



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 08/05/2025

ITEM NO: 6

DATE: August 5, 2025
TO: Mayor and Town Council
FROM: Chris Constantin, Town Manager
SUBJECT: **Adopt a Resolution Approving the Acceptance of the 2025-26 California Highway Patrol Cannabis Tax Fund Grant Program Award for the Town of Los Gatos and Los Gatos-Monte Sereno Police Department in the Amount of \$248,955.98; Authorize Parks and Public Works to Purchase Two Police Interceptor Vehicles with Fit Ups required for Police Patrol at an estimated cost of \$188,868 and add these vehicles to the Town's Fleet Inventory; Authorize any additional cost to complete the vehicle fit-up, estimated not to exceed \$25,000; and Authorize revenue and expenditure budget adjustments in the amount of \$248,955.98 to receive and expend the grant proceeds.**

RECOMMENDATION: Approve the following actions:

- a. Adopt a resolution approving the acceptance of the California Highway Patrol Cannabis Tax Fund Grant Program (CTFGP) grant award in the amount of \$248,955.98, and direct staff to implement the grant-funded program activities, consistent with the attached grant documents and Town policies;
- b. Authorize Parks and Public Works to Purchase two police interceptor vehicles with fit-ups required for Police Patrol at an estimated cost of \$188,868 and add these vehicles to the Town's Fleet Inventory; and
- c. Authorize any additional cost to complete the vehicle fit-up, estimated not to exceed \$25,000, with funding allocation from the Police Department operating budget.
- d. Authorize revenue and expenditure budget adjustments in the amount of \$248,955.98 to receive and expend the grant proceeds.

PREPARED BY: Clinton Tada
Police Captain

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

FISCAL IMPACT:

The Town of Los Gatos will receive \$248,955.98 in state grant funding to support enhanced DUI enforcement, officer training, and the acquisition of two new marked patrol vehicles with supporting equipment. There are no matching funds required, and all eligible costs must be incurred and reimbursed within the one-year grant performance period (July 1, 2025 – June 30, 2026). Failure to comply with grant requirements may result in repayment obligations or loss of eligibility for future funding.

The CHP grant will be paid to the Town on a reimbursement basis. The procurement of two vehicles will be funded through the Police Operating Grant Program.

While the grant fully covers the purchase and outfitting of the vehicles, the Town will assume all ongoing operating and maintenance costs for the vehicles over their anticipated six-year useful life, in accordance with Town vehicle policy and grant terms. These additional operating costs will be included in the Public Works Fleet Operating Budget and are expected to be managed within the existing fleet cost structure.

In accordance with the Town Council Policy 4-05 (Town Vehicle and Equipment Acquisition and Replacement Policy), these grant-funded vehicles will not be added to the Town's vehicle replacement list and will be auctioned at the end of their useful life.

STRATEGIC PRIORITIES:

This item aligns with the Core Goals of Fiscal Stability and Public Safety by enhancing public safety resources with grant funding.

BACKGROUND:

Overview of the Cannabis Tax Fund Grant Program

In 2016, California passed Proposition 64 (the Control, Regulation, and Taxation of Adult Use of Marijuana Act or AUMA). Voters mandated the State to set aside funding for the California Highway Patrol (CHP) to award grants to local governments and qualified nonprofit organizations with the goal of reducing impaired driving collisions, increasing public awareness surrounding the dangers of impaired driving, and promoting safer travel on public roadways.

The Cannabis Tax Fund Grant Program (CTFGP), administered by the California Highway Patrol (CHP), was established under the Control, Regulate, and Tax Adult Use Marijuana Act (Proposition 64). The program's purpose is to provide financial assistance to local law enforcement agencies to:

- Educate the public on the dangers of impaired driving (including cannabis and other drugs),
- Enforce impaired driving laws, and
- Improve agency effectiveness through training and acquisition of enforcement-related equipment.

For the 2025-26 cycle, the CTFGP made approximately \$13 million available to small and mid-size law enforcement agencies statewide. Each eligible agency could apply for up to \$500,000 in funding. Eligible costs include:

- Personnel costs (such as overtime for DUI enforcement activities),
- Training for officers (Standardized Field Sobriety Test [SFST], Advanced Roadside Impaired Driving Enforcement [ARIDE], Drug Recognition Expert [DRE]),
- Equipment purchases (including patrol vehicles outfitted for DUI enforcement), and
- Public education and outreach efforts.

Key Program Requirements:

- Grant funds must be used for new or expanded DUI enforcement activities—not to supplant existing budgets.
- All activities and expenses must be completed within the one-year project period (July 1, 2025 – June 30, 2026).
- Equipment purchases must support the project objectives, and items with a useful life beyond the grant period (such as vehicles) must remain in law enforcement service for DUI enforcement for their full useful life (anticipated six years).
- Grantees must comply with detailed reporting, audit, and equipment management requirements, including quarterly performance and financial reporting, inventory control, and records retention for a minimum of five years after grant completion.

