

## 8 Town of Los Gatos

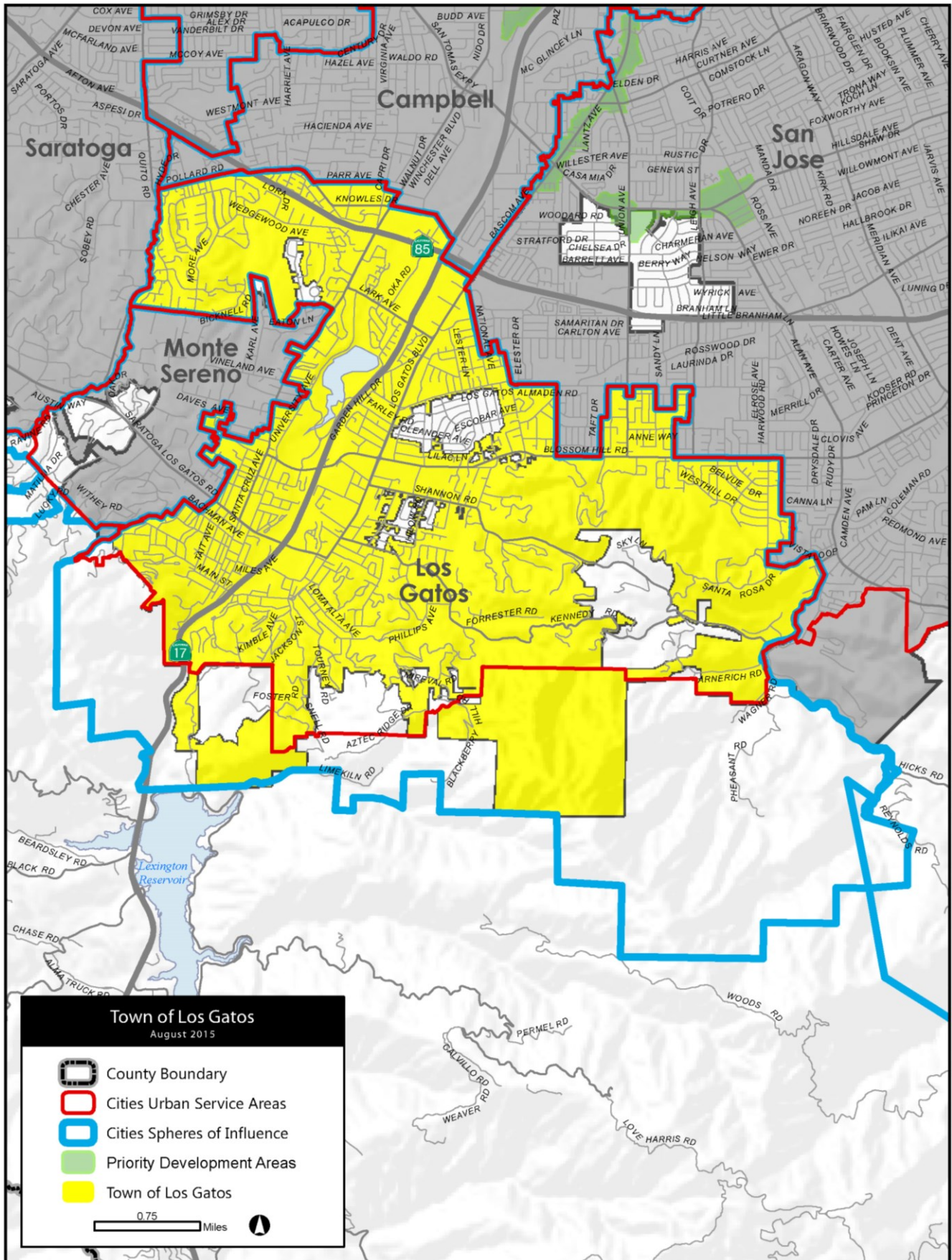


### 8.1 Agency Overview

The Town of Los Gatos was incorporated in August 1887. According to the DOF 2015 estimates, the population of Los Gatos is 30,505. As of 2015, the Town's incorporated area spans 11.39 square miles. Located at the base of the Sierra Azul mountain range, the Town is on the edge of the Santa Clara Valley and the Santa Cruz Mountains. Surrounded by the cities of Campbell, Monte Sereno, Saratoga, San Jose, and the Santa Cruz County border, the Town of Los Gatos has a mix of residential, commercial and light industrial uses. Los Gatos is part of a group of five jurisdictions that comprise the West Valley cities along with the cities of Campbell, Cupertino, Monte Sereno, and Saratoga. As of 2015, Los Gatos's USA spans 11.44 square miles, and its SOI encompasses 17.92 square miles. These boundaries can be seen in Figure 19.



