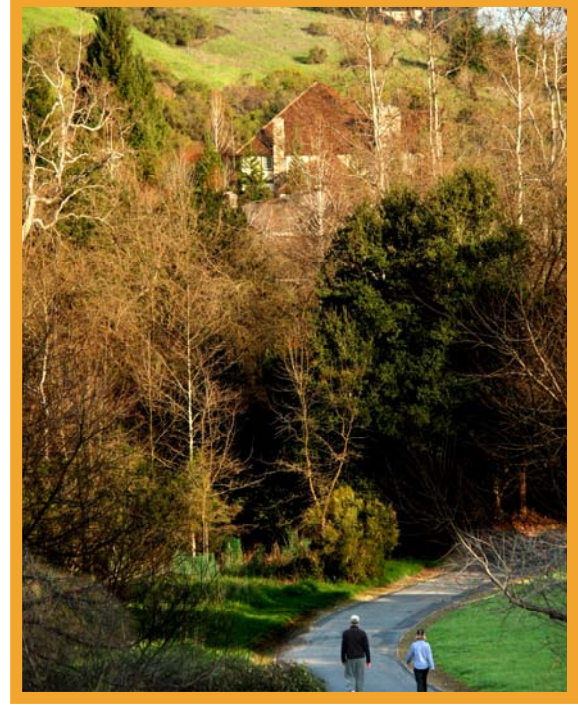




TOWN OF LOS GATOS

CALIFORNIA



Operating & Capital Summary Budget

Fiscal Year 2019/20

Cover Photos: Ken Benjamin and Liv Ames

TOWN OF LOS GATOS



CALIFORNIA

Proposed Operating and Capital Summary Budget

for

Fiscal Year July 1, 2019 to June 30, 2020

Town Council

Steve Leonardis..... Mayor
Marcia Jensen Vice Mayor
Barbara Spector Council Member
Marico Sayoc Council Member
Rob Rennie Council Member

Prepared under the direction of:

Laurel Prevetti.....Town Manager
Stephen D. Conway.....Finance Director

110 E. Main Street, Los Gatos, CA 95030

www.losgatosca.gov

TOWN VISION STATEMENT

The Town of Los Gatos' Vision Statement describes the community at its full potential, and is the basis for the Five-Year Strategic Plan and accompanying priorities and goals. This Vision Statement articulates the future for Los Gatos and reflects the high ideals identified by the community:

Residents are united in their desire to maintain a high quality of life and preserve the character of the Town. The overall community consensus is that Los Gatos be a full-service community that is also environmentally sensitive; that Los Gatos maintains a balanced, well-designed mix of residential, commercial, service and open space uses, fostering a pedestrian-oriented community with a small town, village-like character; that Los Gatos supports an active business community that provides a wide variety of goods and services and a broad range of employment opportunities, eliminating the need to travel to other communities; and that Los Gatos provides a well-run, efficient municipal government that is fiscally healthy, with high levels of public safety, recreational, art and cultural amenities and is committed to high quality education.

TOWN OF LOS GATOS

OPERATING AND CAPITAL SUMMARY BUDGET

FISCAL YEAR 2019/20

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OPERATING AND CAPITAL SUMMARY BUDGET
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Introduction

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TOWN OF LOS GATOS

CIVIC CENTER
110 E. MAIN STREET
LOS GATOS, CA 95030

May 10, 2019

Honorable Mayor and Town Council:

I am pleased to present to you a balanced Fiscal Year (FY) 2019/20 Proposed Operating Budget for the Town of Los Gatos. The proposed budget addresses Council identified Strategic Priorities and considers other areas of importance to our community, the Council, and the Town organization. The FY 2019/20 General Fund Budget programs total revenues and reserve transfers of \$52.1 million and expenditures and allocations of \$52 million. The budget anticipates a surplus of \$140,000 and maintains existing service levels while recommending modest additions in strategically important areas. This budget incorporates investments toward future equipment replacement, additional funding toward unfunded pension liability, and increased capacity for the Town's technology infrastructure.

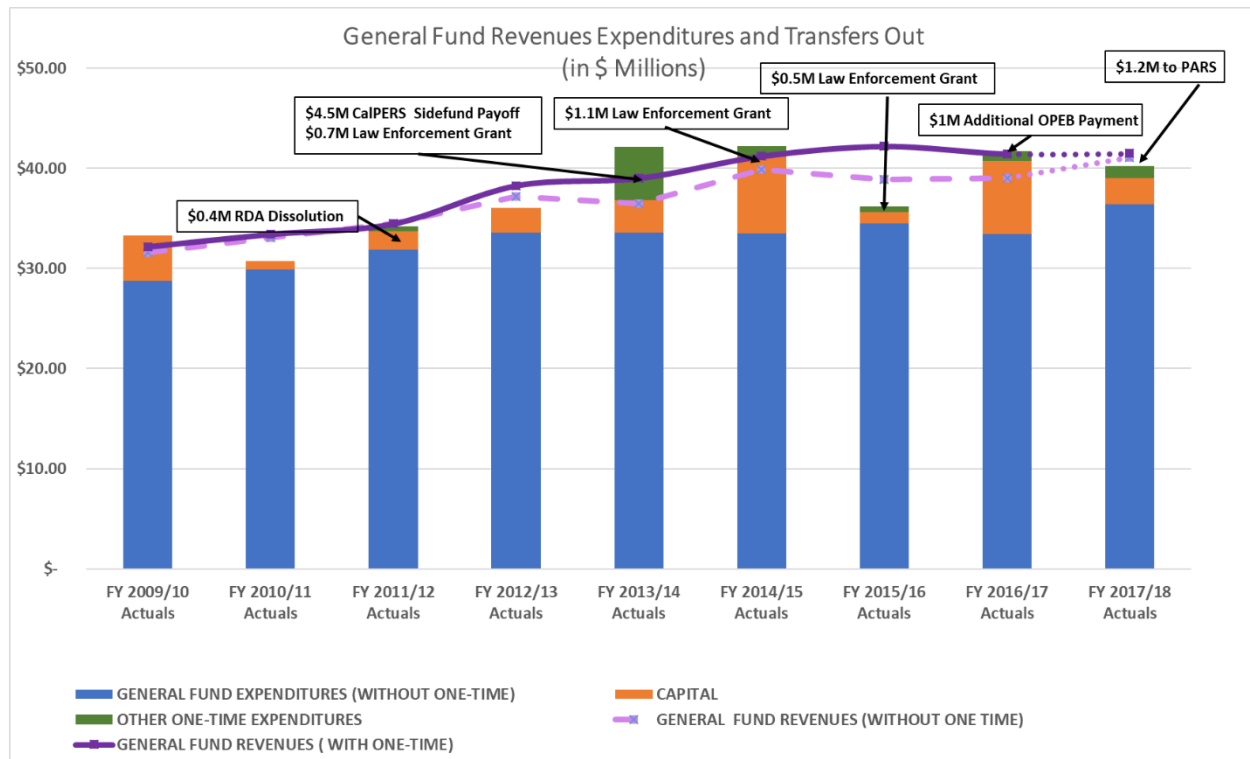
CONTEXT

An important aspect of our budget development process is taking a multi-year approach. Serving as the foundation of the budget planning process, the Town updates the Five-Year Financial Plan beginning in the fall of each year. The Plan includes developing assumptions for Town revenues and expenditures with the goal of defining the expenditure limitations for the forthcoming budget year and forecast period. While we are fortunate to have surpluses projected for this year, the remainder of the five-year forecast shows very little room for growth in service delivery.

	2019/20 Budget	2020/21 Forecast	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast
Total Revenues, Transfers & Use of Reserves	\$52.1	\$43.8	\$45.2	\$46.2	\$47.4	\$48.6
Total Expenses & Allocations	\$52	\$45	\$46	\$47	\$47.4	\$48.1
Net Revenues Less Expenses	\$0.1	(\$1.2)	(\$0.8)	(\$0.8)	\$0.0	\$0.5

As discussed with the Town Council in February 2019, sensitivity analyses with respect to revenues and expenditures demonstrate that the Town organization is vulnerable to changes in forecasted economic conditions. Growth in the economy would improve the Town's outlook and a potential recessionary scenario would require careful consideration of priorities to maintain a balanced municipal budget.

To consider investment strategies for the Town organization's future, it is important to understand the strategic investments made to date. As the data below from the Town's Comprehensive Annual Financial Reports (CAFR) illustrates, the Town's conservative budgeting practices has historically yielded ongoing and one-time revenues sufficient to cover ongoing and one-time expenditures. In addition, this budgeting methodology has provided the Town Council the latitude over the years to enhance infrastructure in Los Gatos through capital projects and address other targeted priorities, such as addressing increases in pension obligations.



One of the major cost drivers for the Town over the past decade has been unanticipated increases in pension and other post-employment benefits (OPEB). The Town of Los Gatos provides a defined benefit pension plan for all full-time employees as part of their total compensation package. The defined benefit pension has been a standard part of compensation in governmental organizations and in Los Gatos is in lieu of participating in Social Security. The Town also provides a healthcare benefit for all eligible employees. The healthcare plan pays all, or a portion of, health insurance premiums for qualified retirees and their survivors and dependents.

However, the Town's plans over the past several decades, like all other CalPERS participants, have experienced unfavorable investment returns, changes in actuarial assumptions, and demographic changes which have outweighed any positive plan experiences. The outcome of these unfavorable economic and demographic results is the development of unfunded pension and OPEB obligations for the Town. As of the 2017 actuarial valuations, the combined unfunded actuarial liability for both pension and OPEB is \$63.6 million. The Town has taken significant action to address these increases in our pension obligations. As illustrated in the tables below, the Town has allocated or programmed approximately \$30.5 million to date in additional discretionary payments towards its pension and OPEB obligations.

Council Action	Additional Discretionary Pension Funding/Savings
The Town authorized payment of the entire approximate \$4.5 million side fund liability associated with the Safety Plan. (June 2014).	\$4,500,000.
The Town authorized the creation of an irrevocable Internal Revenue Code (IRS) Section 115 Trust for the Town's pension obligations. The Town Council to date has set aside \$4.4 million towards additional Pension funding (115 Trust) including an additional \$1.0 million adopted in the FY 17/18 budget. (December 2017)	\$4,400,000 (accumulated to date)
The Town Council established a General Fund reserve policy for additional discretionary payments (ADPs) of \$390,000 per year. Under the updated policy 20-year amortization equivalence will be achieved through additional UAL payments of approximately \$390,000 per year. The total savings associated with the ADP methodology is approximately \$13.8 million versus the existing amortization schedules for both plans. (May 2018).	Additional minimum of \$390,000 funding annually (estimated savings \$13.8 million)
Additional discretionary Pension funding allocated and programmed to date - \$16,900,000	

Council Action	Additional OPEB Discretionary Funding
The Town Council proactively initiated prefunding OPEB obligations beginning in 2009 rather than remaining a pay as you go system.	\$13,600,000 (accumulated to date)
The Town Council established a General Fund reserve for CalPERS/Other Post-Employment Benefits (OPEB) (May 2016).	Additional \$300,000 funding annually when GF surpluses exist
Additional discretionary OPEB funding to date - \$13,600,000	

In addition, during the most recent labor negotiations, the Town's bargaining groups and all unrepresented employees partnered to eliminate the Town's existing retiree healthcare benefit prospectively. It is anticipated that this collaboration will yield significant savings in the future.

As we turn our sights towards the future, it will be essential to maintain the base level of organizational capacity that we have today; however, to maintain and grow the high quality service levels that the Los Gatos community deserves and has come to expect, additional revenue sources must be identified.

STRATEGIC GOALS AND PRIORITIES

In January 2019, the Town Council determined the Strategic Priorities for 2019-2021, providing guidance to Town staff on workload prioritization. The Town Council reaffirmed its Core Goals, including: Community Character, Good Governance, Fiscal Stability, Quality Public Infrastructure, Civic Enrichment, and Public Safety.

Several Strategic Priorities are not one-time projects, but rather are ongoing commitments due to their critical significance in ensuring the Town's fiscal and infrastructure stability and the safety and quality of life for Los Gatos residents, businesses, and visitors. These commitments include continuing to address the Town's unfunded pension and other post-employment benefits (OPEB) obligations; developing Measure B transportation projects so the Town is positioned to receive its fair share of the funds; addressing cut-through traffic; fostering emergency preparedness; and participating in public safety regional communications infrastructure. Specifically for pension and OPEB obligations, the Council expressed interest in the Council Finance Committee continuing to find approaches to reduce the unfunded portion of the obligations.

In terms of capital projects, the Town Council affirmed its interest in completing the remaining reconstruction of Almond Grove streets, investing in bicycle and pedestrian improvements, and improving the pavement condition of the Town's streets. In addition, the Council identified new projects which include preparing a comprehensive parking plan, exploring transportation demand management (TDM) ideas (such as the prospect of a community shuttle), and piloting a one-way street in downtown.

Other Strategic Priorities position the Town for its future. The Council continues the General Plan Update to engage the community in land use planning and policies to guide development for the next couple of decades. Other Priorities address legal mandates and enhancing community vitality.

The following illustrates the Strategic Priorities adopted for FY 2019-20. Some of these priorities were acted upon during FY 2018/19 and the remaining items are included in this Operating and Capital Budget for FY 2019/20.

STRATEGIC PRIORITIES FY 2019-2021



CORE GOALS: COMMUNITY CHARACTER • GOOD GOVERNANCE • FISCAL STABILITY •
QUALITY PUBLIC INFRASTRUCTURE • CIVIC ENRICHMENT • PUBLIC SAFETY

ONGOING COMMITMENTS

TRAFFIC/TRANSPORTATION

Comprehensive Parking Study

- Parking Garage

Transportation Demand Management

- One-way Downtown Street Pilot
- Summer/Rush Hour/School Traffic
- Develop Measure B Transportation Projects
- Install Bicycle and Pedestrian Improvements
- Community Shuttle/School Bus Pilot

QUALITY OF LIFE

Community Vitality

- Events and Other Efforts

Streamline Policies

- Land Use/Economic Vitality Measures

General Plan 2040

- Objective Standards
- Environmental Sustainability
- Ordinances

SAFETY

Emergency Preparedness

- CERT Recruitment and Training
- EOC Upgrades
- Community communication

Fire Protection

- Vegetation management on Town properties
- Enhanced community education

Infrastructure Improvements

- Guard Rails
- Pavement

PROSPERITY

Address Pension and OPEB Obligations

- Additional Discretionary Payments (ADPs)
- Reduced Amortization Strategies
- Pension Contribution Management Strategies

Annexation of County Pockets

- Sell or Lease Certain Town Properties
- Short Term Rentals

NEW

Additional Vegetation Management Practices

- Complete ecological study to determine the best management practices to protect life and property and maintain healthy ecosystems

IN PROGRESS

Reconstruct remaining Almond Grove Streets

Create a Complete Streets Policy

Measure G (Sales Tax) Implementation

RECENTLY COMPLETED

North 40 Specific Plan Amendments

Streamline certain policies affecting Town businesses

SMALL TOWN SERVICE, COMMUNITY STEWARDSHIP, FUTURE FOCUS

UNDERSTANDING THE BUDGET DOCUMENT

The Operating Budget document includes Town-wide information as well as information specific to each fund and each Department. The Town receives revenues from different sources, many of which have restrictions on how they can be used. Separate funds are established to account for the different types of revenues and allowable uses of those revenues.

The budget is prepared in accordance with Generally Accepted Accounting Principles. The budget for governmental funds has been prepared on a modified accrual basis. The modified accrual basis recognizes expenditures when the related fund liability is incurred. Revenues are recognized when they become both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

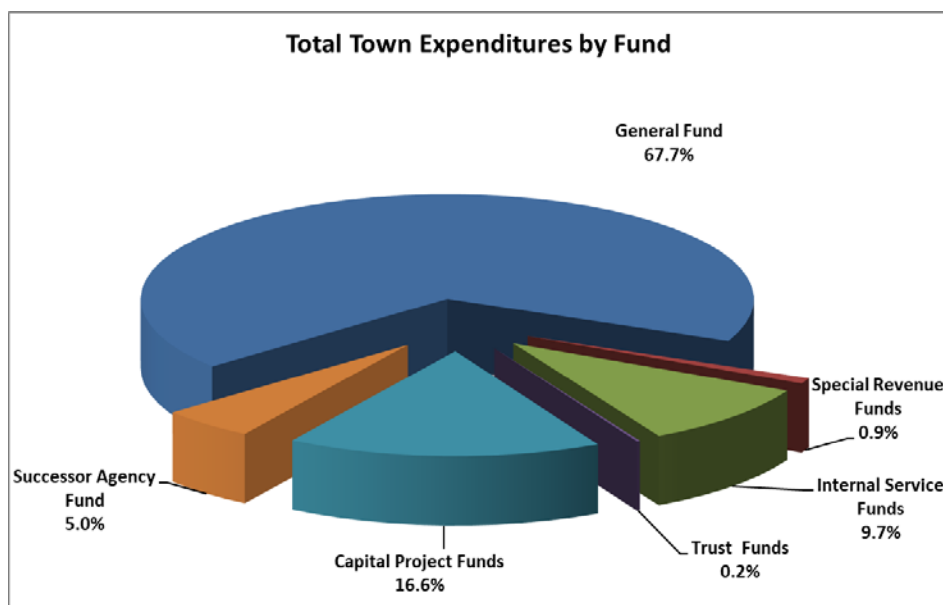
FY 2019/20 FISCAL OUTLOOK

Overview

The workload and budgetary prioritization process took into account the Town’s current and long term fiscal picture, as well as high priority service delivery needs. Key principles include:

- Develop and recommend a balanced budget that maintains service levels;
- Continue to make progress on Strategic Priorities identified by the Town Council; and
- Identify opportunities to enhance service delivery through new revenue sources, technology, and open government.

As shown in the chart below, the Proposed Budget is largely funded by the General Fund (67.7%).



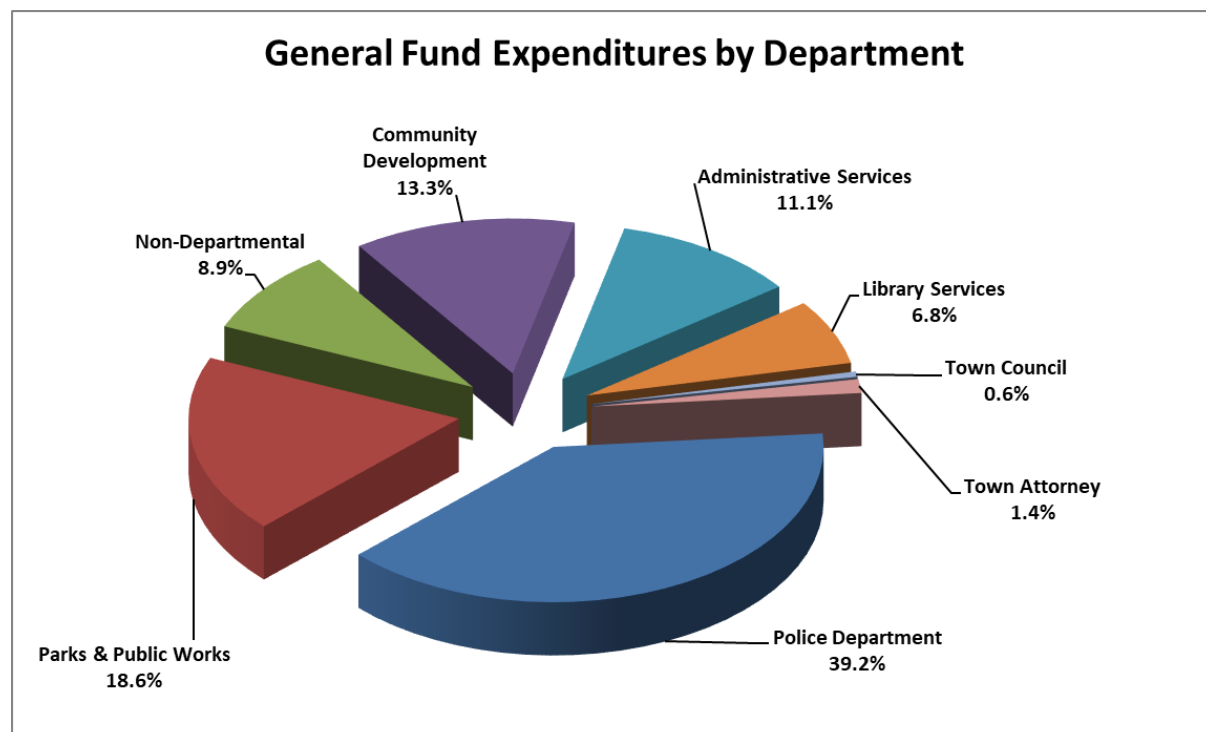
For Council's consideration, staff is recommending the following allocations:

- \$1,337,500 to the Pension/OPEB Reserve from the Capital/Special Projects Reserve per the Town Council's Strategic Priority discussion.
- \$755,788 to the Budget Stabilization and Catastrophic Reserves to maintain the required 25% funding level of the proposed operating budget.
- \$129,000 from Budget Strategy Reserve to the Capital/Special Project Reserve and closing the Budget Strategy Reserve.
- \$5,557,500 from the General Fund Appropriated Reserve (GFAR) and \$152,000 from the Open Space Reserve to fund the Capital Improvement Program.
- \$1,061,256 from the available Compensated Absences balance to the Workers' Compensation Fund given increased claim activities.

Staff is requesting Council's direction for the allocation of an estimated \$1.9 million Surplus Property Reserve and the estimated \$1.0 million of residual balance available from the proposed closing of the Vehicle Maintenance and Stores Internal Service Funds. Current balances are estimates, final reserve balances will be determined upon fiscal year-end closure and audit. If no allocation is made, these monies would be placed in a Vehicle Maintenance and Stores Residual Reserve for future Council decision-making.

General Fund

The General Fund pays for core services such as public safety, community development, parks and public works, library, and other services. The revenue used to pay for these services comes primarily from local taxes such as property tax, sales tax, transient occupancy tax, franchise fees, licenses and permits, Town services, fines and forfeitures, and a variety of other sources. As illustrated in the chart below, the majority of General Fund revenue supports the services provided by Police, Parks and Public Works, Community Development, and Library.



General Fund revenue is estimated at \$42.8 million in the FY 2019/20 Proposed Budget, excluding debt service, and fund transfers. This is an increase of \$2.9 million (7.3%) when compared to the FY 2018/19 Adopted Budget. While increased Property Tax accounts for the majority of the increase in revenue, vehicle license fee (VLF) backfill property tax, transient occupancy tax, and sales tax have also increased. While sales tax revenues are generally expected to decrease over time, in November 2018, the voters approved a 1/8 cent general purpose sales tax dedicated to the Town of Los Gatos. Revenue collection began in April 2019 and is reflected in the revenue estimates.

The Town's General Fund operating budget expenditures for FY 2019/20 have increased by \$0.4 million or 0.9% compared to the prior year's Adopted Budget (excluding fund transfers, and debt service). Last year, the Adopted Budget included a \$3.2 million payment to the IRS 115 Pension Trust. In comparison, the FY 2019/20 Proposed Budget reflects all negotiated salary increases and market adjustments necessary to attract and retain high performing employees. Together, this explains the year over year budget increase. Other components of the expenditures include employee benefits, grants and awards, internal service charges, operating expenses for supplies and services, and debt service. The delivery of Town services is highly dependent on labor, which makes up 59.7% of budgeted General Fund expenditures for FY 2019/20.

