

AGREEMENT FOR LAW ENFORCEMENT SERVICES BETWEEN THE TOWN OF LOS GATOS AND THE CITY OF MONTE SERENO

This Agreement for Law Enforcement Services (“Agreement”) is entered into by and between the TOWN OF LOS GATOS (“Los Gatos” hereinafter) and the CITY OF MONTE SERENO (“Monte Sereno” hereinafter) (collectively the “Parties”), both municipal corporations and general law cities located in the County of Santa Clara, State of California.

RECITALS

- A. Los Gatos has its own Los Gatos Police Department (“Department” hereinafter) and Monte Sereno does not.
- B. Monte Sereno has contracted with Los Gatos since 1995 for police services and desires to continue to obtain police services from Los Gatos, as further described in Section 2 below, through an amended and restated contract and provide for police protection within its boundaries pursuant to this Agreement.
- C. This Agreement is entered into pursuant to provisions of California Government Code Sections 55631 through 55634, and any and all other applicable authority.
- D. Los Gatos and Monte Sereno desire to enter into a five (5) year agreement effective with an option to renew once for another five years.

NOW, THEREFORE, in consideration of the recitals and the mutual promises contained herein, Los Gatos and Monte Sereno agree as follows:

AGREEMENT

1. GENERAL PROVISIONS.

(a) This Agreement for Law Enforcement Services is effective July 1, 2025, and thereafter the provisions herein supersede and replace any previous agreement or amendments executed by the Parties.

(b) In this Agreement, the word "Chief" means Chief of Police of the Town.

(c) The Chief and their staff shall have sole authority and control over the overall operations and the procedural manner in which the police services are performed under this Agreement. On or before the 1st day of April of each year of this Agreement, the Chief and Town Manager shall consult with the Monte Sereno City Manager on service level issues and the Parties may modify this Agreement by written amendment

signed by both Parties as necessary to meet the needs of Monte Sereno subject to approval by the City and Town Council of each entity.

(d) The Chief or a member of the Chief's staff will attend Monte Sereno City Council meetings on a bi-annual basis and provide performance measures to the City of Monte Sereno City Council. These performance measures shall include crime statistics, response times and traffic enforcement trends and/or significant crime report summaries as well as patrol service hours provided for the prior six month period. In addition, the Chief or a member of the Chief's staff shall submit reports at least quarterly, unless otherwise agreed to by the Parties, to the Monte Sereno City Manager detailing the incidence of crime in the City. Through its City Manager, the City can request a higher level review of reported performance information when there are concerns related to the accuracy of information presented. The review shall first be at the Chief level, and if the response is not satisfactory, the Town Manager or designee will be charged with conducting an escalated review. As appropriate, the Chief or Town Manager will provide a response to the City Manager related to the review.

(e) Los Gatos and Monte Sereno shall cooperate in the preparation and submission of applications for government law enforcement grants for police services in and for the City. Los Gatos and Monte Sereno agree that there is a mutual benefit to such efforts. Los Gatos and Monte Sereno also agree that either may independently pursue grants and shall be individually responsible, therefore.

(f) The Los Gatos Police officers and personnel shall remain employees of the Town. Responsibility for and control over the selection, hiring, training, assignment and discipline of Los Gatos police personnel and other matters incident to the performance of services hereunder and the control of Los Gatos personnel shall remain exclusively within Los Gatos's authority. Formal complaints regarding the conduct of Los Gatos Police personnel may be submitted by an aggrieved party, including the Monte Sereno City Manager, to the Town and will be reviewed in accordance with Town Policy A-22 which relates to complaints against police officers.

(g) Employee relations and related issues, including, but not limited to, Los Gatos employee salaries and benefits, shall be the sole and exclusive responsibility of Los Gatos. As the employer, Los Gatos retains its full rights to make employment

decisions regarding any police officers or police personnel, without any prior notice to Monte Sereno.

2. SERVICE PROVISIONS.

(a) General Services. Los Gatos shall provide police protection services to Monte Sereno for and during the term of this Agreement and any extension or extensions thereof. Services shall be the same as those provided to the Town and include the following:

- (i) The enforcement of State Statutes and Municipal Ordinances of Monte Sereno (with any necessary legal assistance to be provided by counsel for either Los Gatos or Monte Sereno, depending upon where the violation took place), except such Municipal Ordinances of the type which would require special training of officers (e.g. certification in noise measurement, etc.) or of a type of enforcement that is contracted by Los Gatos to a third party or other public agency. Nothing herein contained shall preclude enforcement by Los Gatos personnel of the above-excepted ordinances;
- (ii) Sworn Officer services commensurate with the coverage provided in Los Gatos.^{1*}(Sworn Officers may include the Traffic Sergeant, School Resource Officers², detectives, or other sworn personnel spending directed or discretionary time within Monte Sereno);
- (iii) Intake, processing, evaluation and issuance of concealed carry weapons permits in accordance with City Ordinance;
- (iv) Traffic enforcement^{1*};
- (v) Community Service Officer³ services;
- (vi) Investigations of cases meeting the assignment criteria being used by Los Gatos;

^{1*}This includes activity and patrol time expended in Monte Sereno, and all other related administrative duties including, but not limited to, booking of evidence, report writing, case follow-up for cases originating in Monte Sereno.