Figure 19. Town of Los Gatos Existing Boundaries



### 8.1.1 Town Staffing

In FY 2014, total Town staffing included 137.5 FTE employees. As shown in Table 74, the greatest number of FTEs is assigned to the police function. As discussed in section 8.4 of this document, Los Gatos uses contracts to provide select services (e.g., animal control) or is served by special districts or other agencies with their own revenue sources (e.g., wastewater treatment).

*Table 74. Town of Los Gatos Staffing in Top Four Functions*

Town Staffing by Major Service Function	FY 2014 FTEs
Police	57.5
Public Works	31.5
General Government	20.7
Planning	17.5

Source: CAFR

### 8.1.2 Form of Government

Los Gatos is a general law town that operates under a council-manager form of government. The Town Council consists of five members who are elected at large. Council members serve four-year terms and select a mayor and vice mayor annually.

### 8.1.3 Joint Powers Authorities

The Town of Los Gatos is a member of two JPAs, as shown in Table 75.

*Table 75. Town of Los Gatos Joint Powers Authorities by Major Service Function*

Name of JPA	Major Service Function
Silicon Valley Regional Interoperability Authority	Identify, coordinate, and implement public safety communications interoperability
West Valley Solid Waste Management	Collection, disposal, recycling and landfill diversion of solid waste

Source: Town website and Town staff interviews

### 8.1.4 Awards and Recognition

The Town of Los Gatos has been the recipient of several awards between 2010 and 2015, as shown in Table 76.

*Table 76. Town of Los Gatos Recent Awards*

Name of Award	Issuer	Year(s) Received
Distinguished Budget Presentation Awards	Government Finance Officers Association (GFOA)	FY 2011 to FY 2015
Award For Excellence in Financial Reporting	GFOA	FY 2010 to FY 2014

Source: Town of Los Gatos staff

## 8.2 Growth and Population

### 8.2.1 Growth and Population Projections

State law requires the ABAG to prepare an SCS that considers how the region will accommodate projected growth over a long period while also reducing the region's generation of GHGs consistent with state goals for GHG reduction. "Plan Bay Area" is this region's SCS, adopted by ABAG and the MTC in July 2013.

The fundamental thrust of Plan Bay Area is to accommodate the majority of growth in PDAs. PDAs include infill areas within a city usually served by transit, such as historic downtowns and underutilized commercial strips. This approach is consistent with and supportive of LAFCO's goals to encourage orderly boundaries, discourage urban sprawl, and preserve agricultural and open space lands. Plan Bay Area includes projections for the region's population, housing, and job growth within existing urbanized areas. These projections demonstrate that the region has the capacity to accommodate expected growth over the next 30 years without sprawling further into undeveloped land on the urban fringe.

Many Bay Area cities use ABAG's projections as the basis for long-range planning. When ABAG prepared Plan Bay Area in 2013, it made projections for population and housing for 2015 for each city in the region. However, some cities believe that the state DOF estimates for population (based on information received on housing development and other current information) are more accurate. The Town of Los Gatos uses the DOF estimates for current year population projections and ABAG population projections for its long-term planning. ABAG's projections for population, households (occupied housing units) and jobs are shown in Table 77.

*Table 77. Town of Los Gatos Population, Jobs and Housing Projections through 2040*

	2010	2015	2020	2025	2030	2035	2040
<b>Population</b>	29,413	29,700	30,500	31,500	31,800	32,200	32,600
<b>Total Jobs</b>	23,630	25,000	26,460	26,980	27,530	28,280	29,040
<b>Total Households</b>	12,355	12,450	12,760	13,070	13,120	13,170	13,220

Source: 2010 population from US Census. ABAG data used for 2015 to 2040 projections.

