\$500.94	\$259.13	\$424.53	\$459.07
Violent Crime rate (per 1000 people)	0.53	0.98	0.76	4.53
Property Crime rate (per 1000 people)	14	17.33	10.44	25.05
Crime index**	43	55	32	15

* fiscal 20-21

**safer than % of other cities-100 is safest

data sources: <https://datausa.io/profile/geo/san-jose-ca>
<https://www.neighborhoodscout.com/ca/los-altos/crime>



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 05/18/2021

ITEM NO: 7

DESK ITEM

DATE: May 18, 2021

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Operating and Capital Budgets

A. Consider the recommendations of the Finance Commission and staff, and provide direction on the Town of Los Gatos Proposed Operating and Capital Budget for Fiscal Year (FY) 2021/22 and on the Proposed Capital Improvement Program for FY 2021/22 – FY 2025/26; including but not limited to:

1. Determine the use of the accumulated \$1.2 Million Measure G funds through June 30, 2020
2. Determine the use of the Measure G proceeds in FY 2020/21
3. Determine the use of Measure G proceeds in FY 2021/22
4. Determine the use of the of Measure G proceeds for the remaining years of the forecast period
5. Provide direction balancing the FY 2020/21 Budget
6. Provide direction on any changes to proposed expense/revenue assumptions for the FY 2021/22 Budget and the remaining forecast period
7. Provide direction balancing the FY 2021/22 Proposed Budget
8. Determine the use of \$1.2 Million in Surplus Property Reserve (Winchester property sale proceeds)
9. Provide direction on the Proposed Operating Budget
10. Provide direction on the Proposed Capital Budget
11. Consider the FY 2021/22 List of Potential Donations consistent with the Town's Donation Policy
12. Clarify the Council's Strategic Priority for revenue enhancements

REMARKS:

A Council Member had an inquiry and staff's response is below. In addition, this Desk Item contains public comment received from 11:01 a.m. Monday, May 17, 2021 to 11:00 a.m. Tuesday, May 18, 2021.

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

Did staff prepare a calculation for the use of American Rescue Plan Act funds according to the recent Interim Final Rule published by Secretary of the Treasury (Treasury)?

Yes. On May 10, 2021, the Secretary of the Treasury (Treasury) published an Interim Final Rule to implement the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund established under the American Rescue Plan Act related to Revenue Loss.

The Act allows recipients facing budget shortfalls to use payments from the Fiscal Recovery Funds to avoid cuts to government services and, thus, enable State, local, and Tribal governments to continue to provide valuable services and ensure that fiscal austerity measures do not hamper the broader economic recovery. The Interim Final Rule implements these provisions by establishing a definition of “general revenue” for purposes of calculating a loss in revenue and by providing a methodology for calculating revenue lost due to the COVID-19 public health emergency.

The Interim Rule clarified that recipients should calculate revenue on an entity-wide basis. Prior to this clarification, staff publicly demonstrated individual revenue impacts as encouraged by national and regional municipal associations. Treasury adopted this uniform aggregate approach to minimize the administrative burden for recipients, provide for greater consistency across recipients, and present a more accurate representation of the net impact of the COVID-19 public health emergency on a recipient’s revenue, rather than relying on financial reporting prepared by each recipient, which vary in methodology used and which generally aggregates revenue by purpose rather than by source.

In the Interim Final Rule, any diminution in actual revenue calculated using the formula above would be presumed to have been “due to” the COVID-19 public health emergency. This presumption is made for administrative ease and in recognition of the broad-based economic damage that the pandemic has wrought.

Recipients are permitted to calculate the extent of reduction in revenue as of four points in time: December 31, 2020; December 31, 2021; December 31, 2022; and December 31, 2023. This approach recognizes that some recipients may experience lagged effects of the pandemic on revenues.

Upon receiving Fiscal Recovery Fund payments, recipients may immediately calculate revenue loss for the period ending December 31, 2020.

To calculate the extent of the reduction in revenue at each of these dates, recipients are directed to follow a four-step process:

- Step 1: Identify revenues collected in the most recent full fiscal year prior to the public health emergency (i.e., last full fiscal year before January 27, 2020), called the base year revenue.

- Step 2: Estimate counterfactual revenue, which is equal to base year revenue * [(1 + growth adjustment) ^{n/12}], where n is the number of months elapsed since the end of the base year to the calculation date, and growth adjustment is the greater of 4.1 percent and the recipient’s average annual revenue growth in the three full fiscal years prior to the COVID-19 public health emergency.

- Step 3: Identify actual revenue, which equals revenues collected over the past twelve months as of the calculation date.