² School Resource Officer as defined on the Town of Los Gatos Operations Bureau page available at <https://www.losgatosca.gov/138/Operations-Bureau>.

³ Community Service Officer as defined in the Town of Los Gatos Job Descriptions available at <https://www.losgatosca.gov/419/Job-Descriptions>.

- (vii) 24-hour per day communications services to include:
 - (A) 9-1-1 service;
 - (B) Police dispatching; and
 - (C) After-hours dispatching of non-police services.
- (viii) Police Records Specialist⁴ services;
- (ix) Evidence Storage;
- (x) Administrative support;
- (xi) Collateral Specialty Teams⁵ and Additional Programs/Resources offered in Los Gatos including, but not limited to, investigative resources for both criminal and traffic related scenes and volunteers from various programs;
- (xii) Coordination of police resources in the event of a major disaster or emergency that necessitates the activation of the Emergency Operations Center (“E.O.C.”) in the Town, as more specifically detailed in Section 2b below.

(b) Emergency Operations Center. In the event of a major disaster or emergency in Monte Sereno that necessitates the activation of the E.O.C., the Town shall open the E.O.C. for use by Monte Sereno and activate the E.O.C. based on the needs of the disaster. A Department representative shall immediately be dispatched to the E.O.C. and report to the Monte Sereno Director of Emergency Services (City Manager or designee). Either the Chief or a Captain will respond as soon as possible and will assume responsibility of working with Monte Sereno City officials as needed. The Town shall maintain the E.O.C. and the E.O.C. infrastructure.

For the purpose of performing all of the services provided for in this Agreement, Los Gatos shall provide personnel, supervision, communications, equipment and supplies necessary to maintain the services to be rendered; provided, however, if in the sole judgment of the Chief or their designee, an emergency arises in Los Gatos which requires temporary diversion of officers and vehicles from Monte Sereno, the same may be diverted to Los Gatos on an emergency basis, and to the extent emergencies in Monte

⁴ Police Records Specialist as defined in the Town of Los Gatos Job Descriptions available at <https://www.losgatosca.gov/419/Job-Descriptions>.

⁵ Collateral Specialty Teams as provided in the Town of Los Gatos FY 2023-24 Operating Budget available at <https://www.losgatosca.gov/DocumentCenter/View/36220/FY-2023-24-Operating-Budget?bidId=>

Sereno require additional police support, the Chief or the Chief's staff may divert personnel and vehicles from Los Gatos to Monte Sereno for any emergencies.

(c) In the event of a disaster, any FEMA, CalOES, or other reimbursement or allocation of funds (including litigation settlements or federal or state budget appropriations) associated with the disaster in Monte Sereno and provided to Monte Sereno shall be used, in part, to reimburse the Town for any costs incurred by the Town as a result of responding to the disaster. In any submission for reimbursements or allocations, Monte Sereno shall include Town costs and time.

(d) Communication

- (i) Performance Information. Los Gatos will make available and provide information related to service performance in Monte Sereno to the City Council which is equivalent to the information being provided to the Town Council of Los Gatos.
- (ii) Notifications. Los Gatos will work with Monte Sereno to ensure Monte Sereno is informed of key activity related to the services provided through this Agreement and in a manner equivalent to information provided to the Town Council of Los Gatos. This includes, but is not limited to, major incidents within Monte Sereno, changes to key personnel servicing Monte Sereno such as the Chief, and/or other information which would normally be provided from police operations.

3. AUTHORITY

(a) The authority for assignment, control and discipline of Los Gatos police officers, personnel, and employees and other matters incident to the performance of services by Los Gatos under this Agreement, shall remain with Los Gatos.

(b) Monte Sereno shall designate the Chief as its Chief in order to satisfy the provisions of Part I, Division 3, Title 4 of the California Government Code (sections 36501, et seq.).

4. RESPONSIBILITIES

(a) Monte Sereno shall not be liable for payment of salaries, wages or other forms of compensation to any Los Gatos personnel performing services hereunder, including personnel performing indirect services hereunder, such as police management personnel, watch commanders, background investigators, Community Service Officers, police communications personnel, and police clerical personnel. It is understood and agreed that for such purposes all such Los Gatos personnel performing either direct or indirect services to Monte Sereno hereunder shall be deemed employees of Los Gatos while acting in or for Monte Sereno pursuant to this Agreement. Los Gatos shall maintain Workers' Compensation Insurance and Automobile Insurance covering all Los Gatos personnel and vehicles performing services under this Agreement.

(b) Los Gatos and Monte Sereno each represent and warrant that they are insured, through self-insurance or otherwise, in amounts sufficient to honor their respective indemnification obligations provided in Section 7 below, and that the indemnifying party's insurance coverage shall be the primary insurance as respects the other party. However, the maintenance of such insurance shall in no way reduce the obligation of either party to indemnify, defend, and hold harmless either party or its officers, agents, and employees.