Internal Service Funds

Internal Service Funds are used for areas where goods or services are provided to other Town Departments. Internal Service Funds include funds and programs for Information Technology, Liability Insurance, Workers' Compensation, Facilities Maintenance, and Equipment Replacement. Staff is proposing to close the Office Store and Vehicle Maintenance Internal Services Funds and reallocate the residual fund balances per Council direction. Staff recommends transferring \$1,061,256 to the Workers' Compensation Fund to mitigate increased claim activities. All personnel that were previously funded in Internal Service Fund Programs are programmed in the General Fund beginning in FY 2018/19.

Capital Projects Fund

The Capital Improvement Projects Fund is typically used to account for financial resources that are used for the acquisition or construction of major capital infrastructure or to provide or improve facilities for Town Departments as identified in the five-year Capital Improvement Program (CIP).

The proposed FY 2019/20 Town-wide expenditures from the Capital Projects Funds is \$12.2 million (excluding transfers out) which is inclusive of \$9.3 million in General Fund Appropriated Reserve for the Town's CIP program.

Special Revenue Funds

Special Revenue Funds are a fund type used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Special Revenue Funds account for 1.0% of the Town-wide expenditure budget. The Town's largest Special Revenue Fund is the Urban Run-Off Source Fund. The Total proposed Budget for Special Revenue Funds for FY 2019/20 is \$579,173.

Trust Funds

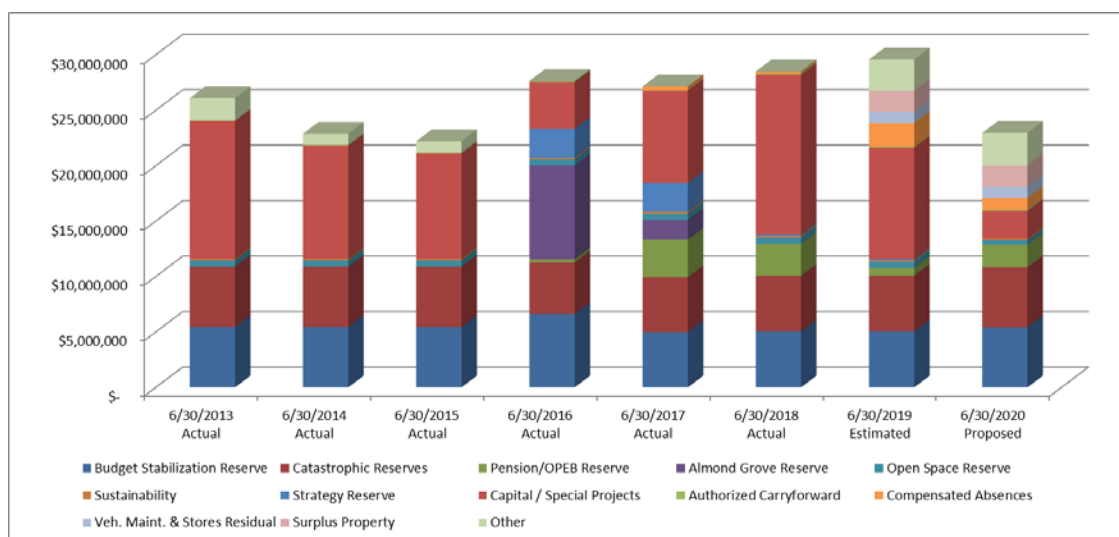
Trust funds are used to account for assets held by the Town as a trustee agent for individuals, private organizations, and other governments. The Town's Trust Funds are comprised of four trusts established to provide for the servicing of donations and bequests to the Town's Library program. The FY 2019/20 budgeted expenditures in this trust fund total \$133,255.

Successor Agency to the Los Gatos RDA Funds

The Successor Agency to the Los Gatos Redevelopment Agency (RDA) is a private purpose trust fund that accounts for the assets, liabilities, and operations transferred from the dissolution of the Town's RDA. These funds include Certificates of Participation issued to finance several capital improvement projects throughout the Town and repayment of obligations incurred by the Town's RDA prior to its dissolution. The FY 2019/20 budgeted expenditures in this trust fund total \$3.8 million.

GENERAL FUND RESERVES

The total General Fund Reserves are forecasted at a balance of approximately \$22.9 million as of June 30, 2020. Additional information on the estimated FY 2018/19 and FY 2019/20 year-end General Fund balances can be found in the Financial Summaries section. As indicated in the next chart, the General Fund reserves are decreasing from the prior year due primarily to programmed payments to the Town's California Public Employees Retirement System (CalPERS) side-fund payoff in June 2014 of \$4.5 million dollars, transfers to the CIP program in FY 2016/17 (\$7.0 million), FY 2017/18 (\$2.4 million), FY 2018/19 (\$2.4 million), FY 2019/20 (\$5.7 million), and the total of \$4.4 million scheduled payments to the IRS 115 Pension Trust Fund in FY 2017/18 and FY 2018/19.



General Fund Reserve	6/30/2013 Actual	6/30/2014 Actual	6/30/2015 Actual	6/30/2016 Actual	6/30/2017 Actual	6/30/2018 Actual	6/30/2019 Estimated	6/30/2020 Proposed
Committed to:								
Budget Stabilization Reserve	\$ 5,450,000	\$ 5,450,000	\$ 5,450,000	\$ 6,621,808	\$ 4,969,847	\$ 5,037,243	\$ 5,037,243	\$ 5,415,137
Catastrophic Reserves	5,450,000	5,450,000	5,450,000	4,637,406	4,969,847	5,037,243	5,037,243	\$ 5,415,137
Pension/OPEB Reserve	-	-	-	300,000	3,388,913	2,878,913	690,000	2,027,500
Almond Grove Reserve	-	-	-	8,459,973	1,801,318	-	-	-
Assigned to:								
Open Space Reserve	562,000	562,000	562,000	562,000	562,000	562,000	562,000	410,000
Sustainability	140,553	140,553	140,553	140,553	140,553	140,553	140,553	140,553
Strategy Reserve				2,600,000	2,600,000	129,090	129,090	-
Capital / Special Projects	12,427,161	10,218,579	9,511,527	4,222,405	8,332,953	14,421,203	10,035,983	2,514,285
Authorized Carryforward	56,741	56,741	56,741	99,284	34,852	99,927	99,927	99,927
Compensated Absences					350,329	193,647	2,122,512	1,061,256
Veh. Maint. & Stores Residual							1,005,069	1,005,069
Surplus Property							1,905,000	1,905,000
Other	2,004,101	1,001,265	1,032,563				2,807,085	2,950,527
Total General Fund Reserve	\$ 26,090,556	\$ 22,879,138	\$ 22,203,384	\$ 27,643,429	\$ 27,150,612	\$ 28,499,819	\$ 29,571,705	\$ 22,944,391

Catastrophic and Budget Stabilization Reserves

As per the Town's Reserve Policy and reaffirmed by Council, the Catastrophic and Budget Stabilization Reserves are to be maintained at combined minimum funding level of 25% of General Fund ongoing operating expenditures. The funding requirement is equally divided between the Catastrophic Reserve (12.5%) and the Budget Stabilization Reserve (12.5%). Fund balance in these reserves is used to fund future fluctuations in the economy, mitigating the cyclical changes in locally generated revenues from temporary downturns in the local economy. Staff recommends transferring \$755,788 from available prior year-end saving to meet the required 25% funding level, or \$10.8 million total for FY 2019/20.

Pension/OPEB Reserve

Committed fund balance in this reserve will be used to aid in funding pension and Other Post-Employment Benefits (OPEB) unfunded obligations. This reserve is primarily used to house additional discretionary payments budgeted for future allocation. Additional discretionary payments will either be allocated directly to CalPERS, the Town's Pension IRS 115 Trust Fund, or the OPEB IRS 115 Trust Fund. With Council direction, upon the close of the fiscal year, the CalPERS/OPEB Reserve receives \$300,000 of the available year-end savings. In FY 2018/19 the Council approved development of an additional reserve policy to reduce the amortization period for prior amortization bases from 30 years to 20 years. Initial annual programming of \$390,000 was established subject to final adjustment based upon updated CalPERS actuarial valuations. The Council Finance Committee makes recommendations for the use of these funds for future Town Council/Oversight Committee consideration.

Capital / Special Projects

With Council direction, upon the close of the fiscal year, the Capital/Special Projects Reserve receives the Town's annual revenues above operating expenditures after funding all legally restricted reserves at their required levels. Fund balance is assigned for the acquisition and construction of capital facilities. It is anticipated the reserve will have approximately \$2.5 million as of June 30, 2020.

Compensated Absences Reserve

A reserve is maintained annually to fund 50% of all vested hours of vacation earnings. It is anticipated the reserve will have approximately \$1.1 million as of June 30, 2020.

Vehicle Maintenance and Stores Residual Reserve

A reserve established to hold the residual fund balances transferred to the Town's General Fund upon the closing the Vehicle Maintenance Fund and Stores Internal Service Funds for future Council reallocation. It is anticipated the reserve will have approximately \$1.0 million as of June 30, 2019.

Surplus Property Reserve

A reserve established for placing the proceeds from surplus property sales until further Town Council reallocation. It is anticipated the reserve will have approximately \$1.9 million as of June 30, 2019.

Other

The Town has several other smaller reserves that have been classified as other. These reserves include an authorized carryforward, open space reserve which may be used to make selective open space acquisitions, and a sustainability reserve which will be used to fund projects that enhance the community environment. Please refer to the Financial Summaries section (C-1) for additional information.

KEY BUDGET ASSUMPTIONS

Revenues

The FY 2019/20 Budget assumes continued economic growth, with the General Fund revenues (excluding debt payments and fund transfers in) expecting to increase by 3.6% to \$36.8 million. Revenue projections for each category were based upon estimates provided to the Town by the Santa Clara County Assessor, the Town's sales tax consultant, and careful examination of revenue trends and patterns. The economy remains generally positive which has resulted in staff proposing an increase in operating revenues of \$0.5 million. This is mostly due to forecasted increases in revenues such as property tax, and transient occupancy tax. Sales tax revenue increased in FY 2019/20 and then decreases over time. The sales tax projections include the voter approved one-eighth general purpose sales tax dedicated to the Town of Los Gatos. Revenue collection began in April 2019. Additional details regarding the assumptions used in the development of revenue estimates can be found in the Forecast Assumptions discussion later in this section.

Staffing

All personnel that were previously funded in Internal Service Fund Programs are programmed in the General Fund beginning in FY 2018/19, increasing total General Fund FTE counts and decreasing the Internal Service Fund FTE Counts by the same amount.

	FY 18/19	FY 19/20
	Authorized/Funded	Authorized/Funded
	Town Staff	Town Staff
<u>Departments</u>	<u>Positions</u>	<u>Positions</u>
Town Council	0.50	0.50
Town Attorney	1.88	1.88
Administrative Services	20.53	20.18
Community Development	20.08	20.08
Police Department	59.00	60.00
Parks & Public Works	34.50	34.50
Library	12.50	12.50
Total Positions	148.99	149.63
All Department Hourly Employee Staff		
Converted to FTE's	10.21	10.68
Total Positions	159.20	160.31

* Due to rounding.

The FY 2019/20 Operating Budget has 160.31 budgeted FTEs, including temporary staff. This reflects an increase of 1.12 of FTEs compared to the prior year. The recommended FY 2019/20 staffing levels also reflect the following changes from the prior year's adopted budget:

- *Administrative Services and Town Offices* - The FY 2019/20 budget reflects the addition of one permanent Accountant/Finance Analyst position in the Finance Department, partially offset by a reduction of temporary hours and the elimination of a 0.35 FTE Account Technician position. The budget also includes a reclassification of 2.0 FTE Office Assistant positions to 1.00 FTE Deputy Town Clerk and 1.00 FTE Administrative Assistant in the Clerk program. The Clerk program also reflects an increase of temporary hours to assist with special projects and tasks related to the programming for Music in the Park. In addition, the budget reflects a title change from the IT Analyst and Network Administrator classifications to a single IT Systems Administrator classification to continue to provide critical support to the Town's technology infrastructure necessary to support modern governance and promote succession planning. The current Network Administrator is dedicated to the support of Police Department technology. To better reflect the resource allocation, 1.00 reclassified FTE IT Systems Administrator will be transferred to the Police Department program. There is also an addition of a part time, two-year position to assist with the Town's emergency preparedness activities and regional emergency management engagement.
- *Police* –The FY 2019/20 budget reflects the transfer of 1.00 FTE IT Systems Administrator from IT to the Police Department program as described above. The program also contains one-time request for a Project Manager and Community Services Officer.
- *Community Development Department (CDD)* –The FY 2019/20 budget reflects a one-time request for a nighttime Code Compliance Community Service Officer.

Non-Personnel Operating Expenditures

Non-Personnel expenditure budgets were developed based on actual expenditures in prior years, adjusted for FY 2019/20 funding needs. In light of limited available resources, the FY 2019/20 proposed budgeted non-personnel expenditures are conservative, with additions primarily limited to non-discretionary, contractually obligated, or mandated increases.

FIVE-YEAR FINANCIAL PLAN

Serving as a foundation of the budget planning process, the Town updates the Five-Year Financial Plan beginning in the fall of each year. The Plan includes updates to Town revenues and expenditures with the first year of the forecast's revenue estimates being the most critical in the process, as that will ultimately define the expenditure limitations for the forthcoming budget year. The multi-year conservative revenue projections further refine the Town's planning for current and future expenditures based on future projections. The preliminary assumptions are used to forecast the Town's fiscal capacity and provide the financial framework within which the proposed Department service levels must be developed. They also serve as the basis to test the potential impacts of proposed policy and operational modifications based upon the Town Council's most recently adopted Strategic Priorities.

Indicative of the continued strength in the local economy, the first year of the Five-Year forecast provides some limited opportunities to fund non-discretionary increases related to various costs such as contractually obligated increases and unavoidable increases in certain employee benefit costs such as pension and healthcare. The forecast includes General Fund one time uses for both salaries and benefits for temporary employees to provide help with special projects, temporary workload relief, and mandated costs.

The table on the next page summarizes the most recent Five-Year Financial Plan prepared in early May 2019. The updated Five-Year Financial Plan spans FY 2019/20 – 2024/25.

Town of Los Gatos General Fund 5-Year Forecast
(in \$ million)

Account	Revenue Category	2018/19 Estimates	2019/20 Budget	2020/21 Forecast	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast
4100	Property Tax	\$ 13.5	\$ 14.2	\$ 13.6	\$ 14.5	\$ 15.1	\$ 15.6	\$ 16.0
4110	VLF Backfill Property Tax	3.7	3.8	3.9	4.0	4.1	4.3	4.4
4200	Sales & Use Tax	7.6	8.0	8.0	8.1	8.1	8.2	8.4
4250	Franchise Fees	2.4	2.5	2.5	2.6	2.7	2.8	2.9
4251	Transient Occupancy Tax	2.6	2.8	2.9	2.9	2.9	3.0	3.0
4400	Business License Tax	1.5	1.4	1.4	1.4	1.4	1.4	1.4
4400	Licenses & Permits	2.8	3.4	3.1	3.2	3.3	3.4	3.5
4500	Intergovernmental	0.8	1.0	0.7	0.7	0.7	0.7	0.8
4600	Charge for Services	4.0	4.3	4.2	4.3	4.4	4.5	4.6
4700	Fines & Forfeitures	0.5	0.5	0.5	0.5	0.5	0.5	0.6
4800	Interest	0.9	0.6	0.4	0.4	0.4	0.4	0.4
4850	Other Sources	6.9	2.3	1.5	1.5	1.5	1.5	1.5
4900	Fund Transfers In	1.5	0.5	0.5	0.5	0.5	0.5	0.5
TOTAL OPERATING REVENUES & TRANSFERS*		\$ 48.9	\$ 45.3	\$ 43.2	\$ 44.6	\$ 45.6	\$ 46.8	\$ 48.0
	Use of Capital/Special Project Reserve - Capital	2.3	5.7	0.6	0.6	0.6	0.6	0.6
	Use of Pension/OPEB Reserve	3.2	0	0	0	0	0	0
	Use of Capital/Special Project Reserve - Other	1.1	0	0	0	0	0	0
	Use of Compensated Absences	0	1.1	0	0	0	0	0
TOTAL REVENUES, TRANSFERS, AND USE OF RESERVES		\$ 55.5	\$ 52.1	\$ 43.8	\$ 45.2	\$ 46.2	\$ 47.4	\$ 48.6

Account	Expenditure Category	2018/19 Estimates	2019/20 Budget	2020/21 Forecast	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast
5110	Salary	18.2	20.0	19.7	19.9	20.0	20.0	20.0
5120	CalPERS Benefits	5.3	6.9	7.3	7.8	8.3	8.5	8.7
5200	All Other Benefits	3.5	4.1	4.2	4.4	4.4	4.5	4.6
6211	OPEB Pay as You Go	1.2	1.2	1.3	1.3	1.4	1.4	1.4
6000	Operating Expenditures	7.1	6.6	5.6	5.6	5.8	5.9	6.3
7200	Grants & Awards	0.3	0.2	0.2	0.2	0.2	0.2	0.2
7400	Utilities	0.5	0.5	0.6	0.6	0.6	0.6	0.6
8060	Internal Service Charges	2.5	2.3	2.5	2.6	2.7	2.8	2.8
8900	Debt Service	1.9	1.9	1.9	1.9	1.9	1.9	1.9
TOTAL OPERATING EXPENDITURES		\$ 40.4	\$ 43.7	\$ 43.3	\$ 44.3	\$ 45.3	\$ 45.8	\$ 46.5
	GASB 45 Retiree Medical Actuarial	1.1	1.1	0.7	0.7	0.7	0.6	0.6
	Additional Discretionary Payment - Pension	0.4	0.4	0.4	0.4	0.4	0.4	0.4
TOTAL OPERATING & DISCRETIONARY EXPENDITURES		\$ 41.9	\$ 45.2	\$ 44.4	\$ 45.4	\$ 46.4	\$ 46.8	\$ 47.5
	Capital Transfers Out to GFAR	2.3	5.7	0.6	0.6	0.6	0.6	0.6
	Transfer to Internal Service Funds	0.5	1.1	0	0	0	0	0
	Pension/OPEB Transfer to PARS	3.2	0	0	0	0	0	0
	Allocate to Compensated Absences	1.9	0	0	0	0	0	0
	Surplus	1.0	0	0	0	0	0	0
	Allocate to Property Surplus Reserve	1.9	0	0	0	0	0	0
TOTAL EXPENDITURES & RESERVE ALLOCATIONS		\$ 52.7	\$ 52.0	\$ 45.0	\$ 46.0	\$ 47.0	\$ 47.4	\$ 48.1
NET REVENUES RESERVE TRANSFERS LESS EXPENDITURES & RESERVE ALLOCATIONS		\$ 2.8	\$ 0.1	\$ (1.2)	\$ (0.8)	\$ (0.8)	\$ -	\$ 0.5

* Due to rounding of individual categories FY 2018/19 Total Revenues and Transfers includes \$0.2 million.

STATE BUDGET IMPACTS

Details on the State of California FY 2019/20 Proposed Budget will be available as part of the Governor's May Revised Budget and it is not expected to be materially different from the Governor's FY 2019/20 Proposed Budget released in January 2019.

Regarding transportation revenues, the Governor allocated about \$206 million for local road maintenance and repairs, \$485 million for transit, \$358 million to improve trade corridors, and \$120 million for State highway maintenance. The estimated Gas Tax revenue totals approximately \$1.2 million for FY 2019/20 due to the recently enacted Road Recovery and Repair Act of 2017 (SB1). These funds can only be used for new construction and reconstruction of Town streets.

ONGOING BUDGET CONSTRAINTS:

Fire Protection Services

Fire Protection Services for the Town of Los Gatos are provided by the Santa Clara County Central Fire Protection District. These services have been provided under an annexation agreement effective March 18, 1970 in which the tax rate then in effect for Town's fire protection services was essentially transferred to the County's Central Fire Protection District. Based upon the latest assessed valuation reports provided by the County of Santa Clara, the property tax collected from Los Gatos residents for FY 2018/19 and remitted to the Santa Clara County Central Fire Protection District for fire protection services is estimated to be approximately \$15.2 million.

Unfunded Other Post-Employment Benefits (OPEB) and Pension Liabilities

The Town's pension unfunded actuarial liability (UAL) as of June 30, 2017 (the "date of value" for our most up to date actuarial valuation from the California Public Employees Retirement System or "PERS") is approximately \$52.5 million. The Town's unfunded actuarial OPEB liabilities are projected to total approximately \$11.1 million.

In March 2017, the Town appointed three residents with financial expertise as non-voting members to the Town Council Finance Committee. The Committee is providing valuable guidance to the Town Council and staff in the development of long term strategies to pay down and manage OPEB and pension liabilities.

CONCLUSION

While the national, state, and local economy appears to remain positive, it is likely that the economy will weaken within the next couple of years. For this reason, the FY 2019/20 budget proposes to maintain the status quo of the Town's high service levels with minimal staffing additions, while also addressing the Town Council's priorities.

In light of future projections, opportunities to enhance service delivery, while lowering operating costs through resource and workload redeployments and organizational restructuring continue to be explored. Developments at the local and State level, including unanticipated changes in major revenue sources or unforeseen State revenue “takes,” will be brought to Town Council’s attention in a timely manner so that an appropriate action can be taken.

Building on the progress of the past, we are cautiously programming for the future. With this budget, we continue to fund important priorities, including: bicycle and pedestrian improvements, pavement maintenance, additional discretionary funds toward pension obligations, emergency preparedness, replacement of aging equipment, and maintenance of older facilities. In addition, the Proposed Budget provides resources for the Town Council’s new Strategic Priorities, such as a comprehensive parking study, other transportation demand management options, and a downtown one-way street pilot.

I wish to thank all of the Departments, including Department Directors and the members of their management, analytical, and support staff, who worked diligently on the preparation of this budget document. In addition, I would like to recognize the efforts of the entire Finance Department and the Assistant Town Manager:

Stephen Conway, Finance Director
Gitta Ungvari, Finance and Budget Manager
Mark Gaeta, Accountant
Melissa Ynegas, Administrative Analyst
Diane Howard, Payroll Technician
Kenneth Stiles, Administrative Technician
Arn Andrews, Assistant Town Manager

Respectfully submitted,

A handwritten signature in dark ink, reading "Laurel Prevetti". The signature is written in a cursive, flowing style.

Laurel Prevetti
Town Manager



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Town of Los Gatos
California**

For the Fiscal Year Beginning

July 1, 2018

Christopher P. Merrill

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) has presented a Distinguished Budget Presentation Award to the Town of Los Gatos, California for its annual budget since the fiscal year beginning July 1, 2003. In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



FUND DESCRIPTIONS

The basic accounting and reporting entity for the Town is a fund. A fund is "an independent fiscal and accounting entity used to record all financial transactions related to the specific purpose for which the fund was created." Funds are established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Funds used in government are classified into three broad categories: governmental, proprietary, and fiduciary. Governmental funds include activities usually associated with a typical state or local government's operations (public safety, general government activities, etc.). Proprietary funds are used in governments to account for activities often found in the private sector (utilities, stadiums, and golf courses are prime examples). Trust and Agency funds are utilized in situations where the government is acting in a fiduciary capacity as a trustee or agent. The various funds are grouped in fund types and categories as follow:

MAJOR AND NON-MAJOR GOVERNMENTAL FUNDS

These funds support activities usually associated with the governmental entities' operation (police, fire, and general government functions).

General Fund

The **General Fund is a Major Fund** and is the chief operating fund of the Town. All general tax revenues and other receipts not allocated by law or some other contractual agreement to other funds are accounted for in the General Fund. Expenditures of this fund include the general operating expenses traditionally associated with governments such as administration, engineering, and public safety.

