



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 05/19/2025

ITEM NO: 15

DATE: May 19, 2026
TO: Mayor and Town Council
FROM: Chris Constantin, Town Manager
SUBJECT: **Accept the Report Regarding the Status of the Town's Vacancies,
Recruitments, and Retention Efforts Pursuant to Assembly Bill (AB) 2561**

RECOMMENDATION: Accept the report regarding the status of the Town's vacancies, recruitments, and retention efforts pursuant to Assembly Bill (AB) 2561.

FISCAL IMPACT:

There is no fiscal impact associated with this staff report.

STRATEGIC PRIORITY:

This item does not directly address a Strategic Priority; however, it aligns with the Core Goal of Good Governance by ensuring responsive, accountable, and collaborative government.

BACKGROUND:

This report is submitted in response to Assembly Bill 2561 (AB 2561), which took effect on January 1, 2025. The bill added Government Code section 3502.3 to the Meyers-Milias-Brown Act, the law that governs collective bargaining and labor relations at the local government level, and requires local government agencies to comply with the following:

1. Hold a public hearing before the governing body at least once per fiscal year and present the status of vacancies, recruitment and retention efforts, and identify any necessary changes to policies, procedures, and recruitment activities that may resolve obstacles in the hiring process; if the governing body will be adopting an annual budget

PREPARED BY: Vilcia Rodriguez
Human Resources Manager

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

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during the fiscal year, the presentation shall be made before the adoption of the final budget;

2. Hold a public hearing and present additional information regarding vacancies, if the vacancy rate in a bargaining unit is at least 20%; and
3. Allow recognized employee organizations for bargaining units to make presentations at the hearing.

The Town has contracts with three labor unions, including the Police Officers' Association (POA), Los Gatos Town Employees' Association (TEA), and the American Federation of State, County and Municipal Employees (AFSCME).

Staff presented the first vacancy report to Council on April 15, 2025.

DISCUSSION:

This staff report contains the necessary information to comply with AB 2561.

Status of Town's Vacancies

As of March 31, 2026, the vacancy rate in the Town of Los Gatos is 6.73%. This is an improvement compared to last year's rate of 7.82% during the same period. This figure is based on the full-time equivalent positions as reported in the Fiscal Year 2025-2026 Operating Budget, with the addition of the full-time Emergency Manager position that was added in February 2025.

The Town's bargaining units continue to have rates below 20%, lower than those of other local agencies, in part due to the Town's concerted and comprehensive recruitment efforts, including targeted advertising on job boards and social media, a referral program, and in-person recruitment at career fairs.

Table 1 is a comparison of the current Fiscal Year's vacancy rate to the last five years, measured as of June 30th of each year, unless otherwise noted. The Town's vacancy rate remained steady over the past fiscal years, which was a result of directed recruiting efforts through online government job boards, social media, and staff networking. Currently, there are no changes to policies, procedures, or recruitment activities that have led to obstacles in the hiring process or that are necessary to resolve obstacles.

It is important to note that, in general, employees leave the Town for positive transitions like retirement or external promotions. Through exit interviews with the Town Manager and

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Human Resources offboarding meetings, we actively gather their feedback to continually improve our workplace.

Table 1: Historical Vacancy Rates		
Fiscal Year <i>(July 1 – June 30)</i>	Benefitted Budgeted Full Time Equivalents (FTE)	Vacancy Rate
FY 2020-2021	150	11%
FY 2021-2022	150.25	12%
FY 2022-2023	153.25	9%
FY 2023-2024	152.50	7%
FY 2024-2025	153.50	7.47 %
FY 2025-2026*	153.50	6.73 %

* Data as of March 2026

Vacancies by Employee Group

Police Officers’ Association (POA): Last year, the vacancy rate in the POA union group was 19.44%. This figure has now decreased to 11.76%, falling below the 20% threshold that would require staff to provide additional information to the Town Council. Currently, there are three vacancies, but there are also three candidates undergoing the background check process.

Town Employees’ Association (TEA): There are five vacancies in the TEA union group, representing a 9.36% vacancy rate, which is below the 20% threshold to provide any additional information to the Town Council.