### 8.2.2 Jobs and Housing

In 2015, according to ABAG estimates, the Town has 25,000 jobs within the community and 13,690 employed residents. Within Los Gatos, there are 1.82 jobs for every employed resident. The U.S. Census American Community Survey 2013 estimates that Los Gatos has 13,102 housing units; when combined with ABAG's estimate of 25,000 jobs within the Town, jobs and housing balance is 1.91.

State law requires that ABAG quantify and allocate housing needs to each jurisdiction within the Bay Area. In periodic updates to the general plan's Housing Element, each Bay Area jurisdiction must then demonstrate how it will meet that need over the next planning period. The current Housing Element update cycle is from 2015 to 2023.

As Table 78 shows, the majority of housing units in Los Gatos are owner-occupied single-family housing units. According to ABAG, between January 1, 2014 and October 31, 2022, the Town of Los Gatos's assigned housing need is 619 units. In May 2015, Los Gatos adopted its 2015-2023 Housing Element and demonstrated that it has sites and housing opportunities available to accommodate 629 units, 10 units in excess of its assigned regional share of 619 units. The Town of Los Gatos's housing element was certified by the State of California's Housing and Community Development Department in May 2015.

Table 78. Town of Los Gatos Housing Profile

Housing Statistic	Number
Number of total existing housing units	13,102
Owner-occupied (SFR) housing units	7,960
Renter-occupied housing units	4,465
RHNA by income category	2014 to 2022
Above moderate	174
Moderate	132
Low	112
Very Low	201
Total	619

Sources: Sources: U.S. Census American Community Survey 2013 (number of total housing units); ABAG (housing needs)

### 8.2.3 Planning and Building

In calendar year (CY) 2014, Los Gatos issued a total of 854 residential and commercial building permits. Total building permit valuation is estimated at \$225,984,329.

The Town's total assessed valuation for FY 2014 is approximately \$10.6 billion. This represents a 15% increase from FY 2010.

### 8.2.4 Priority Development Areas

The Town has no priority development areas.

### 8.2.5 Planning for an Aging Population

The Town's 2015-2023 Approved Housing Element includes retaining and expanding affordable housing opportunities for seniors as a goal. The Town's efforts to plan for the needs of its growing senior community are discussed in detail in the Housing Element. According to Town staff, there is also an ongoing policy discussion about increasing opportunities for seniors to age in place or move into smaller homes within Los Gatos.

## 8.3 Boundaries, Islands, and Disadvantaged Unincorporated Communities

### 8.3.1 Planning Boundaries

The Town's USA and municipal boundaries are nearly contiguous along the Town's northern and eastern limits. Several pockets of unincorporated areas exist within the Town's municipal boundaries and USA. These islands are discussed in section 8.3.2.

The Town has no plans to amend its USA or SOI within the next five years. It is not currently providing services to the area outside of its town boundaries.



### 8.3.2 Unincorporated Islands

The Town of Los Gatos has the most unincorporated islands within its USA of any municipality within the County. Though some islands have been annexed in recent years, as of 2015, approximately 30 remain. Many of these islands are less than 150 acres and could be eligible for annexation through a streamlined process. Town staff reported there is residential confusion over service providers, particularly along the Town's municipal boundaries.

The Town does not currently have plans for a major Town-initiated coordinated annexation of multiple islands. As specific projects for development arise within the islands, the Town is open to annexing those parcels and annexation is often a prerequisite to development within the USA. Today the County is the primary service provider to these islands, but as the Town annexes islands, it assumes service responsibility from the street to the residence, including connection to the water and wastewater lines. Should the Town pursue island annexation in the future, staff indicated that extending services to the islands located within the valley floor would not present a service capacity issue. Extending services to the pockets along the Town's hillside and outer areas would be more challenging, particularly with regard to road improvements and infrastructure needs such as retaining walls. According to Town staff, Los Gatos has the ability to provide services to its many islands but would need to conduct a more detailed financial assessment about the fiscal impacts of annexation.

Staff indicated that the Town proactively communicates with the County about Town planning standards in an effort to ensure consistency when possible as development projects are proposed in the unincorporated areas within Los Gatos's USA.

A detailed analysis of the islands within Los Gatos is available on the LAFCO website. Maps of each city's unincorporated islands are included in Attachment B.

### 8.3.3 Disadvantaged Unincorporated Communities (DUCs)

No disadvantaged unincorporated communities were identified within the Town of Los Gatos.