Special Revenue Funds

Special Revenues Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. The following funds are **Non-Major Special Revenue Funds**:

- **Non-Point Source Maintenance Fund** - budgets and accounts for environmental services such as storm water management.
- **Community Development Block Grant Fund** - budgets and accounts for federal Community Development Block Grant monies.
- **Landscape and Lighting Special Assessment District Funds** - budgets and accounts for revenues and expenditures within special districts. The Town provides maintenance of the trees, landscaping, irrigation systems, lighting, sound wall and fences for improvements in the public right-of-way, within specific district boundaries.

∞ FUND DESCRIPTIONS ∞

Capital Project Funds

Capital Project Funds are used to account for the acquisition, construction, and improvement of capital facilities other than those financed by proprietary funds. The Town accounts for the following **Major Capital Project Funds**:

- **General Fund Appropriated Reserve** – established to provide resources for capital projects not fully funded from other sources.

The Town also accounts for the following **Non-Major Capital Project Funds**:

- **Storm Drain Basin Project Funds** – established to account for fees paid in conjunction with the development in three drainage areas.
- **Construction Tax Fund** – established to levy a tax based upon building additions or alterations. The types of taxes imposed include Capital Improvement, Utility Underground, and Parks.
- **Gas Tax Fund** – established to budget and account for revenues and expenditures pertaining to the maintenance and construction of Town streets.

NON-MAJOR PROPRIETARY FUNDS

There are two classifications of Proprietary Funds: Enterprise Funds and Internal Service Funds. Enterprise Funds are used to account for activities that are operated in a manner similar to a private business enterprise, where the cost of the goods or services are to be financed or recovered primarily through user charges. The Town does not currently utilize Enterprise Funds.

Internal Service Funds

Used to account for the revenues and expenditures of services provided to Town Departments. The Town has several **Non-Major Internal Service Funds**:

- **Equipment Replacement Fund** – established to accumulate monies for the replacement of major Town equipment and vehicles. When vehicles and equipment are acquired at a cost greater than \$10,000, a normal life span is calculated, and replacement costs are charged directly to the Departments over that life span with funds accruing to the Equipment Reserve Fund.
- **Vehicle Maintenance Fund** – established to budget and account for the cost of operating, maintaining and replacing automotive equipment used by other Town Departments. This fund is being discontinued with the Fiscal Year 2019/20 Budget. Any fund balance will be added to the General Fund Assigned Reserve. The actual reserve balance will be determined at the year-end close.
- **Information Technology (IT) Fund** – established to budget and account for the cost of maintaining, replacing, and updating existing information technology used by Town Departments.
- **Office Stores Fund** - established to budget and account for photocopy equipment, postage and bulk meter expenses are controlled at one source point and expended to the Departments as they requisition the goods or services. Photocopies are charged to Departments at \$.05/copy. This fund is being discontinued with the Fiscal Year 2019/20 Budget. Any fund balance will be added to the General Fund Assigned Reserve. The actual reserve balance will be determined at the year-end close.

∞ FUND DESCRIPTIONS ∞

- **Workers' Compensation Fund** – established to budget and account for revenues derived from charges made to operating Departments at rates based on the State Compensation Fund, annually adjusted to ensure an adequate reserve for future claims. This fund is charged for administrative costs of settling claims as well as material and other costs of job-related illness or injury.
- **The Pooled Liability Assurance Network (PLAN) Self-Insurance Fund** - established to ensure an adequate reserve for future property and liability claims.

FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by the Town acting in a fiduciary capacity for other entities and individuals. Such funds are operated to carry out the specific actions of trust agreements, ordinances and other governing regulations. There are two categories of fiduciary funds, Trust and Agency.

Trust Funds

Accounts for assets held by the Town in a trustee capacity under formal trust agreement. The Town currently administers the following funds:

- **Library Trust Fund** - established to account for the accounts for assets held in trust, through receipt of donations and bequests. Funds received from individuals, services organizations, and a library specific non-profit organization.
- **Clelles Ness Trust** – established to account for the accounts for a specific bequest subject to an agreement made for its use.
- **Susan McClendon Trust** – established to account for the accounts for a specific bequest subject to an agreement made for its use.
- **Barbara Jones Cassin Trust** – established to account for the accounts for a specific bequest subject to an agreement made for its use.
- **RDA Successor Agency Private Purpose Trust Fund** – established to account for the assets and liabilities transferred from the dissolution of the Town's former Redevelopment Agency and the continuing operations related to the existing Redevelopment Agency obligations.

Debt Service Funds

A fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.



FINANCIAL PRACTICES

REVENUE

- The Town maintains a diversified revenue base that is locally generated to shelter the community from fluctuations in any one revenue source.
- The Town audits and collects all locally generated taxes.
- The Town establishes and maintains all user charges and fees based on the cost of providing services.

BUDGETING and EXPENDITURE

- The Town Council considers and adopts an annual balanced budget effective from July 1st to June 30th of the following calendar year. A balanced budget requires current year operating expenses to be fully funded by current year revenues and identified undesignated/unreserved fund balance.
- Fund Balance Reserves are used only for non-recurring “one-time” and capital projects and not for on-going operations.
- Long-term debt is confined to capital improvements or special projects that cannot be financed from current revenues.
- The Town Manager is authorized to implement the programs as approved in the adopted budget. Within a specific fund the Town Manager may transfer appropriations between categories, Departments, projects, and programs as needed to implement the adopted budget.
- With the approval of the Town Manager, unexpected appropriations may be carried forward to the next fiscal year provided funds have been previously encumbered for a specific purpose.
- The annual budget includes a \$100,000 Designated Contingency for non-recurring, unanticipated expenditures. The Town Manager may approve expenditures from this contingency if needed during the fiscal year.
- A capital outlay (fixed asset) purchase is any single item or piece of equipment which costs more than \$10,000 and has an expected useful life exceeding one year.
- A mid-year budget report is submitted to the Town Council to provide information on the status of the Town’s financial condition.

FUND BALANCE RESERVES

Reserves are established, dedicated, and maintained annually to meet known and estimated unknown future liabilities through actions of the Town Council.

- The specific Fund Balance reserve accounts include but are not limited to a restricted reserve for:

∞ FINANCIAL PRACTICES ∞

- ▶ A fully funded workers' compensation and unemployment insurance
- ▶ Liability insurance including one year's premium payment to the insurance carrier or pool
- Reserves are maintained at a minimum of 25% of General Fund ongoing operating expenditures, equally divided between the Catastrophic Reserve (12.5%) and the Budget Stabilization Reserve (12.5%).

When either fund drops below the minimum, per Town Council adopted policy, Town Council is required to develop a one to five-year reserve replenishment plan to meet the minimum threshold of 25% of General Fund ongoing, operating expenditures, excluding one-time expenditures.

- A reserve is maintained for the depreciation and replacement of equipment.
- A reserve is maintained for the maintenance of buildings.
- Pension/Other Post Employment Benefits (Pension/OPEB) Reserve is maintained to use as a supplemental funding source to pay down unfunded pension and other post employment liabilities.

Amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. Examples of assigned fund reserves:

- Compensated Absences – A reserve is maintained annually to fund 50% of all vested hours of vacation earnings.
- Open Space – Town Council established this reserve in FY 1998/99 with an initial balance of \$500,000 to be used for the preservation of open space, connection of open space trails, the definition of the southern boundary of the Town with passive open space, and protection of unique natural features.
- Sustainability – Established by Town Council in FY 2008/09 budget by closing the Solid Waste Management Fund and placing the initial residual fund balance of \$296,554 in a General Fund reserve dedicated for conservation, recycling, and sustainability.
- Authorized Carry forward - A reserve is maintained for materials and services on approved purchase order and contracts which were issued but not finalized or fulfilled as of the end of the fiscal year but for which funds will be carried forward to the following fiscal year.
- Vehicle Maintenance and Stores Residual – A reserve established to hold the residual fund balances transferred to the Town's General Fund upon closing the Vehicle Maintenance and Stores Internal Service Funds for future Council reallocation.
- Surplus Property – A reserve established for placing the proceeds from surplus property sales until further Town Council reallocation.
- Capital/Special Projects Reserve – Funds reserved under this category are designated for key infrastructure and capital/special projects as identified in the Town's 5-year Capital Improvement Plan, as there is no ongoing funding source to support the Town's capital needs.

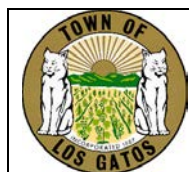
CAPITAL IMPROVEMENT

Capital Improvement Projects are funded by the following revenue sources:

- Available General Fund Reserves
 - Gas Taxes
 - Construction Fund Fees
 - Utility
 - Capital
 - Parks
 - Storm Drain Basin Fees
 - Grant Funding
 - Other state and federal funding sources as they become available
-
- The multi-year plan for capital improvements is updated annually. Future capital expenditures will be projected annually for a 5-year period based on changes in Council priorities or replacement of the infrastructure.
 - The annual Capital Improvement Plan is based on the multi-year Capital Improvement Program.
 - The Town coordinates the development of the Capital Improvement Plan with the development of the Operating Budget.
 - The Town identifies the estimated costs and potential funding sources for each capital project proposed prior to its submittal to the Town Council for approval.
 - Capital projects financed by issuing bonds are paid back within a period not to exceed the useful life of the project.
 - The Town Manager is authorized to implement the projects as approved in the adopted Capital Improvement Plan. Within a specific fund, the Town Manager may transfer appropriations between projects as needed to implement the adopted Capital Improvement Plan.



GENERAL FUND RESERVE POLICY



TOWN OF
LOS GATOS
CALIFORNIA

COUNCIL POLICY MANUAL

Small Town Service

Community Stewardship

Future Focus

TITLE: General Fund Reserve Policy

POLICY NUMBER: 4-03

EFFECTIVE DATE: 05/16/2011

PAGES: 7

ENABLING ACTIONS:

**REVISED DATES: 02/21/2017;
05/15/2018; 6/4/2019**

APPROVED:/S/ Rob Rennie

PURPOSE

The purpose of this Policy is to establish a target minimum level of designated reserves in the General Fund to:

- Reduce the financial impacts associated with a disaster or catastrophic event;
- Respond to the challenges of a changing economic environment, including prolonged downturns in the local, state, or national economy; and
- Demonstrate continued prudent fiscal management and creditworthiness.

BACKGROUND

The Town of Los Gatos has always maintained a high level of General Fund reserves, which has contributed to superior ratings by credit rating agencies; provided financial flexibility in economic downturns; contributed a source of investment income for General Fund operations; and assured financial coverage in the event of future emergencies.

GUIDING PRINCIPLES

Following sound financial practices and adhering to the Government Finance Officers of American (GFOA) recommendations, the Town's designated reserves include reserves for known and unknown contingencies, which take into consideration the:

- Diversity of revenue base
- Volatility of revenue structure
- Changes in political environment

General Fund Reserve Policy

TITLE: General Fund Reserve Policy	PAGE: 2 of 7	POLICY NUMBER: 4-03

- Frequency of operating surpluses/deficits
- Cash flow management practices

The General Fund Reserve Policy is to be reviewed by the Town Council as part of the annual operating budget review and adoption process.

POLICY

The fund balance is the difference between the assets and liabilities reported in a governmental fund. Under current accounting standards, there are five separate components of fund balance, each of which identifies the extent to which the Town is bound to honor constraints on the specific purposes for which amounts can be spent.

The following components are defined by Governmental Accounting Standards Board (GASB) Statement No. 54 and shall constitute the Town's Fund Balance:

- *Nonspendable Fund Balance* (inherently nonspendable)
- *Restricted Fund Balance* (externally enforceable limitations on use)
- *Committed Fund Balance* (self-imposed limitations on use)
- *Assigned Fund Balance* (limitation resulting from intended use)
- *Unassigned Fund Balance* (residual net resources)

The first two components listed above are not specifically addressed in this Policy due to the nature of their restrictions. The example of nonspendable fund balance is inventory. Restricted fund balance is either imposed by law or constrained by grantors, contributors, or laws or regulations of other governments. This Policy is focused on financial reporting of unrestricted fund balance, or the last three components listed above. These three components are further defined below.

The accounting policies of the Town consider restricted fund balance spent first when expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts of the unrestricted classifications of fund balance could be used, the Town considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts.

General Fund Reserve Policy

TITLE: General Fund Reserve Policy	PAGE: 3 of 7	POLICY NUMBER: 4-03

Committed Fund Balance

The Town Council, as the Town's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal action taken, such as an ordinance or resolution. These committed amounts cannot be used for any other purpose, unless the Town Council removes or changes the specific use through the same type of formal action taken to establish the commitment. The Town Council action to commit fund balance needs to occur within the fiscal reporting period; however, the amount can be determined subsequently at the final close of the fiscal year.

The Town currently sets aside funds into four committed reserves to address unforeseen emergencies or disasters, significant changes in the economic environment, unfunded pension and Other Post-Employment Benefits (OPEB) obligations, and key infrastructure and capital projects. These include the Catastrophic Reserve, Budget Stabilization Reserve, Pension (OPEB) Reserve and Almond Grove Street Projects Reserve.

Catastrophic Reserve

Funds reserved under this category shall be used to mitigate costs associated with unforeseen emergencies, such as a disaster or catastrophic event. Should unforeseen and unavoidable events occur that require the expenditure of Town resources beyond those provided for in the annual budget, the Town Manager or designee shall have authority to approve Catastrophic Reserve appropriations. The Town Manager or designee shall then present to the Town Council a budget amendment confirming the nature of the emergency and authorizing the appropriation of reserve funds.

The Town currently commits to maintaining this reserve at a minimum of 12.5% of General Fund ongoing operating expenditures (minus one-time expenditures).

Should a catastrophic disaster occur, the required reserve level should be adequate to meet the Town's immediate financial needs. For example, in the event of natural disaster, the Catastrophic Reserve would provide necessary coverage for basic operating expenses, including salary and benefits for safety and non-safety Town employees, while still meeting debt service obligations for approximately 60 days. This time frame would enable the Town to explore other available cash alternatives, including the use of internal service funds.

Budget Stabilization Reserve

Funds reserved under this category shall be used to mitigate annual revenue shortfalls (actual revenues less than projected revenues) due to changes in the economic environment and/or

General Fund Reserve Policy

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one-time uses that will result in future efficiencies and/or budgetary savings. Examples of “economic triggers” and one-time uses include, but are not limited to:

- An unplanned, major event such as a catastrophic disaster requiring expenditures which exceed the General Fund Catastrophic Reserve;
- Drop in projected/actual revenue of more than five percent in property or sales tax, or other economically sensitive revenues;
- Budgeted revenue taken over by another entity exceeding \$100,000;
- Loss of businesses considered to be significant sales tax generators;
- Reductions in projected/actual revenue of more than five percent due to actions by the state/federal government;
- Workflow/technical system improvements to reduce ongoing, personnel costs and enhance customer service;
- One-time maintenance of service levels due to significant economic/budget constraints; and
- One-time transitional costs associated with organizational restructuring to secure long-term personnel cost savings.

The Town currently commits to maintaining this reserve at a minimum of 12.5% of General Fund ongoing operating expenditures (minus one-time expenditures).

Should a loss of the Town’s single highest source of sales tax revenue occur, the required reserve level should be adequate to meet the Town’s immediate financial needs. For example, the reserve level in the Budget Stabilization Fund would provide for an approximate 3-year transition period, giving the Town adequate time to realign its operating costs with available resources, while minimizing service impacts.

Pension/OPEB Reserve

Funds reserved under this category shall be used to further mitigate costs associated with pension and OPEB unfunded obligations. These funds will be used as a funding source for potential additional discretionary payments to pay down unfunded pension and other post-employment obligations, or held in the reserve account to be used as a supplemental funding source for unanticipated increases to the annual pension and other post-employment costs resulting from future actuarial assumptions and investment market volatility.

This Policy requires the Town to set aside additional annual discretionary payments (ADPs) to reduce the effective amortization period of the Town’s pension unfunded actuarial liabilities

General Fund Reserve Policy

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from approximately 30 years to 20 years. To facilitate the implementation of this Policy, staff shall update the estimated unfunded amortization schedules in conjunction with the Town's and CalPERS actuaries. This process will coincide with the annual proposed budget process to determine the additional annual discretionary payment levels required to maintain the goal of lowering the amortization period from a 30-year to a 20-year amortization period for all prior year actuarial bases through FY 18/19. The ADP is currently projected at \$390,000 for FY 2018/19 (subject to annual updates provided by CalPERS actuaries). Per Council direction ADPs will either be allocated directly to CalPERS, the Town's Pension IRS 115 Trust Fund, or the OPEB IRS 115 Trust Fund.

As part of the proposed budget for each forthcoming fiscal year, staff shall annually appropriate, to the extent possible, the amount of annual discretionary payments necessary to maintain the unfunded pension liability amortization shortening from 30 to 20 years.

In the event the annual amount required for additional discretionary payments is not available from operating revenues, the ADP shall be funded by a first lien on any one-time excess revenues above expenditures once other General Fund required reserve levels have been established at the appropriate levels as per the Town's General Fund Reserve Policy. If in any given year neither budgetary appropriations or a first lien on one-time excess revenues are sufficient to fund the annual ADP, that years ADP will be accrued to the following year until paid.

Additionally, effective upon the close of fiscal year 2015/16 and thereafter, if sufficient General Fund year-end savings are available and targeted reserve levels of 25% (12.5% for Catastrophic Reserve and 12.5% for Budget Stabilization Reserve) of the next fiscal year's operating budget and the funding the following year's proposed budget ADP have been met, upon final close of the fiscal year, a minimum of \$300,000 annually shall be deposited into the Pension/OPEB Reserve fund. In addition, Council can assign additional amount deposited to the Pension/OPEB Reserve with a formal Council action from available year end savings.

Almond Grove Street Project Reserve

Funds reserved under this category shall be used to reconstruct the 10 streets identified in the Almond Grove Street Rehabilitation Project specification.

The Council awarded the bid in April 2017 allowing for \$2.9 million savings within the project. The Council reappropriated the use of the savings through the FY 2017/18 budget process. The Almond Grove Reserve should be reduced by the identified \$2.9 million savings. The Almond Grove Street Reserve balance will be reduced at each fiscal year end by the funds expended on the Almond Grove Street Rehabilitation Project during the fiscal year.

General Fund Reserve Policy

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Assigned Fund Balance

Amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. This Policy hereby delegates the authority to assign amounts to be used for specific purposes to the Town Manager for the purpose of reporting to assign amounts in the annual financial statements. A few examples of assigned fund balance follow.

- Encumbrances – material s and services on purchase order and contracts which are unperformed.
- Reappropriations – appropriated by the Council for specific projects or programs that were not completed and not encumbered by year end.
- GASB 31 Adjustments – unrealized investment gains that have been recorded in the financial statements in accordance with GASB 31.

Capital and Special Projects Reserve

Funds reserved under this category are designated for key infrastructure and capital/special projects as identified in the Town 5-year Capital Improvement Plan, as there is no ongoing funding source to support the Town's capital needs.

Unassigned Fund Balance

At the end of each fiscal year, the Finance Department reports on the audited year-end budgetary fiscal results. Should actual General Fund revenues exceed expenditures and encumbrances, a year-end operating surplus shall be reported. Any year-end surplus which results in the General Fund balance exceeding the level required by this Reserve Policy shall be available for allocation for the following, subject to Council approval:

- Offset projected future deficits
- Anticipated intergovernmental fiscal impacts
- One-time funding, non-recurring needs

∞ General Fund Reserve Policy ∞

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Upon funding any of the above reserve levels pursuant to this General Fund Reserve Policy, any remaining surplus of fiscal year revenues above expenditures shall be placed in the Capital and Special Projects Reserve for appropriation within the Capital Improvement Program budget.

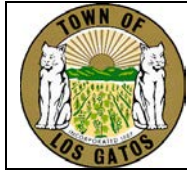
Replenishment of Unreserved Fund Balance

In keeping with the principles discussed in this Policy, when either fund is used, Town Council will develop a 1 to 5 year reserve replenishment plan to meet the minimum threshold of 25% of General Fund ongoing, operating expenditures, excluding one-time expenditures.

/S/Robert Schultz, Town Attorney



LONG TERM DEBT POLICY



TOWN OF
LOS GATOS
CALIFORNIA

COUNCIL POLICY MANUAL

Small Town Service Community Stewardship Future Focus

TITLE: Long Term Debt Policy

POLICY NUMBER: 4-01

EFFECTIVE DATE: 11/2/16

PAGES: 3

ENABLING ACTIONS: 2016-062

REVISED DATES:

APPROVED:/S/ Barbara Spector

PURPOSE

The Long Term Debt Policy sets forth certain debt management objectives for the Town and establishes overall parameters for issuing and administering the debt for which the Town is financially obligated or is responsible for managing.

SCOPE

The following long term debt policy sets the considerations for issuing debt and provides guidance in the timing and structuring of long term debt commitments.

POLICY

GENERAL PRACTICES

1. The Town will seek to maintain and improve the current bond rating in order to minimize borrowing costs and preserve access to credit.
2. Bond issue proposals are to be accompanied by an analysis defining how the new issue, combined with current debt, impacts the Town's debt capacity and conformance with Town debt policies.
3. Debt Service costs [General Obligation (GO) Bond, Certificate of Participation (COP), Revenue Bond, and Contractual Debt] are not to exceed 25% of the Town's operating revenue.
4. A ratio of current assets to current liabilities of at least 2/1 will be maintained to ensure the Town's ability to pay short-term obligations.

TITLE: Long Term Debt Policy	PAGE: 2 of 3	POLICY NUMBER: 4-01

THE TOWN WILL CONSIDER THE ISSUANCE OF LONG TERM OBLIGATIONS UNDER THE FOLLOWING CONDITIONS:

1. The Town will use debt financing only for one-time capital improvement projects and unusual equipment purchases, and only under the following circumstances:
 - a. When the project is included in the Town's five-year capital improvement program and is in conformance with the Town's General Plan.
 - b. When the project is not included in the Town five-year capital improvement plan, but it is an emerging critical need whose timing was not anticipated in the five-year capital improvement program, or it is a project mandated immediately by State or Federal requirements.
 - c. When the project's useful life, or the projected service life of the equipment, will be equal to or exceed the term of the financing.
 - d. When there are designated revenues sufficient to service the debt, whether from project revenues, other specified and reserved resources, or infrastructure cost-sharing revenues.
 - e. Debt financing (other than tax and revenue anticipation notes) is not considered appropriate for any recurring purpose such as current operating and maintenance expenditures.
2. The costs of developing and maintaining the Successor Agency to the Town of Los Gatos Redevelopment Agency (Agency) long term debt policy will be borne by the Agency and will be developed in conjunction with amendments to existing redevelopment project area plans and/or new proposals to issue debt by the Successor Agency to the Town of Los Gatos Redevelopment Agency.
3. The Town will follow all State and Federal regulations and requirements regarding bond provisions, issuance, taxation and disclosure.
4. Costs incurred by the Town, such as bond counsel and financial advisor fees, printing, underwriters' discount, and project design and construction costs, will be charged to the bond issue to the extent allowable by law.
5. The Town will monitor compliance with bond covenants and adhere to federal arbitrage and disclosure regulations.

⌂ Long Term Debt Policy ⌂

TITLE: Long Term Debt Policy	PAGE: 3 of 3	POLICY NUMBER: 4-01

PROCEDURES

This Long Term Debt Policy shall be adopted by resolution of the Town Council. The Treasurer shall present this Long Term Debt Policy as needed to the Town Council for review to ensure its consistency with the Town's long term debt objectives, and current law. Any amendments to this Long Term Debt Policy shall be approved by the Town Council.