5. PAYMENT FOR SERVICES

(a) A year, for the purposes of this Agreement, is the period beginning on July 1st and ending on June 30th.

(b) Annual Base Rate. For the services outlined in Section 2 above, beginning July 1, 2025, Monte Sereno agrees to pay Los Gatos the annual base rate of \$1,458,319 ("Base Rate"). The Base Rate includes an overhead rate built into annual base amount and includes but is not limited to: personnel costs of 2.0 FTE Officers, supplies, materials, facilities and vehicle costs, as well as administrative time for the Town Attorney, Town Manager's Office, Human Resources Department and Finance Department. Included in the Base Rate is the cost to maintain the E.O.C. facility, the E.O.C. infrastructure and for activation of the E.O.C. in the event of a disaster or emergency as required in Section

2(b). Any additional services furnished to Monte Sereno in the event of a disaster or emergency are not covered under this Agreement.

(c) Supplemental Law Enforcement Services Fund. In the event the City is awarded monies from the Supplement Law Enforcement Services Fund (SLESF) from the State of California, Monte Sereno will grant those funds to Los Gatos for additional front line police services consistent with the Supplemental Law Enforcement Services Fund program and agreed upon in writing by the Parties within 30 days of receipt of the monies from the State of California. For the 2025 distribution, the Parties agree that Monte Sereno will retain the portion of the SLESF funds necessary to establish the Flock Camera system in Monte Sereno. The remainder will be paid to Los Gatos and used for those services agreed upon by the parties.

(d) Extensive Services. In the event of extensive services, as described in this subsection (d), provided to Monte Sereno due to critical incident(s), Los Gatos will track incident time for these events.

- (i) When it appears to the Chief, in their sole discretion, a single incident or a series of related incidents will involve 320 hours or more Department service hours in a year, the Chief of Police will so inform the Monte Sereno City Manager and discuss the necessary staffing levels to complete all of the associated tasks, including, but not limited to, investigations, records, court filings, and all of required work on the case and/or related cases.
- (ii) If the Department service hours required for a single incident or a series of related incidents reported to the Monte Sereno City Manager as provided in subsection (d)(1) above result in Los Gatos performing more than 700 hours of Department service(s) in a year of the incident or the first incident in a series of related incidents, Los Gatos shall provide Monte Sereno with an accounting of the total service hours broken down between the incidents and the related Department services. and Monte Sereno agrees to pay for any additional services over 320 hours for the incident(s) in a year at the actual cost to Los Gatos to provide the services.
- (iii) In instances where total hours equal or exceed 700 hours, Monte Sereno will be invoiced for the cost associated for hours exceeding 320. Such

invoice will be payable on the fifteenth (15th) day of the succeeding month from the date of invoice.

(e) Los Gatos shall provide the Monte Sereno City Manager with a monthly statement for 1/12 of the Base Rate and the same shall be due and payable on or before the fifteenth (15th) day of the month next succeeding the month during which any such statement is mailed or delivered. All such statements shall be delivered to Monte Sereno as is specified in Section 7 (b) of this Agreement. Failure to pay within sixty (60) days of the due and payable date shall result in a penalty payment of ten (10) percent of the Base Rate.

(f) The Base Rate set forth in 5(b) shall increase yearly based on the Average Annual Consumer Price Index for benefits for the 12-month period ending December of the proceeding calendar year plus 2%. As such, Parties agree to use the U.S. Department of Labor, Bureau of Labor Statistics Employment Cost Index for State and Local Government Workers. In no event shall the annual increase be less than 2% nor exceed 7%.

(g) In the event of a substantive change in personnel costs to the Town, including, but not limited to, the reduction in Police Department workforce, such that the services provided to Monte Sereno are affected, the Parties may negotiate for amended terms to this Agreement.

(h) E.O.C. Pursuant to Section 2, the E.O.C. is available for Monte Sereno's use as part of this Agreement. Use is defined based on any single occupancy of the facility, regardless of length of time, subject to availability, and Los Gatos staffing resources. Monte Sereno is entitled to first priority to use the E.O.C. second only to Los Gatos. The Monte Sereno City Manager must request the use of the E.O.C. by contacting the Los Gatos Town Manager or designee. Los Gatos retains its full discretion in the use of the E.O.C. In the event the need for the E.O.C. is based on a disaster or emergency that affects Los Gatos and Monte Sereno, the Parties agree to work cooperatively to share the E.O.C. and the E.O.C. infrastructure.

(i) Crime laboratory fees, booking fees, and fees associated with the Santa Clara County Automated Fingerprint System (Cal ID), charged by the County of Santa Clara, or any other city, county or state agency, for incidents originally occurring in Monte

Sereno shall be paid by the City, directly to the County of Santa Clara or applicable public agency and are not included in this Agreement.

(j) No other costs of any kind, including but not limited to capital projects, construction, equipment, or unforeseen personnel actions, will be added to the costs of the services unless specifically addressed in this Agreement.

