



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 01/26/2021

ITEM NO: 1

DATE: January 21, 2021
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Approve the Following Strategic Priorities Actions:
A. Affirm the Town Goals of Community Character, Good Governance, Fiscal Stability, Civic Enrichment, Public Safety, and Quality Public Infrastructure
B. Affirm and/or Refine Ongoing Strategic Priorities for 2021-2023
C. For any new Strategic Priority, identify an existing Priority that should be removed or de-emphasized; and
D. Identify Ordinance Priorities

RECOMMENDATION:

Approve the following Strategic Priorities Actions:
A. Affirm the Town Goals of Community Character, Good Governance, Fiscal Stability, Civic Enrichment, Public Safety, and Quality Public Infrastructure;
B. Affirm and/or refine ongoing Strategic Priorities for 2021-2023;
C. For any new Strategic Priority, identify an existing Priority that should be removed or de-emphasized; and
D. Identify Ordinance priorities

BACKGROUND:

Every year, the Town Council considers its Strategic Priorities for the next two years. In past years, Strategic Priorities consisted of specific policy efforts that could be completed within a relatively short time frame of a few months. More recently, Strategic Priorities have evolved to address more complex issues facing the Town that may involve multifaceted approaches, such as addressing transportation and traffic (see Attachment 1, Existing Strategic Priorities).

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

BACKGROUND (Continued):

The Council's identification of Strategic Priorities is a critical step in the budget process for the fiscal year and ensures that Town resources are directed to these Priorities. The Strategic Priorities session provides the Council and the community an opportunity to discuss areas of emphasis for the upcoming budget development.

The goal of the session is to affirm and/or refine existing Priorities. Given the Town's ongoing response to the COVID-19 pandemic and work underway with existing Priorities, the Town organization has limited capacity to add new items on top of the existing ones. In addition, the Town has limited financial capacity to add significant new items as Town revenues have been impacted by the pandemic as discussed with the Council in December 2020. For these reasons, any new Strategic Priority should be paired with a reduction of effort or elimination of an existing Priority.

This report discusses the Town's core goals, existing Strategic Priorities, work plans for each Department, results of a community survey, status of existing Capital Improvement Projects, and a list of ordinances.

DISCUSSION:

Core Goals

The Town provides a high level of quality municipal services to the Los Gatos community based on the Town's adopted Operating and Capital Budgets. The Budgets are an expression of the Town's core goals of community character, good governance, fiscal stability, civic enrichment, public safety, and quality public infrastructure. The Council should affirm these core goals.

Staff Capacity and Department Work Plans

The Town of Los Gatos provides the key local government services of Public Works, Parks, Library, Police, and Community Development with the necessary support services of Information Technology, Finance, Clerk, and Human Resources. The Town Manager's Office leads and guides these administrative duties and closely collaborates with the Town Attorney's Office to support the work of the Town Council. From the Council's priority setting, the work of the Town Departments and Commissions is aligned to meet these Priorities.

Attachment 2 contains the work plans of all Town Departments and Divisions. As a service organization, each Department devotes approximately 90% of its staff time and other budget resources providing core services to the community. The remaining 10% or so of Department resources are allocated to special projects, such as Strategic Priorities. All of these services and projects are supported by the Town's Operating Budget.

DISCUSSION (Continued):

Given that many Strategic Priorities are multi-year Ongoing Priorities, there is not much additional capacity within the Town organization to take on large, new items. In addition, the Town Departments rapidly adapted to providing municipal services in new ways to ensure the health and safety of employees and the public during the COVID-19 pandemic. With the Council's leadership, staff is also implementing community vitality and economic recovery actions to assist businesses, residents, and non-profits during these challenging times.

Existing Strategic Priorities and Draft 2021-2023 Strategic Priorities

Attachment 1 depicts the Ongoing Priorities, including Traffic/Transportation, Quality of Life, Safety, and Prudent Financial Management. There are important efforts underway in each category, including implementation of the comprehensive parking study as part of Traffic/Transportation Priority and Fire Protection as part of the Safety Priority.

In addition, the Town is in progress with several significant efforts, including the General Plan Update and Vehicle Miles Travelled (VMT) Policy. These two items should be completed in 2021. By State law, the Town will also need to start the Housing Element Update process to have a draft document ready for Council adoption prior to January 1, 2023.