/S/ Robert Schultz, Town Attorney



INVESTMENT POLICY

		TOWN OF LOS GATOS CALIFORNIA		COUNCIL POLICY MANUAL Small Town Service Community Stewardship Future Focus	
TITLE: Investment Policy				POLICY NUMBER: 4-02	
EFFECTIVE DATE: 11/1/2016				PAGES: 10	
ENABLING ACTIONS: 2016-063			REVISED DATES: 5/16/2017; 5/15/2018; 9/3/2019		
APPROVED:/S/ Rob Rennie					

PURPOSE

The Town of Los Gatos (the “Town”), incorporated in 1887, is located approximately 60 miles south of San Francisco, in the southwestern portion of Santa Clara County. The Town operates under the Council/Manager form of government. The Town Council is the legislative body for the Town. It has five members elected to serve staggered four year terms. The Town Manager is appointed by the Town Council.

The Town Council has adopted this Investment Policy in order to establish the investment scope, objectives, delegation of authority, standards of prudence, reporting requirements, internal controls, eligible investments and transactions, diversification requirements, risk tolerance, and safekeeping and custodial procedures for the investment of the funds of the Town. All Town funds will be invested in accordance with this Investment Policy and with applicable sections of the California Government Code.

This Investment Policy was originally adopted by the Town Council of the Town of Los Gatos November 1, 2016. Town Council adopted revisions replace any previous investment policy or investment procedures of the Town.

SCOPE

This Investment Policy applies to all of the Town's short-term operating funds. These funds are described in the Town's annual financial report and include, but are not limited to:

General Fund

Special Revenue Funds

Capital Project Funds

Debt Service Funds

Enterprise Fund

Internal Service Funds

Fiduciary Funds

Investment Policy

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Specifically excluded from this Investment Policy are amounts which are held by a trustee or fiscal agent and pledged as payment or security for bonds or other indebtedness, obligations under a lease, or obligations under certificates of participation. Such funds are invested in accordance with statutory provisions, ordinance, resolution, or indenture governing the issuance of the obligations. In addition, this Investment Policy is not applicable to the Town's Deferred Compensation Plan. These investments are directed by each employee participant in accordance with the rules of the Deferred Compensation Plan.

POLICY

OBJECTIVES

The Town's funds shall be invested in accordance with all applicable Town policies and codes, State statutes, and Federal regulations, and in a manner designed to accomplish the following objectives, which are listed in priority order:

1. Preservation of capital and protection of investment principal.
2. Maintenance of sufficient liquidity to meet anticipated cash flows.
3. Attainment of a market value rate of return.
4. Diversification to avoid incurring unreasonable market risks.

DELEGATION OF AUTHORITY

Management responsibility for the Town's investment program is delegated annually by the Town Manager to the Town Treasurer/Finance Director (the "Treasurer") pursuant to California Government Code Section 36510. The Treasurer may delegate the authority to conduct investment transactions and to manage the operation of the investment portfolio to other specifically authorized staff members. The Treasurer shall maintain a list of persons authorized to transact securities business for the Town. No person may engage in an investment transaction except as expressly provided under the terms of this Investment Policy.

The Treasurer shall develop written administrative procedures and internal controls, consistent with this Investment Policy, for the operation of the Town's investment program. Such procedures shall be designed to prevent losses arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees.

The Town may engage the support services of outside investment advisors in regard to its investment program, so long as it can be demonstrated that these services produce a net financial advantage or necessary financial protection of the Town's financial resources.

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PRUDENCE

The standard of prudence to be used for managing the Town's investments shall be California Government Code Section 53600.3, the prudent investor standard which states, "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency."

The Town's overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The Town recognizes that no investment is totally without risk and that the investment activities of the Town are a matter of public record. Accordingly, the Town recognizes that occasional measured losses may occur in a diversified portfolio and shall be considered within the context of the overall portfolio's return, provided that adequate diversification has been implemented and that the sale of a security is in the best long-term interest of the Town.

The Treasurer and authorized investment personnel acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that the deviations from expectations are reported in a timely fashion to the Town Council and appropriate action is taken to control adverse developments.

ETHICS AND CONFLICTS OF INTEREST

Elected officials and Town employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or could impair or create the appearance of an impairment of their ability to make impartial investment decisions. Elected officials and Town employees shall disclose to the Town Council any business interests they have in financial institutions that conduct business with the Town and they shall subordinate their personal investment transactions to those of the Town. In addition, the Town Manager and the Treasurer shall file a Statement of Economic Interests each year pursuant to California Government Code Section 87203 and regulations of the Fair Political Practices Commission.

SOCIALLY RESPONSIBLE INVESTING

In addition to and subordinate to the objectives set forth above, investment of funds should be guided by the following socially responsible investment goals when investing in corporate securities and depository institutions. Investments shall be made in compliance with the responsible investment goals to the extent that such investments achieve substantially equivalent safety, liquidity and yield compared to other investments permitted by state law.

Investment Policy

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(1) Environmental, Social Responsibility and Governance Concerns

Investments are encouraged in entities that support community well-being through safe and environmentally sound practices and fair labor practices. Investments are encouraged in entities that support equality of rights regardless of sex, race, age, disability or sexual orientation. All corporate securities within the portfolio will be monitored by an independent third-party who will provide the Town with an ESG (Environmental, Social Responsibility, and Governance) rating. The Town will prefer companies when appropriate that maintain a higher ESG rating as opposed to those companies that have a lower ESG Rating.

(2) Community Investments

Investments are encouraged in entities that promote community economic development, and investments are discouraged in entities that finance high-cost check-cashing and deferred deposit (payday-lending) businesses. Investments are encouraged in entities that have a demonstrated involvement in the development or rehabilitation of low income affordable housing, and have a demonstrated commitment to reducing predatory mortgage lending and increasing the responsible servicing of mortgage loans. Securities investments are encouraged in financial institutions that have a Community Reinvestment Act (CRA) rating of either Satisfactory or Outstanding, as well as financial institutions that are designated as a Community Development Financial Institution (CDFI) by the United States Treasury Department, or otherwise demonstrate commitment to community economic development.

AUTHORIZED SECURITIES AND TRANSACTIONS

All investments and deposits of the Town shall be made in accordance with California Government Code Sections 16429.1, 53600-53609 and 53630-53686, except that pursuant to California Government Code Section 5903(e), proceeds of bonds and any moneys set aside or pledged to secure payment of the bonds may be invested in securities or obligations described in the ordinance, resolution, indenture, agreement, or other instrument providing for the issuance of the bonds. Any revisions or extensions of these code sections will be assumed to be part of this Investment Policy immediately upon being enacted. However, in the event that amendments to these sections conflict with this Investment Policy and past Town investment practices, the Town may delay adherence to the new requirements when it is deemed in the best interest of the Town to do so. In such instances, after consultation with the Town's attorney, the Treasurer will present a recommended course of action to the Town Council for approval. All investment limits specified in the Policy are calculated at the time of investment.

The Town has further restricted the eligible types of securities and transactions as follows:

1. United States Treasury bills, notes, bonds, or certificates with a final maturity not exceeding five years from the date of trade settlement.

Investment Policy

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2. Federal Agency Obligations for which the faith and credit of the United States are pledged for the payment of principal and interest and which have a final maturity not exceeding five years from the date of trade settlement. There is no limit on the percentage of the portfolio that can be invested in this category, however, no more than 20% of the town's total portfolio shall be invested in the combination of Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA) and Federal Home Loan Mortgage Corporation (FHLMC) mortgage-backed securities.
3. Federal Instrumentality (government sponsored enterprise) debentures, discount notes, callable securities, step-up securities, and mortgage-backed securities (including FNMA and FHLMC) with a final maturity not exceeding five years from the date of trade settlement. There is no limit on the percentage of the portfolio that can be invested in this category, however, no more than 20% of the town's total portfolio shall be invested in the combination of GNMA, FNMA, and FHLMC mortgage-backed securities.
4. Prime Commercial Paper with a maturity not exceeding 270 days from the date of trade settlement with the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization (NRSRO). The entity that issues the commercial paper shall meet all of the following conditions in either sub-paragraph A. or sub-paragraph B. below:

A. The entity shall (1) be organized and operating in the United States as a general corporation, (2) have total assets in excess of five hundred million dollars (\$500,000,000) and (3) Have debt other than commercial paper, if any, that is rated "A" or higher by a NRSRO.

B. The entity shall (1) be organized within the United States as a special purpose corporation, trust, or limited liability company, (2) have program wide credit enhancements, including, but not limited to, over collateralization, letters of credit or surety bond and (3) have commercial paper that is rated "A-1" or higher, or the equivalent, by a NRSRO.

Purchases of eligible commercial paper shall not exceed:

- 10% of the outstanding commercial paper of any single corporate issuer,
- 5% of the Town's total portfolio in the commercial paper of any one issuer, and
- 25% of the Town's total portfolio.

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5. Eligible Bankers Acceptances with a maturity not exceeding 180 days from the date of trade settlement, issued by a state or national bank with combined capital and surplus of at least \$250 million, whose deposits are insured by the FDIC, and whose senior long-term debt is rated at least A or the equivalent by a NRSRO at the time of purchase. No more than 5% of the Town's total portfolio shall be invested in banker's acceptances of any one issuer, and the aggregate investment in banker's acceptances shall not exceed 30% of the Town's total portfolio.
6. Medium Term Notes (Corporate Notes) issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States, with a final maturity not exceeding five years from the date of trade settlement, and rated at least "A" or the equivalent by a NRSRO. No more than 5% of the Town's total portfolio shall be invested in the medium-term notes of any one issuer and the aggregate investment in medium term notes shall not exceed 30% of the Town's total portfolio.
7. Municipal & State Obligations:
 - A. Municipal bonds including registered notes or bonds of any of the 50 states, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the 50 states.
 - B. In addition, bonds, notes, warrants, or other evidences of indebtedness of any local agency in California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, operated by the local agency, or by a department, board, agency, or authority of the local agency.

Municipal bonds must be rated at least "A" or the equivalent by a NRSRO with maturities not exceeding five years from the date of the trade settlement. No more than 5% of the Town's total portfolio shall be invested in "A" rated bonds or in the bonds of any one municipality. In addition, the aggregate investment in municipal bonds may not exceed 30% of the total portfolio.

8. Certificates of Deposit with a final maturity not exceeding five years from the date of trade settlement. The aggregate investment in certificates of deposit shall not exceed 30% of the Town's portfolio, and no more than 5% of the portfolio shall be held in any one deposit or allocated to any one issuer. Certificates of Deposit shall be issued by a nationally or state-chartered bank or a state or federal savings and loan association or by a state-licensed branch of a foreign bank or by a federally licensed branch of a foreign bank provided that the senior debt obligations of the issuing institution are rated at least "A" or the equivalent by a NRSRO.

⌘ Investment Policy ⌘

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or federal savings and loan association or by a state-licensed branch of a foreign bank or by a federally licensed branch of a foreign bank provided that the senior debt obligations of the issuing institution are rated at least “A” or the equivalent by a NRSRO.

Negotiable certificates of deposit issued by a nationally or state-chartered bank, or by a federally licensed or state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposits are subject to the limitations of Section 53601(i), shall be fully insured by the FDIC with a corresponding FDIC certification number, and shall be delivered through the Depository Trust Company.

Non-Negotiable certificates of deposit issued by a nationally or state-chartered bank, or by a federally licensed or state-licensed branch of a foreign bank. Purchases of non-negotiable certificates of deposit are subject to the limitations of Sections 53601(n) and 53638 and shall be fully insured by the FDIC with a corresponding FDIC certification number.

Private sector entities may be used to place certificates of deposit subject to the limitations of Section 53601.8.

9. State of California’s Local Agency Investment Fund (LAIF), pursuant to California Government Code Section 16429.1. The aggregate amount invested in LAIF shall not exceed the maximum allowed by the fund.
10. Money Market Funds registered under the Investment Company Act of 1940 that (1) are “no-load” (meaning no commission or fee shall be charged on purchases or sales of shares); (2) have a constant net asset value per share of \$1.00; (3) invest only in government securities, and (4) have a rating of at least AAA or the equivalent by at least two NRSROs. No more than 10% of the Town’s total portfolio shall be invested in money market funds of any one issuer, and the aggregate investment in money market funds shall not exceed 20% of the Town’s total portfolio.

Securities that have been downgraded to a level that is below the minimum ratings described herein may be sold or held at the Town’s discretion. The portfolio will be brought back into compliance with Investment Policy guidelines as soon as is practical.

The foregoing list of authorized securities and transactions shall be strictly interpreted. Any deviation from it must be preapproved by resolution of the Town Council.

PORTFOLIO MATURITIES AND LIQUIDITY

To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities. The Town will not invest in securities maturing more than five years from the

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date of trade settlement, unless the Town Council has by resolution granted authority to make such an investment at least three months prior to the date of investment.

SELECTION OF BROKER/DEALERS

The Treasurer shall maintain a list of broker/dealers approved for investment purposes, and it shall be the policy of the Town to purchase securities only from those authorized firms. To be eligible, a firm must meet at least one of the following criteria:

- Be recognized as a Primary Dealer by the Federal Reserve Bank of New York or have a primary dealer within their holding company structure; or
- Report voluntarily to the Federal Reserve Bank of New York; or
- Qualify under Securities and Exchange Commission (SEC) Rule 15c3-1 (Uniform Net Capital Rule).

In addition, authorized broker/dealers must be licensed by the State of California as a broker/dealer as defined in Section 25004 of the California Corporations Code.

The Town may engage the services of investment advisory firms to assist in the management of the portfolio and investment advisors may utilize their own list of approved broker/dealers. Such broker/dealers will comply with the selection criteria above and the list of approved firms shall be provided to the Town on an annual basis or upon request.

In the event that an external investment advisor is not used in the process of recommending a particular transaction in the Town's portfolio, authorized broker/dealers shall attest in writing that they have received and reviewed a copy of the this Investment Policy and shall be required to submit and annually update a Town approved Broker/Dealer Information request form, which includes the firm's most recent financial statements.

The Town may purchase commercial paper from direct issuers even though they are not on the approved broker/dealer list as long as they meet the criteria outlined in Item 4 of the Authorized Securities and Transactions section of this Investment Policy.

COMPETITIVE TRANSACTIONS

Each investment transaction shall be competitively transacted with authorized broker/dealers. At least three broker/dealers shall be contacted for each transaction and their bid and offering prices shall be recorded.

If the Town is offered a security for which there is no other readily available competitive offering, the Treasurer will document quotations for comparable or alternative securities.

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SELECTION OF BANKS

The Treasurer shall maintain a list of banks and savings banks approved to provide banking services for the Town. To be eligible, a bank must be a member of the Federal Deposit Insurance Corporation, must qualify as a depository of public funds in the State of California as defined in California Government Code Section 53630.5 and shall secure deposits in excess of FDIC coverage in accordance with California Government Code Section 53652.

Authorized banks that accept deposits from the Town shall meet high standards with regard to liquidity, asset quality, profitability and capital adequacy. The Treasurer shall utilize a commercial bank rating service to perform credit analysis on banks seeking authorization. Banks that in the judgment of the Treasurer no longer offer adequate safety to the Town shall be removed from the Town's list of authorized banks.

SAFEKEEPING AND CUSTODY

The Treasurer shall select one or more financial institutions to provide safekeeping and custodial services for the Town. A Safekeeping Agreement shall be executed with each custodian bank prior to utilizing that bank's safekeeping services.

Custodian banks will be selected on the basis of their ability to provide services for the Town's account and the competitive pricing of their safekeeping related services.

The purchase and sale of securities and repurchase agreement transactions shall be settled on a delivery versus payment basis. All securities shall be perfected in the name of the Town. Sufficient evidence to title shall be consistent with modern investment, banking and commercial practices.

All investment securities, purchased by the Town, will be delivered by book entry and will be held in third-party safekeeping by a Town approved custodian bank or its Depository Trust Company (DTC) participant account.

All Fed wireable book entry securities owned by the Town shall be held in the Federal Reserve System in a customer account for the custodian bank which will name the Town as "customer."

All DTC eligible securities shall be held in the custodian bank's DTC participant account and the custodian bank shall provide evidence that the securities are held for the Town as "customer."

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PORTFOLIO PERFORMANCE

The investment portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles, taking into account prevailing market conditions, risk constraints for eligible securities, and cash flow requirements. The performance of the Town's investments shall be compared to the average yield on the U.S. Treasury security that most closely corresponds to the portfolio's weighted average effective maturity. When comparing the performance of the Town's portfolio, its rate of return will be computed net of all fees and expenses.

REPORTING

No less than quarterly, the Treasurer shall prepare a report of the investment earnings and performance results of the Town's investment portfolio. The report shall be submitted to the Town Clerk within 45 days after the end of each quarter for inclusion as an agenda item at the next scheduled Town Council meeting. The report shall include the following information:

1. Investment type, issuer, date of maturity, par value and dollar amount invested in all securities, and investments and monies held by the Town;
2. A market value as of the date of the report (or the most recent valuation as to assets not valued monthly) and the source of the valuation;
3. Realized and unrealized gains or losses calculated by amortized cost and by fair value.
4. The weighted average maturity of the portfolio and a percentage breakdown of the total portfolio by maturity.
5. A description of the funds, investments and programs that are under the management of contracted parties;
6. A statement of compliance with this Investment Policy or an explanation for non-compliance; and
7. A statement of the ability to meet expenditure requirements for the next six months, and an explanation of why money will not be available if that is the case.

PROCEDURES

This Investment Policy shall be adopted by resolution of the Town Council. Annually the Town Manager shall present this Investment Policy to the Town Council for review to ensure its consistency with the Town's investment objectives, current law and economic trends. Any amendments to this Investment Policy shall be approved by the Town Council.

/S/ Robert Schultz, Town Attorney

BUDGET PROCESS OVERVIEW

The Town of Los Gatos adopts an annual Operating and Capital Budget and an annual budget update of the five year Capital Improvement Plan for the Town of Los Gatos. The budgets contain summary level information for revenue and expenditure appropriations for the fiscal year beginning July 1st and ending June 30th. The budget documents are prepared in accordance with generally accepted accounting principles (GAAP).

Budget Purpose

The Operating and Capital Summary Budget and the Capital Improvement Plan serve as the Town's financial plan, as well as a policy document, a communications tool, and an operations guide. Developed with an emphasis on long range planning, service delivery, and program management, a fundamental purpose of these documents is to provide a linkage between the services and projects the Town intends to accomplish, and the resources committed to get the work done.

The format of the budget facilitates this linkage by clearly identifying the program purpose, key projects, and work plan goals in relation to revenue and expenditures appropriations.

Basis of Budgeting and Accounting

Developed on a program basis with fund level authority, the Operating and Capital Budgets represent services and functions provided by the Town in alignment with the resources allocated during the fiscal year.

The Town's Governmental Funds consist of the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Project Funds for both the Town and the Successor Agency.

Basis of Accounting and Budget refers to the timing factor concept in recognizing transactions. This basis is a key component of the overall financial system because the budget determines the accounting system. For example, if the budget anticipates revenues on a cash basis, the accounting system must record only cash revenues as receipts. If the budget uses an accrual basis, accounting must do likewise. The Town's budgeting and accounting systems both use a combination of modified accrual and full accrual basis in the accounting and budget systems.

Governmental Fund budgets are developed using the modified accrual basis of accounting. Under this basis, revenues are estimated for the period if they are susceptible to accrual, (e.g. amounts can be determined and will be collected within the current period). Principal and interest on general long term debt are budgeted as expenditures when due, whereas other expenditures are budgeted for liabilities expected to be incurred during the current period.

Proprietary Fund budgets use the full accrual basis of accounting whereby revenue budget projections are developed recognizing revenues expected to be earned during the period, and expenditures are developed for expenses anticipated to be incurred in the fiscal year. The Town maintains one type of proprietary fund: Internal Service Funds.

The Town's Fiduciary Funds are also budgeted under the modified accrual basis. The Town administers five trust funds. The Town does not currently have any agency funds. Trust funds are subject to trust agreement guidelines.

Summary of Budget Development

The Town develops its budgets with a team-based approach. Town Management and the Finance Department guide the process through budget development; however program budgets and work plans are developed with each Department's Director, Analyst, and Program Manager's oversight and expertise. This approach allows for hands-on planning and creates a clearer understanding for both management and staff of a program's goals and functions to be accomplished in the next budget year.

The Development Process

Typically both the Operating and Capital Budget and Capital Improvement Plan (CIP) processes begin in the winter with the Town Council and Town Manager's cooperative development and refinement of initiatives and directives for the upcoming budget year. The CIP is reviewed during this time to determine funding capabilities, project priorities, and to refine project work plans. Although the CIP budget document is prepared separately from the Operating and Capital Budget, CIP program information is incorporated into the Operating and Capital Summary Budget document through the resulting financial appropriations and service level requirements.

In January, the budget preparation process begins officially for staff with a budget kickoff meeting. Budget assumptions, directives and initiatives developed by Town Council and Management are provided to set the Town's overall objectives and strategic priorities determined by the Council. Department staff identifies and analyzes program revenue and expenditure projections in coordination with Finance/Budget staff and Town Management. Capital improvement projects are assessed and refined, and CIP funding and appropriation requirements are finalized.

Through rounds of budget briefings and revisions, the final proposed program budget and work plans are developed by the end of April; operational and capital work plans are finalized, and the Finance/Budget staff prepares financial summary information. Per the Town Code, the Town Manager submits the entire proposed budget package to the Town Council for its consideration, including Departmental budgets and work plans.

Budget Adoption

During the month of May, the Town Council reviews the proposed Operating and Capital Summary Budget, and the Capital Improvement Plan for the five-year period in a public hearing. Notice of the hearing is published in a local newspaper at least ten days prior to the Council's public hearing date. The public is invited to participate, and copies of the proposed budgets are available for review in the Town Clerk's office, on the Town website, and at the budget hearing.

Under requirements established in Section 65401 of the State Government Code, the Town's Planning Commission also reviews the proposed Capital Improvement Plan and reports back to the Town Council as to the conformity of the CIP with the Town's Adopted General Plan.

Final Council-directed revisions to the proposed budget are made and the budget documents are resubmitted to the Town Council for adoption, consistent with Section 2.30.295(b) of the Los Gatos Town Code which requires the Town Manager to annually prepare and submit a budget to the Town Council. This is accomplished in June at a subsequent noticed public hearing.

The approved resolutions to adopt the CIP and operating budgets and the appropriation limitation (aka Gann Limit) follow this section with the publication of the adopted budget.

Budget Amendments

During the course of the fiscal year, work plan changes and unanticipated needs necessitate adjustments to the adopted budgets. The Town Manager is authorized to transfer appropriations between categories, Departments, projects, and programs within a fund in the adopted budget, whereas the Town Council holds the authority for budget increases and decreases and transfers between funds that may be approved at any Town Council meeting.

The Town Council considers the status of the revenues and expenditures as of December 31st during a Mid-Year Review. This typically occurs in February and the Council may act on additional budget modifications at that time.