In February 2025, the Police Department applied to the California Highway Patrol Cannabis Tax Fund Grant Program (CTFGP), and on June 13, 2025, the Los Gatos-Monte Sereno Police Department was notified of conditional approval for CTFGP funding in the amount of \$248,955.98 (see Attachment 5, Intent to Award Letter). The Grant Agreement (Attachment 1) was executed by the deadline of July 4, 2025 to ensure the Town did not lose the funding associated with the grant.

DISCUSSION:

Town Grant Application

The Town's application for CTFGP funding was developed by the Los Gatos-Monte Sereno Police Department and reflects a comprehensive strategy to reduce impaired driving risks in the community.

Key elements of the application include:

- **Problem Statement:** The Town experiences elevated risks of impaired driving due to high cut-through traffic, downtown nightlife, and anticipated large-scale events (Super Bowl LX and FIFA World Cup). Data indicates a concerning increase in DUI arrests and DUI-involved traffic collisions in recent years.
- **Proposed Solution:**
 - **Enhanced Enforcement:** Eight dedicated DUI saturation patrol events (two officers, six hours each) targeting high-risk periods and locations.
 - **Training:** Funding for five officers to attend SFST training, four officers to attend ARIDE training, and one officer to complete Drug Recognition Expert certification. This will strengthen the department's ability to detect and process impaired drivers.
 - **Equipment:** Acquisition and outfitting of two new Ford Explorer Police Interceptor Utility vehicles, to be dedicated to DUI enforcement during the grant period and integrated into ongoing traffic enforcement operations.
 - While hybrid vehicles provide environmental and long-term cost benefits and follow Town vehicle purchasing policy, the grant agreement specified gas vehicles. In addition, the Police Department and Parks and Public Works Department are reviewing hybrid patrol vehicle options to evaluate their pursuit performance and operational reliability. Due to the timing constraints of the grant and vehicle purchasing timelines, there was insufficient time to complete this review and renegotiate for the possibility of hybrid vehicles. As a result, the two patrol vehicles funded through this grant will be gas vehicles. In the future, hybrid options will continue to be considered, while reviewing for the operational demands of police work. Funding for maintenance and fuel costs will need to be incorporated into the PPW Operating Budget for Fleet Operations of these vehicles.
- **Performance Measures:**
 - Increase DUI arrests by at least 10% through proactive enforcement.
 - Track DUI collisions and enforcement activity, and report quarterly to the CHP.
 - Incorporate trained officers' skills into daily operations and future field training programs.

Grant Agreement Requirements

Upon acceptance, the Town is legally obligated to:

- Adhere to all project, reporting, and financial requirements set forth in the grant application, agreement, and applicable state regulations (Title 13, California Code of Regulations, Division 2, Chapter 13).
- Use all grant-funded equipment and vehicles primarily for DUI enforcement and education for a minimum of six years.

- Submit quarterly and closeout reports documenting progress, performance, and expenditures, and maintain supporting documentation for a minimum of five years after the grant ends.
- Follow Town policy on vehicle acquisition, assignment, maintenance, and eventual replacement or disposal, while also complying with CHP notification and approval processes regarding equipment disposition.
- Comply with all other state and federal administrative requirements, including non-discrimination, conflict of interest, drug-free workplace, and financial management standards.

Next Steps and Required Action

To receive the grant funding, a resolution from the Town Council is required to formally accept the funds. Timely acceptance will allow staff to initiate vehicle procurement, enroll officers in scheduled training programs, and schedule the required enforcement operations to maximize the benefit of the award within the allowed timeline.

CONCLUSION:

Acceptance of the 2025-26 California Highway Patrol Cannabis Tax Fund Grant would provide funding to support enhancing DUI response with no General Fund contributions required.

COORDINATION:

This report was coordinated with the Los Gatos Monte Sereno Police Department, Finance Director, Public Works Department, Town Attorney, and Town Manager.

ENVIRONMENTAL ASSESSMENT:

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

Attachments:

1. Grant Agreement (FY25/26 CTFGP Law Enforcement – Los Gatos-Monte Sereno PD)
2. Grant Application (Los Gatos-Monte Sereno Police Department)
3. CHP FY25-26 CTFGP Request for Application
4. Quick-Reference Guide (CHP Cannabis Grants Unit)
5. CTFGP Intent to Award Letter (CHP)
6. Town Vehicle and Equipment Acquisition and Replacement Policy
7. Draft Resolution