- Step 4: The extent of the reduction in revenue is equal to counterfactual revenue less actual revenue. If actual revenue exceeds counterfactual revenue, the extent of the reduction in revenue is set to zero for that calculation date.

The following table represents staff’s preliminary calculation based on current guidance provided in the Interim Final Rule, current Town estimates, and future forecasted Town revenues. The estimated amounts are unaudited, and staff will continue to adjust the analysis in the event Treasury produces more detailed guidelines or additional data becomes available.

FY 2018/19 Through 6/30/19 Actual Base (millions)	Growth Factor Annual		Calendar Year Through 12/31/2020 (millions)	Calendar Year Through 12/31/2021 (millions)	Calendar Year Through 12/31/2022 (millions)	Calendar Year Through 12/31/2023 (millions)
\$41.40	4.1%	Calculated Counterfactual Revenue	\$43.97	\$45.77	\$47.65	\$49.60
		Estimated Revenue (Budget and Forecast 4-19-2021)	\$39.93	\$39.77	\$40.30	\$41.21
		Estimated Revenue Shortfall	-\$4.04	-\$6.00	-\$7.35	-\$8.40

Attachments received with the Staff Report:

1. FY 2021/22 Proposed Operating and Capital Budget, provided to the Council in April and available: <https://www.losgatosca.gov/2668/FY-21-22-Proposed-Operating-Budget>
2. FY 2021/22 – FY 2025/26 Proposed Capital Improvement Program Budget, provided to the Council in April and available: <https://www.losgatosca.gov/2669/FY-21-22-Proposed-Capital-Budget>
3. Finance Commission Recommendations
4. Revenue and Expense Forecast Assumptions
5. List of proposed changes related to typos and adding clarifications
6. Council Principles for Considering Requests
7. Town of Los Gatos Donation Policy
8. Town of Los Gatos Donation Opportunities: FY 2021/22

PAGE 4 OF 4

SUBJECT: Operating and Capital Budgets

DATE: May 18, 2021

Attachment received with Addendum:

9. Public Comment received from the release of the staff report on May 13, 2021 and before 11:00 a.m. on May 14, 2021

Attachment received with Addendum B

10. Public Comment received from 11:01 a.m. May 14, 2021 to 11:00 a.m. May 17, 2021

Attachment received with this Desk Item

11. Public Comment received from 11:01 a.m. May 17, 2021 to 11:00 a.m. May 18, 2021

From: Alice A Miano
Sent: Monday, May 17, 2021 11:01 AM
To: PublicComment <PublicComment@losgatosca.gov>
Subject: Public Comment Item #7

For nearly a year, the Los Gatos Anti-Racism Coalition, with more than 350 members, has respectfully asked the Council to bring police financing in line. As a Coalition member, I personally have shared stories with the Council as a near lifelong resident of Los Gatos. I spoke about how I was harassed by a Los Gatos police officer in an unmarked car when my apparent crime was that I appeared to be Latina while listening to salsa music with my car windows down on a summer day. Indeed, in Chief Decena's own report, we see that Latinxs are arrested at twice the rate of their actual population in Los Gatos. Then there was the time on a recent dog walk through Bachman Park when I witnessed four police cars, a firetruck, an ambulance and two apparent social workers in their personal vehicles arrive to handcuff one quiet homeless man and send him off in the ambulance. My point: the LGMSPD is not treating people of color fairly, and they're ripping us off.

Let me tell you a couple of other stories from my 55 years as a Los Gatos resident. How about the time when I called for help when my husband, who at times got belligerent during his 7-year battle with brain cancer, and had the cops show up with their guns. When we needed mental health services, instead we got the cops telling my husband to come out from behind a locked door. I'm be forever grateful that he didn't, and that he died from a brain tumor instead of a police bullet. But we never did get the mental health services needed for my husband and then teenaged daughters. It was all we could do to keep up with the medical bills.

Why do we spend more and more on police each year and comparatively little on mental health and housing services when that is what is most needed to help us emerge from this pandemic? And what about infrastructure? Many roads and sidewalks are still crumbling in Los Gatos?

Thank you,
Ali Miano

Alice A. Miano, Ph.D.
Coordinator, Spanish Language Program
Stanford University
#BlackLivesMatter #FreedomForImmigrants
Pronombres: ella/la, she/her

ATTACHMENT 11

From: Sandrine Chaumette >

Sent: Monday, May 17, 2021 11:03 AM

To: Council <Council@losgatosca.gov>; Town Manager <Manager@losgatosca.gov>

Subject: Public Comment - Freezing Police Budget

Increasing the police budget in Los Gatos is wasteful and unnecessary:

Police Head Count:

The 2019 Los Gatos crime rate fell by 5% compared to 2018. In the last 5 years Los Gatos has seen decreasing violent crime and decreasing property crime. Murders, rapes, assaults, burglaries, auto thefts, and arson are experiencing a steady decline. With the steady decrease in crime, adding more officers to the force is unnecessary. As it is, existing officers are working well below their capacity.