## 8.4 Town Services

In Los Gatos core municipal services are delivered by a combination of Town staff, JPAs and contract service providers. As noted earlier, Los Gatos is part of the West Valley cities group, which collaborates on many aspects of service delivery. Such collaboration is noted where applicable.

The primary service provider for the major municipal services discussed in this report is summarized in Table 79.

Unless specifically noted, the Town of Los Gatos did not anticipate difficulty in continuing to provide services or maintain infrastructure or facilities related to service delivery in the following areas.

*Table 79. Town of Los Gatos Service Delivery Model by Major Service Function*

Major Service Function	Primary Service Provider	Non-Town Service Provider, if applicable
<b>Animal Control</b>	Contract	City of San Jose Animal Care and Services Department
<b>Law Enforcement</b>	Town	
<b>Library</b>	Town	
<b>Parks &amp; Recreation</b>	Town Contract	Los Gatos-Saratoga Recreation District

Major Service Function	Primary Service Provider	Non-Town Service Provider, if applicable
Planning/Building	Town	
Solid Waste	JPA	West Valley Solid Waste Management Authority, which contracts with West Valley Collection and Recycling
Streets	Town	
Stormwater	Town	
<b>Utilities</b>		
Electricity	Franchise Agreement	Pacific Gas and Electric
Gas	Franchise Agreement	Pacific Gas and Electric
Telephone, High-speed Internet	Franchise Agreement	AT&T (State-Issued Franchise), Comcast (State-Issued Franchise), Verizon
Wastewater	Special District	West Valley Sanitation District

Source: Town website and staff interviews

In the past five years, the Town has stopped providing senior services. Senior services were previously included as part of the Town's Community Services budget, but were moved to the Los Gatos-Saratoga Recreation District in 2010. Given the expected population growth for the Town of Los Gatos, Town staff do not anticipate any difficulty providing municipal services to its community.

A summary of key service level statistics is compiled as part of Attachment A to this report.

#### 8.4.1 Animal Control

The City of San Jose is the contract service provider for animal control within the Town of Los Gatos. Total FY 2014 Town expenditures for this function were \$188,303. Service level statistics and information are included in Attachment A.

#### 8.4.2 Law Enforcement

The Town of Los Gatos is the service provider for law enforcement and dispatch services within the Town. The Town operates two police stations and has 38 sworn officers. The Town also provides law enforcement services to the City of Monte Sereno. During FY 2014, there were 9,858 calls for service. The Town reports that response time for Priority One calls averaged 4 minutes and 13 seconds.

In FY 2014, total Town expenditures on this function were \$13,742,189. Approximately 40% of the Town's General Fund is dedicated to law enforcement.

The Los Gatos-Monte Sereno Police Department share several specialized resources, such as a canine team, SWAT, and hostage negotiation teams.

#### 8.4.3 Library

The Town is the primary service provider for library services. Total FY 2014 expenditures for this function were \$2,131,438. There is one facility located within the Town. Annual print circulation is 375,000, and over 135,000 digital books are available for download to library patrons.

#### 8.4.4 Lighting

The Town contracts with Siemens Industry Incorporated for traffic signal and street light maintenance and repair services. A summary of lighting infrastructure is provided in Attachment A.

#### **8.4.5 Parks and Recreation**

The Parks and Public Works Department is responsible for maintaining and improving the Town's public parks, trails, open space, facilities, streets and other infrastructure. Total FY 2014 expenditures for parks and recreation were \$1,561,076. The Town has 12 parks and a total of 351 park acres. The Town reports 11.8 park acres per 1,000 population.

Recreation services are provided under contract by the Los Gatos-Saratoga Recreation District, known as LGS Recreation, a joint powers agency created by the local school districts. It provides a variety of recreation services to the community, with a special focus on services to school-age children. The Town does not operate a community or senior center.

#### **8.4.6 Solid Waste**

The Town of Los Gatos is a member of the West Valley Solid Waste Management Authority JPA. The authority arranges and manages collection, disposal, recycling, and landfill diversion of solid waste originating from the Town of Los Gatos and also the cities of Saratoga, Campbell, and Monte Sereno. Through the authority, solid waste services are contracted to a service provider (currently West Valley Collection and Recycling). In FY 2014, there were no Town expenditures for public solid waste services because the services were provided by the franchise and recovered through the service rates.

