



Annual Report

TOWN OF LOS GATOS | FY 2010/2011

We are pleased to present the *Town of Los Gatos Fiscal Year 2010/11 Annual Report*. It covers the period from July 2010 through June 2011, and highlights activities and accomplishments of your Town government and its many community partners.

Every annual report includes some of the major events and projects occurring over the course of the year. When we look back at the year, we always appreciate the many opportunities we have had to contribute to the quality of life in this special town.

While the town, the region, and the nation see glimmers of economic recovery, the lingering effects of the great economic recession continue to limit the resources available to support Town services. As always, we strive to prioritize services to best meet community needs.

As you read this year's *Annual Report*, you'll see that we continue to provide core services, such as public safety, transportation and parks improvements, library services, and development and business assistance. We also use partnerships to enhance services, such as working with the Chamber of Commerce to host downtown events; West Valley Community College to conduct small business workshops; Santa Clara County to leverage resources for a solar energy program; and Los Gatos-Saratoga Community Education and Recreation for youth, adult, and senior services.

On behalf of the Town organization, thank you, once again, for this opportunity to serve this outstanding community!

— Greg Larson, Town Manager
Manager@LosGatosCA.gov

Small Town, Big Doings

Los Gatos may be a small town in size, but it is a multifaceted community with a wide array of events, activities, and projects going on at any given time. This past year was no different.

Once again, the new library was at center stage. Over the year, it took shape both outside and inside — on its way to becoming the new community gathering and learning place. The Town marked this journey by placing a time capsule in the ground in front of the library, to be opened in 2087 at the Town's bicentennial celebration.

Los Gatos Creekside Sports Park moved closer to reality, as the vision for this new community asset evolved into a master plan for its development. Oak Meadow Park, the Town's enduring treasure, was enhanced with a pathway improving access for patrons with disabilities, strollers, and others needing more stable footing. And the new Roberts Road Bridge opened for traffic, offering a safer passage for bicycles and pedestrians both on the road and on the Los Gatos Creek Trail below.

Setting the vision for the next ten years, the Town's updated General Plan was adopted following an extensive community input process. This blueprint for the future helps to guide the community's efforts to maintain and enhance Los Gatos' quality of life and small town character.

Another quality of life measure initiated by the Town was the establishment of a Victim Services Unit by the Police Department. The professionals and volunteers in this program will offer valuable support to crime victims, in conjunction with the ongoing efforts of the police force to protect the public.

Read more about these and more in this *Town of Los Gatos Fiscal Year 2010/11 Annual Report*.

Town Council
Joe Pirzynski
Mayor
Steve Rice
Vice Mayor
Steve Leonardis
Diane McNutt
Barbara Spector

As you read this Annual Report, you'll see accomplishments that illustrate the principles of *Small Town Service, Community Stewardship and Future Focus*. We invite you to read on about the efforts the Town is making to keep Los Gatos a special community, with your help.

Photo courtesy of Peter Carter



A Morsel of Genuine History

On June 21, the Town celebrated the placement of a time capsule in the earth below the entry to the new Los Gatos library, now under construction. More than 100 community members turned out to witness this historic event. The capsule will be opened on the Town's bicentennial on August 10, 2087.

The contents of the time capsule were carefully selected to tell the story of life in Los Gatos at the time the new library was built. A collection of photos, newspaper articles, and local memorabilia were placed in the capsule, along with an iPad loaded with digital information (including a charger that will hopefully still work!). The iPad was the last item placed in the capsule, after it was used to photograph and video record the time capsule ceremony.

A very special and important item in the capsule was a collection of over 50 personal notes about life in Los Gatos from community leaders; library supporters; and business,

service, faith, and educational organizations. Hundreds of other community members had an opportunity to send a message to the future on three-foot scrolls made available throughout the town prior to the event.

The next-to-last item placed in the capsule was an eight-foot scroll with the names and hand prints of 15 Los Gatos children ranging in age from 4 to 9. These "Kapsule Kids" were part of the ceremony, and it is hoped that some of them will still live in Los Gatos and witness the opening of the time capsule 76 years from now.

Parthenia Hicks, the Town's Poet Laureate, wrote and recited a poem entitled "Light in Los Gatos" for the ceremony. Prior to the capsule being lowered into the earth, the bronze plaque that will mark the location was unveiled. In addition to the dates of the placement and the opening, the plaque bears a quote from Thomas Jefferson: "A morsel of genuine history is a thing so rare as to be always valuable."

