

**From:** [Phil Koen](#)  
**To:** [Mary Badame](#); [Matthew Hudes](#); [Rob Rennie](#); [Rob Moore](#); [Maria Ristow](#)  
**Cc:** [Linda Reiners](#); [Laurel Prevetti](#); [Gabrielle Whelan](#); [Wendy Wood](#)  
**Subject:** Agenda Item 15 - Ballot Measure Polling  
**Date:** Monday, February 19, 2024 9:22:54 AM  
**Attachments:** [Pages from MEET-Packet-f8e64916cd514d08a245697ea657aaa0\(1\).pdf](#)  
[Pages from Fin Com Feb 12 - initial posting \(5\).pdf](#)  
[Pages from Fin Com Feb 12 - initial posting \(5\).pdf](#)

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[EXTERNAL SENDER]

Dear Honorable Mayor and Council Members,

There is no need to waste \$30,000 of resident's money (which has not been spent) on polling for a potential ballot measure. The Staff report has it backwards when it states: "the Town is not in a position to determine a measure should be placed on the ballot or not as polling has not been conducted".

A ballot measure to raise taxes **should only** be put forth when a clearly **demonstrated need exists** and there are **specific and committed uses** for the tax revenues. The determination to place a ballot measure increasing the resident's taxes should never be based on an opinion poll.

In 2018, the Town listed in the ballot measure a few critical uses for a proposed sales tax increase, including enhancing neighborhood police patrol and local crime prevention programs, to give the appearance the sales tax proceeds would be committed to these programs. Unfortunately, the fine print of the ballot measure swept away all the "promises" and did not commit to any particular action and imposed no restrictions on the use of the sales tax. The ballot measure

passed, but unfortunately the underlying concerns of adequate policing and crime prevention still exist. This “bait and switch” should never happen again.

The Finance Commission unanimously voted last week to not recommend the Staff’s 5 Year forecast finding that it was overly conservative and furthermore the Commission did not agree with the Staff’s conclusion “of persistent future deficits and the need to consider new revenue measures”. An alternative forecast reviewed by the Finance Commission which adjusted for historical property tax growth rates and more reasonable sales tax growth among other adjustments determined the Town would have persistent future surpluses not deficits.

Additionally, in FY 22 the Town experienced a surplus of General Fund revenues over expenditures of \$4.4m and in FY 23 the Town experienced a surplus of \$5.7m. The Town’s most recent Mid-Year Forecast for FY 24 is projecting a \$1.7m surplus and makes budget adjustments increasing General Fund FY 24 revenues by \$2.2m. Based on all the financial information available, the Finance Commission expressed that, at this time, there doesn't appear to be the need for a ballot measure to increase taxes.

Lastly, I wish to address the accuracy of draft messaging regarding “fiscally responsible budget measures enacted “ in

attachment 3 which is attached to this email. Let me address each of the “claims”:

- While it is true budgeted staffing levels from 2001-2005 were higher than FY 24 budgeted levels, actual staffing levels have never been historically reported. The Town has been unable to produce actual historical headcount, so it is impossible to know the historical trend in actual headcount.
- Staff does not explain why selecting a period that is over 20 years ago and pre-dates even the introduction of Apple’s i-Phone is a relevant comparison to today’s budgeted headcount. The Staff fails to disclose that since FY 2013 budgeted headcount has increased approximately 13% while the Town population has increased approximately 9%.
- While the Town imposed wage freezes and unpaid furloughs in 2008 - 2009, these actions were taken during the great recession. More recently since FY 2018, the Town’s total salary expense has grown at an annual compounded growth rate of 5%.
- While it is true the Town adopted the PEPRA Safety Plan for new hires, the Town has not reduced any employee pension benefits for those employees in the Miscellaneous and Safety Pension Plans. The total pension contribution for these two plans has increased from \$4.6M in FY 2018 to \$7.1m in F& 2023, which is an annual compounded

increase of 9%.

- Town budgets are not “reviewed” annually by an independent auditor.

Taken collectively, the statements in the section are misleading and create a false message in an apparent attempt to garner support for a ballot measure. I hope the Town Council values the special relationship you have with the people of the Town and will promise to always engage in forthright and complete disclosures, so residents are adequately informed of the facts rather than communication which puts a “thumb on the scale” to influence public opinion.

Lastly, it might be useful for the Town Council to review the results of the last poll the Town took regarding community priorities. I have attached the results and doubt they have changed. Given all of this, why is it worth spending \$30,000 to confirm what each of you already know?

Thank you,

Phil Koen

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## Maintaining Quality of Life in the Town of Los Gatos

Known for its family-oriented environment and commitment to safety, Los Gatos is more than just a town; it's a vibrant, sustainable community that takes pride in its unique qualities: historic neighborhoods and lively, accessible downtown, local culture and arts scene, excellent schools, and healthy local economy.

### **Additional Funding Would Help Address Community Needs**

Additional reliable, ongoing funding would allow the Town to maintain and improve public safety and meet other community priorities.

The Town is exploring options to increase revenues to maintain the high level of municipal services Los Gatos residents have come to expect, emphasizing community character, good governance, fiscal stability, quality public infrastructure, civic enrichment, and public safety.