In FY 2013, Los Gatos disposed of 22,172 tons of solid waste. Los Gatos offers green waste and yard trimming disposal and recycling of mixed paper, bottles, cans and other recyclable materials. In 2013, the Town's amount of pounds of solid waste disposed per person per day was 4.0 for its general population, meeting the state's goal for the community of 6.0 pounds. The pounds of solid waste per person per day for employees in the community was 8.1, meeting the state's goal for the community of 11.6 pounds. No solid waste disposal facility is located within Los Gatos, but West Valley Collection and Recycling may use any of the nine landfill transfer stations located within Santa Clara County.

#### **8.4.7 Streets**

The Town of Los Gatos maintains 221 lane miles and 150 sidewalk miles. The Town expends approximately \$2.28 million annually on street-related expenditures. Street sweeping is provided by the Town. The Town maintains approximately 13,000 street trees. The Town's pavement condition index (PCI) is 70, which matches its PCI goal.

#### **8.4.8 Stormwater**

The Town's stormwater system is managed and maintained by the Town's Parks and Public Works Department. In addition, the Town of Los Gatos is part of the WVCWP. Along with the cities of Campbell, Monte Sereno and Saratoga, the Town of Los Gatos helped create WVCWP to control discharge of polluted stormwater into local creeks and the San Francisco Bay. As part of WVCWP, West Valley cities, including Los Gatos, pay a fee to receive administrative guidance and implementation compliance with the regional NPDES requirements. The cities each pay a fee to receive administrative guidance and implementation compliance with the regional NPDES. Property owners within the West Valley Sanitation District, which includes Los Gatos, pay a surcharge to fund WVCWP. For residential properties, the fee is approximately \$20 per parcel. Fees for commercial properties vary depending on square footage. The fee is collected as part of the tax roll along with sewer service charges.

Through WVCWP, Los Gatos participates in the SCVURPPP along with several other cities and the County to address water pollution on a regional basis (more information on SCVURPPP is included in the Shared Services chapter of this document). SCVURPPP members share a common NPDES permit, allowing member agencies to discharge stormwater into the San Francisco Bay (see the Shared Services chapter for more information). The Town reports that it is compliant with NPDES standards.



### 8.4.9 Utilities

PG&E is the electricity and gas provider within Los Gatos. PG&E did not respond to requests to identify the total number of PG&E gas and electric meters in the Town of Los Gatos. The Town did not indicate concerns about PG&E's ability to serve Los Gatos's existing population or its future demand for energy and natural gas.

Telecommunications providers (telephone, high speed internet and land-based video/cable services) serving Los Gatos are Comcast and Verizon. Los Gatos indicated no concerns about the availability or reliability of telecommunications services, including high-speed internet.

### 8.4.10 Wastewater

The Town of Los Gatos receives wastewater service from West Valley Sanitation District. The Sanitation District maintains information on the Town's number of sewer miles.

Los Gatos does not operate a wastewater treatment plant. Treatment is handled by the San Jose-Santa Clara Regional Wastewater Facility. Sludge is treated and processed (converted to biosolids) and used as alternate daily cover for landfills. Recycled water is not available within the Town.

## 8.5 Financial Information

The following section provides key financial data points related to Los Gatos's municipal operations based on the most recent audited financial statements available from FY 2014. Select information is provided from FY 2010 for trend and comparative information as the FY 2009 audited financial statements were not available from the Town.

In FY 2014, Los Gatos's total expenditures exceeded \$38.7 million. Approximately 90% (\$34.9 million) of these expenditures constituted General Fund expenditures.

### 8.5.1 Revenues and Expenditures

The Town's primary source of revenue is property tax. Since FY 2010 property tax revenue has increased by about \$1.9 million (20%), which now includes the excess property tax increment previously collected by the Town's former redevelopment agency that was dissolved by the state in 2012. Sales tax revenue in Los Gatos in FY 2014 were slightly below pre-Great Recession levels (see Table 80).

*Table 80. Town of Los Gatos Tax Revenues*

Tax Revenue Type	FY 2010	FY 2014
Property Tax	\$9,809,464	\$11,689,275
Sales Tax	\$8,317,217	\$8,029,571
Utility Users Tax	N/A	N/A

Source: CAFR

A summary of the Town's General Fund revenues and expenditures is shown in Table 81.