Using Overtime is okay

- It is an efficient solution for 24/7 coverage.
- It allows employers to quickly respond to short-term variations in workload or staffing while only having to pay for the time needed.
- The labor market in Santa Clara County is extremely tight. Unemployment rate in our county is extremely and the cost of living is extremely high. Finding and hiring new LGPD police staff will be difficult, when the supply of jobs is greater than the demand, due to our low unemployment rate. Allowing existing employees to earn extra income helps offset the high expenses of living in this area.

Hiring additional staff is extremely EXPENSIVE:

This is an expensive solution, with all crimes steadily declining in the town, increasing the size of the police force is unnecessary. So far, we have no proof that additional full time staff is necessary. Overtime cover absence (relief), training or maintenance. Since these functions do not regular basis, hiring an additional crew is not the most efficient solution.

Crisis De-escalation vs. Policing.

Over 80% of police call outs are due to non-violent offenses. A police officer trained in using lethal force is completely unnecessary and a waste of money. The cost of a police officer is about \$110,000. The cost of a crisis negotiator is 90,000. Replacing a retiring police officer with a negotiator is less expensive and more efficient use of resources. We can do this with a frozen budget and save approximately \$20,000.

Read more: <https://www.city-data.com/crime/crime-Los-Gatos-California.html>

Sandrine M. Chaumette

From: Phillip Bond
Sent: Monday, May 17, 2021 11:42 AM
To: Council <Council@losgatosca.gov>
Subject: rescinding "Keep Los Gatos Safe" support email

Hi there,

I feel like I was misled into asking you to vote NO on the LGMSPD hiring freeze. I obviously support having more 911 dispatch operators, but I do like the LG Anti-Racism's position on hiring a social worker and other goals.

I apologize for not fully considering all sides of the issue, so please ignore my "Keep Los Gatos Safe" form-letter submission.

Respectfully yours,
Phillip Bond

From: Anne Marie de Cesare
Sent: Monday, May 17, 2021 12:59 PM
To: PublicComment <PublicComment@losgatosca.gov>
Subject: Public Comment Item #7

Dear Town Council,

There have been two incidents in Los Gatos where intoxicated people have knocked on my front door. They didn't look homeless, they looked way too drunk to drive and maybe even too drunk to walk home. In the first case we called the police and in the second case the person left after a short period of time and we did not call the police. In both cases we were afraid, because clearly the people were intoxicated and we did not know them.

In the case where the police were called, they were helpful to ensure our safety, but the situation was confusing to me because the police did not appear to have the resources to help the drunk person and I was concerned for the drunk person's health. I still wonder what happened to those people. This type of incident is probably is no more than a public intoxication ticket. It seems having a social worker arrive with a police officer would be a good opportunity to help people get medical care to detoxify and receive addiction counseling.

As a member of the Los Gatos Anti-Racism Coalition, I propose that the town council pledges to transition to a broader model of public safety via a resolution. We do this by (1) pledging to freeze the police budget for the foreseeable future and (2) allow for hiring professionals (e.g. culturally competent social workers) who can deal with non-criminal situations that involve homelessness, mental illness, harassment, and etc.

Thank you for your time and attention.

Anne Marie de Cesare

From: **Adam Mayer**

Date: Mon, May 17, 2021 at 3:14 PM

Subject: Some concern regarding public safety funding in Los Gatos

To: Marico Sayoc <msayoc@losgatosca.gov>, <rrennie@losgatosca.gov>, <mbadame@losgatosca.gov>, Matthew Hudes <mhudes@losgatosca.gov>, Maria Ristow <mristow@losgatosca.gov>

Dear Mayor Sayoc and Town Council Members,

It has been brought to my attention that the Town Council will be voting on a recommendation from the Finance Commission to withhold filling a handful of job vacancies for the Los Gatos / Monte Sereno Police Department.

While I am admittedly not privy to budget details that led to this decision, I fear that it sends a negative signal not only to the Police Department but to the Los Gatos Community as well that the Town's leadership does not prioritize public safety.

As I mentioned in my [article about the hate crime in Los Gatos](#) that I sent to you all a few weeks ago, I believe that a community-based approach to public safety is key to preventing acts of violence.