Additional revenues would be used to fund essential services and community-desired programs, such as:

- Provide high quality public safety and law enforcement services by adding additional officers
- Reduce the risk of wildfire and prepare for potential emergencies with more resources for these ongoing efforts
- Maintain rapid 911 response
- Keep parks and public areas safe and clean
- Support services for seniors to thrive
- Provide free, vibrant Library services and programs for all ages
- Support unhoused residents
- Pave streets, remove potholes, and improve traffic safety

### **Challenges Facing Los Gatos**

While costs of providing services and programs for residents have significantly increased over the years, Town revenues have not kept pace. Los Gatos is facing the same economic pressures of many other cities and businesses, including inflation and the uneven recovery from the pandemic. In addition, unfunded mandates by the State have also reduced the Town's available funds.

### **Fiscally Responsible Budget Measures Enacted**

Los Gatos has taken the following proactive cost-cutting measures during major downturns to reduce budget expenditures and control costs while maintaining high service levels:

- Staffing levels significantly reduced from 2001 – 2005 and have not returned to those levels, despite an increase in population since then, unfunded mandates, and service demands
- Imposed wage freezes and unpaid furloughs
- Reduced employee benefit costs

Town budgets are reviewed annually by an independent auditor. Los Gatos has earned recognition for its fiscal responsibility with the highest credit rating (AAA bond rating by Moody's) and annual awards by the Government Finance Officers Association for its high quality and transparent budgeting practices.

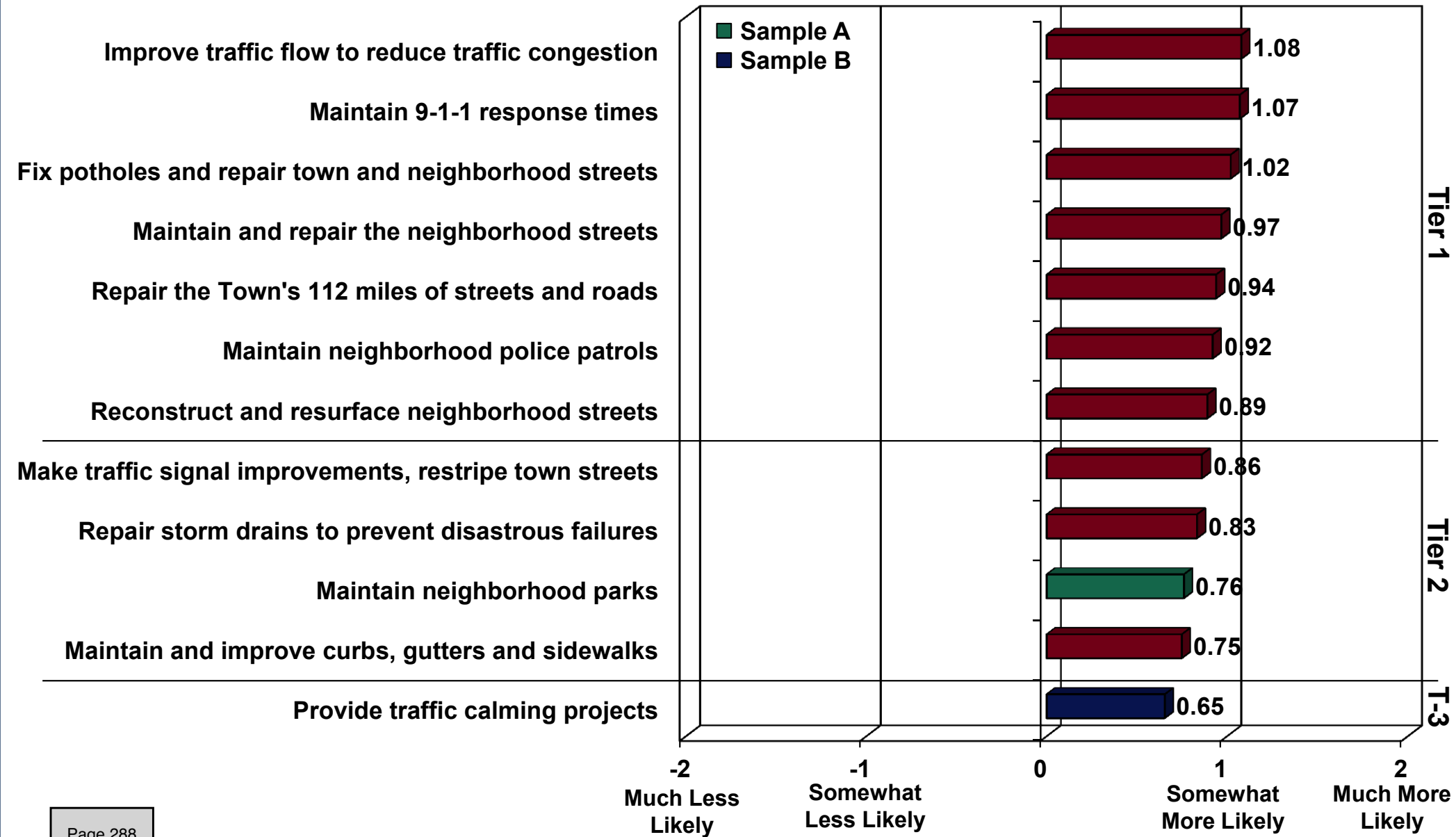
*We welcome your feedback and questions as the Town explores funding strategies and revenue enhancements so Los Gatos can address these needs and thrive in the years ahead.*

# Community Priorities (n=471)



GODBE RESEARCH  
Gain Insight

Item 5.



# Community Priorities (Cont.) (n=471)



GODBE RESEARCH  
Gain Insight

Item 5.