BUDGET CALENDAR

September/October/November/December

CIP work plan proposals and development

- Determine project priority
- Prepare upcoming work plan, timing schedules
- Prepare cost estimates
- Determine revenue sources

Determine and refine initiatives and directives for upcoming budget year

Update User Fee Schedule

December/January

Council Strategic Priorities Established

January

Prepare Internal Service and Equipment Replacement Fund analyses and schedules, finalize internal service rates

Budget Kick-off Meeting – General information to staff on:

- Town Council Strategic Goals
- Budget assumptions, directives, initiatives, and goals
- Development of Department and program work plans
- Asset/Internal Services/Staffing request procedures

1st Draft revenue projections due to Budget Office

Analyze budget projections and review with Town Manager

February

1st Draft staffing requests due to Budget Office

Review and finalize staffing positions and requests

1st Draft asset, internal service requests, and expenditure requests due

1st Draft CIP Budget due to Budget Office

Review Internal Service requests with responsible Program Managers

1st Draft Internal Service budgets due to Budget Office

Incorporate approved staffing, assets, internal services and program expenditure requests into a

1st Draft budget

March

Review and analyze 1st Draft budget, briefing with Town Manager

1st Draft CIP budget briefing – determine program revisions

1st Draft budget briefings with Town Manager, Department Heads, and Analysts to determine Department / program revisions

2nd Draft budget revisions and work plans due to Budget Office

2nd Draft briefing and revisions with Town Manager and Departments

Public Hearings for proposed User Fee Schedule

April

Program narratives, financial and supplemental schedules, financial summaries, and charts prepared

Proposed community grant awards

Budget revisions finalized and proposed budgets assembled

Proposed budget briefing with Town Manager

May

Distribute Proposed Operating and CIP budgets to Town Council

Public Hearings for proposed Operating and Capital, and CIP Budgets

Town Council revisions incorporated into budget documents

May/June

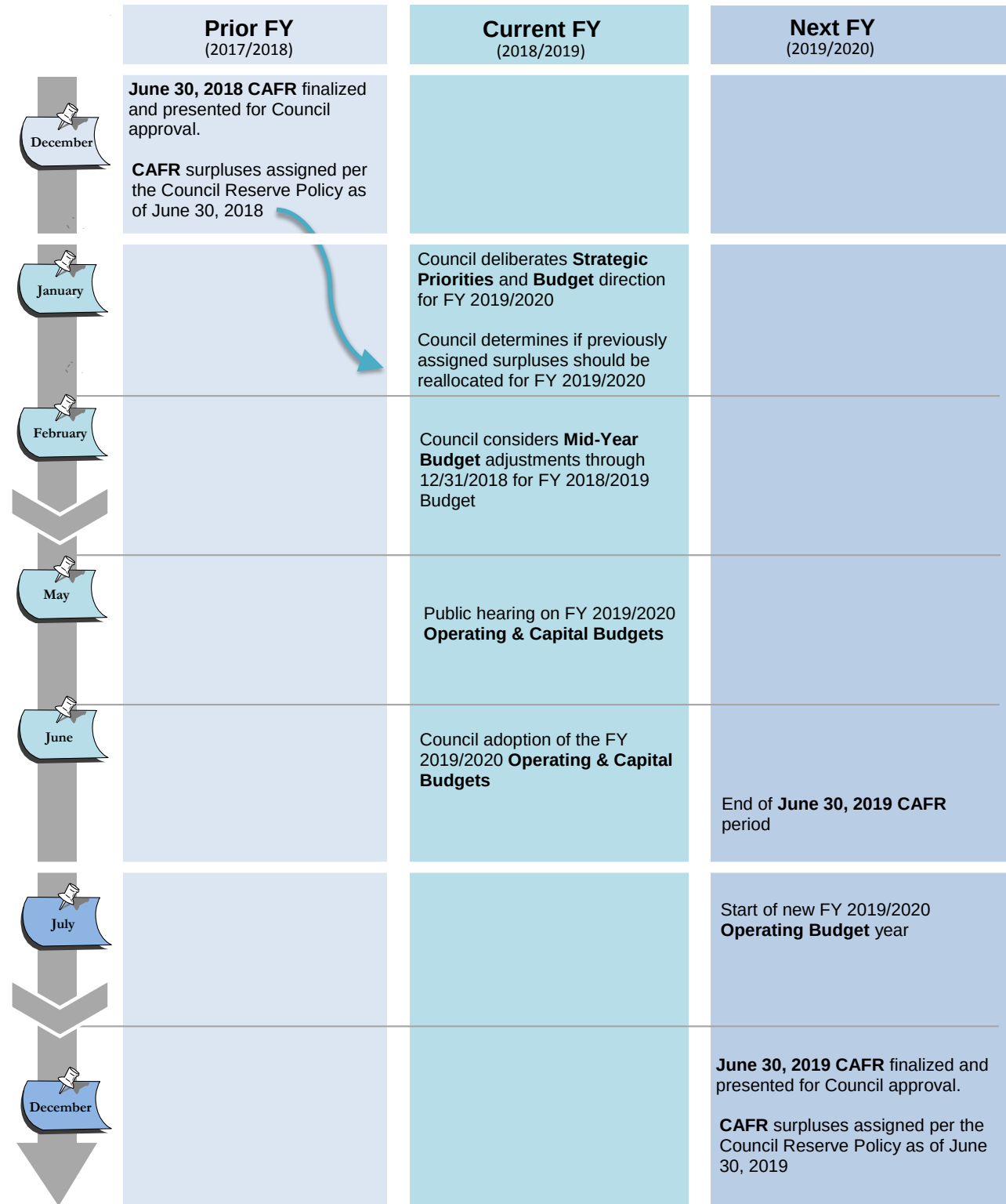
Public hearings for final adoption of the Gann Appropriation Limit, Operating and Capital Budget, and 5-year CIP Budget

Final document preparation of financial and supplemental schedules, charts, reference materials, etc.

July/August/September

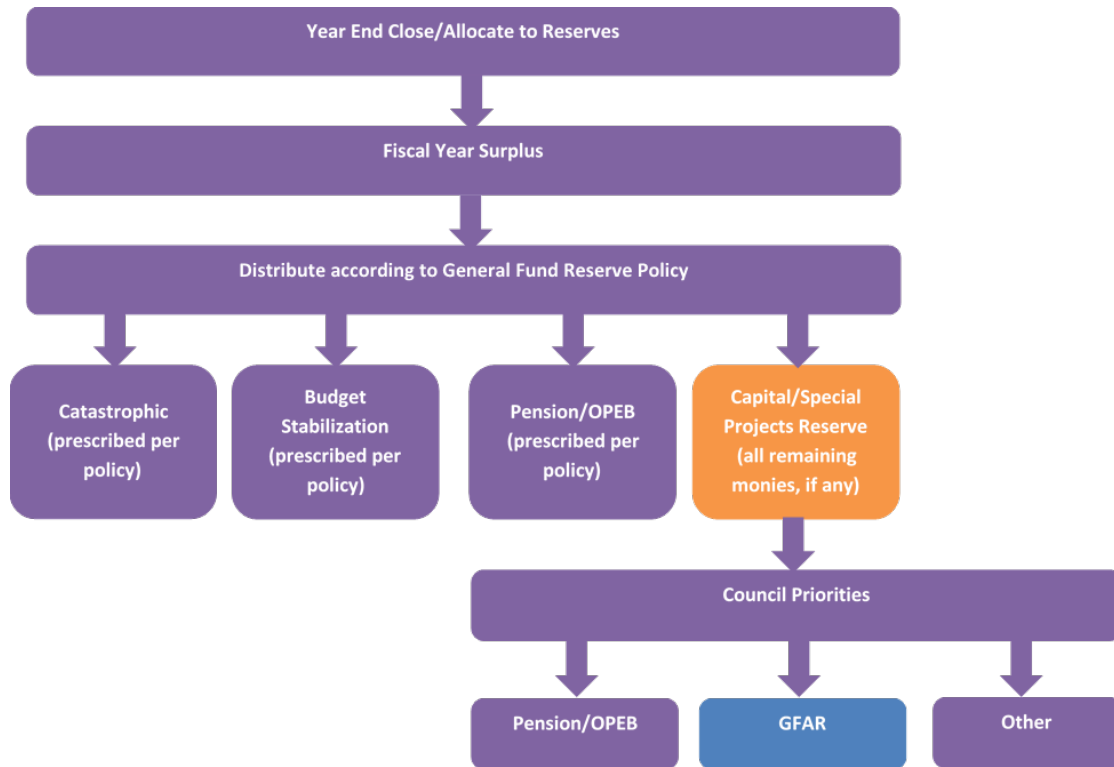
Adopted Operating and CIP Budget documents finalized, printed and distributed

TOWN OF LOS GATOS ANNUAL BUDGET/CAFR CYCLE

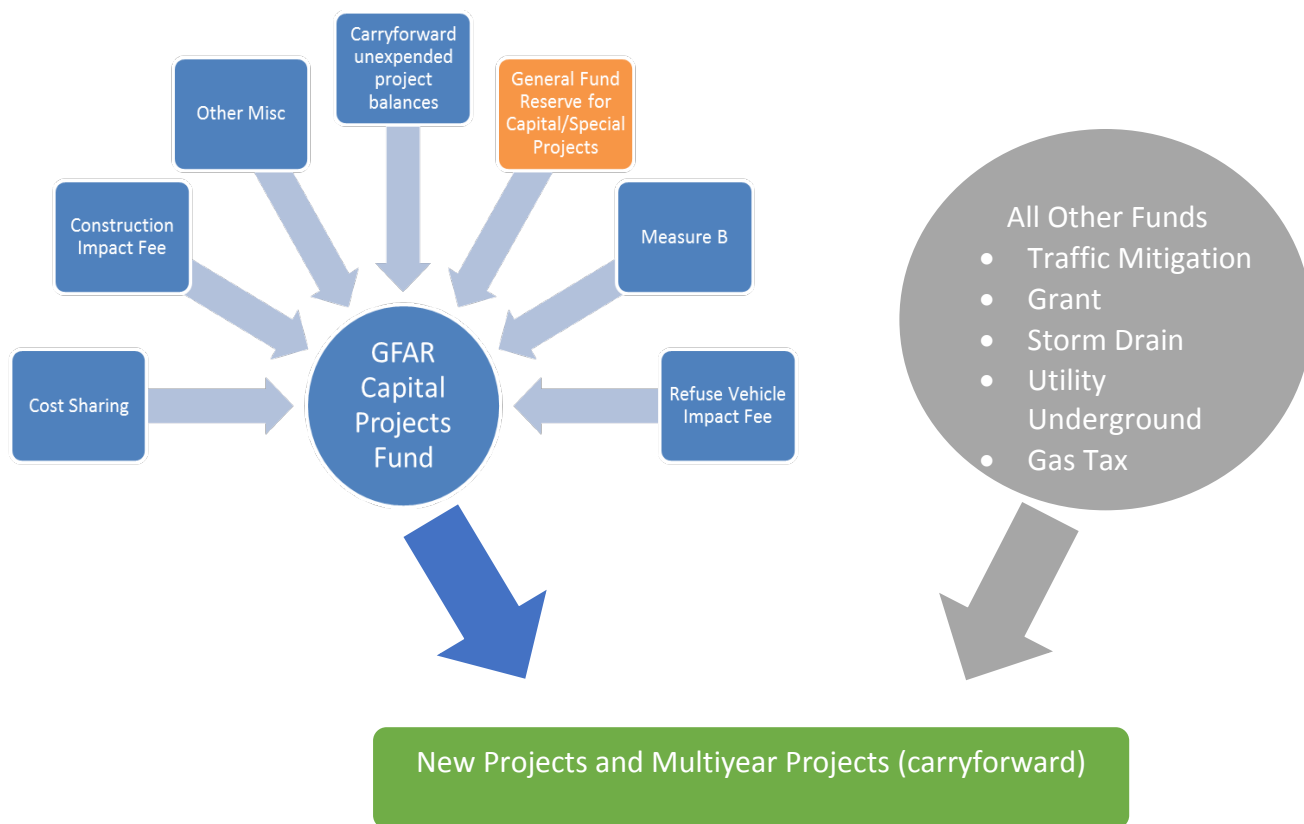


All Council deliberations and actions include opportunities for public input

FISCAL YEAR SURPLUS FLOW OF FUNDS



CAPITAL IMPROVEMENT PROGRAM



FORECAST ASSUMPTIONS

REVENUE BASELINE AND PROJECTION FACTORS

Type of Revenue	FY 2019/20	FY 2020/21 Forecast	FY 2021/22 Forecast	FY 2022/23 Forecast	FY 2023/24 Forecast	FY 2024/25 Forecast
Property Tax - General	Current baseline set by SCC Assessor Office May 2019 Report.	3%	3%	3%	3%	3%
Property Tax - Educational Revenue Augmentation Fund (ERAF)	Current baseline set by SCC Assessor Office May 2019 Report.	Based on SCC Actual Forecast	Based on SCC Actual Forecast	Based on SCC Actual Forecast	Based on SCC Actual Forecast	Based on SCC Actual Forecast
Property Tax - VLF Backfill	Current baseline set by SCC Assessor Office May 2019 Report.	3%	3%	3%	3%	3%
Sales Tax	Current baseline set by Muniservices actual estimates per April 2019 forecast.	Based on MuniServices Actual Forecast	Based on MuniServices Actual Forecast	Based on MuniServices Actual Forecast	Based on MuniServices Actual Forecast	Based on MuniServices Actual Forecast
Sales Tax - Measure G	\$800,000 anticipated in FY 2019/20	1%	1%	1%	1%	1%
Franchise Fee	Current baseline set by FY 2019/20 Proposed Budget	3%	3%	3%	3%	3%
Transient Occupancy Tax	Current baseline set by FY 2019/20 Proposed Budget. \$200,000 addition for anticipated AirBNB collection and short term rental collection.	1%	1%	1%	1%	1%
Business License Tax	Current baseline set by FY 2019/20 Proposed Budget	0%	0%	0%	0%	0%
License & Permits	Current baseline set by FY 2019/20 Proposed Budget	3%	3%	3%	3%	3%
Town Services	Current baseline set by FY 2019/20 Proposed Budget	3%	3%	3%	3%	3%
Fine & Forfeitures	Current baseline set by FY 2019/20 Proposed Budget	Varies	Varies	Varies	Varies	Varies
Interest	Current baseline set by FY 2019/20 Proposed Budget	1%	1%	1%	1%	1%
Other Sources	Current baseline set by FY 2018/19 Adopted Budget.	Varies	Varies	Varies	Varies	Varies

FORECAST ASSUMPTIONS

EXPENDITURE BASELINE AND PROJECTION FACTORS

The Town budgets vacant and non-sworn positions at the top step of the range for the position. Sworn and management positions are budgeted at one step higher than the current step in anticipation of potential merit increases in the upcoming fiscal year. For the Forecast, positions are budgeted at the actual rate of pay of employees including benefits as of July 1, 2019.

Growth Rate						
Type of Expenditure	FY 2019/20	FY 2020/21 Forecast	FY 2021/22 Forecast	FY 2022/23 Forecast	FY 2023/24 Forecast	FY 2024/25 Forecast
Salaries - POA	4%	0%	0%	0%	0%	0%
Salaries - TEA, Confidential, and Management	3%	0%	0%	0%	0%	0%
Benefit - Medical*	Current baseline set by FY 2019/20 Proposed Budget	7%	7%	7%	7%	7%
Operating Expenditures	Current baseline set by FY 2019/20 Proposed Budget	3.0%	3%	3%	3%	3%
Grants & Awards	Current baseline set by FY 2019/20 Proposed Budget	0%	0%	0%	0%	0%
Utilities	Current baseline set by FY 2019/20 Proposed Budget	3.0%	3%	3%	3%	3%
Internal Service Charges	Current baseline set by FY 2019/20 Proposed Budget	Varies	Varies	Varies	Varies	Varies
Debt Service	Current baseline set by FY 2019/20 Proposed Budget	Debt Service Schedules	Debt Service Schedules	Debt Service Schedules	Debt Service Schedules	Debt Service

*Benefit increase estimates are provided by CalPERS/Public Employees' Medical and Hospital Care Act (PEMHCA)

The Town's required contribution toward retirement and unfunded liabilities are provided by CalPERS as a percentage of current payroll. The actual percentage used in the forecast are summarized in the table below. CalPERS employer contribution are shown as a percentage of payroll.

CalPERS Employer Contribution - Actual Percentage of Payroll						
Type of Expenditure	FY 2019/20	FY 2020/21 Forecast	FY 2021/22 Forecast	FY 2022/23 Forecast	FY 2023/24 Forecast	FY 2024/25 Forecast
Safety* POA	52.22%	55.06%	59.79%	65.58%	65.76%	67.39%
Safety POA - PEPPRA	15.02%	15.05%	15.17%	15.29%	15.50%	17.00%
Miscellaneous TEA/Confidential/ Management	33.18%	37.43%	40.14%	42.42%	43.74%	44.74%
Miscellaneous TEA/Confidential/ Management PEPPRA	33.18% Separate PEPPRA rate for the Miscellaneous group has not been established yet by CalPERS.	37.43%	40.14%	42.42%	43.74%	44.74%

*Safety Classic Rate reflects 3% decrease in employer's contribution rate to reflect 3% contribution as negotiated with the Town's POA during the collective bargaining process effective FY 2019/20.

GANN APPROPRIATION LIMIT

On November 6, 1979 California voters approved Proposition 4, commonly known as the Gann Spending Limitation Initiative, establishing Article XIIIB of the State Constitution. This proposition, which became effective in Fiscal Year 1980/81, mandated an appropriations (spending) limit on the amount of tax revenues that the State and most local government jurisdictions may appropriate within a fiscal year. This limit grows annually by a population and cost-of-living factor.

The State Appropriation Limit was since modified by two subsequent initiatives – Proposition 98 in 1988 and Proposition 111 in 1990. Proposition 98 established the return of tax revenues exceeding appropriation limit levels to the State or citizens through a process of refunds, rebates, or other means. Proposition 111 allowed more flexibility in the appropriation calculation factors.

Only tax proceeds are subject to this limit. Charges for services, fees, grants, loans, donations and other non-tax proceeds are excluded. Exemptions are also made for voter-approved debt, debt which existed prior to January 1, 1979, and for the cost of compliance with court or Federal government mandates.

The Town Council adopts an annual resolution establishing an appropriations limit for the following fiscal year using population and per capita personal income data provided by the State of California's Department of Finance. Each year's limit is based on the amount of tax proceeds that were authorized to be spent in fiscal year 1978/79, with inflationary adjustments made annually to reflect increases in population and the cost of living.

APPROPRIATION LIMIT CALCULATION

The following schedule reflects historical appropriation factors for the prior ten years, and the calculation for FY 2019/20:

APPROPRIATION LIMIT FACTORS						
For YE June 30	Beginning Appropriation Limit	County Population Factor	Town Population Factor	Per Capita Income Factor	Ending Appropriation Limit	% Limit Increase
2009	26,416,980	1.0172	1.0318	1.0429	28,426,367	7.61%
2010	28,426,367	1.0156	1.0108	1.0062	29,048,811	2.19%
2011	29,048,811	1.0126	1.0101	0.9746	28,667,689	-1.31%
2012	28,667,689	1.0089	1.0096	1.0251	29,669,366	3.49%
2013	29,669,366	1.0124	1.0081	1.0377	31,169,671	5.06%
2014	31,169,671	1.0157	1.0147	1.0512	33,279,977	6.77%
2015	33,279,977	1.0150	1.0102	0.9977	33,701,485	1.27%
2016	33,701,485	1.0113	1.0020	1.0382	35,384,256	4.99%
2017	35,384,256	1.0126	1.0070	1.0537	37,754,174	6.70%
2018	37,754,174	1.0081	1.0040	1.0369	39,464,396	4.53%
2019	39,464,396	1.0099	1.0050	1.0367	41,317,775	4.70%
2020	41,317,775	1.0033	0.9998	1.0385	43,050,108	4.19%

GANN APPROPRIATION LIMIT

The Town of Los Gatos' appropriation limit for fiscal year 2019/20 is calculated as follows:

FY 2019/20 Calculation

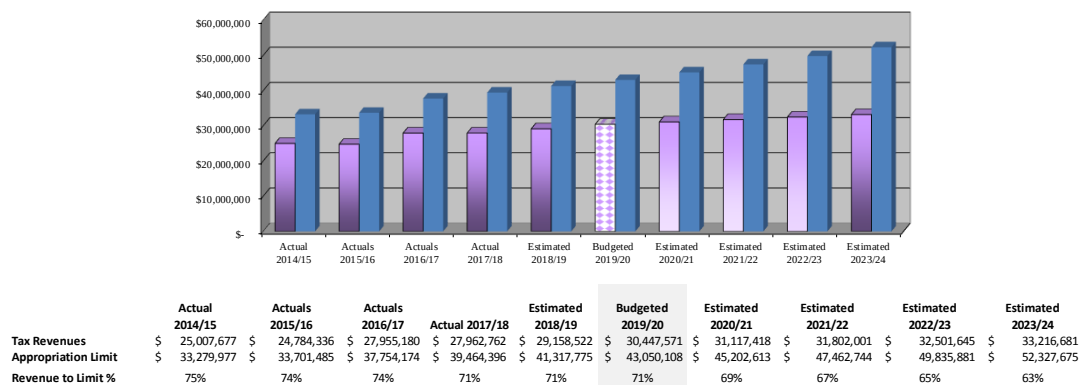
County Population Factor		Per Capita Income Factor		Appropriation Factor		2018/19 Appropriation Limit		2019/20 Appropriation Limit
1.0033	X	1.0385	=	1.041927	X	\$ 41,317,775	=	\$ 43,050,108

As illustrated above, the total amount of tax revenues appropriated to the Town in FY 2019/20 is not to exceed \$43,050,108. The FY 2019/20 budget anticipates \$30,447,571 in tax revenues which equates to \$12,602,537 less than, or approximately 71% of, the appropriation limit for FY 2019/20. Therefore, the Town's tax revenues fall substantially below the appropriation limit.

APPROPRIATION TREND

Located in the Silicon Valley which has experienced significant job and population growth since the Great Recession, Los Gatos has benefited from a strong local and regional economy. A picturesque and charming town, Los Gatos is a desirable community known for its hometown feel and excellent schools, which is reflected in the steady increases in property values. Together, these factors contribute to a stable appropriation limit while maintaining a comfortable margin between tax revenues received and the revenue limitation established under the Gann Proposition. With a conservative forecast for an annual 2.22% revenue growth and 5.0% appropriation growth (based on prior year averages), there remains a strong expectation for an ongoing level of comfort in future year's appropriation margins.

Tax Revenues to Appropriation Limit
10 Year Trend



APPROPRIATION LIMIT ADOPTION

The resolution to adopt the appropriation limit of \$43,050,108 was presented for Council adoption on August 20, 2019.

GANN APPROPRIATION RESOLUTION

RESOLUTION 2019-045

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS RESCINDING RESOLUTION 2019-031 AND ADOPTING A REVISED RESOLUTION ESTABLISHING THE FY 2019/20 APPROPRIATIONS LIMIT FOR THE TOWN OF LOS GATOS

WHEREAS, Article XIIIB of the California Constitution (Limitation of Government Appropriations) was passed by the California electorate on November 6, 1979, and became effective on July 1, 1980; and

WHEREAS, Chapter 1205, Statute of 1980, Section 7900 of the California Government Code formally implements methods for governmental entities to establish and define annual appropriations limits; and

WHEREAS, the growth factors used to calculate the Annual Appropriations Limit are County or Town population change and the increase in the California per capita income.

WHEREAS, the Council approved Resolution 2019-031 establishing the Fiscal Year 2019/20 Appropriations Limit; and

WHEREAS, the Resolution 2019-031 contained a numerical error.