Perhaps instead of implementing a de facto hiring freeze for the LGMS PD, the Town finds a creative way to fill these vacancies with officers who actively work to engage with the community.

In San Francisco, where I lived for the past decade, my local neighborhood association found that having a walking beat officer presence was effective at deterring crime. Not only that, but beat patrols were found to foster a more positive relationship with community members and small business owners.

That being said, what I fear most about this recommendation from the Finance Commission is that it is based in part on current anti-law enforcement sentiment around the country and trendy but cynical philosophies like "critical race theory" that place the blame for past injustices on certain categories/groups, further dividing people within diverse communities.

I don't think this approach is helpful for anyone and could actually backfire, creating an adversarial relationship between law enforcement and the Town Government, leaving the Town's residents as potential collateral damage.

Unfortunately I've already seen this play out in San Francisco, which is a major reason why my wife and I decided to move to Los Gatos. In San Francisco, the current District Attorney as well as many members of the Board of Supervisors have undermined the work of the SFPD to the point where many officers feel demoralized and not supported in their roles. The departure and retirement of several senior officers and inability to recruit new ones has led to a [rise in crime](#).

Back here in Los Gatos, my parent's apartment complex near W. Main Street and Broadway has been burglarized multiple times over the past few months (cars have been broken into and their mailbox broken/vandalized). So even though Los Gatos remains relatively safe, now is not the time to start cutting back on public safety.

Thanks for considering my message here and I am confident you all will make the right decision for the continued safety of Los Gatos residents. Happy to discuss further or answer any questions.

Best Regards,
Adam Mayer

From: Claudia Kenyon
Sent: Monday, May 17, 2021 6:33 PM
To: PublicComment <PublicComment@losgatosca.gov>
Subject: Public Comment Item #7

Dear Town Council,

I appreciate your efforts to make Los Gatos a town welcome to all. Thank you for being.

In keeping with our beautiful LISTEN LEARN CHANGE GROW banners, I write in support of a town budget that allows us to hire mental health community service and/or social workers to relieve police officers of having to handle situations they are not specially trained for. No need for more police if other professionals can respond to, say, an old person being harassed downtown, or an unhoused person in need of help, or a person having a mental health crisis.

Yours for adding compassion to law and order,

Claudia Kenyon

From: Debbie Sy
Sent: Monday, May 17, 2021 7:52 PM
To: PublicComment <PublicComment@losgatosca.gov>
Subject: Public Comment Item #7

Dear Town Council,

I support the freeze on police expenditure and am in favor of hiring mental health personnel who are trained to address non-violent calls for help. It would be wonderful for a social worker to address smaller problems before they escalate and for police to be able to focus on crime and safety. I would rather invest in our community with mental health resources early than be required to use police force later.

Sincerely,

Debbie Sy
Los Gatos Resident

From: christie herrington

Sent: Monday, May 17, 2021 8:23 PM

To: PublicComment <PublicComment@losgatosca.gov>

Subject: Verbal Communications :: Non-Agenda Item :: May 18 Council Meeting

Hello, Honored Council Members,

Thank you for your time.

I'm writing to share my concern for the 'Listen Learn Change Grow' banners around town. These are simply a disguised BLM/CRT (Critical Race Theory) slogan mechanism.

The BLM founders are self-described Marxists who stand for dismantling the family structure and fighting to destroy capitalism (i.e. restaurants & boutiques). These are both a huge part of the vibrant life in Los Gatos.

These CRT-slogans convey that LG is anti-family, anti-faith, and DIVISIVE. I know this is not who the Los Gatos community is. LG is family-oriented, entrepreneurial, and a community that cares about ALL its residents.

These banners must come down immediately. This is not who Los Gatos is!

Sincerely,
Christie H.

From: Lynley Kerr
Sent: Tuesday, May 18, 2021 7:44 AM
To: PublicComment <PublicComment@losgatosca.gov>
Subject: Public comment for 5/18/2021 Council Meeting

Los Gatos Town Council Meeting

May 18, 2021 7p

Thank you for allowing me another opportunity

To persuade you to stop all **Critical-Race-Theory-based** Partnerships, Campaigns and Actions in Los Gatos. This includes **Diversity Equity and Inclusion** and **Listen Learn Change Grow** .

The **Washington Examiner** reported that, “A Black mother took aim at **CRT** ...comparing the education to tactics used by **Nazi Germany** and the **Ku Klux Klan**.”