American Federation of State, County and Municipal Employees (AFSCME): There is one vacancy in the AFSCME union group, representing a 3.17% vacancy rate, which is below the 20% threshold to provide any additional information to the Town Council.

Recruitment and Retention Efforts

Staff continues to monitor vacancies and implement creative solutions to address staffing challenges.

1. **Process Improvements for Police Officer Recruitments:** For sworn positions, we have transitioned from using oral boards for officer trainees, which require a significant amount of time and effort to organize, to conducting phone interviews with subject matter experts (SME). This change allows us to vet candidates more quickly and move them efficiently into the background check and academy phases, outperforming other agencies. More specifically, the time required for the interview process has been significantly reduced in several ways:

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- a. Phone interview dates are now consistently scheduled for the second Friday of each month. A police officer conducts these interviews using oral board questions to minimize delays between interviews.
 - b. Instead of requiring two to three officers to conduct in-person interviews for four to eight hours per interview day, we now only need one officer to carry out a structured 20-minute phone interview that lasts between three to five hours per interview day, saving staff resources and budget.
 - c. We have streamlined the Personal History Questionnaire (PHQ) and scheduling processes, allowing candidates more time to ensure their availability for interviews.
2. **Recruitment Timeline & Improved Candidate Experience:** Staff continues to work on reducing recruitment timelines and improving candidate experience through frequent and timely communication. In FY 2026-2027, Human Resources will implement surveys to collect input from new hires and hiring managers about their recruitment experience and ways to improve the process.
3. **Review of Job Classifications:** Before opening a recruitment, Human Resources reviews the job classifications with the hiring manager to ensure accuracy in job duties and requirements, and works with union representatives, if applicable, on proposed changes. Aligning job classifications with industry standards and the Town's immediate and long-term needs helps recruit the right talent. This strategy has contributed to increasing the number of qualified applications per recruitment. As part of the FY 2026-2027 budget process, staff is requesting budget approval to hire a consultant to conduct a classification study of specific job classifications to validate job duties and responsibilities and alignment with organizational needs.
4. **Advertising on Job Boards and Social Media:** The Town continues to advertise career opportunities through paid and free professional and industry-specific job boards (e.g., American Public Works Association, American Planning Association, and Municipal Management Association of Northern California) and leverages the Town's social media channels (e.g., LinkedIn, Facebook, and Instagram) for broader visibility.
5. **New Hire and Employee Referral Program:** In September 2022, the Town established a new Hire and Employee Referral Program. The program offers bonuses to new lateral officers as well as referral bonuses to Town employees in the following amounts:
 - \$3,000 for an entry-level or police trainee. These candidates have no prior law enforcement experience and are or will be attending a police academy.

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- \$4,000 for pre-service. These individuals have completed a police academy but are not yet sworn in and must complete field officer training (FTO).
- \$5,000 for lateral police officers. Lateral officers are experienced, trained, and certified sworn peace officers.

To date, the Town has hired 11 qualified lateral police officers and issued \$156,000 in new hire and referral bonuses. Bonuses are paid upon the new hire successfully achieving each of the milestones set by the program.

6. **Competitive Wages and Benefits:** In Fiscal Year 2024-2025, the Town negotiated successor memoranda of understandings with its three bargaining units. Each of these contracts has a term of three years, which provides labor stability for the Town workforce, and each contains significant wage increases for employees to remain competitive in the market.

In the 2026 annual employee satisfaction survey, 98% of respondents rated their satisfaction with Town-sponsored benefits (e.g., medical, dental, vision, life insurance) as neutral to very satisfied. The Town continues to allow departments to retain flexibility in work schedules through alternative work schedules and hybrid telework arrangements.

CONCLUSION:

As outlined in this report, the Town is actively reducing the current vacancy rate through focused recruitment and retention strategies. It is recommended that the Town Council accept this report.

COORDINATION:

This report has been coordinated with the Town Attorney.

ENVIRONMENTAL ASSESSMENT:

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