



**TOWN OF LOS GATOS  
COUNCIL AGENDA REPORT**

MEETING DATE: 01/25/2022

ITEM NO: 1

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DATE: January 20, 2022  
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 2022-2024  
c. For A 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 2022-2024;
- 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).

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

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

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BACKGROUND (Continued):

Priorities session provides the Council and the community an opportunity to discuss areas of emphasis for the upcoming budget development cycle.

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 no staff 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 continue to be impacted by the pandemic. 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, 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 and Capital Improvement Budgets.

Given that many Strategic Priorities are multi-year Ongoing Priorities, there is no additional capacity within the Town organization to take on large, new items. Specifically, significant work is underway with the General Plan Update, Housing Element, Senior Road Map, among other items.

DISCUSSION (Continued):

In addition, the Town Departments continue to adapt to revised Public Health Orders and other pandemic-related conditions, providing municipal services to ensure the health and safety of employees and the public. Based on 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. All of this work is occurring while executive recruitments are underway for key leadership positions within the organization.

Existing Strategic Priorities and Draft 2022-2024 Strategic Priorities

Attachment 1 depicts the Ongoing 2021-2023 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.

As mentioned above, the Town is in progress with several significant efforts, including the General Plan Update and Housing Element. Staff are continuing to receive public comments on the Draft General Plan and it will be considered at public hearings before the Planning Commission and Town Council this year. By State law, the Town will also need to complete the Housing Element Update process with a draft document ready for Council adoption prior to January 1, 2023.

Attachment 3 contains the Draft 2022-2024 Strategic Priorities, continuing the Ongoing Priorities and acknowledging additional items in progress, such as the pandemic recovery, implementation of bicycle and pedestrian improvements, and the Town's efforts toward becoming a more inclusive community. For reference, this attachment also identifies recently completed items, such as the Vehicle Miles Traveled Policy.

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 4. 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.

DISCUSSION (Continued):

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;
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 Fiscal Year 2022/23 Operating and Capital Budgets for Council consideration in May.

On February 15, 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 this discussion, the Council may direct forecast revisions and provide other budget direction.

At this same meeting, the Council will consider the updated US Treasury guidance for the use of American Rescue Plan Act funds and potential additional allocations to qualifying activities. The Finance Commission meets the previous day to discuss these same financial items and staff will share the Commission's comments and recommendations with the Council and public.

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 2022/23 Operating and Capital Budgets. The session itself has no fiscal impact.

ENVIRONMENTAL ASSESSMENT:

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

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SUBJECT: Strategic Priorities

DATE: January 20, 2022

Attachments:

1. 2020-2022 Strategic Priorities
2. Department Work Plans
3. Draft 2022-2024 Strategic Priorities
4. Ordinance List