THEREFORE, BE IT RESOLVED: that the Resolution 2019-031 is hereby rescinded and the Annual Appropriations Limit for the Town of Los Gatos for FY 2019/20 is \$43,050,108 as reflected in Exhibit A.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California, held on the 20th day of August 2019 by the following vote:

COUNCIL MEMBERS:

AYES: Marcia Jensen, Rob Rennie, Marico Sayoc, Barbara Spector, Mayor Steven Leonardis

NAYS: None

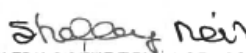
ABSENT: None

ABSTAIN: None

SIGNED: 

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: 8/23/19

ATTEST: 
TOWN CLERK OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: 8/23/19



TOWN OF LOS GATOS

ANNUAL BUDGET RESOLUTION

RESOLUTION 2019-029

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS APPROVING THE FISCAL YEAR (FY) 2019/20 OPERATING BUDGET AND FY 2019/20 – 2023/24 CAPITAL BUDGET, NEW APPROPRIATIONS, OTHER APPROVED ADJUSTMENTS, MINOR CORRECTIONS, AND CARRY-FORWARD APPROPRIATIONS

WHEREAS, Section 2.30.295(b) of the Los Gatos Town Code requires the Town Manager to annually prepare and submit a budget to the Town Council and be responsible for its administration; and

WHEREAS, the Town Manager submitted to the Town Council a proposed Operating Budget for FY 2019/20 on May 21, 2019; and

WHEREAS, the Town Manager submitted to the Town Council a proposed five-year Capital Improvement Program for FY 2019/20 – 2023/24 on May 21, 2019; and

WHEREAS, the Town Council has considered and reviewed said proposed Budget and Capital Improvement Program during public hearings on May 21, 2019 and the Town Council directed modifications to the Operating and Capital Budgets to allocate one time monies to community grants, sidewalk cleanings, pension/Other Post-Employment Benefit obligations, and downtown revitalization; and

WHEREAS, on June 4, 2019, Town Council considered and reviewed the proposed Budget and Capital Improvement Program making final determinations.

NOW, THEREFORE, BE IT RESOLVED: that the Town Council hereby adopts as the Operating Budget for the Town of Los Gatos for the 2019/20 fiscal year as depicted in Exhibit A entitled "Total Town Revenues by Fund and Total Town Expenditures By Fund" including the first year (FY 2019/20) of the Town's Capital Improvement Program budget as contained in the Town's FY 2019/20 – 2023/24 Capital Improvement Program.

BE IT FURTHER RESOLVED, that the final adopted Budget documents include minor corrections and approved appropriations for unspent prior year allocations, and that they be carried forward from prior years in a Reserve for Encumbrances whereby within each fund there is an amount sufficient to cover approved outstanding encumbrances as of June 30, 2019

Resolution 2019-029

1 of 3

June 4, 2019

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California, held on the 4th day of June 2019 by the following vote:

COUNCIL MEMBERS:

AYES: Marcia Jensen, Rob Rennie, Marico Sayoc, Barbara Spector, Mayor Steven Leonardis

NAYS: None

ABSENT: None

ABSTAIN: None

SIGNED:

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: 6/7/19

ATTEST:

Shelley Rain

CLERK ADMINISTRATOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: 6/12/2019

Resolution 2019-029

2 of 3

June 4, 2019

ANNUAL BUDGET RESOLUTION

	2019/20 Proposed Budget	Estimated Budget Revision	2019/20 Recommended Budget
REVENUES			
General Fund	\$45,282,132	\$ -	\$ 45,282,132
Special Revenue Funds	634,074	-	634,074
Internal Service Funds	4,793,285	-	4,793,285
Trust Funds	79,150	-	79,150
Capital Project Funds (does not include carryforwards)	12,490,679	972,384	13,463,063
Successor Agency Funds	3,823,202	-	3,823,202
TOTAL REVENUES	\$67,102,522	\$ 972,384	\$ 68,074,906
OTHER FUNDING SOURCES			
Designated One-Time Use of General Fund Reserves	6,770,756	\$ 1,005,069	7,775,825 *
TOTAL TOWN REVENUES & OTHER FUNDING SOURCES	\$73,873,278	\$ 1,977,453	\$ 75,850,731

* Designated One-Time Use of the General Fund Reserves during FY 2019/20

Additional Grants & Sidewalk Cleaning	\$ 32,685
Transfer to Capital Projects (GFAR)	6,681,884
Transfer to Workers Comp	1,061,256
Total	\$ 7,775,825

TOTAL TOWN EXPENDITURES, TRANSFERS OUT & CARRYFORWARD APPROPRIATION

General Fund	\$51,909,446	\$ 1,005,069	\$ 52,914,515
Special Revenue Funds	669,410		669,410
Internal Service Funds	7,440,914		7,440,914
Trust Funds	133,255		133,255
Capital Project Funds (does not include carryforwards)	12,726,009	972,384	13,698,393
Successor Agency Funds	3,823,202		3,823,202
TOTAL TOWN EXPENDITURE & OTHER FUNDING USES	\$76,702,236	\$ 1,977,453	\$ 78,679,689

GENERAL FUND SOURCE(USE) OF FUND BALANCES	\$ 143,442		\$ 143,442
OTHER FUNDS SOURCE(USE) OF FUND BALANCES	(2,972,400)		(2,972,400) **
TOTAL SOURCE(USE) OF FUND BALANCES	\$ (2,828,958)	\$ -	\$ (2,828,958)

** Other Funds Source(Use) represents planned one-time uses of Internal Service Funds, Special Revenue Funds, Trust Funds, and Capital Project Funds primary for infrastructure and equipment investment.

History and Culture of Los Gatos

Location

The Town of Los Gatos, California, is nestled at the base of the Sierra Azules, approximately 50 miles south of San Francisco, in the southwestern portion of Santa Clara County where the Santa Clara Valley meets the lower slopes of the Santa Cruz Mountains. Los Gatos is bounded by the City of San Jose to the north and east, the City of Campbell to the north, the Cities of Monte Sereno and Saratoga to the west, and the unincorporated County of Santa Clara and the County of Santa Cruz to the south.

Los Gatos encompasses a wide variety of terrain, ranging from flat topography at the edge of the valley floor to densely wooded hillsides. Both the valley and hillsides are interspersed with creeks, streams, and riparian habitat. The sharp contrast between the valley floor and the hillsides provides the Town's picturesque background.



History

The name Los Gatos comes from "El Rancho de Los Gatos," a ranch established in 1839 by a Mexican land grant and so named because of the large number of mountain lions in the area. In 1854, James Alexander Forbes purchased some of this land and built a flour mill. In 1860, the first hotel was opened to provide a stage stop on the toll road which had been built between San Jose and Santa Cruz.

Wheat production gave way to orchards, and rapid growth ensued when the railroad reached Los Gatos in 1878. The residential subdivisions of Broadway, Bayview, Fairview, and Almond Grove were built in the 1880's. By 1887, the population had grown to 1,500 and the Los Gatos community voted to incorporate.



Fruit industries faded slowly during the Depression and World War II, but the postwar period brought an influx of people, producing residential and commercial development. Highway 17 was constructed through the center of town, opening in 1940. Growth levelled off in the early 1970's, leaving Los Gatos with its small-town atmosphere and pedestrian-oriented downtown.

Because of its distance from other centers of population, Los Gatos developed as a complete community including residential, business, and industrial elements. Preserving Los Gatos as a complete and well-balanced community has been and remains a prominent goal of residents. From the

first 100-acre town site in 1890 with a population of 1,652, Los Gatos grew slowly so that by 1963 the area was 6.3 square miles, with a population of 11,750. Today Los Gatos covers nearly 15 square miles and has a population of about 30,000. This relatively slow growth over the first 80 years resulted in a human scale community with narrow streets and small buildings.

As it exists now, Los Gatos' boundaries encompass a wide variety of terrain, ranging from level land to steep and densely wooded hillsides. The sharp visual contrasts among these features and charming architecture create the picturesque setting of the Town. In the midst of an increasingly urbanizing Silicon Valley, Los Gatos has attracted people with a preference for the Town's distinctive, high quality natural and downtown environment.



Los Gatos has a heritage of older, established residential areas and a downtown with many buildings representing the various eras in the Town's history.

Both the Town's management and the Town's residents take great care and pride in the preservation of its historic business district and residential architecture, and, as a result, Los Gatos is one of the most beautiful, well-maintained, and desirable communities in the Bay Area.



Community

Situated within the largest metropolitan area of northern California, Los Gatos is closely tied to Silicon Valley and its fast-paced economy. Located at the southern edge of Silicon Valley, Los Gatos harbors more than 3,000 businesses with a full range of services for its residents, and serves as a destination point for visitors who are attracted to its restaurants and the variety of high-end specialty shops within the pedestrian-oriented downtown setting. Downtown Los Gatos is listed on the National Register of Historic Places and is the model of what communities strive to achieve in a downtown.

Los Gatos has many parks and greenbelt areas, providing many recreational activities for its residents. It is also near the major cultural and professional athletic events in San Francisco and San Jose, tourist attractions in Santa Cruz, and ocean activities in the Monterey Bay. This picturesque and charming Town is full of enterprising citizens, proud of who they are and protective of where they live. There is a high level of community pride as demonstrated by many community-based organizations which work to retain Los Gatos' exceptional living environment. Unlike many of the suburban communities in the Bay Area, Los Gatos has its own identity. Los Gatos prides itself on being a "self-contained community" even though it borders a major metropolitan area. It is a close-knit and friendly community where people take time to get to know each other.



Climate

Los Gatos enjoys a mild Mediterranean climate, making it ideal for business, residential, and recreational opportunities. Summers are dry and warm in the 80 degrees to 100 degrees range. Winters are temperate and semi-moist in the 40 degrees to 60 degrees range. Los Gatos receives most of its precipitation from December through March. It is rare to see raindrops in the summer months.

Transportation

Los Gatos is part of a comprehensive transportation network that links the town to Silicon Valley cities, the Mineta International Airport in San Jose, and mass transportation rail-line facilities. The Valley Transportation Authority also has a couple of bus lines servicing the Los Gatos community. Bus routes connect to the light rail system in various locations throughout the Silicon Valley, and the airport and train station in San Jose. The Town is also accessible via Highway 17 and Highway 85.



San Francisco and Oakland are 53 and 50 miles north of Los Gatos respectively. The coastal city of Santa Cruz is 21 miles south over the Santa Cruz Mountains, and the busy tourist towns of Monterey and Carmel are approximately 60 and 65 miles south of Los Gatos.

Economy

Innovation-based economies like Silicon Valley benefit from the constant change of technological advances and globalization. The area's job base continues to diversify as online retail and services continue to rise significantly resulting in the greatest demand for commercial office space, experiential retail, and service based businesses. Silicon Valley's unique mix of talent, technology, and capital often translate into a genuine comparative advantage nationally. All of these factors are expected to enable the region to continue on a pattern of growth outperforming the nation.



Nationwide home sales and valuations continue to rise, particularly in the Silicon Valley markets which trend well above the national average. Los Gatos property values continue to be among some of the highest in the state, confirming that the Town continues to be a highly desired location.

The FY 2019/20 budget reflects the local and regional expectations for the economy. Economically sensitive revenue, such as property tax, franchise fees, business license taxes, transit occupancy tax, and interest earnings are projected to grow, while sales tax growth is projected to slow due to the popularity of online shopping which results in the sales tax for those purchases being shared within the Santa Clara County online sales tax pool. Private development activity continues to rise with client specific projects maintaining access to funding from financial lending institutions.

Vacancy rates for commercial properties in Los Gatos are low, as current and prospective retail businesses seek to enhance business models with innovative products and services to compete in the difficult brick and mortar environment. Additionally, much like the greater Silicon Valley, office and R&D vacancies remain low as new businesses continue to find opportunity in the area in the way of startups and expansions.

Town of Los Gatos Vision

Los Gatos is home. It is the type of community people want to live in because they feel a sense of belonging. When residents drive south on Highway 17, cross over Route 85, and see the beautiful Town of Los Gatos nestled at the base of the Santa Cruz Mountains they know they are home. Los Gatos is an oasis of calm within one of the major economic engines in the world, Silicon Valley. People feel safe here. The Town provides excellent schools, beautiful parks, a wonderful downtown and diverse shopping, and an accessible and responsive government.



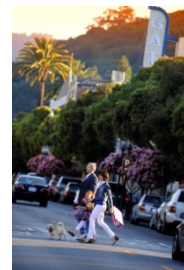
Preserving the small-town character of Los Gatos is a collection of related issues, including; establishing acceptable levels of development, maintaining historic preservation, monitoring density and intensity and population growth, preserving downtown character, mitigating congestion, preserving open space and views of the hills, diversifying the nature of businesses located in Town, protection of the various neighborhoods, and community design. Los Gatos is a truly special place and residents expect all new development to fit into the fabric of the community and demand that new businesses enhance their high quality of life.

As Los Gatos residents expect strong leadership from their elected officials to guide the community and to ensure that the high quality of life in Los Gatos is protected for future generations, the Town utilizes three important means for ensuring the continuity of values: (a) providing mechanisms for broad public participation in government, (b) taking initiative to coordinate with other jurisdictions on regional issues that impact our Town's character and quality of life, and (c) consistent and resolute enforcement of the General Plan, specific plans, and the Town Code.

What makes Los Gatos Special?

The desire to protect the Town's high quality of life is demonstrated by extensive citizen participation in many service groups and community issues. While residents may disagree over specific issues, they share a common vision of the future of Los Gatos. Residents are adamant in their desire to maintain a high quality of life and preserve the character of the Town. The overall community consensus is that Los Gatos:

- Be a full-service community that is also environmentally sensitive
- Maintain a balanced, well-designed mix of residential, commercial, service, and open space uses, fostering a pedestrian-oriented community with a small town, village-like character
- Support an active business community that provides a wide variety of goods and services and a broad range of employment opportunities, minimizing the need to travel to other communities
- Provide a well-run, efficient municipal government that is fiscally healthy, with high levels of public safety, recreational, and arts and cultural amenities, and that is committed to high quality education



STATISTICS SECTION

Town of Los Gatos Statistics

TOWN DEMOGRAPHICS:

Current Town Area	15 Square Miles
Incorporated	August 10, 1887
Elevation	428 ft.
Miles of Streets	112
Number of Traffic Signals	31
Number of Registered Voters	19,000 – 21,000
Form of Government	Council Manager
Town Employee/Citizen Ratio	1:208

COMMUNITY FACILITIES

12 Neighborhood Parks
 Los Gatos Creek Trail
 161 Acres of Designated Open Space
 Los Gatos-Saratoga Recreation District
 Adult Recreation Center
 Youth Recreation Center

Los Gatos Library
 New Museum Los Gatos

HOSPITALS

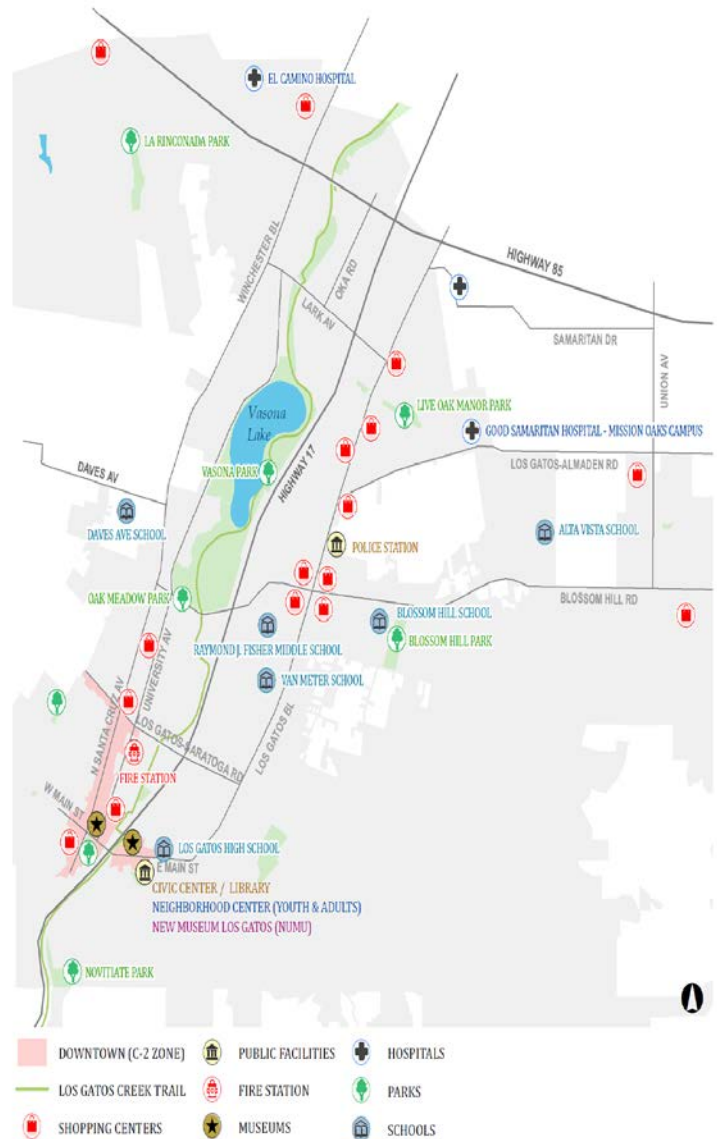
Good Samaritan Hospital - Mission Oaks Campus
 El Camino Hospital

PUBLIC EDUCATION

4 Elementary Schools
 1 Middle School
 1 High School
 1 Continuation Program
 1 Independent Study

POLICE SERVICES

1 Police Station
 1 Police Services Building
 39 Police Officers
 21 Support Personnel



Town of Los Gatos Statistics

WEATHER:

Average Temperatures (degrees Fahrenheit)

Winter	40/59
Spring	45/70
Summer	54/83
Fall	48/73

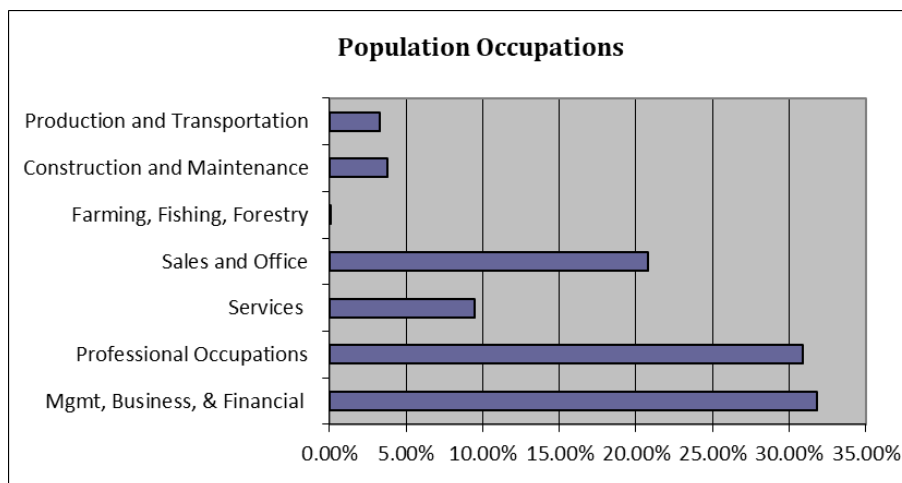
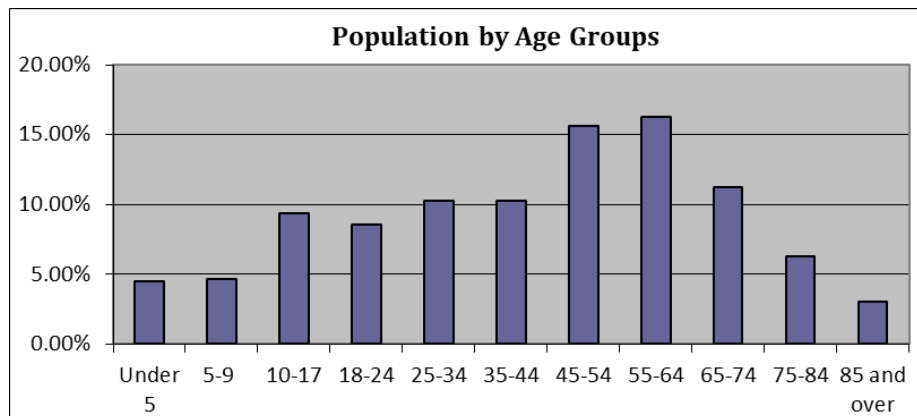
Average Sunny Days 330 per year

Average precipitation 23.08 inches

Annual snowfall 0.00 inches

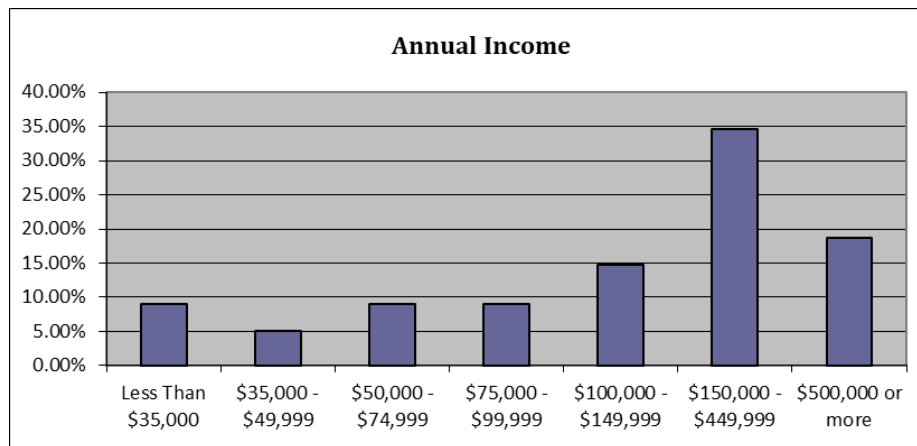
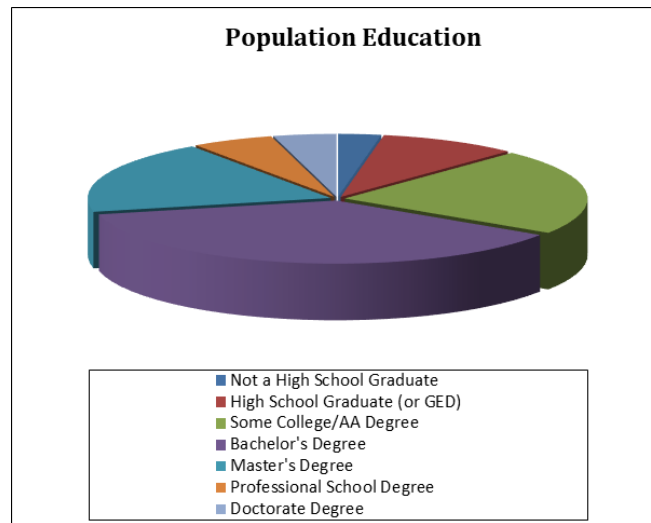
POPULATION:

1990 Census	28,013
2000 Census	28,523
2010 Census	29,413
2019 Estimates	30,998
State Ranking in Population	241 of 482

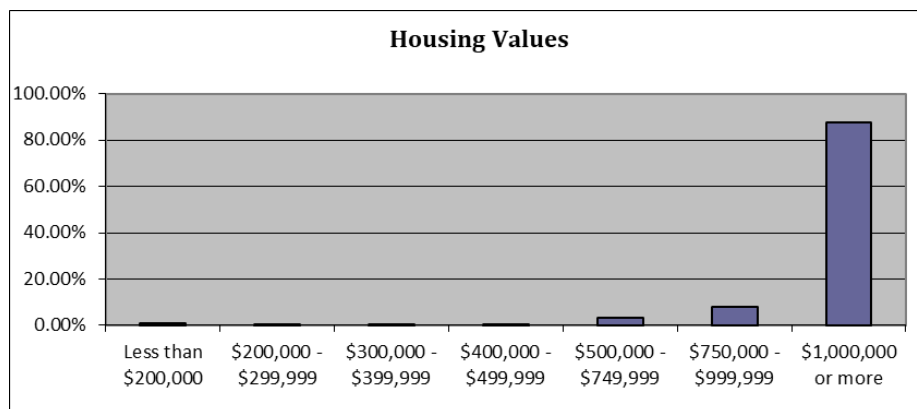


Note: Demographic figures obtained from State of California and Environics Analytics

Town of Los Gatos Statistics



Housing Units	Units	Percentage
Owner Occupied	8,588	64.0%
Renter Occupied	4,837	36.0%
Total Housing Units	13,425	100%



Note: Demographic figures obtained from State of California and Envirionics Analytics

Economic Factors

2018/19 Twenty Local Secured Taxpayers

Property Owner	Land Use	Assessed Value	% of Total (1)
Serramonte Corporate Center LLC	Business Park	\$ 200,844,610	1.57%
SI 32 LLC	Apartments	149,209,182	1.17%
Wealthcap Los Gatos 121	Business Park	113,507,640	0.89%
Wealthcap Los Gatos 31	Business Park	87,393,600	0.68%
Donahue Schriber Realty Group LP	Shopping Center	56,370,186	0.44%
Knowles Los Gatos LLC	Industrial	51,934,313	0.41%
San Jose Water Works	Water Company	46,150,577	0.36%
Sobrato Interests IV LLC	Apartments	43,919,879	0.34%
SRI Old Town LLC	Shopping Center	33,530,374	0.26%
International Hotel	Hotel	30,747,509	0.24%
El Camino Hospital	Medical Buildings	28,596,104 (2)	0.22%
Equestrian 3 Investments LLC	Office Building	28,563,864	0.22%
KSL Capital Partners	Athletic Club	26,411,820	0.21%
Kay K. & Go Sasaki Sr., Trustee	Apartments	26,135,962	0.20%
750 University LLC	Office Building	25,746,699	0.20%
Alberto Way Holdings LLC	Office Building	25,549,975	0.20%
Good Samaritan Hospital LP	Hospital	22,934,274	0.18%
Boccardo Corporation	Office Building	22,651,732	0.18%
Fox Creek Fund LLC	Office Building	21,558,664	0.17%
980 JR LLC	Industrial	19,277,879	0.15%
		\$ 1,061,034,843	8.29%

(1) 2018-19 Local Secured Assessed Valuation: \$12,793,751,423

(2) Excludes the value of tax-exempt properties.