(k) Any and all property acquired by Los Gatos under and pursuant to this Agreement shall be and at all times remain the property and responsibility of Los Gatos without any division or distribution thereof upon termination of this Agreement, except as otherwise agreed upon in writing. Property acquired by Monte Sereno shall remain the property and responsibility of Monte Sereno, except as Monte Sereno cedes such property to Los Gatos for the performance of services under this Agreement.

(l) The consideration provided to be paid to Los Gatos will not result in any surplus money and no monies shall be subject to refund to Monte Sereno at any time during or after the termination of this Agreement, unless there is overpayment.

6. TERM

This Agreement shall be effective July 1, 2025, and be operative through June 30, 2030, subject to the following cancellation provision:

(a) Except as otherwise provided in this subsection (a), the Town commits to providing the services pursuant to Section 2 of this Agreement for a three year period July 1, 2025 – June 30, 2028. During this initial three year period, Los Gatos may, at its option, only terminate this Agreement for cause and if Monte Sereno fails to cure a material breach of this Agreement within a period of 30 calendar days, from the date of Los Gatos's written notice specifying the material breach.

(b) After June 30, 2028, either Los Gatos or Monte Sereno may unilaterally with or without cause terminate this Agreement upon at least eighteen (18) months written notice to the other party.

(c) This Agreement may also be terminated or amended as of any date by written mutual agreement of both Parties.

(d) In the case of termination of this Agreement, Los Gatos will retain and provide the appropriate documents, records, and other information normally maintained

by a law enforcement agency and transfer such appropriate documents to Monte Sereno in a reasonable timeline to facilitate Monte Sereno's obligation to perform law enforcement activity.

(e) The Parties agree to meet before January 1, 2029, to evaluate number of calls for service, number of incidents, total hours spent on Monte Sereno cases, use of the cap on Index changes, and other metrics and will determine whether or not to extend the Agreement for an additional five (5) years beginning July 1, 2030 and ending June 30, 2035. If the Parties determine an extension of the Agreement is appropriate, they shall work together to negotiate an amendment or extension to this Agreement which may include any new, mutually agreed upon terms.

7. INDEMNIFICATION

Except as set forth below, each party shall indemnify, defend, and hold harmless the other party for any claim, injury, loss, or damage, including all costs and reasonable attorney's fees, arising out of that party's performance pursuant to this Agreement. This obligation to indemnify, defend, and hold harmless excludes the claims, injuries, loss, or damages arising out of the other party's gross negligence or willful misconduct.

Additionally, Monte Sereno will indemnify, defend, and hold harmless Los Gatos from any claims, injury, loss, or damage, arising out of the following activities:

(a) Enforcement of the Monte Sereno Municipal Code where the primary basis for such claim, injury, loss, or damage is a defect of the Code which is outside the control of Los Gatos or where Los Gatos employees did not materially contribute to such defect during enforcement;

(b) Actions taken by Los Gatos employees where the claim, injury, loss, or damage was due to a condition which was solely due to Monte Sereno's failure to comply with applicable federal, state, or local requirement which rendered any subsequent action indefensible by sole virtue of Monte Sereno's failure.

(c) Vehicle tows conducted in reliance upon the Monte Sereno Municipal Code or Monte Sereno signage, except to the extent such claim is based on the negligence of the towing company or the conduct of the Department;

(d) Law enforcement services provided at public or community meetings in Monte Sereno if specifically directed by the Monte Sereno City Manager, Mayor, or presiding Councilmember but not to the extent such claim is based on the conduct of the police officer; or

(e) Enforcement of permit conditions (e.g., special use permits, temporary use permits, etc.) in Monte Sereno except to the extent such claim is based on the conduct of the police officer.

If indemnification or defense is triggered, the Parties will coordinate with each other in the defense and the indemnifying party shall bear sole responsibility for the cost of defense, penalties or other damages resulting from the claim.

8. INSURANCE

(a) Scope of Insurance: Each party agrees to obtain the minimum scope of insurance described below for the duration of this contract:

(i) General Liability insurance policy(ies) insuring the entity to an amount not less than: five million dollars (\$5,000,000) per occurrence for bodily injury, personal injury and property damage.

(ii) Each party agrees to provide the other party all certificates of insurance, with original endorsements effecting coverage as applicable, before this contract takes effect.

(b) General Liability:

(i) Each entity is to be covered as additional insured/additional covered party as respects: liability arising out of activities performed by or on behalf of the entity and premises owned or used by the Consultant.

- (ii) Each entity's insurance coverage shall be primary insurance as respects the other entity, its elected and appointed officials, employees and agents. Any insurance or self-insurances maintained by the other entity, its elected and appointed officials, employees, or agents, shall be excess of the other entity's insurance and shall not contribute with it.
- (iii) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the other entity, its elected and appointed officials, employees or agents.
- (iv) The insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.

(c) All Coverages. Each insurance policy required in this item shall be endorsed to state that coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the insured entity. Current certification of such insurance shall be kept on file at all times during the term of this agreement with each entity's Town/City Clerk.