The **Charlotte Observer** warned “that **Americans** ... are being **taught a racist and radical version** of the nation’s history, North Carolina...Congress vowed to **fight back with legislation**. Their main target is [critical race theory](#), ‘...that describes how race, class, gender, and sexuality organize American life,... Critics,...call it **Marxist, anti-American, racist, destructive** — and, **pervasive**.”

I have also seen Los Gatos **NUMU’s “Good Trouble,”** a **BLM-based** art show, which grotesquely portrays violence, as **BLM** requires. No one in their right and educated mind would want to fund this project with our tax dollars.

As **Catherine Somers** of the Chamber said on the Campaign Card dropped off on my porch, this Campaign to **Change** Los Gatos Residents’ lives and futures “**is frightening**.”

SO WHY DO IT?

The following 3 things that I am observing are negatively affecting this town’s well-being and making us all feel much less safe and more in danger than any other time in history.

1. I see a **Deceptive Campaign**
 1. Forced upon **Los Gatos**
 2. By **Domestic Enemies: Antifa** and **BLM**,
 3. Who are **Anti-Christ** and **Anti-American Terrorist Groups** and **Enemy** to our **Civil Rights Act of 1964**
 4. Paid for by **Foreign Enemies, George Soros, the Rothschilds,** and the **Chinese Communist Party**
 5. In order to **Destroy America** and create a **New World Order**

2. And, therefore, I see **CRT** being **BANNED** all over the **USA** by **We The People** and **Legislators**.
3. I also see a group of **Elected Officials**,
 1. **Who Serve We The People, YET KNOWINGLY:**
 1. **Won't educate themselves on CRT,**
 2. **Won't stop our enemies' Agendas from coming to fruition,**
 3. **Won't commit to "defending the Constitution against all enemies, foreign and domestic,"**
 4. **Are benefitting in some corrupt way,**
 1. Or, wouldn't take these hurtful actions **AGAINST We The People** and the **Constitution**.
 5. **Is Complicit, due to laziness, negligence, or fear,** in the destruction of Los Gatos, the Town and its Residents.

The Residents of Los Gatos Need and Require that You Protect our Constitution and God-Given Rights to Life, Liberty and the Pursuit of Happiness

If you choose not to protect us, your Constituents, by stopping CRT, and you decide to help America's Domestic and Foreign Enemies, instead,

1. **You must resign, and**
2. **You must allow others, who are not afraid of the Evil Powers that you secretly serve, to take your place and to protect us all.**

**Love, Compassion,
Forgiveness, and Gratitude**

From: Yanwu

Sent: Tuesday, May 18, 2021 10:09 AM

To: PublicComment <PublicComment@losgatosca.gov>

Subject: Please stop the CRT and "Listen Learn Change Grow" Campaign

Dear Los Gatos Town Council:

I am a house owner in Los Gatos, and my family has lived in this beautiful and peaceful town for 13 years.

I am writing to ask you to stop all Critical-Race-Theory-based partnerships, campaigns, and actions in Los Gatos. This includes "Diversity, Equity, and Inclusion" and "Listen Learn Change Grow".

The Washington Examiner reported that, "A Black mother took aim at CRT ...comparing the education to tactics used by Nazi Germany and the Ku Klux Klan."

The Charlotte Observer warned "that Americans ... are being taught a racist and radical version of the nation's history, North Carolina...Congress vowed to fight back with legislation. Their main target is critical race theory, '...that describes how race, class, gender, and sexuality organize American life,... Critics,...call it Marxist, anti-American, racist, destructive — and, pervasive."

I have also seen Los Gatos NUMU's "Good Trouble," an art show which grotesquely portrays violence. No one in their right and educated mind would want to fund this project with our tax dollars.

The following 3 things that I am observing are negatively affecting this town's well-being and making us all feel much less safe and more in danger than any other time in history.

I see a Deceptive Campaign

Forced upon Los Gatos

By Anti-Christ and Anti-American Groups who are Enemies to our Civil Rights Act of 1964

In order to Destroy America and create a New World Order

And, therefore, I see CRT being BANNED all over the USA by We The People and Legislators.

I also see a group of Elected Officials,

Who Serve We The People, YET KNOWINGLY:

Won't educate themselves on CRT,

Won't stop our enemies' Agendas from coming to fruition,

Won't commit to "defending the Constitution against all enemies, foreign and domestic",

due to laziness, negligence, or fear, in the destruction of Los Gatos, the Town and its Residents.

The Residents of Los Gatos Need and Require that You Protect our Constitution and God-Given Rights to Life, Liberty and the Pursuit of Happiness by Stopping CRT and all CRT-based partnerships, campaigns, and actions.

Thank you.

Sincerely yours,

Zhang family