



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 01/14/2020

ITEM NO: 1

DATE: January 6, 2020
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Reaffirm Ongoing Strategic Priorities, Identify New Strategic Priorities for 2020 – 2022, and Determine the Priority Order of Potential Modifications to the Town Code.

RECOMMENDATION:

Reaffirm ongoing Strategic Priorities, identify new Strategic Priorities for 2020 – 2022, and determine the priority order of potential modifications to the Town Code.

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.

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. A diagram of the budget process can be found in Attachment 1. 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 existing priorities and identify if new priorities should be considered. This report discusses the Town's core goals, status of existing Strategic Priorities, an estimate of available capacity for new Strategic Priorities, proposed new Priorities, and a list of ordinances.

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

DISCUSSION:

Core Goals and Existing Strategic Priorities

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.

These goals are also reflected in the existing Strategic Priorities. As shown in Attachment 2, Ongoing Priorities include 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. In terms of the General Plan Update, the General Plan Update Advisory Committee (GPAC) is considering potential land use alternatives. After a January community meeting, the GPAC is scheduled to discuss and recommend a preferred land use alternative to guide Los Gatos to the year 2040. The Planning Commission will consider the GPAC recommendation in its own recommendation on the preferred alternative. It is anticipated that the Town Council will consider the land use recommendation(s) in March or April of this year. Once determined, the land use alternative will be the basis for the new General Plan, its goals, policies, and action items. Attachment 3 contains the General Plan Update schedule.

The Town is also in the process of developing its VMT Policy. Over the course of several Council meetings in the first half of 2020, the Council will discuss and determine VMT analysis methodology, impact thresholds, impact screening, mitigation options, and related topics.

Staff Capacity and Potential New Strategic Priorities

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.

As a service organization, each Town Department devotes the majority of its staff time and other budget resources to providing core services to its residents and businesses. Any remaining Department resources are typically allocated to special projects, such as Strategic

DISCUSSION (continued):

Priorities. 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. For example, the General Plan Update is a multi-year process and affects Departments beyond just Community Development. All Departments and Town Commissions are participating in the update by evaluating General Plan goals, policies, and action items. Parks and Public Works (PPW) staff have an important technical role given the close relationship of land use and transportation planning. PPW also has existing large projects including the school bus pilot program, additional vegetation management practices, and work associated with the Vehicle Miles Travelled (VMT) Policy.

Given the limited staff capacity and the Town's long-term investment in the Ongoing Priorities currently in progress, staff is proposing three new items: (1) Participate in the Regional Housing Needs Allocation process; (2) Update Town Ordinances to align with California's new housing laws; and (3) Monitor regional transportation efforts. These three items demonstrate the Town's engagement in regional efforts and provide the opportunity for effective participation.

List of Potential 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.

Priority Setting Process

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

1. Provide input regarding the current Strategic Priorities;
2. Provide input regarding any new Priorities; and
3. Determine the priority order of potential ordinances (Attachment 4).

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SUBJECT: Strategic Priorities for 2020 - 2022

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CONCLUSION AND NEXT STEPS:

The completion of the Strategic Priorities aligns the work of the Town Departments, Boards, Commissions, and Committees. On January 21, 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. The item also provides an opportunity for the Town Council to discuss budget assumptions and provide direction on the development of the Operating and Capital Budgets. The Council's reaffirmation of existing Priorities and identification of new Priorities guides the preparation of the 2020/21 Operating and Capital Budgets for Council consideration in May.

COORDINATION:

This report was prepared in coordination with all Town Departments and Offices (Library, Police, Parks and Public Works, Community Development, Finance, Clerk, Human Resources, Town Attorney, and Town Manager). Within the Town Manager's Office, Information Technology and Economic Vitality were also engaged.

FISCAL IMPACT:

The work of this session informs the preparation of the upcoming Fiscal Year 2020/21 Operating and Capital Budget. The session itself has no fiscal impact.

ENVIRONMENTAL ASSESSMENT:

This is not a project as defined under CEQA and no environmental review is required.

Attachments:

1. Budget Process Diagram
2. Core Goals and Draft 2020-2022 Strategic Priorities
3. General Plan Update Schedule
4. Draft 2020 Ordinance and Policy Priorities
5. Public Comment