(d) Any available insurance proceeds broader than, or in excess of the specified minimum insurance coverage requirements and/or limits shall be available to meet settlement or judgment of any and all claims. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified; or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured; whichever is greater. No representation is made that the minimum insurance requirements are sufficient to cover the obligations of the Party.

9. MISCELLANEOUS

(a) No person is intended to or shall be a third party beneficiary to this Agreement.

(b) It is understood that the Town, and its employees, in the performance of the services agreed to be provided hereunder, shall act as and be an independent contractor and not an agent or employee of Monte Sereno.

(c) Any notice required by this Agreement shall be mailed or delivered to the Town of Los Gatos at 110 E. Main Street, Los Gatos, California 95032, Attention: Town Manager and to the City of Monte Sereno, 18041 Saratoga-Los Gatos Road, Monte Sereno, California, 95030, Attention: City Manager. A party's address may be modified by addressee's giving written notice of such modification to the other party calling specific attention to this Agreement.

(d) If any provision of this Agreement shall be held to be invalid, such provision shall be severable and such invalidity shall not impair the validity of any other provision of this Agreement.

(e) This Agreement may not be amended in any respect except by way of a written instrument which expressly references and identifies this Agreement, which expressly states that its purpose is to amend this particular Agreement, and which is duly executed by the Parties.

(f) Each party acknowledges that it has reviewed this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

(g) The waiver of either party of any violation of any term or condition of this Agreement shall not be deemed to be a waiver of any other term or condition contained herein or a waiver of any subsequent breach or violation of the same term or condition.

(h) In the case of dispute between the Parties, both Parties shall meet and confer to discuss the dispute and potential remedies. If the meet and confer does not resolve the dispute, both Parties agree the next step would be mediation. In the event of any dispute, claim, or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation, or validity thereof, the Parties agree to submit the matter to mediation. Mediation shall be conducted within the County of Santa Clara by a mutually agreeable mediator. If the Parties cannot agree upon a mediator within thirty (30) days after either Party has requested mediation, a mediator shall be appointed by the Judicial Arbitration and Mediation Services (JAMS) office located

nearest to Santa Clara County. All costs of mediation shall be shared equally by both Parties. The obligation to mediate shall be a condition precedent to the filing of any legal action or proceeding.

(i) In any legal action filed in state or federal court for enforcement of this Agreement, the successful party shall be entitled to recover reasonable attorney’s fees and other costs incurred in that action or proceeding, in addition to any other relief to which the successful party may be entitled by law.

(j) The Parties may execute this Agreement in two or more counterparts, which shall, in the aggregate, be deemed an original but all of which, together, shall constitute one and the same instrument. A scanned, electronic, facsimile or other copy of a party’s signature shall be accepted and valid as an original.

(k) This Agreement shall be governed by and interpreted in accordance with California law.

(l) The signatories to this Agreement warrant and represent that each is authorized to execute this Agreement and that their respective signatures serve to legally obligate their respective representatives, agents, successors and assigns to comply with the provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year set forth below.

Signed by:
Diana Perkins
43D41F2388B54DD...
CITY OF MONTE SERENO

4/16/2025
Date

Signed by:
Chris Constantine
3EF03F232F1B428...
TOWN OF LOS GATOS

4/23/2025
Date

APPROVED AS TO FORM

DocuSigned by:
Kirsten Powell 4/16/2025
00F15E0E71244B4...
Office of the City Attorney

APPROVED AS TO FORM

Signed by:
Gabrielle Whelan 4/23/2025
EFD6738A5534428...
Office of the Town Attorney

ATTEST

Signed by:
Wendy Wood 4/23/2025
26A726C4AE6A4D9...
Town Clerk



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 04/15/2025

ITEM NO: 8

DATE: April 4, 2025
TO: Mayor and Town Council
FROM: Chris Constantin, Town Manager
SUBJECT: Approve a Resolution Authorizing the Town Manager to Execute a Five-Year Police Services Agreement (July 1, 2025 – June 30, 2030) with the City of Monte Sereno

RECOMMENDATION:

Staff recommends that the Town Council adopt a Resolution authorizing the Town Manager to execute a five-year Police Services Agreement in substantially the form attached (Attachment 1) with the City of Monte Sereno for general law enforcement services.

STRATEGIC PRIORITIES:

This item supports the Core Goal of:

- **Public Safety** – Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness.

This item supports the Strategic Priority of:

- **Further the Town’s emergency preparedness, resiliency, and response capabilities, particularly in the area of wildfire risk.**
 - This partnership with Monte Sereno expands our overall patrol area and increases staffing resources, thereby strengthening the Town’s ability to respond effectively during emergencies, particularly incidents related to wildfire risks and other significant public safety events.

PREPARED BY: Chris Constantin
Town Manager

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Chief of Police

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SUBJECT: Approve a Resolution for Monte Sereno Police Services

DATE: April 15, 2025

FISCAL IMPACT:

The proposed Agreement increases annual revenue by \$322,805, from the current base rate of \$1,135,514 to a new base rate of \$1,458,319 for fiscal year 2025-26. For each subsequent year, the base cost increases by the Consumer Price Index of state and local works plus 2% with a minimum 2% and maximum 7% increase in annual cost to Monte Sereno. Additional provisions within the Agreement cap some liability to Los Gatos and provide a mechanism to recoup investigation costs that are above 700 hours.