*Table 81. Town of Los Gatos Major Sources of General Fund Revenue and Expenditures*

	FY 2010	FY 2014
Total General Fund Revenues	\$31,353,140	\$38,468,192

	FY 2010	FY 2014
<b>Total General Fund Expenditures</b>	\$33,283,622	\$34,902,195
<b>Top Four Sources of General Fund Revenues</b>		
<b>Property Tax</b>	\$9,775,954	\$11,689,275
<b>Sales Tax</b>	\$8,317,217	\$8,029,571
<b>Charges for Services</b>	\$4,055,322	\$4,742,432
<b>Licenses and Permits</b>	\$2,977,199	\$4,492,188
<b>Top Four Sources of General Fund Expenditures</b>		
<b>Public Safety</b>	\$12,821,498	\$13,742,189
<b>General Government</b>	\$5,483,753	\$8,499,854
<b>Parks and Public Works</b>	\$5,123,973	\$5,594,214
<b>Community Development</b>	\$3,412,914	\$4,335,599

Source: CAFR

### 8.5.2 Debt

A summary of the Town's obligations, debt, and liabilities is provided in Table 82.

*Table 82. Town of Los Gatos Obligations, Debt and Liabilities*

Obligations, Debt and Liabilities	FY 2010	FY 2014
<b>General Bonded Debt</b>	\$0	\$0
<b>Ratio of Direct Debt (General Bonded Debt) to Net Assessed Valuation</b>	0.3%	0.0%
<b>Ratio of Combined Debt (Direct and Overlapping Debt) to Net Assessed Valuation</b>	3.0%	1.92%
<b>Unfunded pension liability</b>	Unavailable	\$41,279,836

Source: CAFR

### 8.5.3 Reserves

Los Gatos's unassigned General Fund reserve levels have decreased to zero since FY 2010, as shown in Table 83. The Town's policy is to assign General Fund reserves for capital facilities' acquisition and construction after assigning fund balance reserves for economic uncertainty and revenue stabilization. The total of all such assigned reserves grew from \$16.7 million in FY 2010 to \$21.0 million in FY 2014. Such increases are a positive indicator of economic recovery from the Great Recession and proactive fiscal management practices employed by the Town.

*Table 83. Town of Los Gatos Reserves*

Line Item	FY 2010	FY 2014
<b>Unassigned General Fund Reserve Levels</b>	\$2,875,639	\$0
<b>Economic Uncertainty Reserve Fund (separate from General Fund Reserve)</b>	\$3,678,001	\$4,178,192

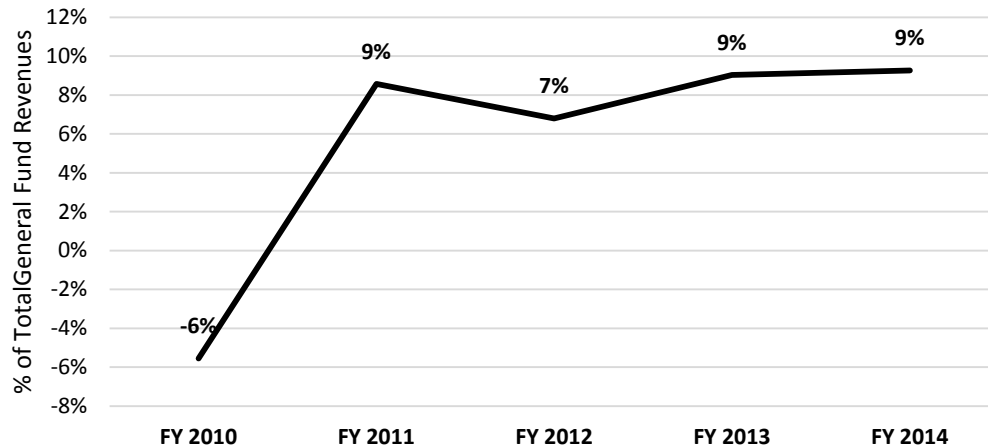
Source: CAFR

### 8.5.4 Financial Health Indicators

Using select indicators from the League of California Cities' Financial Health Diagnostic Tool, the Town of Los Gatos is in positive fiscal health.

Over the past three years the Town has accumulated annual surpluses in the General Fund. The Town's General Fund surplus has increased by 15 percentage points since FY 2010, an indicator of positive fiscal health. The trend of the Town's General Fund deficit/surplus is shown in Figure 20.