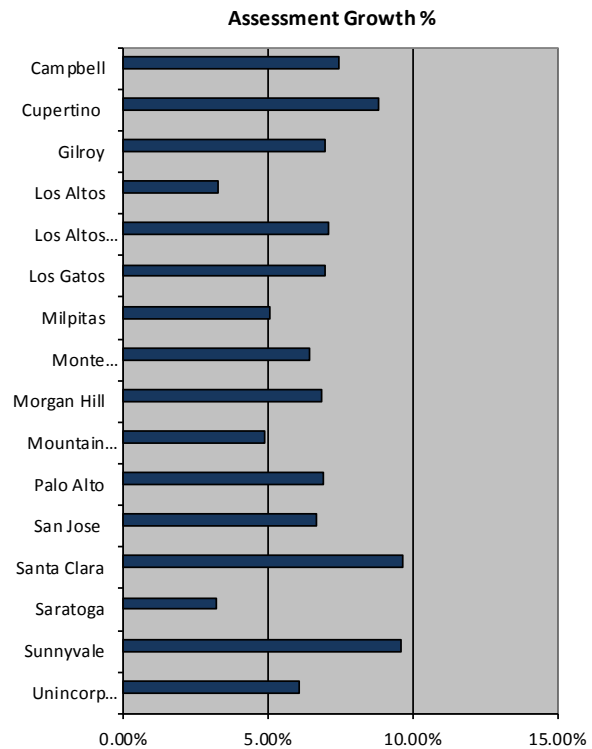
Source: California Municipal Statistics, Inc.

Economic Factors

Santa Clara County Assessment Roll Growth by City (Values in \$Billions*)			
Santa Clara County Cities	Total Roll 2017	Total Roll 2016	Percent Growth**
Campbell	\$ 10.19	\$ 9.48	7.46%
Cupertino	25.18	23.14	8.83%
Gilroy	8.70	8.14	6.95%
Los Altos	15.72	14.65	3.25%
Los Altos Hills	8.08	7.55	7.06%
Los Gatos	13.15	12.30	6.95%
Milpitas	18.34	17.46	5.03%
Monte Sereno	2.19	2.06	6.41%
Morgan Hill	9.45	8.84	6.87%
Mountain View	29.41	28.03	4.90%
Palo Alto	36.86	34.49	6.88%
San Jose	182.28	170.85	6.69%
Santa Clara	43.95	40.11	9.62%
Saratoga	15.40	14.45	3.19%
Sunnyvale	46.35	41.68	9.59%
Unincorporated	17.99	16.97	6.04%
TOTALS	\$ 483.24	\$ 450.20	7.34%

*Net of nonreimbursable exemptions

**Percentage based on non-rounded values



Source: Santa Clara County's Office of the County Assessor 2018/19 Annual Report

Major Employers as of June 30, 2019

Organization	Product/Services	Employees
Netflix	Internet Services	2314
El Camino Hospital, Los Gatos	Health Industry	560
Courtside Tennis Club*	Leisure/Recreation	542
Roku*	Internet Services	516
Los Gatos -Saratoga Union High School District*	Education	367
Safeway (3 locations)	Food Industry	314
Los Gatos Elementary School District	Education	281
Vasona Creek Health Care Ctr*	Health Industry	233
Terraces of Los Gatos	Health Industry	228
Good Samaritan Regional Cancer Center	Health Industry	200
Whole Foods Market*	Food Industry	125
Town of Los Gatos *	Town Government	160

*Includes full and part time employees

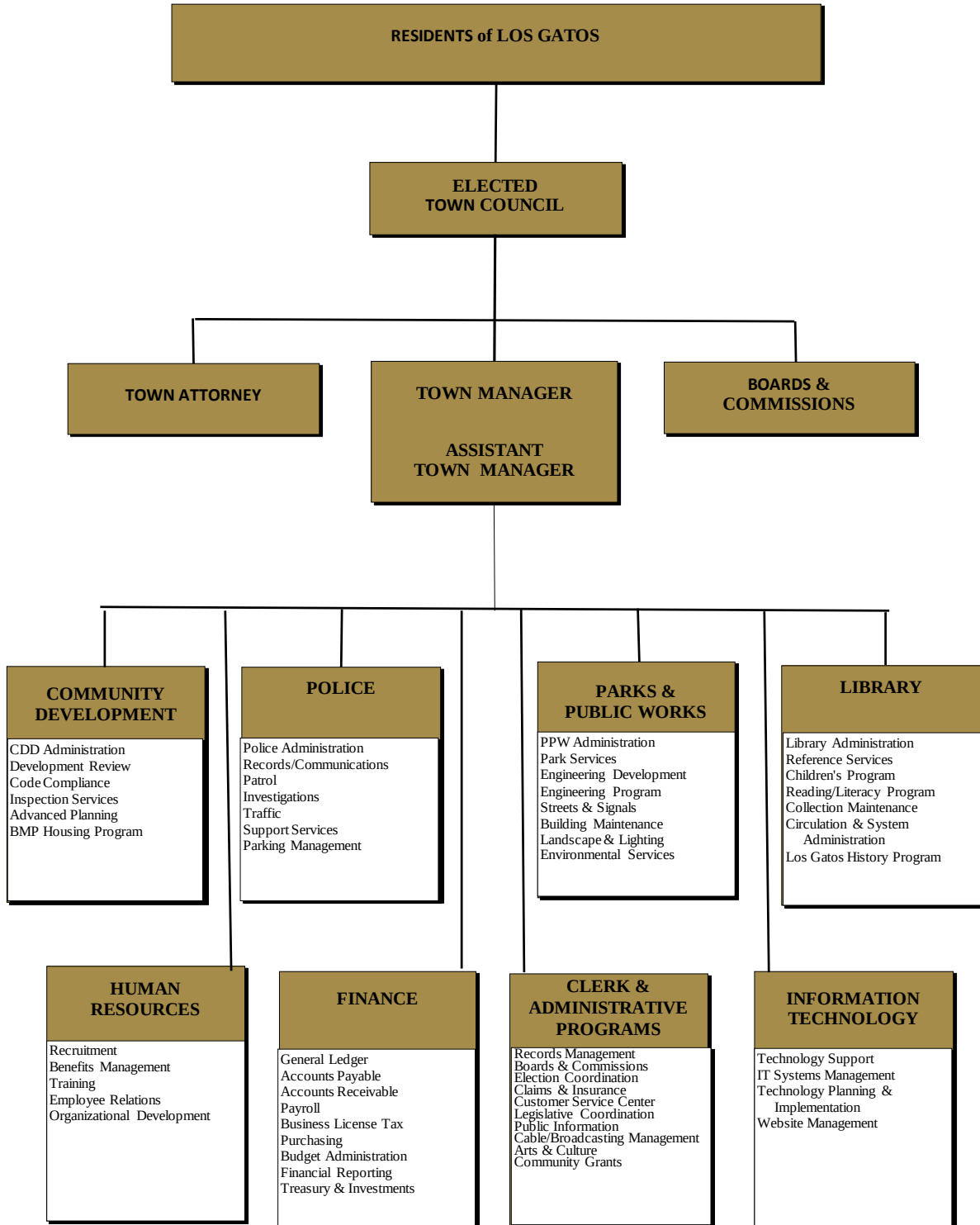
Source: MuniServices, LLC and Staff direct correspondence with Town's local businesses.

Town Management

Town Manager Laurel Prevetti
Assistant Town Manager Arn Andrews
Town Attorney Robert Schultz
Chief of Police Peter Decena
Community Development Director Joel Paulson
Parks and Public Works Director Matt Morley
Library Director Ryan Baker
Finance Director Stephen Conway
Human Resources Director Lisa Velasco



Town of Los Gatos Organizational Structure



Town of Los Gatos

Commissions, Committees, and Advisory Boards

The Town of Los Gatos has a variety of volunteer Commissions, Committees, and Boards, whose purpose is to act in an advisory capacity to the Los Gatos Town Council. Members of these Commissions, Committees, and Boards are appointed by the Town Council. The following is a list of the Town's active Commissions, Committees, and Boards:

Arts and Culture Commission

Encourages the development of art, drama, music, and other creative activities in Los Gatos.

Bicycle and Pedestrian Advisory Commission

Encourages and provides input into the development of safe and effective bicycle and pedestrian facilities throughout the Town of Los Gatos.

Building Board of Appeals

Hears appeals of Building regulations.

Community and Senior Services Commission

Ensures the pertinent goals and objectives of the Human Services Element to the General Plan are implemented by regularly assessing the human service needs of the community.

Conceptual Development Advisory Committee

Advises prospective applicants of whether a project is consistent with Town policy prior to initiating the development review process.

Council Finance Committee

In FY 2016/17 the Town expanded the Town Council Finance Committee to include three new non-voting members from the community. In addition to serving as an audit Committee to review the Comprehensive Annual Financial Report, the Committee also recommends strategies to manage the Town's unfunded pension and Other Post Employment liabilities, and identify additional revenue sources

Council Policy Committee

Reviews and discusses Town policy updates and makes recommendations to Town Council.

General Plan Committee

Provides assistance to the Community Development Department, Planning Commission, and Town Council on all matters relating to the General Plan or any Specific Plan.

Historic Preservation Committee

Advises the Planning Commission and Town Council concerning matters pertaining to historic preservation. Determines and issues approval for minor exterior alterations to historic structures.

Library Board

Represents the community in making recommendations regarding Library services.

Town of Los Gatos
Commissions, Committees, and Advisory Boards

Parks Commission

Provides advisory oversight for issues related to public parks, off-street trails, open space, grounds, street trees, and town beautification.

Personnel Board

Hears appeals submitted by any person in the classified services, relative to any disciplinary action or alleged violation of Town ordinance, and certifies its findings and recommendations.

Planning Commission

Takes actions and makes recommendations to the Town Council regarding planning, zoning administration, and other land use issues.

Sales Tax Oversight Committee

Provides mandatory financial audits, and yearly reports to the community to ensure funds are spent in accordance with the Town Council objectives stated in Ordinance 2274 and Measure G.

Town Pension and OPEB Trusts Oversight Committee

Provides fiduciary oversight of the Town's Pension and Other Post Employment Benefit (OPEB) IRS Section 115 Trusts.

Transportation and Parking Commission

Advises the Town Council on matters pertaining to transportation Town-wide and parking in the Central Business District.

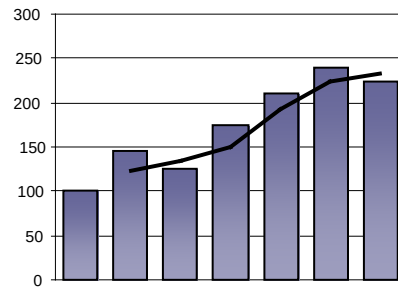
Youth Commission

Provides young people a voice in the Los Gatos community and functions as an advisory board to the Town Council on youth-related issues.



Financial Summaries

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FINANCIAL SUMMARIES

Total Revenues and Expenditures

The summary schedules provide a high level overview of the entire Town budget in a fund-type summary as well as by fund-specific and category-specific summary levels.

Total Budgeted Fund Activity	C – 3
Total Revenues, Expenditures, and Fund Balance Trend Information	C – 4
Total Revenues, Expenditures, and Fund Balance – 5 Year Summary.....	C – 7
Total Town Revenues – by Fund.....	C – 14
Total Town Expenditures – by Fund	C – 16
Total Town Revenues – by Category	C – 18
Total Town Expenditures – by Category.....	C – 19

General Fund Revenues and Expenditures

The summary schedules identify the Town’s General Fund operating sources and uses at the Department and category levels. The Fund Balance Activity summarizes the General Fund sources and uses which impact the resulting ending fund balance.

General Fund Revenues – by Department	C – 21
General Fund Expenditures – by Department.....	C – 22
General Fund Revenues – by Category.....	C – 23
General Fund Expenditures – by Category	C – 25
General Fund Tax Revenues per Capita – Cities of Santa Clara County	C – 27
General Fund Tax Revenues – 10 Year History of Key Tax Revenues	C – 28
General Fund – Fund Balance Activity	C – 29

Operating Transfers

The schedule summarizes activity by fund of estimated fund transfers for the prior fiscal year and budgeted for the adopted fiscal year.

Schedule of Interfund Transfers	C – 30

FINANCIAL SUMMARIES

Fund Balance

With two fund balance schedules, one summarizes activity and ending fund balances as a quick look at the ongoing status of the individual funds, and the second provides a 5 year trend.

Fund Balance Activity Summary – by Fund	C – 31
5 Year Comparative Fund Balance – by Fund	C – 33

Departmental Budgets

Department level schedules provide an overview of funding source and expenditure use by each program within the Department.

Department Revenues – by Program	C – 35
Department Expenditures – by Program	C – 37

In-Kind Donations

The Town provides in-kind donations to local non-profits as described in this section.

In-Kind Donations	C – 39

Fee-Related Projects List

The Town has identified potential projects for the use of collected development impact fees.

Fee-Related Projects List	C – 40

Staffing

The labor position schedules provide a summary level view of operational staffing assignments, funding, and trends. The Personnel Changes Summary discusses staffing levels and labor costs in more detail.

Departmental Staff by Fund	C – 42
Summary of FTEs by Department	C – 43
5 Year History of Funded Positions by Department	C – 44
Summary of Personnel Changes	C – 45
Positions by Home Department	C – 49
Salary Schedules	C – 53

TOTAL BUDGETED FUND ACTIVITY SUMMARY FY 2019/20

	Estimated Fund Balance 7/1/2019	Revenues, Prior Year Carryfws & Transfers	Expenditures, Prior Year Carryfws & Transfers	Estimated Fund Balance 6/30/2020	Fund Balance Change From Prior Year
Operating Funds					
Governmental Funds					
General Fund*	\$ 29,571,705	\$ 45,282,132	\$ 52,914,515	\$ 21,939,322	-25.8% (1)
Housing Conservation Program Fund	177,240	-	-	177,240	0.0%
Community Dev Block Grant Fund	(10,587)	-	-	(10,587)	0.0%
Urban Run-Off Source Fund	(8,839)	594,394	579,173	6,382	-172.2% (2)
Blackwell Assessment District Fund	13,363	3,210	10,907	5,666	-57.6% (3)
Kennedy Assessment District Fund	38,004	10,605	8,913	39,696	4.5%
Gemini Assessment District Fund	28,266	4,750	12,544	20,472	-27.6% (3)
Santa Rosa Assessment District Fund	54,305	5,000	19,472	39,833	-26.6% (3)
Vasona Assessment District Fund	53,577	10,075	18,644	45,008	-16.0% (3)
Hillbrook Assessment District Fund	19,483	6,040	19,757	5,766	-70.4% (3)
Proprietary Funds - Internal Service Funds					
Liability Self-Insurance Fund	1,224,496	443,727	680,137	988,086	-19.3% (4)
Worker's Comp Self-Insurance Fund	16,099	2,087,485	1,657,210	446,374	2672.7% (4)
Information Technology Fund	2,379,739	859,223	955,575	2,283,387	-4.0% (5)
Office Stores Fund	-	-	-	-	0.0%
Equipment Replacement Fund	2,515,958	229,093	2,186,240	558,811	-77.8% (5)
Vehicle Maintenance Fund	-	-	-	-	0.0%
Facilities Maintenance Fund	885,649	1,173,757	1,961,752	97,654	-89.0% (3)
Total Operating Funds	\$ 36,958,458	\$ 50,709,491	\$ 61,024,839	\$ 26,643,110	-27.9%
Trust Funds					
Library Trust Fund	\$ 55,591	\$ 75,550	\$ 100,000	\$ 31,141	-44.0% (3)
Ness Bequest tTrust Fund	20,755	-	20,755	-	0.0%
Betty McClendon Trust Fund	85,205	700	2,500	83,405	-2.1%
Barbara J Cassin Trust Fund	357,765	2,900	10,000	350,665	-2.0%
Total Trust Funds	\$ 519,316	\$ 79,150	\$ 133,255	\$ 465,211	-10.4%
Capital Funds					
GFAR*	\$ 9,602,427	\$ 10,000,355	\$ 10,242,715	\$ 9,360,067	-2.5%
Grant Funded CIP Projects Fund	(252,889)	1,047,100	1,047,100	(252,889)	0.0%
Storm Drain #1 Fund	879,827	49,150	50,000	878,977	-0.1%
Storm Drain #2 Fund	1,803,014	53,770	50,000	1,806,784	0.2%
Storm Drain #3 Fund	(74,294)	1,620	50,000	(122,674)	-65.1% (3)
Traffic Mitigation Fund	260,487	942,524	942,524	260,487	0.0%
Construction Tax-Undergrounding Fund	3,042,294	52,490	-	3,094,784	1.7%
Gas Tax Fund	239,361	1,316,054	1,316,054	239,361	0.0%
Total Capital Projects Funds	\$ 15,500,227	\$ 13,463,063	\$ 13,698,393	\$ 15,264,897	-1.5%
Successor Agency to the Los Gatos RDA Fund					
SA- Trust Fund (Budgetary Fund Balance)	\$ 3,803,678	\$ 3,823,202	\$ 3,823,202	\$ 3,803,678	0.0%
Total Successor Agency of the Los Gatos RDA Fund	\$ 3,803,678	\$ 3,823,202	\$ 3,823,202	\$ 3,803,678	0.0%
TOTAL ALL FUNDS	\$ 56,781,679	\$ 68,074,906	\$ 78,679,689	\$ 46,176,896	-18.7%

* Major Funds

(1) One-time use of General Fund Capital Reserve for authorized capital projects

(2) Increasing cost of Urban Run-off Program driven by State mandates

(3) One-time Capital Project budgeted for FY 2019/20

(4) Based on estimated claims activity

(5) Equipment Replacement and Information Technology Fund reflects increased acquisition activities for FY 2019/20

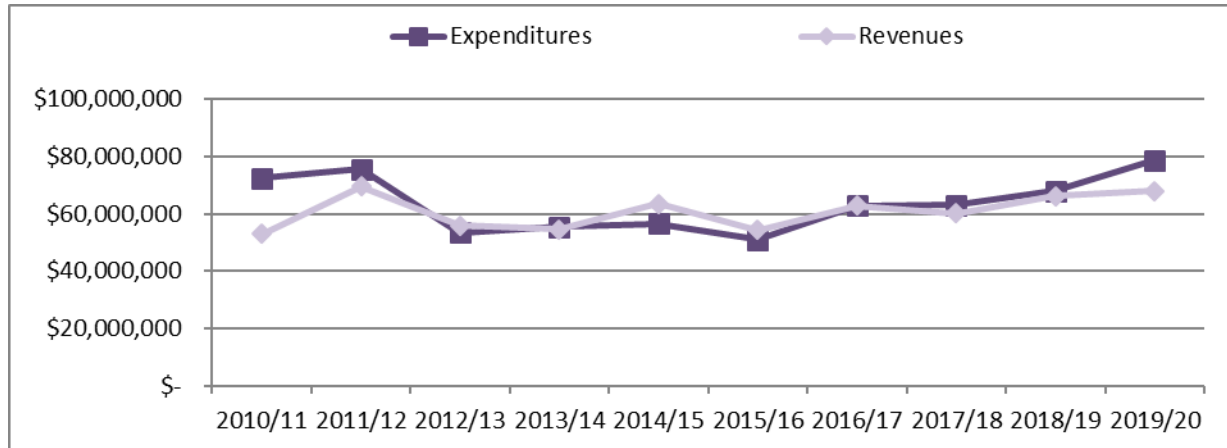
This Total Budgeted Fund Activity Summary schedule groups the Town's funds into three categories based on fund purpose:

Operating Funds - Ongoing operations are funded out of the various Operating Funds. This includes the Town's General Fund Departmental program operations, as well as special revenue activities and internal service functions.

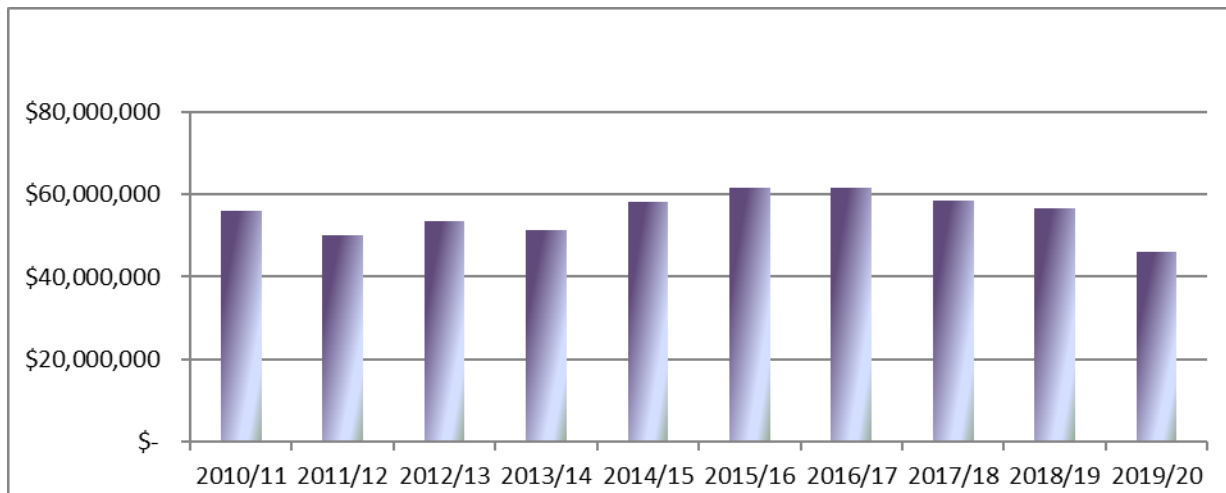
Fiduciary Funds - These funds include Trust funds and are held in a fiduciary capacity, with little variation in activity. The Library Trusts are held for special uses for the Library. RDA Successor Agency Private Purpose Trust Fund is established to account for the assets and liabilities transferred from the dissolution of the Town's former Redevelopment Agency (RDA) and the continuing operations related to the existing RDA obligations. The Successor Agency's Private Purpose Trust Fund has been incorporated into the Town's operating budget. Only those funds with activity are contained in the summary.