"Fiesta House" Finds New Home

To make way for the new library, a Town-owned, 19th-century Italianate cottage on Fiesta Way had to find a new home. The Town advertised the availability of the "Fiesta House" for the sum of \$1 and the cost of moving it to an appropriate location within Los Gatos. While many individuals were interested in the home, it took some time to find the right local buyers with an appropriate location.

Last December, the Fiesta House made its slow overnight journey from a temporary location at the corner of Lark Avenue and Winchester Boulevard to its new home on University Avenue. There, the new owners – who happen to be from a historic Los Gatos family – are adding a basement and small addition to the house. It will retain its historic external features, and the story of the "Fiesta House" will be included in the new library's history collection.

Leadership Los Gatos

During the past year, the Town-sponsored Leadership Los Gatos program celebrated its tenth year and its tenth graduating class. It is the mission of Leadership Los Gatos to engage, educate, and develop service-oriented individuals for leadership roles in community, neighborhood organizations,

schools, places of worship, and Town government. The program is for Los Gatos community members who would like to become more involved while exploring the services and composition of their community.

This year, Leadership Los Gatos students participated in fun and engaging activities such as:

- A ride-along with a Police Patrol officer
- A hard hat tour of the new library under construction
- An "inside information" bus tour of Los Gatos
- A tour of the Santa Clara County Fire Department training facilities
- A tour of the Police Operations Building

Program graduates are contributing to the community as Town commissioners, non-profit agency board members, and elected officials. More information about the program is available from the Los Gatos Chamber of Commerce at (408) 354-9300, or on its website, www.LosGatosChamber.com/leadersclass.html.



The tenth graduating class of Leadership Los Gatos.

New Library Features

The Los Gatos Public Library serves as the Town's primary provider of information services. As well as traditional library resources, it keeps on the cutting edge of library technology to serve its customers efficiently. During the year, the library added a number of new services, including the following:

New Online Catalog

Los Gatos Library was one of the first libraries in California to go live with an open source catalog, thanks to a grant from Open Source – Open Libraries. This initiative is supported by the U.S. Institute of Museum and Library Services under the provisions of the Library Services and Technology Act, administered by the California State Librarian.

Overdrive Advantage and Boopsie

Los Gatos was the first library in the nation to offer integration of Overdrive eBooks via its Boopsie mobile app. The announcement was made at this summer's American Library Association conference in New Orleans, and was featured in an article in Library Journal.

New Computers

The library now has iMacs available for public computing. Similar to the setup at Los Gatos High School and Santa Clara University, the Town is now offering computer users the choice of Macintosh or Windows operating systems. The new iMacs have much larger screens and are much faster.

New Reference Books

The reference collection was updated with a number of new books from the Oxford University Press. The new titles include: American National Biography, Grove Dictionary of Music and Musicians, Grove Encyclopedia of American Art, Encyclopedia of Popular Music, Greens Dictionary of Slang, The Grove Encyclopedia of Materials & Techniques in Art, The Grove Encyclopedia of Islamic Art & Architecture, Encyclopedia of the Enlightenment, and The Grove Encyclopedia of Decorative Arts.

Community Development and Planning

Community Development and Planning

Economic Vitality Program Supports Local Businesses

As economic conditions continued to improve slowly during the past year, the Town's Economic Vitality program enhanced its partnerships with the local business community to support their needs and to boost sales. Staff focused on building relationships with local start-ups, major employers, and vulnerable businesses, through efforts such as the following:

Mayor's Business Outreach

To build relationships with our business community, the Mayor, Town Manager, and Economic Vitality Manager met with local businesses on a monthly basis. Each month, a business was selected from one of three categories: growing start-ups, major employers, and vulnerable businesses. The team met with each CEO at the business location, toured the facilities, and observed operations. Frank discussions about why the business located in Los Gatos, the business's plans for growth and expansion, and any Town-related issues facing the business were a key part of the outreach meetings. The Outreach Program has proven to be an excellent way to learn more about the diverse businesses in Los Gatos and why Los Gatos remains such a quality location to start and grow businesses.

Small Business Workshops

Economic Vitality staff met with representatives from small businesses and identified opportunities to provide free training and workshops that would introduce new skills and provide support in key areas. The Town partnered with the Los Gatos Chamber of Commerce and West Valley College to bring innovative, informative, and hands-on seminars that included such topics as using Facebook and LinkedIn as social media marketing tools. The training sessions, held in August 2010 and January 2011, were well attended by local businesspersons from a variety of industries.

