



TOWN OF LOS GATOS
SPECIAL MEETING OF THE TOWN COUNCIL: CLOSED SESSION AGENDA
MARCH 06, 2023
110 EAST MAIN STREET AND TELECONFERENCE
TOWN MANGER'S OFFICE
5:00 PM

Maria Ristow, Mayor
Mary Badame, Vice Mayor
Matthew Hudes, Council Member
Rob Moore, Council Member
Rob Rennie, Council Member

PARTICIPATION IN THE PUBLIC PROCESS

How to participate: The Town of Los Gatos strongly encourages your active participation in the public process, which is the cornerstone of democracy. If you wish to speak to an item on the agenda, please follow the participation instructions on page 2 of this agenda. The time allocated to speakers may change to better facilitate the Town Council meeting.

Effective Proceedings: The purpose of the Town Council meeting is to conduct the business of the community in an effective and efficient manner. For the benefit of the community, the Town of Los Gatos asks that you follow the Town's meeting guidelines while attending Town Council meetings and treat everyone with respect and dignity. This is done by following meeting guidelines set forth in State law and in the Town Code. Disruptive conduct is not tolerated, including but not limited to: addressing the Town Council without first being recognized; interrupting speakers, Town Council or Town staff; continuing to speak after the allotted time has expired; failing to relinquish the podium when directed to do so; and repetitiously addressing the same subject.

Deadlines for Public Comment and Presentations are as follows:

- Persons wishing to make an audio/visual presentation on any agenda item must submit the presentation electronically, either in person or via email, to the Clerk's Office no later than 3:00 p.m. on the day of the Council meeting.
- Persons wishing to submit written comments to be included in the materials provided to Town Council must provide the comments as follows:
 - For inclusion in the regular packet: by 11:00 a.m. the Thursday before the Council meeting
 - For inclusion in any Addendum: by 11:00 a.m. the Monday before the Council meeting
 - For inclusion in any Desk Item: by 11:00 a.m. on the day of the Council Meeting

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT THE CLERK DEPARTMENT AT (408) 354-6834. NOTIFICATION 48 HOURS BEFORE THE MEETING WILL ENABLE THE TOWN TO MAKE REASONABLE ARRANGEMENTS TO ENSURE ACCESSIBILITY TO THIS MEETING [28 CFR §35.102-35.104]

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IMPORTANT NOTICE

This is a hybrid meeting and will be held in-person in the Town Manager's Office at 110 E. Main Street and virtually through the Zoom webinar application (log-in information provided below). Members of the public may provide comments during the Verbal Communications portion of the agenda in-person or virtually through the Zoom webinar, by following the instructions listed below.

PARTICIPATION

To provide oral comments in real-time during the meeting:

- Join from a PC, Mac, iPad, iPhone or Android device: Please click this URL to join:
<https://losgatosca.gov.zoom.us/j/81676133323?pwd=RXNzcXNCd3NGakljc0lsVE85d2ZwQT09>
Passcode: 209365. You can also type in 816 7613 3323 in the "Join a Meeting" page on the Zoom website at <https://zoom.us/join>.
- Dial: 636 651 0008 or 877 336 1839 (US Toll Free) Conference code: 686100
o If you are participating by calling in, press #2 on your telephone keypad to raise your hand.
- In-Person: If you wish to speak to an item on the agenda, you may do so during the "Verbal Communications" period. The time allocated to speakers may change to better facilitate the Town Council meeting.

When called to speak, you may be asked to provide your full name and your town/city of residence. This identifying information is optional and not a requirement for participation. Please limit your comments to three (3) minutes, or such other time as the Mayor may decide, consistent with the time limit for speakers at a Council meeting.

If you are unable to participate in real-time, you may email to Clerk@losgatosca.gov the subject line "Public Comment Item #__" (insert the item number relevant to your comment). Comments received by 11:00 a.m. the day of the meeting will be reviewed and distributed before the meeting. All comments received will become part of the record.