BACKGROUND:

Since 1995, the Town of Los Gatos ("Town") has provided law enforcement services through an agreement to the City of Monte Sereno ("City") in a partnership which has been mutually beneficial for both communities.

In 2015, the Town and City executed an amended and restated agreement to change some of the performance and compensation terms for the last 10 years of the original 1995 agreement.

Both communities wish to extend this beneficial partnership beyond the current agreement's expiration on June 30, 2025. Consequently, the Town and City recently completed negotiations on a new five-year Police Services Agreement.

DISCUSSION:

The Town of Los Gatos and the City of Monte Sereno have recently concluded negotiations on a new 5-year Law Enforcement Services Agreement, effective July 1, 2025. This memorandum highlights some of the key changes proposed.

Monte Sereno is about 10% the size of Los Gatos, and law enforcement services are a significant expense. This agreement leverages a mutually beneficial partnership, providing Monte Sereno cost-effective access to comprehensive law enforcement services while allowing Los Gatos to optimize resource allocation and share fixed operational costs, reducing the overall tax burden in providing law enforcement services to both communities.

The Agreement sets the first year base cost to \$1,458,319 which was negotiated in early 2024 and represents an estimated 92% cost recovery based on a model which calculates the incremental benefit of contracting existing services. This is a fair increase from the existing \$1,135,514 to recover Los Gatos costs and to reflect that Monte Sereno agreed to several other cost containment items including:

- Paying the annual operating cost of Flock cameras benefiting both agencies,
- Increased the maximum annual base cost escalator by an additional percentage point,

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SUBJECT: Approve a Resolution for Monte Sereno Police Services

DATE: April 15, 2025

- Reduced threshold for billing Monte Sereno for critical incident services costs which are currently a cost to Los Gatos, and
- Transferring risk to Monte Sereno for certain areas that are currently risk exposures of Los Gatos.

Monte Sereno discussed this Agreement at their April 1st Council meeting and intend to approve the Agreement on April 15th. Below is a summary highlighting key changes from the previous (2015) agreement.

Contract Term

- The new agreement establishes a 5-year term (July 1, 2025 – June 30, 2030), with an option for a five-year renewal.
- After the initial three years, termination by either party requires eighteen months' written notice.
- A structured performance review will occur by January 1, 2029, to inform potential renewal.

Financial Terms

- The initial annual base rate is set at \$1,458,319 for FY 2025-26, reflecting current law enforcement service costs and representing approximately 92% cost recovery.
- Annual increases remain tied to the Consumer Price Index plus 2%, with a minimum annual increase of 2% and maximum cap adjusted from 6% to 7%.

Service Provisions

- Patrol officer hours previously fixed at 80 weekly hours will now align with coverage levels provided to Los Gatos, offering more flexibility.
- The scope of services explicitly expands to include administrative support, concealed weapons permit processing, and evidence storage.
- Monte Sereno will retain a portion of the Supplemental Law Enforcement Services Fund (SLESF) to install a local Flock Camera system, with the remaining funds directed to Los Gatos for agreed-upon services. Ongoing operating costs for Flock will remain with Monte Sereno.

Emergency Operations Center (EOC)

- The 240-hour annual usage cap is removed. EOC access will now be provided without hourly restrictions, subject to availability.

Critical Incident Cost Structure

- The threshold for additional billing for extensive service demands due to critical incidents has been lowered from the current 900-hour trigger to 700 hours annually, with notification required at 320 hours. This change ensures equitable cost sharing during extraordinary events.

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SUBJECT: Approve a Resolution for Monte Sereno Police Services

DATE: April 15, 2025

Communication and Reporting Enhancements

- The new agreement provides Monte Sereno with service performance data and critical updates equivalent to those provided to Los Gatos, enhancing transparency and oversight.
- It introduces a clearly defined complaint process, including escalation pathways through the Chief of Police and Town Manager, thereby enhancing accountability and responsiveness to performance-related concerns.

Liability and Insurance

- Clearly defined indemnification responsibilities, particularly regarding Monte Sereno's municipal code enforcement and other specified activities.

Payment Terms

- A 10% penalty for payments overdue by more than 60 days is introduced to ensure timely financial compliance. Such a penalty did not exist previously.

Dispute Resolution

- Establishes a clear, structured dispute resolution process requiring mediation before litigation, facilitating collaborative problem-solving.

This agreement represents a thoughtful evolution of our partnership, balancing service quality, financial responsibility, and operational clarity.

CONCLUSION:

This Agreement provides mutual benefits by ensuring continued high-quality law enforcement services, sharing operational costs efficiently, clearly defining responsibilities, and enhancing service transparency and accountability for both Los Gatos and Monte Sereno.

COORDINATION:

This project has been coordinated with the Town Attorney, Police Department, and the City of Monte Sereno.