Emerging Business Forum

In October 2010, the Mayor hosted an Emerging Business Forum designed to provide an opportunity for Los Gatos entrepreneurs to showcase their businesses, discuss doing business in Los Gatos, learn about the Town's business resources, and network with peers. Representatives from a total of 13 emerging Los Gatos businesses attended. The Town has since partnered with two companies that attended the event, and as a result, two innovative projects are currently underway. goTown, a local start-up that has developed a smart phone app marketing communities' retail areas, is working with the Town to develop a portion of its app as a Town services portal designed to make local government more accessible to residents. A local clean-tech start-up, Aquacue, provides technology through which the Town can more easily understand its day-to-day water use and take the necessary steps to decrease consumption. By

using this new technology, the Town has been able to achieve measurable results in water management practices and reduce its operational costs.

Downtown Newsracks

On May 2, the Town Council approved the creation of a special newsrack district in the downtown, designating ten locations for newsracks with specific design standards. The approved modifications to the newsrack ordinance addressed both safety and aesthetic concerns. The new racks have been installed on West Main Street, in front of Le Boulanger and Los Gatos Coffee Roasting Company. During the winter, new racks will be installed throughout downtown.

Downtown Wine Walk

Co-sponsored by the Town and the Los Gatos Chamber of Commerce, this bi-annual event featured over 25 local wineries pouring tastes in 25 independent downtown retailers. The Wine Walks were held on September 25, 2010 and April 26, 2011. Attendance at each event was limited to 500 participants to ensure an enjoyable experience for tasters, who spent limited time in line for wine tasting and had plenty of room to browse and shop in the retail establishments.

New Businesses in Los Gatos

Fiscal year 2010/2011 continued to challenge local businesses, proving that Los Gatos was not immune to adverse economic impacts. Office and research and development complexes saw occupancy rates decrease as did all neighborhood commercial centers. However, in comparison with other Silicon Valley communities, Los Gatos fared well. Los Gatos Boulevard is transforming with the redevelopment of former auto sites, which will bring added housing and retail development to the Boulevard.

And, despite the challenges, Los Gatos continues to be a desirable place to locate and grow a business. Downtown maintains a high occupancy rate and new businesses continue to open. Downtown vacancies are predominantly larger spaces which always take more time to fill, especially in a recession. However, there is great interest in vacant space in the downtown, with up to 200 interested businesses inquiring about particular locations. We encourage you to shop local and support your community by visiting these new downtown establishments:

- 4 Boys and a Girl
- Baby Buzz
- Cover Story
- LuLu Lemon
- Rootstalk Wine Bar
- Title Nine



New newsracks have been installed in the downtown.

New Development

16005 Los Gatos Boulevard

In June, the Town approved a Planned Development application for a project consisting of 16 single family residences and 9 townhomes, plus 2 commercial buildings, for a total of 30,790 square feet. The project is located on the northwest corner of the intersection of Los Gatos Boulevard and Blossom Hill Road, the former Swanson Ford/Akeena Solar site.

Best of Silicon Valley

In June, both *Metro Silicon Valley* and the *San Jose Mercury News* released lists of their favorites in everything from art galleries to the best places to walk your dog. A variety of Los Gatos businesses and locations were recognized; the most was Downtown Los Gatos, voted as the best Downtown shopping venue by *San Jose Mercury News* readers for the sixth year in a row. In total, 46 Los Gatos places and services were recognized, including 13 restaurants.



North 40 Specific Plan

The North 40 is an approximately 40-acre site bound by Highway 85 on the north, Lark Avenue on the south, Highway 17 on the west, and Los Gatos Boulevard on the east. The Yuki family, the majority landowner, is working with developer Grosvenor Americas to create plans for a mixed use development that will include residential, retail, and office components, and possibly a boutique hotel.

A specific plan, a document that outlines how the policies of the Town's General Plan will be implemented for one specific site, was drafted for the North 40 in 1999, but never adopted. With a development proposal imminent, the draft plan is now being updated and completed to provide a guide for future development of the site. The plan will include land use, infrastructure, design and signage criteria, and phasing, based on extensive public input and review.