RULES OF DECORUM AND CIVILITY

To conduct the business of the community in an effective and efficient manner, please follow the meeting guidelines set forth in the Town Code and State law.

The Town does not tolerate disruptive conduct, which includes but is not limited to:

- Addressing the Town Council without first being recognized;
- Interrupting speakers, Council Members, or Town staff;
- Continuing to speak after the allotted time has expired;
- Failing to relinquish the microphone when directed to do so;
- Repetitiously addressing the same subject.

Town Policy does not allow speakers to cede their commenting time to another speaker. Disruption of the meeting may result in a violation of Penal Code Section 403.

ROLL CALL

MEETING CALL TO ORDER

VERBAL COMMUNICATIONS *(Members of the public may address the Town Council on the Closed Session items. Unless Additional time is authorized by the Mayor, remarks shall be limited to three minutes.)*

THE TOWN WILL MOVE TO CLOSED SESSION ON THE FOLLOWING ITEMS:

1. Conference With Real Property Negotiator (Government Code Section 54956.8)
 - a. Property: 208 E Main Street and 123 East Main Street
Negotiating Parties: Town of Los Gatos and Los Gatos-Saratoga Community Education and Recreation
Negotiator: Laurel Prevetti, Town Manager and Nancy Rollett, Los Gatos-Saratoga Executive Director
To Be Negotiated: Terms of purchase, sale, exchange, or lease
 - b. Property: 106 East Main Street
Negotiating Parties: Town of Los Gatos
Negotiator: Laurel Prevetti, Town Manager and Ami Davis, NUMU Executive Director
Negotiations: Terms of purchase, sale, exchange, or lease

ADJOURNMENT

Writings related to an item on the Town Council meeting agenda distributed to members of the Council within 72 hours of the meeting are available for public inspection at the front desk of the Los Gatos Town Library, located at 100 Villa Avenue, and are also available for review on the official Town of Los Gatos website.

Note: The Town of Los Gatos has adopted the provisions of Code of Civil Procedure §1094.6; litigation challenging a decision of the Town Council must be brought within 90 days after the decision is announced unless a shorter time is required by State or Federal law.



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 03/06/2023

ITEM NO: 1

DESK ITEM

DATE: March 6, 2023

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: 1. Conference With Real Property Negotiator (Government Code Section 54956.8)

- a. Property: 208 E Main Street and 123 East Main Street
Negotiating Parties: Town of Los Gatos and Los Gatos-Saratoga Community Education and Recreation
Negotiator: Laurel Prevetti, Town Manager and Nancy Rollett, Los Gatos-Saratoga Executive Director
To Be Negotiated: Terms of purchase, sale, exchange, or lease
- b. Property: 106 East Main Street
Negotiating Parties: Town of Los Gatos
Negotiator: Laurel Prevetti, Town Manager and Ami Davis, NUMU Executive Director
Negotiations: Terms of purchase, sale, exchange, or lease

Attachment received with this Desk Item:

1. Public Comment Received between 11:01 a.m. Friday, March 3, 2023, and 11:00 a.m. Monday, March 6, 2023.

PREPARED BY: Wendy Wood
Town Clerk

Reviewed by: Town Manager and Town Attorney

Subject: FW: Letter for Council Closed Session 3-6-23, 5 PM
Attachments: Presentation to Council for 3-6-23 Closed Session.docx

From: [REDACTED]
Sent: Saturday, March 4, 2023 3:59 PM
To: Wendy Wood <WWood@losgatosca.gov>
Cc: Town Manager <Manager@losgatosca.gov>; Maria Ristow <MRistow@losgatosca.gov>; Mary Badame <MBadame@losgatosca.gov>; Rob Rennie <RRennie@losgatosca.gov>; Matthew Hudes <MHudes@losgatosca.gov>; Rob Moore <RMoore@losgatosca.gov>; Phil Koen [REDACTED]; David Weissman [REDACTED]; Rick Van Hoesen [REDACTED]
Subject: Letter for Council Closed Session 3-6-23, 5 PM

