

March 6, 2021 Council meeting.

Item 13 - Provide Direction for the Potential Uses of the American Rescue Plan Act Funds Earmarked for Los Gatos

Madam Mayor and Council members

The Grant the Town received, \$5.7M, is being reapportioned tonight in the proposal you are considering, Item 13, at a rate that only allocates a bit more than \$3.7 M to various, and I agree, worthy projects, leaving about \$2m surplus. These “surplus” funds can be used for other economic recovery needs now. Lets allocate all the funds for the purposes they were intended – to keep the Town’s commitment to the various organizations that provide critical services to all our citizens, including many non-profits. And, in particular, lets target one of the most vulnerable constituents in our Town - our Senior citizens.

- Some additional data: at least 1/3 of our Town’s population will be 65 or older by early 2023 according to the Housing Element. These are folks who have been a strong part of our community for years, perhaps generations, and importantly, who have helped make our community the enjoyable place we all share.
- A “well-managed” Town should provide recreation and senior services to the full community; And, *NOTABLY* different from Los Gatos, most senior services are actually FUNDED by municipal governments for those citizens, whom they represent and they serve!
- LGS Adult Recreation acts as a gateway to provide valuable resources to these, our more vulnerable senior community members, collaborating with other non-profits to do so.
- It’s impossible now during COVID challenges to provide robust services when LGS Adult Rec cannot afford their current Staff salaries; and Seniors who do participate in many of the social programs make donations to help cover some of the operating costs, but operating costs are beyond the current revenue model.
- Ceasing lease payments to the Town for the E Main St. Adult Recreation Center facility provides much of the cost savings necessary to move forward to reinstall Staff FTEs during this critical time and provide the additional services identified as now necessary for our senior citizens.
- The community deserves an upgraded and more inclusive Senior Community Center and this should be part of the Town’s 20-year General Plan, or sooner! They provide many services that are unduplicated by any other Town partner.
 - Specifically, the facility needs to have its infrastructure updated to meet code and safety requirements. Currently, the facility is run down and in need of maintenance and refurbishment.
 - Many of the rooms can be repurposed so as to engage more adults for more inclusive programs. Paying the rent noted in the past to the Town precludes the LGS Recreation from making such investments in YOUR building. Please provide the ongoing funding to help the Rec make such changes. Invest in YOUR building.
- The Town’s commitment to an age-friendly initiative requires the Town government to be more VESTED in partnerships with those providing the services. This is an excellent opportunity to leverage such resources for best outcomes with these federal funds.

Also, I assume the Mayor is recusing herself from this vote due to the conflict of being the CEO of CASSY, which will receive additional (and needed, I might add), funding, as part of this initiative.

Thank you, and keep up the good work.
Lee Fagot



April 2, 2021

Los Gatos Town Council

Honorable Mayor Sayoc, Vice Mayor Rennie and Council Members Hudes, Badame and Ristow

110 E. Main Street

Los Gatos, CA 95030

Dear Mayor, Vice Mayor and Council Members,

I am writing on behalf of Los Gatos-Saratoga Community Education and Recreation (the Agency) to express our thanks and gratitude for the lease forgiveness extended to the Agency totaling \$240K since April 2020. The impact of COVID19 gathering restrictions has had an enormous impact on our ability to come together for recreation, enrichment and the vital senior services programs tied to our lease agreement for use of the Adult Recreation Center (ARC). In fact, our utilization of both the ARC and the Youth Recreation Center (YRC) facilities currently remains less than 3% of the pre-pandemic levels and we do not foresee a material change to utilization in the near future.

Coupled with the Town's generous lease forgiveness over the last year, the Agency also made sacrifices to conserve cash reserves and extend the amount of time we have to make decisions about the financial viability of the organization. In March 2020 we immediately rolled back Staff to .5 FTE, essentially paying for work 4 hours / day to support programs. The leadership team took a 20% reduction in compensation with an expectation of continued full-time work while we have creatively pivoted our business to conduct programs primarily online and re-imagine those that were held in person. In 2020 our revenue dropped by 58% and we worked to shore up what remained of the business. Nevertheless, these adjustments did not come close to bridging the gap and the Agency lost \$2M by December 2020.

We are now operating with 50% fewer Staff members than last year at this time and are still expected to lose \$1.4M by year-end based on current enrollment and while operating under the County health restrictions for in-person gatherings. Unless enrollment levels substantially increase, we will deplete remaining cash reserves by calendar year-end and be forced to close the recreation department established to serve the community 65 years ago. We remain hopeful this will not be the outcome, but current uncertainties require us to take a conservative approach to financial commitments.

To refresh memories, our programs and services reach all members of the community: youth and adult athletics and enrichment programs, Clubhouse childcare at all four LGUSD campuses, the World of Discovery Preschool, Parent Nurseries, Vasona boating operation, the aquatics program at the high school pool, senior services governed by our lease in addition to many other 55 Plus programs along

with providing all recreation programs for the City of Saratoga and of course, the Children's Holiday parade.

As we look forward to FY21/22, we appreciate the Town Staff report item #13 recommending a 50% waiver of rent for Town Lessees. However, we do not anticipate a Town offset of 50% to be substantial enough to forestall the difficult decisions ahead of us. We are experiencing a very slow business recovery and customer hesitancy to commit to in-person programs and events. **The Agency is respectfully requesting a continued waiver of ALL lease payments through fiscal year 2022 so that cash reserves may be used to continue operations. If approved by Council, this request would provide confidence to appropriately Staff operations and increase classified Recreation Staff to .75 FTE, adding 2 more hours to their day and substantially increasing our reach in the community during the critical months ahead.**

In parallel with this request, we want to express our interest in working even more closely with the Community and Senior Services Commission (CSSC) and Council to enhance and expand adult and senior services and to more fully reach those who have lost their essential connection to one another and the community. The Agency serves as a gateway to connect to valuable resources and is a necessary service in our age-friendly community.

Our business model is unusual among all recreation departments in the state of California in that we receive no Town or City funding and count only on fee-based programming and small grants to support traditionally low-margin operations. In the history of the Agency, we have never asked for a waiver of lease payments from the Town until now. These unprecedented times have called us to respectfully request this to support our ability to serve our community into the future. **Please consider directing federal stimulus funding from the American Rescue Plan to Los Gatos-Saratoga Community Education and Recreation in support of a full waiver of lease obligations in FY21/22 so that we may continue supporting our Town.**

In community spirit,



Nancy Rollett

Executive Director

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Building a Healthy Community Through Enrichment, Innovation and Fun!