Last February, the Town Council approved a contract with a consultant for completion of the North 40 Specific Plan. An advisory committee of community members was created from members of the former General Plan Update Advisory Committee and General Plan Committee to oversee the process. The North 40 Advisory Committee has had four meetings and two community workshops, and conducted an online visual preference survey to solicit community input.

It is anticipated that environmental review for the specific plan update will commence later this year, and the adoption of the final North 40 Specific Plan will occur in late 2012.

California Green Building Standards

California is leading the way in developing green building standards through its 2010 California Green Building Standards Code, or CalGreen. CalGreen, which went into effect January 1, 2011, sets minimum standards that all new buildings can achieve to minimize significantly the state's overall carbon output.

In December 2010, the Town adopted the mandatory measures of CalGreen, many of which are commonplace measures that are already being implemented. They include an increased emphasis on water efficiency and water conservation, material conservation, resource efficiency, waste reduction, improved energy efficiency, and indoor environmental quality.

The full text of CalGreen is available through the California Building Standards Commission website, www.bsc.ca.gov.



Parks and Open Space

Parks Improvements

Los Gatos Creekside Sports Park

In November 2010, the Town began a community input process around the development of the new 2.6-acre Creekside Sports Park, to be located at 930 University Avenue. This process included a series of three community workshops, each of which included a brief presentation on the site's history and the guiding principles and timeline for the project, and, most importantly, time spent gathering ideas about potential uses and amenities that community members would like to see as part of this new park.

The second community workshop included an activity where participants worked in small groups to lay out templates of potential park elements on a map of the site to create their own design concepts. Based on the Town Council's adopted guiding principles and this community input, staff selected the design concept with the largest multi-use field as the recommended option to move forward. The recommended concept was presented to the Parks Commission, which voted to move the recommended layout forward through the environmental review

process and ultimately to the Planning Commission and Town Council for approval.

The late fall of 2011 is the current target for contract award and the beginning of site construction.

Blossom Hill Park Master Plan

The Master Plan for Blossom Hill Park was completed in May 2010. It includes input from members of the surrounding neighborhood and other park users, and documents the current state of the park facilities. The Town also completed park improvement projects in Blossom Hill Park, including re-surfacing of the tennis courts, repair of the tennis court stairs, and a playground renovation. These projects helped to improve the safety of these areas and extend the useable life of each area for the continued enjoyment of park patrons. Blossom Hill Park is located between Shannon Road and Blossom Hill Road, east of Blossom Hill School.

Solar Power Purchase Agreement

In April, the Town took another large step in its environmental sustainability efforts when the Town Council approved participation in a Solar Power Purchase Agreement (PPA). The solar PPA will allow the Town to install solar panels with no capital investment on its part, and to purchase power directly from a solar power provider at a fixed reduced rate, providing a significant energy cost savings over the next 20 years. The solar power provider, Fresh Air Energy-II, was selected through a group procurement process participated in by many local Bay Area municipalities, including Los Gatos, Santa Clara County, the Valley Transportation Authority, South Bayside Waste Management Authority, Mountain View, Milpitas, Cupertino, and Morgan Hill. The group procurement process resulted in pricing that was 10% to 14% below market rates. Solar panels will be installed on the Police Operations Building on Los Gatos Boulevard and at the Parks and Public Works service yard on Miles Avenue. The project is expected to be completed and operational by the end of 2011.

Transportation and Infrastructure

Transportation and Infrastructure

Capital Improvement Projects

Capital projects maintain the condition and availability of public facilities, transportation systems, and other public infrastructure. Each year, the Town adopts a five-year Capital Improvement Program Budget, which identifies capital projects related to the Town's future infrastructure needs and the corresponding funding required. During the year, the following capital projects were underway:

Almond Grove Street Reconstruction

The Almond Grove neighborhood is considered a historic neighborhood because the buildings and infrastructure in the area date back to the 1940's. Over several decades, the concrete streets and associated infrastructure have become cracked and damaged, creating safety concerns. As part of last year's adopted Capital Improvement Program, the Town Council allocated funds to perform a preliminary evaluation and design of the infrastructure in the Almond Grove neighborhood. A detailed analysis of the street conditions was completed, which allowed the development of a multi-year plan to reconstruct and rehabilitate the residential streets as well as the curbs, gutters, and sidewalks.

This past spring, the Town Council allocated funds to begin the first phase of street replacement in this historic area. As part of a comprehensive outreach process, staff will coordinate a neighborhood meeting with area residents to solicit their input on the project. It is anticipated that construction will begin in the spring of 2012.