ENVIRONMENTAL ASSESSMENT:

This action does not constitute a "project" under the California Environmental Quality Act (CEQA) pursuant to **CEQA Guidelines Section 15378(b)(5)** because it involves an administrative activity of government that will not result in direct or indirect physical changes in the environment. Specifically, the authorization to execute a police services agreement is strictly related to the provision of law enforcement services and administrative operations, which do not have the potential for causing significant environmental impacts.

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SUBJECT: Approve a Resolution for Monte Sereno Police Services

DATE: April 15, 2025

Attachments:

1. Resolution
2. Proposed New Agreement
3. Redline Version of Agreement



STAFF REPORT

Meeting: City Council - Apr 15 2025

Agenda Heading: CONSENT CALENDAR

Staff Contact: Diana Perkins, City Planner/Interim City Manager

Department: Administration

Title: **Approval of a Resolution Authorizing the Interim City Manager to Execute a Five-Year Police Services Agreement (July 1, 2025 – June 30, 2030) with the Town of Los Gatos**

Recommendation(s):

Staff recommends that the City Council approve the draft resolution authorizing the Interim City Manager to execute a five-year police services agreement (July 1, 2025 – June 30, 2030) with the Town of Los Gatos.

Background Information:

The Town of Los Gatos has provided law enforcement services to the City of Monte Sereno since 1995. The current agreement, which was approved in 2015, will expire on June 30, 2025.

In October 2023, the City Council established the Police Services Ad Hoc Committee and appointed Mayor Craig and Council Member Mekechuk to the committee (Resolution 23-3893 Attachment 2). The purpose of the committee was as follows:

- Work with the City Manager to review the police requirements and needs of the City of Monte Sereno;
- Evaluate available providers for police services;
- Review the existing contract with the Town of Los Gatos; and
- Explore funding opportunities for police services,

That Ad Hoc Committee expired in October 2024 and the Council established a new Ad Hoc Committee with a revised purpose of working with the Interim City Manager to determine the police service needs of the City and appropriate terms for a new contract (Resolution 24-3917 Attachment 3). Mayor Craig and Council Member Mekechuk were appointed to this new Ad Hoc Committee, which expires on July 1, 2025.

The City Council discussed the proposed terms of the new agreement at a Special City Council meeting on April 1, 2025. Direction was provided to staff to review the base rate of the agreement considering the mutual benefit of the 20 Flock cameras that the Monte Sereno City Council approved and their annual cost. Additional direction was also provided to discuss the

terms of the 'Critical Incident' provisions of the proposed agreement. Following is an update on the terms of these two items:

Agreement Base Rate

The proposed agreement sets the first-year base cost to \$1,458,319 which was negotiated in early 2024. While this is a significant increase for Monte Sereno, over the current annual cost, it only recovers 92% of the Town of Los Gatos' costs for providing the services. In the draft agreement, Los Gatos has agreed to a base rate that does not recover their full costs given that Monte Sereno agreed to several other cost containment items including:

- Paying the annual operating cost of Flock cameras benefiting both agencies,
- Increased the maximum annual base cost escalator by an additional percentage point,
- Reduced threshold for billing Monte Sereno for critical incident services costs which are currently a cost to Los Gatos, and
- Transferring risk to Monte Sereno for certain areas that are currently risk exposure to Los Gatos.

Monte Sereno's annual cost of the Flock cameras has already been considered in the proposed base rate.

Critical Incident Services

The critical incident provisions are intended to provide assurance for Los Gatos that if an unusually time-consuming case were to occur in Monte Sereno, the City would share the cost of the investigation. The current threshold requiring payment from Monte Sereno is 900 hours and the previously discussed terms of the new agreement would have reduced this to 640 hours. However, due to concerns raised by the Council at the April 1, 2025 Special Meeting, the Town of Los Gatos has agreed to increase the threshold to 700 hours in the proposed agreement.

Analysis:

Several meetings have been held with the Monte Sereno staff, Town of Los Gatos staff, and the Ad Hoc Committee. Following are the main proposed changes to the existing agreement which will be reflected in a new agreement for services:

Term of the Agreement

The current agreement was for 10 years and is set to expire on June 30, 2025. The proposed agreement is for a five-year term with the option of a five-year extension.

Services Provided

The agreement lists the various law enforcement services that are provided including patrol hours, traffic enforcement investigations, 9-1-1 and dispatch services, records specialist services, etc. The main change proposed for these services is to the patrol services provided. The current agreement specifies that Monte Sereno will receive an average of 80 hours of patrol officer services a week. The proposed agreement states that sworn officer services commensurate with the coverage provide in Los Gatos will be provided in Monte Sereno.

The purpose of this change in wording is to better describe the actual services received by Monte Sereno. Sworn officer services, which includes patrol hours, will be provided at the same levels they are provided in Los Gatos, which may change week to week based on the need. This change also emphasizes the Police Department’s practice of providing services to Los Gatos and Monte Sereno as if these were one jurisdiction.

