



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 10/20/2026

ITEM NO: 9

DATE: September 22, 2026
TO: Mayor and Town Council
FROM: Chris Constantin, Town Manager
SUBJECT: **Authorize the Town Manager to execute an Amendment to the Annual Agreement for Services with the Los Gatos Chamber of Commerce, for a One-Time Increase in Funding From \$88,000 to a Not to Exceed Amount of \$108,000 for FY 2026-27, to Further Support Visitor Attraction and Engagement Services Provided by the Los Gatos Chamber of Commerce.**

RECOMMENDATION: Authorize the Town Manager to execute an amendment to the FY 2026-27 Agreement for Services with the Los Gatos Chamber of Commerce, increasing the total agreement amount by \$20,000, from \$88,000 to an amount not to exceed \$108,000, for visitor attraction and engagement services; and authorize a \$20,000 increase in expenditure appropriations for Account 2106-67102, funded by the General Fund unassigned fund balance.

FISCAL IMPACT:

The proposed amendment increases the FY 2026-27 Agreement for Services with the Los Gatos Chamber of Commerce by \$20,000, from \$88,000 to a total amount not to exceed \$108,000. At its June 16, 2026, meeting, the Town Council approved the original agreement in an amount not to exceed \$88,000 and directed staff to return with a proposed amendment for the additional funding. The recommended action includes an additional expenditure appropriation of \$20,000 for Account 2106-67102, funded by the General Fund unassigned fund balance. This is a one-time increase for FY 2026-27 and does not establish an ongoing funding commitment.

STRATEGIC PRIORITY:

The services provided by the Chamber of Commerce related to Visit Los Gatos and the Town's Visitors Information Center support the Town's goals of Community Character and Civic

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Economic Vitality Manager

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Administrative Services Director

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Engagement as well as the strategic priorities to fostering the economic vitality of businesses and ensuring that residents and visitors feel welcome in Los Gatos.

BACKGROUND:

The Chamber of Commerce has long been a valued partner with the Town of Los Gatos in supporting the business community and providing visitor information and destination marketing services, with formal agreements for service beginning in 2001.

The scope and compensation for services have fluctuated over the years to meet the dynamic economic and community vitality trends of the Los Gatos business community, balanced with the capacity of the Chamber of Commerce to provide services and the availability of funding within the Town's annual budgets.

In 2024, the Town Council discussed various levels of financial support for the FY 2024-25 annual agreement for services with the Chamber of Commerce. The Council then voted unanimously to approve the continued increased amount of \$88,000 for FY 2024-25 and FY 2025-26. The increased funding was supported by the General Fund.

The FY 2025-26 Agreement for Services requires the Chamber of Commerce to provide an annual report on the services rendered that provides quantitative data for services provided under the proposed agreement, illustrating the services rendered and the impact the services have on engagement with the Visit Los Gatos platform and general visitor engagement and increased vitality. The Chamber may utilize a variety of data points that are on trend with the most up to date engagement channels, such as website traffic, social media, phone applications and widgets, influencer relationships, direct services rendered, and similar destination marketing tools.

On June 3, 2026, the Chamber of Commerce provided a year-end report accounting for the services rendered throughout FY 2025-26 under the agreement for services and requested an increase in funding for FY 2026-27 from \$88,000 to \$108,000. Prior to this date, Town staff had conversations with the Chamber of Commerce during the budget process. At that time, the Chamber agreed to maintain the existing scope of services and compensation, in the amount of \$88,000 for Visit Los Gatos Destination Marketing and Town Visitors Information Center services for FY 2026-27. These terms are reflected in the Agreement for Services with Exhibit A – Scope of Services.

DISCUSSION:

At the June 16, 2026, Town Council meeting, the Chamber of Commerce made a verbal request, asking the Town Council to increase the funding for the Scope of Services related to the Annual Agreement for Services for FY 2026-27, from \$88,000 to \$108,000, stating that the actual cost

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to execute the Scope of Services related to the FY2025-26 agreement was approximately \$154,494.

The Town Council discussed the Chamber of Commerce's request and approved the FY 2026-27 Agreement for Services in an amount not to exceed \$88,000 (Attachment 1). The Council also directed staff to return with a proposed amendment increasing the agreement amount by \$20,000, to a total not to exceed \$108,000, for Council consideration and approval. The proposed amendment (Attachment 2) increases compensation without changing the existing Scope of Services. Under the agreement, the Chamber of Commerce is required to submit monthly invoices with a detailed accounting of the services performed and associated charges.

The proposed one-time funding increase of \$20,000 is intended to provide additional financial support for the Chamber of Commerce's existing visitor attraction, destination marketing, and community engagement services during FY 2026-27. The amendment does not expand or otherwise modify the Scope of Services previously approved by the Town Council. All existing performance, reporting, and monthly invoicing requirements remain in effect, and total compensation under the amended agreement will not exceed \$108,000.

During the June 16, 2026 discussion, Town staff noted that the scope of services and agreement terms the Town looks to have delivered in future years, by the Chamber of Commerce, is evolving. Thus, Town staff will meet with the Chamber of Commerce leadership to discuss and draft a restructured scope of services and funding amount for future years.

CONCLUSION:

Staff recommends that the Town Council authorize the Town Manager to execute an amendment to the FY 2026-27 Agreement for Services with the Los Gatos Chamber of Commerce, increasing the total agreement amount by \$20,000, from \$88,000 to an amount not to exceed \$108,000, for visitor attraction and engagement services, and authorize an additional \$20,000 expenditure appropriation for Account 2106-67102, funded by the General Fund unassigned fund balance.

ENVIRONMENTAL ASSESSMENT:

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

Attachments:

1. Original Agreement for Services with the Los Gatos Chamber of Commerce for Visit Los Gatos and Destination Marketing Services, including Exhibit A, Scope of Services.
2. Amendment to the original agreement, increasing the funding for the Scope of Services from \$88,000 to a not to exceed amount of \$108,000.