Roberts Road Bridge Dedication

The Town completed construction of the Roberts Road Bridge in December 2010. Staff worked closely with nearby residents to design a structure that is seismically and structurally safe and also blends well with Los Gatos Creek and its surroundings. The retaining walls under the bridge were designed to match the natural creek setting environment. One important design feature that was retained from the old bridge was keeping it a one-lane bridge, with stop signs on either end. The project was funded through a combination of a Caltrans grant and Town funds.

The Town hosted a dedication ceremony on December 21, 2010 to commemorate the opening of the bridge. The Mayor, Town Council, and local residents and business owners attended the ceremony, which included a plaque dedication and ribbon cutting.



Public Safety

Victim Services Unit

The new Victim Services Unit (VSU) comprises 15 trained community volunteers who contact and offer support to victims of crime in Los Gatos and Monte Sereno. Since the program began in February 2011, over 300 victims have been contacted by VSU volunteers to provide support and to offer resources and referrals to community-based organizations. VSU has also responded to traumatic incidents in the field such as domestic violence calls and injury traffic collisions. VSU volunteers have received training on such topics as elder and dependent adult services, mental health issues, rape crisis, victim-witness assistance, identity theft, criminal investigation case flow, and the chaplain program. The Police Department is proud and honored to have such a dedicated group of volunteers to assist victims of crime. The VSU is housed in the Police Operations Building, 15900 Los Gatos Boulevard. To contact the VSU, call (408) 827-3205 or send an email to vsu@LosGatosCA.gov.

Los Gatos Prepared

The Town undertook the fifth annual presentation of its emergency preparedness public education program, *Los Gatos Prepared*, to encourage every resident and business in Los Gatos to have the skills and resources necessary to be self-sufficient in the event of a natural or other disaster.

In addition to informational displays at the Los Gatos Farmers Market in October 2010, five neighborhood shopping center displays were presented on October 16, commemorating the 21st anniversary of the Loma Prieta earthquake. These displays were all staffed by volunteers trained in emergency preparedness for the neighborhoods in which they live. On display were items and supplies that residents should have on hand to be prepared for



a disaster such as an earthquake or an outbreak of pandemic influenza. Simple checklists and easy-to-follow emergency preparedness instruction sheets were available at each location, with experts on hand to provide additional information.

More information about Los Gatos Prepared can be found online at www.losgatosprepared.org.

Awards and Recognition

2010 California Peace Officers' Association Award of Distinction

In April 2011, a member of the Los Gatos/Monte Sereno Police Department became the first to be selected by the California Peace Officers' Association to receive its annual Award of Distinction. The Award of Distinction is presented for an outstanding act or accomplishment, or for an ongoing operational activity that performs a great service to the community. The officer received the award for his continuing efforts to help the homeless population in Los Gatos and the greater Santa Clara County area. Among other accomplishments, his efforts led to the housing of five chronically homeless local people, who are no longer living on the street.

Tree City Award and Arbor Day Event



The Town celebrated its 31st consecutive year of being named a Tree City USA® by the National Arbor Day Foundation. In order to qualify for this designation, the Town must meet four criteria: have a tree board or department, adopt a tree care ordinance, maintain a comprehensive community forestry program, and host an annual Arbor Day observance. On April 29, the Parks and Public Works Department hosted a tree planting ceremony at Blossom Hill Park to commemorate this recognition and also to celebrate Arbor Day. The Town Council, along with students from Blossom Hill Elementary School, participated in this community celebration.

The Tree City USA® program is sponsored by the National Arbor Day Foundation in cooperation with the U.S. Forest Service Urban and Community Forestry Program and the National Association of State Foresters, and provides direction, technical assistance, public attention, and national recognition for urban and community forestry programs in thousands of towns and cities throughout the United States. The Town's urban forest of more than 20,000 trees touches the lives of people within the community, who benefit daily from cleaner air, cooler buildings, and the aesthetic beauty that a healthy, well-managed urban forest provides.

Information Technology Award

The Town received a "Quality in IT Practices Award" in 2010 from the Municipal Information Systems Association of California (MISAC) for meeting or exceeding IT best practices. MISAC is a state-wide organization that promotes leadership, education, and access to resources for local agency technology professionals in order to enhance local government services and effectiveness. Its Quality in IT Practices program recognizes the performance levels of IT governance in municipal government.