[EXTERNAL SENDER]

Please receive and read the attached letter to Council

*Jak Van Nada -
Los Gatos Community Alliance
Facts Matter; Transparency Matters; Honesty Matters*



3-3-23

Town Council, Town Clerk, and Town Manager
Regarding Rent for Properties at 106 and 208 East Main St
Council Closed Session 3-6-23 5 PM

The purpose for writing this letter is to request the Council make a long-term commitment to keep the 55+ program and NUMU not only running but thriving into the future. This should be a new Town policy and **not** a financial decision as will be explained below. The Los Gatos Saratoga Rec Dept (LGSR) has grown the 55+ program by well over 100% in the past year meeting the Town's Strategic Priority. We recommend that you make a long-term commitment to them by eliminating the rent paid by a non-profit that provides low-cost services to the citizens of this town. You can do that by forgiving the rent on the 55+ **proportional** use of the Adult Recreation Center (ARC) and (YRC) – ~\$250K per year. Likewise, the Council should commit to the second pillar of Community Vitality, the NUMU museum whose rent is \$25K per year for a total forgiveness of \$275K. Let both organizations continue to improve on the Town's Strategic Priority without having to pay for the privilege of serving our citizens at their cost.

The decision regarding rent forgiveness should be a policy decision and not a financial decision. Why is it good policy to require a not-for-profit, who is providing valuable public services that the Town is not providing, to pay rent on publicly owned space?

The impact of extracting precious funds from these organizations results in fewer services being provided to the residents. If the goal of the Town Council is to provide the valuable services, allowing the LGSR and NUMU to retain these funds will enable them to achieve this goal. Having these funds extracted from them weakens these organizations and reduces the chances for them to provide these services.

We have heard some on the Town Council raise the concern that if the rental payments are forgiven, based on the budget, the Town would be in a worse financial position. We need to critically examine this issue.

First the amount of rental revenue that would be lost is approximately \$275,000 per year for the ARC, YRC and NUMU. This represents less than .5% of the Town's total General Fund revenues budgeted for FY 2023. This is immaterial when measured against the whole. However, for both LGSR and NUMU these amounts are material to their financial sustainability.

Secondly, we have heard the concern expressed that the Town is projecting budget deficits in the future. Unfortunately, because ultra-conservatism is built into the financial projections, the budget forecasts are an extremely poor predictor of actual outcomes. Out of the past 10 years, the adopted budgets have projected deficits in 8 of those 10 years. The cumulative deficit budgeted over those 10 years was approximately \$11m.

However, the exact opposite has occurred. For 8 out of the 10 years the Town has experienced surpluses, totaling over \$27 million, or \$2.7 million per year. Fiscal Year 2022-2023 is trending towards another year in excess of the \$2.7M. The difference between the adopted budget deficit and the actual surplus totals over \$38m. That means on average, the actual surplus exceeded the budget deficit by

\$3.8m each year. It is for this reason that we conclude that the budgeting process is a poor predictor of actual outcomes and should not be relied upon.

Third, the Council has reduced the subsidy for the 55+ program from ~\$380K to \$225K which is less than they needed for the lowest supportable plan that was presentd. That sends a “good luck with that” message to the Seniors and the Senior Road Map Team. It’s also a perception of the level of support of this Strategic Priority has with the Council.

In conclusion, we strongly believe the correct public policy is to allow these organizations to retain the precious funds that have obtained through charitable donations, grants and fees for services to reinvest in community-oriented services they are providing. We believe they are the best stewards of these funds. This is the correct public policy, and we respectfully request that the Town Council support their rent forgiveness proposals.

*Jak Van Nada -
Los Gatos Community Alliance
Facts Matter; Transparency Matters; Honesty Matters*