*Figure 20. Town of Los Gatos Gross Annual General Fund Deficit/Surplus by year from FY 2010 to FY 2014*



Source: CAFR

The Town has a balanced budget for FY14/15 in which a small operating shortfall was resolved with one time revenues covering one-time expenses. The Town has a five-year financial plan that provides for maintaining a healthy level of General Fund reserves over that period. The Town's General Fund reserve policy to transfer unassigned reserves to fund capital projects assists in proactively funding its capital infrastructure needs. The Town has generally been conservative in its budget estimations, actual results typically yield higher reserves than budget forecasts.

Table 84 shows the Town's General Fund Fiscal Indicators. Not included in the Town's FY 2015 operational budget are transfers from existing General Fund reserves of \$7 million to fund capital projects, which if recurring in nature, would impact the General Fund's long-term fiscal health. The Town's liquidity ratio indicates the necessary cash to fund its liabilities. General Fund reserves of 73.3% greatly exceed the GFOA-recommended minimum reserve of 17% (or two months) of annual operating expenditures.

*Table 84. Town of Los Gatos General Fund Fiscal Indicators*

Fiscal Year	Indicator	Value
FY 2015	Net Operating Deficit/Surplus	-3.3%
FY 2014	Liquidity Ratio <sup>1</sup>	8.9
FY 2014	Fund Balance as percent of Expenditures <sup>2</sup>	73.3%

Source: CAFR, Town Finance Staff

<sup>1</sup> Calculated by combining cash and short-term investments and then dividing by current liabilities

<sup>2</sup> Unreserved (unassigned and assigned) General Fund Reserves as a percent of annual operating expenditures

### 8.5.5 Financial Reporting

The Town's financial statements are audited by an independent CPA that has issued an unqualified opinion on the CAFR. However, the Town's FY 2014 CAFR was not published within six months of the end of the fiscal year (see Table 85).

Table 85. Town of Los Gatos Financial Reporting

Financial Reporting Indicator	Status
Unqualified opinion from independent CPA	Yes
Publication of CAFR within six months of fiscal year	No

## 8.6 Service Review Determinations

LAFCO is required to prepare a written statement of determination with respect to six key areas as specified by Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. Using criteria described in section 2.4, the following determinations are provided for the Town of Los Gatos.

### 1. GROWTH AND POPULATION PROJECTIONS

As of 2015, the Town of Los Gatos serves 30,505 residents within its 11.39 square mile incorporated area. ABAG projects that the Town's population will grow by approximately 0.3% per year over the next 25 years with much of the growth occurring in the next 10 years, leading to a population of 32,600 in 2040.

The Town has approximately 30 unincorporated islands; many of which are under 150 acres and eligible for streamlined annexation.

The Town has identified sufficient housing opportunities to meet its RHNA of 619 housing units between 2014 and 2022. The Town does not anticipate that growth patterns will expand beyond Los Gatos's existing USA. No PDAs exist within Los Gatos for infill development.

The Town last updated its general plan in 2008.

The Town's existing general plan accommodates the level of growth projected by ABAG in Plan Bay Area.

### 2. LOCATION AND CHARACTERISTICS OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE SPHERE OF INFLUENCE

No DUCs were identified within or contiguous to Los Gatos' SOI.

### 3. PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES, ADEQUACY OF PUBLIC SERVICES, AND INFRASTRUCTURE NEEDS OR DEFICIENCIES, INCLUDING THOSE RELATED TO SEWERS, WATER AND FIRE IN ANY DUCs WITHIN OR CONTIGUOUS TO THE SOI

The Town of Los Gatos does not anticipate obstacles to maintaining existing service levels or meeting infrastructure needs in the next five years, given the growth and population increases projected.

### 4. FINANCIAL ABILITY OF AGENCY TO PROVIDE SERVICES

Los Gatos' General Fund has consistently operated at a surplus over the past five years, and the Town has a five-year financial plan that maintains a healthy level of General Fund reserves. Los Gatos's General Fund reserves of 73.3% exceed the minimum reserve threshold of two months of operating expenditures (17%) as recommended by the GFOA,



indicative of the Town's ability to meet future service needs in the event of an economic downturn. In addition, the Town's liquidity ratio of 9:1 indicates the necessary cash to fund its short-term obligations with sufficient cash flow.