Economic Development Award of Excellence

The California Association for Local Economic Development (CALED) Awards of Excellence Program brings statewide public and professional recognition to projects and programs that have made significant contributions to the field of economic development. In April, the Town and the Los Gatos Chamber of Commerce were awarded the Grand Prize for the 2nd Saturdays promotional program. Co-sponsored by the Town and the

Chamber, and involving over 75 participating businesses, 2nd Saturdays featured special offers, music, and entertainment to promote Los Gatos businesses. The event was promoted locally to encourage residents to shop locally, as well as regionally to attract visitors to the community. Businesses reported an increase in customers and sales, and residents and visitors enjoyed the vibrant ambiance.

Budget Recognition and Awards

For over a decade, the Town has received the Government Finance Officers Association of the United States and Canada (GFOA) Distinguished Budget Presentation Award for its annual Operating Budget, including an award for Fiscal Year 2010/11. In order to earn this award, the Town budget must be rated as proficient in four guideline categories, designed to assess how well the budget serves as a policy document, a financial plan, an operations guide, and a communications guide.

The Town also received once again the Certificate of Achievement for Excellence in Financial Reporting from GFOA for its

Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2010. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government agency and its management. The Town's financial report was judged by an impartial panel, which determined that the report demonstrated a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the CAFR.

Fiscal Perspective

Town of Los Gatos FY 2011/12 Budget

The Los Gatos annual Operating, Capital, and Redevelopment Budget is a numerical representation of the Town's policies, goals, and priorities. The Town budget is an action plan that takes into account the current and long-term fiscal picture, as well as high priority community needs, including infrastructure and public safety, library, and park services.

General Fund

Like many communities all over the country, the Town is challenged by the slow recovery of the unprecedented economic recession. During this time, the Town has worked diligently to balance its budget each year without relying on "one-time fixes." This tough work will continue in FY 2011/12, with General Fund revenue projections of minimal to no growth. The Town's largest sources of revenue are sales tax and property taxes. The revenue impact, combined with significant adjustments to the cost of doing business, resulted in a budget gap of \$1.3 million for the year. This \$1.3 million shortfall was approximately 5% of the total General Fund operating budget.

Adding to the Town's economic uncertainty is the State of California's budget situation. To balance its budget deficit of \$26.6 billion, the state plans to eliminate redevelopment agencies and reduce other local funding sources from cities and towns. In order to retain its redevelopment funding, it is anticipated that the Town will be forced to pay a one-time amount of approximately \$2.5 million in redevelopment funds and an additional \$600,000 in ongoing payments to the state. A decision has not yet been made whether to pay this "ransom" to the state to maintain the Town's redevelopment funding. The Town will also lose \$110,000 in Vehicle License Fee (VLF) monies from its General Fund. The Town will continue to work proactively with its legislators, the California Redevelopment Association (CRA), and the League of California Cities to protect and preserve local revenue.

The Town's past conservative financial practices and prompt action in response to the economic crisis have positioned it well to address its projected shortfall and unanticipated state takeaways. Unlike some other jurisdictions, the FY 2011/12 budget is balanced and reflects reductions that maintain vital core services. The outlook for the following year and beyond remains guarded, however.

Capital Projects

Given the challenges of the current economic climate, the Town continues to invest and preserve its infrastructure through maintenance efforts and the addition of much needed capital assets, including the new library and the Creekside Sports Park. Many of these projects are funded through grant and redevelopment funds, and operational savings from prior years. This year's budget provides over \$1.1 million to maintain the Town's street infrastructure, and also funds other key projects for traffic safety, park improvements, and technology system enhancements.