Attachment 3 contains the Draft 2021-2023 Strategic Priorities, continuing the Ongoing Priorities and acknowledging additional items in progress, such as the pandemic recovery, implementation of Police reforms, and the Town's efforts toward becoming a more inclusive community. For reference, this attachment also identifies recently completed items, such as the Ad Hoc Wildfire Plan.

Community Survey

The Town conducted an online community survey from December 1, 2020 through January 8, 2021 to learn the community's priorities. The survey received 411 total responses. Attachment 4 contains the detailed survey results.

With respect to priority ranking (Question 1), the results were:

- Economic Vitality: 7.06
- Fire Protection: 6.59
- Emergency Preparedness: 6.25
- Transportation Demand Management: 5.62
- Community Vitality: 5.12
- Land Use Planning: 4.94
- Comprehensive Parking Study: 4.47
- Address Pension & OPEB Obligations: 3.12
- Sell or Lease Certain Town Properties: 2.08

DISCUSSION (Continued):

Question 2 asked, “Would you like to see the Town shift the focus of its Strategic Priorities to new efforts?” The “No” response was 50.56% and the “Yes” response was 49.44%. Question 3 asked, “Provide your top choices for new Town Strategic Priorities” and those responses are grouped into categories of alternative transportation/transportation management, arts, community vitality, economic vitality/business support, emergency preparedness, environment/sustainability, fire prevention, fiscal stability, housing/development, human services/homeless, inclusivity/racial justice, and miscellaneous.

Capital Improvement Project Status

Attachment 5 contains a matrix summarizing the budget for each capital project, source of funds, amount expended/encumbered to date, and status. This information conveys the level of investment and commitment of particular projects, and the potential opportunity for reallocation to other Town priorities or future capital needs.

Suggestions from a Council Member

Attachment 6 contains two suggestions from Council Member Hudes. One pertains to post-COVID economic recovery and revival, and the other to serving our 60+ year old community members. These materials were submitted in advance for consideration.

List of Ordinances

A burgeoning aspect of municipal governance is the proliferation of state mandated laws which require local ordinance development. In addition, the Town’s proactive efforts to evolve the existing business and land use regulatory environment has yielded considerable ordinance modification and development. It is anticipated that the coming year will continue the trend of state mandated and/or locally driven ordinances.

In coordination with all Town Departments, the Town Attorney has provided a list of potential ordinances to amend the Town Code in Attachment 7. This list is in priority order based on work already in progress, State laws, service delivery, and emerging conditions. The Council may wish to adjust the priorities for this work.

Priority Setting Process

After review of the materials and consideration of public testimony, the Council may take the following steps to set priorities:

1. Affirm the Core Goals;
2. Affirm and/or refine the current Strategic Priorities;

DISCUSSION (Continued):

3. Consider new Priorities and determine which existing Priorities should be eliminated or de-emphasized; and
4. Determine the priority order of potential ordinances.

CONCLUSION AND NEXT STEPS:

The completion of the Strategic Priorities aligns the work of the Town Departments, Boards, Commissions, and Committees. The Council's affirmation of existing Priorities and any refinements guide the preparation of the 2021/22 Operating and Capital Budgets for Council consideration in May.

On February 16, the Town Council is scheduled to discuss the Five-Year Financial Forecast and the sensitivity of the Forecast to changes in key revenue and expenditure assumptions (i.e., alternative scenarios). As part of its consideration, the Council should have comments and/or recommendations from the newly appointed Finance Commission which is meeting on February 8th to consider the Forecast and associated analyses.

COORDINATION:

The preparation of this report was completed in coordination with all Town Departments.

FISCAL IMPACT:

The work of this session informs the preparation of the upcoming Fiscal Year 2021/22 Operating and Capital Budget. The session itself has no fiscal impact.

ENVIRONMENTAL ASSESSMENT:

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

Attachments:

1. 2020-2022 Strategic Priorities
2. Work Plans
3. Draft 2021-2023 Strategic Priorities
4. Community Survey Results
5. CIP Matrix
6. Council Member Hudes' Suggestions
7. Ordinance List