The Town of Los Gatos has sufficient financial resources to accommodate infrastructure expansion, improvements or replacement based on the agency's capital improvement plans. One area of potential concern is stormwater, as discussed under Determination Three.

The Town did not publish its CAFR within six months after fiscal year end, however the final CAFR was audited by an independent CPA with an unqualified opinion.

## 5. STATUS AND OPPORTUNITIES FOR SHARED FACILITIES

The Town of Los Gatos is engaged in service sharing agreements as identified in Table 86 below.

*Table 86. Summary of Shared Services in the Town of Los Gatos*

Service Area	Type of Sharing Arrangement	Partnering Entity
Animal Control	Contract	City of San Jose
Law Enforcement – Radio Communications	JPA	SVRIA
Public Works – Equipment	Joint Use Agreement	Shared between Los Gatos, Campbell and Cupertino
Recreation	Contract	LGSRD
Solid Waste	JPA	WVSWMA
Stormwater	MOU	SCVURPPP

No opportunities were specifically identified for the Town to further share services during the course of this review.

## 6. ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENTAL STRUCTURE AND OPERATIONAL EFFICIENCIES

Los Gatos provides comprehensive information about core municipal operations on its website, including public hearing notices, agendas, and minutes for the Town Council and its various advisory commissions and committees; annual budget; CAFR; general plan; and various master plans.

Through the publication of these documents, the Town of Los Gatos promotes accountability for its community service needs.

## 8.7 Sphere of Influence Recommendations and Determinations

### SOI BOUNDARY RECOMMENDATION

The Town's existing SOI is coterminous with its Town limits to the north, east, and west. The southern portion of the Town's SOI includes unincorporated and incorporated hillside territory located outside of the Town's USA boundary. Some of this area sustains very low

density residential development, while some of the area is undeveloped and has little or no roads or other infrastructure. This southern portion also includes lands in which the Midpeninsula Regional Open Space District has an ownership interest (e.g., El Sereno Open Space Preserve, St. Joseph's Hill Open Space Preserve, and Sierra Azul Open Space Preserve). The Town is bounded by the Cities of San Jose and Campbell to the north, the City of Monte Sereno to the east, and the City of Saratoga to the northwest.

It is recommended that LAFCO reaffirm the Town of Los Gatos's existing SOI boundary because the Town's SOI boundary serves multiple purposes including serving as:

- A long range planning tool to help LAFCO evaluate USA boundary changes and annexation requests.
- Areas that will not necessarily be annexed to the Town or will not necessarily receive services from Los Gatos, but are areas in which the County and Los Gatos may have shared interests in preserving non-urban levels of land use. Specific examples include the foothills and ridgelines located south and west of the Town. Furthermore, both the Town and the County share a mutual interest in protecting view sheds and natural resources.
- Areas where the Town and the County have significant interaction.
- Areas that contain social and economic communities of interest to the Town, such as areas within the Town's jurisdictional boundaries.

In making this recommendation, it should be made clear that inclusion of an area within the Town's SOI boundary should not necessarily be seen as an indication that the Town will or should either annex or allow urban development and services in the area. The Town's USA boundary is the more critical factor considered by LAFCO and serves as the primary means of indicating whether the areas will be annexed and provided urban services.

### **SOI DETERMINATIONS FOR THE TOWN OF LOS GATOS**

Government Code §56425(e) requires written determinations with respect to the following four factors to update an agency's SOI. Based upon the information contained within Los Gatos's service review profile in this chapter, the following determinations are provided to update the Town's existing SOI:

#### **1. The Present and Planned Land Uses in the Area, Including Agricultural and Open-Space Lands**

A variety of urban uses are planned within Los Gatos's USA boundary. The County and Town's general plan calls for the continuation of non-urban uses beyond the Town's USA boundary.

#### **2. The Present and Probable Need for Public Facilities and Services in the Area**

The need for a full range of public facilities and services is expected to grow modestly in the future.

#### **3. The Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide**

The present capacity of public facilities appears to be adequate.

**4. The Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines That They are Relevant to the Agency**

There exist social and economic conditions that cause interaction and interdependence between the Town and the areas within its SOI boundary.

**5. For Those Cities that Provide Public Facilities or Services Related to Sewers, Water or Fire Protection, the Present and Probable Need For Those Public Facilities and Services in Any DUCs within the Existing SOI**

Not applicable.