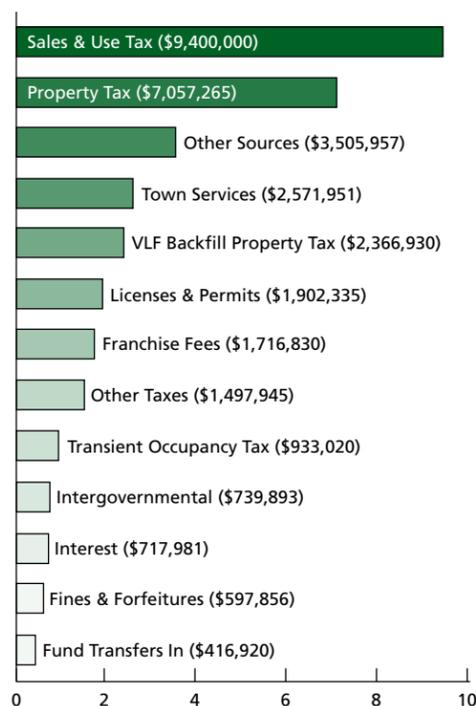
Looking Forward

For the foreseeable future, the Town expects fiscal challenges and uncertainties until the global, national, and local economies improve and structural changes are made. The Town recently learned that one of its largest retail sales tax providers, Netflix, will be changing its business operations model, resulting in reduced sales tax revenue for the Town. Anticipating this potential loss, the Town established and funded a budget stabilization reserve using a portion of the Netflix sales tax revenue to weather future economic changes.

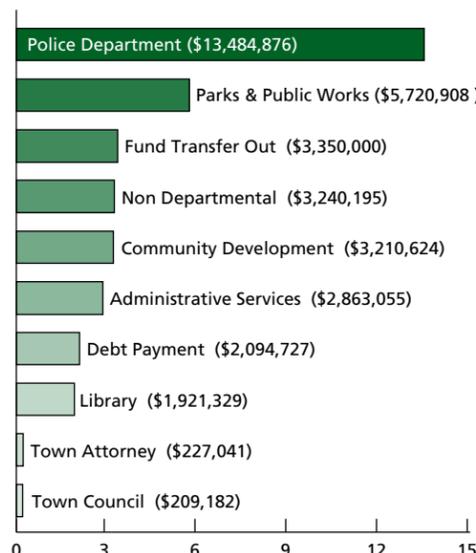
Diversification continues to be an important objective and to that end, the Town is moving forward with key economic development efforts, including the Los Gatos Boulevard Plan and North Forty Specific Plan, and maintaining its outreach and support of local businesses. In light of anticipated continuing deficits, the Town will continue to explore opportunities to enhance service delivery and lower operating costs through resource and workload redeployments and organizational restructuring.

On a positive note, the core assets of Los Gatos remain strong, including an enviable downtown, a beautiful environmental setting, fundamentally strong real estate, and an active and engaged population, all of which contribute to Los Gatos' high quality of life.

**General Fund Sources
FY 2011/2012
(\$33.4 Million)**



**General Fund Uses
FY 2011/2012
(\$36.3 Million)**



On the Horizon

For More Information

Town of Los Gatos Civic Center
110 East Main Street
Los Gatos, CA 95030

Telephone (408) 354-6832
Fax (408) 399-5786

Email Manager@LosGatosCA.gov

Website www.LosGatosCA.gov

New Library Grand Opening

Without a doubt, the most significant event on the horizon for the coming fiscal year is the grand opening of the new Los Gatos Library. Targeted for early 2012, the grand opening will mark the fulfillment of a long-held community desire for a new library. The grand opening will actually be a series of events to introduce the community to its new treasure; the biggest celebration will be for the general public, when the ribbon is cut and the doors are opened to the grand lobby. Donors, who have generously contributed a total expected to exceed \$2 million toward furniture, fixtures, and equipment, will be invited to a donor appreciation event as part of the multiple-day festivities. Watch the Town's website, www.LosGatosCA.gov, and local papers for the announcements about the much-awaited grand opening ceremonies.

Opening Day Collection

In preparation for the new library building, librarians are busy ordering an opening day collection of new books, made possible by a generous donation by a library patron. Baker and Taylor's Customized Library Services will catalog and process the new books, and hold them in a warehouse in Illinois until closer to opening day. The new collection will focus on new and popular items and will greatly add to the shelf appeal of the new library.

Sustainability Plan

The 2020 General Plan, the Town's key planning document and blueprint for its future, requires that the Town develop a plan to control and reduce greenhouse gas (GHG) emissions. In order to reach this goal, the Town is currently in the process of developing a Sustainability Plan. The Sustainability Plan will include a GHG emission reduction target consistent with State Assembly Bill 32, strategies to reduce GHG emissions, and methods to monitor and report progress of reduction strategies. A baseline community and government operations GHG inventory is underway; the Sustainability Plan is scheduled for completion in June 2012. A Sustainability Plan community workshop will be held in the fall of 2011.

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*Town of Los Gatos Annual Report
Fiscal Year 2010/2011*



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