Cost of Services – and annual increase

The current agreement started with an annual cost of \$712,787 in 2015, which increased annually based on the U. S. Department of Labor, Bureau of Labor Statistics Employment Cost Index, and Benefit Index for State and Local Government Workers plus 2%, with a maximum of 6% annually. Based on the annual increases over the past 10 years, the current cost is \$1,135,514 annually.

The Town’s cost of providing police services has increased significantly over the past 10 years. Several unfunded state and federal mandates have required the Police Department to purchase additional equipment and additional reporting requirements for the Police Department which results in increased staff time. Additional law enforcement services have also been provided since the last agreement was approved which include the Concealed Carry Weapon Permits, new CAD technology for reporting and dispatch, purchase of drones, publication of the transparency website, training of therapy dogs, and de-escalation tools. The workers’ compensation insurance and pension costs for Police Department employees has also increased significantly over the past 10 years.

The cost for services in the first year of the proposed agreement is \$1,458,319. Annual increases will remain based on the same index plus 2%, but the maximum annual increase is proposed at 7%.

As a comparison, the following table shows the law enforcement services costs for other jurisdictions:

Jurisdiction	Population	FY 24/25 Police Budget
Town of Los Gatos	32,216	\$22,021,478
Saratoga	29,607	\$8,325,585
Los Altos Hills	8,189	\$3,533,726
Portola Valley	4,204	\$1,776,348

Use of Supplement Law Enforcement Service Funds

Monte Sereno receives \$100,000 annually in Supplement Law Enforcement Service Funds from the state. The current agreement requires that Monte Sereno pass these funds to Los Gatos each year. The proposed agreement allows the two Councils to determine how the funds can be used each year. This will allow more flexibility to implement new technologies or additional services that may be desired for Monte Sereno.

The proposed agreement also allows the use of the funds for the initial installation and set up costs for the Monte Sereno Flock cameras in the first year of the agreement.

Critical Incident Services

The current agreement requires Monte Sereno to reimburse Los Gatos for investigative costs for significant crimes that result in over 900 hour staff time in a year. Currently, Monte Sereno is required to reimburse the costs over 320 hours, but only when the total efforts exceed 900 hours.

This is intended to provide assurance for Los Gatos that if an unusually time-consuming case were to occur in Monte Sereno, the City would share the cost of the investigation. While this clause was added to the current agreement due to concern over a case that had occurred in in the early 2010s, such a large investigative case has not occurred since.

The draft agreement would modify this requirement so that Monte Sereno would reimburse the investigative costs when over 700 hours of staff time is spent by Los Gatos on a single incident or a series of related incidents. The requirement to reimburse the costs of over 320 hours would remain.

Emergency Operation Center (EOC) Usage Cap Removed

The Police Department maintains the Emergency Operation Center (EOC) for use by Los Gatos and Monte Sereno in the event of an emergency such as a severe storm, wildfire, or earthquake. Los Gatos maintains the EOC facility and infrastructure and will activate the EOC as needed based on the disaster. The current agreement allows Monte Sereno to use the EOC for 240 hours each year and requires reimbursement for additional use of the center.

The proposed agreement eliminates the 240 hour limit and does not require Monte Sereno to pay additional costs for the use of the EOC in the event of a disaster.

Indemnification

A section is added to the proposed agreement which states that Monte Sereno will indemnify Los Gatos for any loss or damage that occurs which is directly related to the action of Monte Sereno Council or staff arising out of the following activities:

- Police Department's enforcement of the Monte Sereno Municipal Code where the primary basis for the claim was a defect in the Municipal Code which was outside the control of Los Gatos.
- Actions taken by Los Gatos staff where the claim was due to a condition solely due to Monte Sereno's failure to comply with federal, state, or local laws.
- Vehicle tows which were conducted on the reliance on Monte Sereno's Municipal Code or signage, except where the claim is based on negligence of the towing company or Police Department.
- Actions of law enforcement personnel at public or community meetings where the action was specifically directed by Monte Sereno Council or staff, except to the extent where such claim is based on the conduct of the law enforcement personnel.

- Enforcement of permit conditions, except to the extent where such claim is based on the conduct of the law enforcement personnel.

Meet and Confer

A new section is proposed that would require Monte Sereno and Los Gatos to meet and confer in the event of a dispute between the two parties. The current agreement does not have this language and requires either party to take legal action if necessary to enforce the agreement.

The proposed agreement would require both parties to meet and confer as the first step in resolving a potential dispute. If that were not successful, the proposed agreement requires mediation as the next step in resolving any dispute. The final step would be a legal filing if the mediation were not successful.

Fiscal Impact:

Changes in the costs for police services will be incorporated in the proposed Fiscal Year 25/26 budget which is scheduled for the first review at the May 6, 2025 City Council meeting.

Public Noticing:

The City Council's agenda was posted at City Hall and the agenda and this report was posted on the City's website.

Attachments:

- [1. Resolution 23-3893 Establishing the Police Services Agreement Ad Hoc Committee](#)
- [2. Resolution 24-3917 Establishing the Police Services Agreement Ad Hoc Committee](#)
- [3. Draft Resolution - Agreement for Law Enforcement Services](#)