Capital Funds - Representing the capital improvement program activity, the Capital Funds reflect the significant progress to complete capital projects and the resulting decrease in fund balances.

**TOTAL TOWN
REVENUES AND EXPENDITURES**



FUND BALANCE TREND INFORMATION



<u>Year End</u>	<u>Reference</u>	<u>Revenues & Transfers In</u>	<u>Expenditures & Transfers Out</u>	<u>Designated Fund Balance</u>
2010/11	Actuals	\$ 53,064,630	\$ 72,439,477	\$ 56,038,626
2011/12	Actuals	\$ 69,593,001	\$ 75,659,793	\$ 49,971,883
2012/13	Actuals	\$ 55,847,086	\$ 53,432,243	\$ 53,386,677
2013/14	Actuals	\$ 54,528,656	\$ 55,545,002	\$ 51,370,329
2014/15	Actuals	\$ 63,470,973	\$ 56,593,416	\$ 58,247,886
2015/16	Actuals	\$ 54,234,948	\$ 50,881,063	\$ 61,601,771
2016/17	Actuals	\$ 62,873,003	\$ 62,912,315	\$ 61,562,459
2017/18	Actuals	\$ 60,189,202	\$ 63,145,459	\$ 58,606,202
2018/19	Estimated	\$ 66,099,134	\$ 67,923,643	\$ 56,781,679
2019/20	Proposed	\$ 68,074,906	\$ 78,679,689	\$ 46,176,896

Note: Expenditures and Transfers Out may exceed Revenues due to the inclusion of planned and carry-forward capital projects and payments from General Fund reserves to the Town's Pension and OPEB Trust Funds.

TOTAL TOWN
REVENUE, EXPENDITURE, AND FUND BALANCE TREND INFORMATION

The Town continues to focus on priority issues that involve maintaining public safety and Town infrastructure including streets and parks; and providing library, community development, and other services. These priorities are coordinated with other Core Goals that protect the Town's fiscal health and ensure cost efficient and effective delivery of Town-wide administrative services. The Town's proactive and prudent fiscal approach is effective to reducing operating expenditures, identifying revenue enhancements, and implementing operating efficiencies.

The FY 2019/20 operating budget is a balanced budget, with some use of General Fund reserves dedicated for one-time uses. The FY 2019/20 Budget anticipates a surplus of \$140,000 and maintains existing service levels while recommending modest additions in strategically important areas. This budget incorporates investments toward future equipment replacement, additional annual discretionary pension payments, and increased capacity for the Town's technology infrastructure. The FY 2019/20 budget has been balanced largely due to increased revenue, resulting from the positive economy and the Town's continued growth in the economically sensitive revenue sources such as Property Tax, Transient Occupancy Tax, and Business Licenses. With regard to expenditures, the Town's employer-paid benefits are expected to increase for the foreseeable future, including obligated pension contributions, the pre-funding of premiums for retiree health coverage, and the increasing costs of current health plans. Specific trends affecting the fund balance forecast include:

Salaries and Benefits – As in most municipalities, services are provided directly by employees to the Town's residents, businesses, and visitors. As a service delivery enterprise, the cost of salaries and benefits are a significant portion of the budget. Salaries and benefits account for 40.6% of the Town's total expenditures in FY 2019/20 (and 59.7% of General Fund expenditures). The Town endeavors to balance fiscal prudence with the need to attract and retain the requisite personnel to manage a 21st century municipality. As an example, when fiscal conditions worsened during the recession of 2008, employees participated in wage freezes and unpaid furloughs for several years to assist in achieving balanced budgets. After multiple years of such concessions, the Town discontinued the furlough program in FY 2014/15 and reinstituted general wage increases for both non-sworn and sworn employees. Even with unemployment at historic low levels and regional CPI above 3%, the Town and its employee bargaining groups agreed to a 2.5% across the board salary increase for all three bargaining units, management, and confidential plus a 1.5% cash bonus (non-PERSable) for non-sworn employees for FY 2018/19. As part of those negotiations, a salary increase of 3% is reflected in the proposed budget for the non-sworn employees and a 4% across the board salary increase for the Police Officers' Association as outlined in the in the current Memoranda of Understanding for FY 2019/20. In addition, all personnel that were previously funded in Internal Service Fund Programs were budgeted in the General Fund beginning in FY 2018/19. This results in total General Fund expenditures for salaries and benefits increasing while decreasing the Internal Service Fund charges by the same amount.

The Town of Los Gatos provides a defined benefit pension plan for all full-time employees and some part-time benefitted employees as part of their total compensation package. Defined benefit plans provide a fixed, pre-established benefit payment for employees in retirement based on a formula which takes into account an employee's years of service and highest average annual salary. The defined benefit pension has been a standard part of compensation in governmental organizations and in Los Gatos is in lieu of participating in Social Security. The Town's pension plans are administered by the Board of Administration of the California Public Employees' Retirement System (CalPERS). The Board of Administration is responsible for the management and control of CalPERS, including the exclusive control of the administration and investment of funds. Sworn employees are covered under the Safety Plan which is a pooled plan, while all other employees are covered in the Miscellaneous Plan, which is a separate plan. The Miscellaneous Plan is administered by CalPERS in the Public Employees' Retirement Fund (PERF). In addition, the Town Council has established an Internal Revenue Code Section 115 Pension Trust as a supplement to the PERF fund. The Town's Pension Trust is administered by the Town Pension and OPEB Trusts Oversight Committee.

The Town also provides a healthcare benefit for all eligible employees. The healthcare plan pays all, or a portion of, health insurance premiums for qualified retirees and their survivors and dependents. Healthcare benefits are also referred to as Other Post-Employment Benefits or OPEB. The Town's healthcare plan is an Internal Revenue Code Section 115 Trust which is administered by the Town Pension and OPEB Trusts Oversight Committee. The Oversight Committee is responsible for the management and control of the healthcare assets. As a result of collaboration with

**TOTAL TOWN
REVENUE, EXPENDITURE, AND FUND BALANCE TREND INFORMATION**

the Town's Bargaining Units during FY 2018/19, all units agreed to the elimination of retiree health benefits prospectively with the exception of the minimum employer contribution as required by the Public Employees' Medical and Hospital Care Act (PEMHCA). The PEMHCA minimum represents a significant reduction from the previous Town paid discretionary retiree payments. As a closed retiree medical plan, over time the Town will see significant cost savings from this negotiated change. In addition, employees contribute a share of dependent premiums to assist with cost-containment.

Pension contributions are a portion of the Town's budget, as the Town is obligated to contribute a mandatory amount established by the California Public Employees Retirement System (CalPERS) as a percent of salary. Town employees contribute a percentage of their salary towards their pension in what's referred to as the normal cost. The normal cost is the annual cost of service accrual for active employees and can be viewed as the cost of benefits earned by employees in the current year. The second source of normal cost funding is provided by employer normal cost contributions. The employer normal cost rates for all cities/towns in CalPERS are established annually by CalPERS. These rates are the minimum contractual obligations the Town must pay. It should be noted, that the normal cost calculation assumes all actuarial assumptions will be met going forward. In the event the plans experience unfavorable economic or demographic assumptions, an unfunded actuarial liability (UAL) may occur. The cost associated with an unfunded liability is borne solely by the employer. The development of a UAL typically results from unfavorable investment returns, changes in actuarial assumptions, unfavorable demographic shifts, and other experiences that differ from those anticipated by the annual actuarial assumptions. As of the 2017 Actuarial Valuations the Town had a combined UAL for both Pension and OPEB of \$63.6 million.

The Town's pension plans over the past several decades, like all other CalPERS participants, have experienced unfavorable investment returns, changes in actuarial assumptions, and unfavorable demographic shifts which have outweighed any positive plan experiences. As such, the Town's employer pension contributions are expected to continue to increase. The Town's employer contribution rate will increase from 46.09% in FY 2018/19 to 52.22% in FY 2019/20 for classic sworn employees. For all other employees, the rate will increase from 30.87% in FY 2018/19 to 33.18% in FY 2019/20. The Public Employees' Pension Reform Act (PEPRA), effective January 1, 2013, implemented lower pension tiers for employees who are new to the PERS pension system. While this does not provide immediate cost savings, it is anticipated to reduce future benefit expenditures in the next 10 to 15 years. Employer contribution rates will increase from 13.96% in FY 2018/19 to 15.02% in FY 2019/20 for PEPRA sworn employees. The Town prudently recognized the potential impacts to future service delivery if unfunded pension and OPEB obligations were not addressed and additional funding strategies not identified. To date, the Town has taken proactive steps totaling \$30.5 million of additional discretionary spending strategies to address the current pension and OPEB unfunded obligations.

For more information about the pension and other benefits offered to Town employees, see: <https://www.losgatosca.gov/44/Human-Resources>. For more information about the Towns Pension and OPEB plans please see: <https://www.losgatosca.gov/2479/Town-Pension-and-OPEB-Plans-Information>

Other Cost Drivers – A significant cost driver for the Town is energy costs, including fuel for safety and maintenance vehicles, water for parks and landscaping, natural gas and electricity to heat and cool buildings, and lighting for street lights, parking lots, and Town facilities. The Town has taken steps to ensure water conservation and recently made energy retrofits to improve efficiency in Town facilities and reduce costs. Fuel costs can be reduced by utilizing electric and/or hybrid vehicles, and installing electric vehicle charging stations throughout the Town. Staff will continue to explore energy alternatives to reduce costs.

Revenue Recovery – On a positive note, all signs indicate that the economy remains strong as the Town is anticipating increases in many economically sensitive revenues such as Property Tax, Transient Occupancy Tax (TOT), and Franchise Fees for FY 2019/20. General Fund revenues for FY 2019/20 (excluding debt payments and fund transfers in) are 7.0% greater than budgeted prior year revenues. This increase is largely due to forecasted increases in Property Tax, TOT, and Sales Tax. In November 2018, the voters approved a one-eighth general purpose sales tax dedicated to the Town of Los Gatos. Revenue collection began in April 2019 and is reflected in the revenue estimates.

**TOTAL TOWN
REVENUES AND EXPENDITURES**

GENERAL FUND

	2015/16	2016/17	2017/18	2018/19	2019/20
	Actuals	Actuals	Actuals	Estimated	Adopted
REVENUES					
Property Tax	\$ 10,779,434	\$ 11,518,257	\$ 12,510,822	\$ 13,543,960	\$ 14,174,700
VLF Backfill	2,984,023	3,237,955	3,447,584	3,685,247	3,795,800
Sales & Use Tax	7,501,175	9,171,373	7,592,206	7,629,897	8,001,917
Franchise Fees	2,258,892	2,366,908	2,474,814	2,386,910	2,458,520
Transient Occupancy Tax	1,943,166	2,322,910	2,628,927	2,622,500	2,848,730
Other Taxes	1,465,547	1,720,980	1,686,251	1,490,000	1,400,000
Licenses & Permits	3,512,019	3,042,166	3,011,309	2,822,968	3,382,534
Intergovernmental	1,539,672	908,285	1,010,166	822,585	978,141
Town Services	3,485,351	3,454,666	4,625,136	3,997,808	4,328,336
Internal Srvc Reimbursement	-	-	-	-	-
Fines & Forfeitures	858,929	917,106	676,212	505,349	483,950
Interest	620,895	171,653	244,762	932,518	629,774
Other Sources	361,618	2,201,886	1,233,881	5,038,605	356,170
Debt Service Reimbursement	1,922,398	1,923,303	1,914,739	1,909,073	1,905,024
Transfers In	2,436,405	313,825	544,836	1,543,605	538,536
TOTAL REVENUES	\$ 41,669,524	\$ 43,271,273	\$ 43,601,645	\$ 48,931,025	\$ 45,282,132
EXPENDITURES					
Salaries & Benefits	\$ 21,342,278	\$ 21,884,855	\$ 23,574,425	\$ 26,991,828	\$ 30,910,359
Operating Expenditures	8,137,858	8,896,209	9,457,424	13,479,718	9,869,872
Grants & Awards	194,155	209,381	194,808	233,472	222,500
Fixed Assets	411,820	-	-	-	-
Interest	-	-	-	-	-
Internal Service Charges	3,539,936	3,552,157	3,867,445	2,459,829	2,253,620
Capital Projects	-	-	-	-	-
Capital Acquisitions	-	-	-	-	-
Debt Service	1,922,398	1,923,303	1,914,739	1,909,073	1,905,024
Transfers Out	581,014	7,298,187	3,243,595	2,785,220	7,753,140
TOTAL EXPENDITURES	\$ 36,129,459	\$ 43,764,092	\$ 42,252,436	\$ 47,859,140	\$ 52,914,515
Net Increase (Decrease)	5,540,065	(492,819)	1,349,209	1,071,885	(7,632,383)
Beginning Fund Balance	22,103,367	27,643,432	27,150,613	28,499,822	29,571,707
Ending Fund Balance*	\$ 27,643,432	\$ 27,150,613	\$ 28,499,822	\$ 29,571,707	\$ 21,939,324

* Year End Fund Balance represents General Fund 111 (Long Term Compensated Absences were accounted in Fund 961 prior to FY 2018/19).

**TOTAL TOWN
REVENUES AND EXPENDITURES**

SPECIAL REVENUE FUNDS

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Estimated	2019/20 Adopted
REVENUES					
Property Tax	\$ 13	\$ -	\$ 174	\$ -	\$ -
VLF Backfill	-	-	-	-	-
Sales & Use Tax	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	-
Other Taxes	28,096	38,370	34,400	38,220	38,220
Licenses & Permits	30,000	30,780	231,323	231,323	231,323
Intergovernmental	6,011	(6,011)	903	-	-
Town Services	338,813	341,846	345,365	353,071	353,071
Internal Srvc Reimbursement	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-
Interest	1,480	1,570	2,416	1,820	1,460
Other Sources	-	102,654	-	-	-
Debt Service Reimbursement	-	-	-	-	-
Transfers In	50,000	-	-	-	10,000
TOTAL REVENUES	\$ 454,413	\$ 509,209	\$ 614,581	\$ 624,434	\$ 634,074
EXPENDITURES					
Salaries & Benefits	\$ 111,664	\$ 126,005	\$ 135,347	\$ 149,572	\$ 190,474
Operating Expenditures	355,021	355,246	405,064	537,763	416,474
Grants & Awards	-	-	-	-	-
Fixed Assets	-	-	-	-	52,500
Interest	-	-	-	-	-
Internal Service Charges	5,519	6,218	6,895	4,042	5,042
Capital Projects	-	-	6,870	-	-
Capital Acquisitions	-	-	-	-	-
Debt Service	-	-	-	-	-
Transfers Out	4,920	4,920	4,920	4,920	4,920
TOTAL EXPENDITURES	\$ 477,124	\$ 492,389	\$ 559,096	\$ 696,297	\$ 669,410
Net Increase (Decrease)	(22,711)	16,820	55,485	(71,863)	(35,336)
Beginning Fund Balance	387,085	364,374	381,194	436,679	364,816
Ending Fund Balance*	\$ 364,374	\$ 381,194	\$ 436,679	\$ 364,816	\$ 329,480

**TOTAL TOWN
REVENUES AND EXPENDITURES**

INTERNAL SERVICE FUNDS

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Estimated	2019/20 Adopted
REVENUES					
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -
VLF Backfill	-	-	-	-	-
Sales & Use Tax	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	-
Other Taxes	44,453	23,165	31,838	40,000	40,000
Licenses & Permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Town Services	147,850	115,233	161,595	95,000	90,000
Internal Srvc Reimbursement	4,521,610	4,552,407	4,880,836	3,433,133	3,285,647
Fines & Forfeitures	-	-	-	-	-
Interest	6	8	5	-	-
Other Sources	327,920	533,753	585,934	2,852,161	316,382
CIP Proj Reimbursement	-	-	-	-	-
Transfers In	-	-	703,371	450,000	1,061,256
TOTAL REVENUES	\$ 5,041,839	\$ 5,224,566	\$ 6,363,579	\$ 6,870,294	\$ 4,793,285
EXPENDITURES					
Salaries & Benefits	\$ 1,298,397	\$ 3,344,009	\$ 1,585,148	\$ -	\$ 15,413
Operating Expenditures	3,619,728	3,564,545	3,593,992	4,434,162	4,450,508
Grants & Awards	-	-	-	-	-
Fixed Assets	547,171	402,806	620,915	900,711	1,661,240
Interest	-	-	-	-	-
Internal Service Charges	170	53	-	-	752
Capital Projects	-	-	-	-	-
Capital Acquisitions	-	-	-	-	-
Debt Service	-	-	-	-	-
Transfers Out	1,500,833	295,680	-	1,355,069	1,313,000
TOTAL EXPENDITURES	\$ 6,966,299	\$ 7,607,093	\$ 5,800,055	\$ 6,689,942	\$ 7,440,913
Net Increase (Decrease)	(1,924,460)	(2,382,527)	563,524	180,352	(2,647,628)
Beginning Fund Balance	10,585,057	8,660,597	6,278,070	6,841,594	7,021,946
Ending Fund Balance	\$ 8,660,597	\$ 6,278,070	\$ 6,841,594	\$ 7,021,946	\$ 4,374,318

**TOTAL TOWN
REVENUES AND EXPENDITURES**

LIBRARY TRUST FUNDS

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Estimated	2019/20 Adopted
REVENUES					
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -
VLF Backfill	-	-	-	-	-
Sales & Use Tax	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	-
Other Taxes	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Town Services	-	-	-	-	-
Internal Srvc Reimbursement	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-
Interest	4,863	4,623	6,724	4,350	4,150
Other Sources	163,518	79,760	74,315	83,270	75,000
CIP Proj Reimbursement	-	-	-	-	-
Transfers In	1,380	-	-	-	-
TOTAL REVENUES	\$ 169,761	\$ 84,383	\$ 81,039	\$ 87,620	\$ 79,150
EXPENDITURES					
Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenditures	160,209	75,498	77,252	104,048	112,500
Grants & Awards	-	-	-	-	-
Fixed Assets	-	-	-	-	20,755
Interest	-	-	-	-	-
Internal Service Charges	-	-	-	-	-
Capital Projects	-	-	-	-	-
Capital Acquisitions	-	-	-	-	-
Debt Service	-	-	-	-	-
Transfers Out	215,585	-	-	-	-
TOTAL EXPENDITURES	\$ 375,794	\$ 75,498	\$ 77,252	\$ 104,048	\$ 133,255
Net Increase (Decrease)	(206,033)	8,885	3,787	(16,428)	(54,105)
Beginning Fund Balance	729,112	523,079	531,964	535,751	519,323
Ending Fund Balance	\$ 523,079	\$ 531,964	\$ 535,751	\$ 519,323	\$ 465,218

**TOTAL TOWN
REVENUES AND EXPENDITURES**

CAPITAL PROJECT FUNDS

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Estimated	2019/20 Adopted
REVENUES					
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -
VLF Backfill	-	-	-	-	-
Sales & Use Tax	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	-
Other Taxes	12,147	23,165	31,838	30,000	30,000
Licenses & Permits	504,658	658,660	1,381,590	506,567	822,053
Intergovernmental	1,035,991	798,016	1,306,153	1,540,596	3,122,607
Town Services	-	7,500	-	20,880	46,500
Internal Srvs Reimbursement	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-
Interest	209,684	66,951	93,198	24,130	35,740
Other Sources	718,610	741,164	181,503	947,129	1,411,279
CIP Proj Reimbursement	-	-	-	-	-
SCC RPTTF Reimbursement	-	-	-	-	-
Transfers In	504,006	7,593,867	2,638,224	2,685,220	7,994,884
TOTAL REVENUES	\$ 2,985,096	\$ 9,889,323	\$ 5,632,506	\$ 5,754,522	\$ 13,463,063
EXPENDITURES					
Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenditures	6,091	3,654	892	-	-
Grants & Awards	-	-	-	-	-
Fixed Assets	-	-	-	-	-
Interest	-	-	-	-	-
Internal Service Charges	-	-	-	-	-
Capital Projects	2,293,246	6,863,374	10,041,528	8,209,275	13,164,778
Capital Acquisitions	-	-	-	-	-
Debt Service	-	-	-	-	-
Transfers Out	698,580	308,905	631,616	533,616	533,616
TOTAL EXPENDITURES	\$ 2,997,917	\$ 7,175,933	\$ 10,674,036	\$ 8,742,891	\$ 13,698,394
Net Increase (Decrease)	(12,821)	2,713,390	(5,041,530)	(2,988,369)	(235,331)
Beginning Fund Balance	20,829,543	20,816,722	23,530,112	18,488,582	15,500,213
Ending Fund Balance	\$ 20,816,722	\$ 23,530,112	\$ 18,488,582	\$ 15,500,213	\$ 15,264,882

**TOTAL TOWN
REVENUES AND EXPENDITURES**

SUCCESSOR AGENCY TO THE TOWN OF LOS GATOS RDA

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Estimated	2019/20 Adopted
REVENUES					
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -
VLF Backfill	-	-	-	-	-
Sales & Use Tax	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	-
Other Taxes	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Intergovernmental	1,989,524	1,964,636	1,958,325	1,919,073	1,915,024
Town Services	-	-	-	-	-
Internal Srvc Reimbursement	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-
Interest	2,393	6,310	22,788	3,079	3,154
Other Sources	-	-	-	-	-
CIP Proj Reimbursement	1,922,398	1,923,303	1,914,739	1,909,073	1,905,024
SCC RPTTF Reimbursement	-	-	-	-	-
Transfers In	-	-	-	-	-
TOTAL REVENUES	\$ 3,914,315	\$ 3,894,249	\$ 3,895,852	\$ 3,831,225	\$ 3,823,202
EXPENDITURES					
Salaries & Benefits	\$ 14,102	\$ (10,004)	\$ 1,385	\$ 1,605	\$ 1,748
Operating Expenditures	5,357	16,770	5,270	11,570	11,670
Grants & Awards	-	-	-	-	-
Fixed Assets	-	-	-	-	-
Interest	1,025,000	1,065,000	756,482	1,150,000	1,195,000
Internal Service Charges	561	75	58	5	5
Capital Projects	-	-	-	-	-
Capital Acquisitions	-	-	-	-	-
Debt Service	2,819,796	2,725,469	3,013,089	2,668,145	2,614,779
Transfers Out	69,654	-	6,300	-	-
TOTAL EXPENDITURES	\$ 3,934,470	\$ 3,797,310	\$ 3,782,584	\$ 3,831,325	\$ 3,823,202
Net Increase (Decrease)	(20,155)	96,939	113,268	(100)	-
Beginning Fund Balance	3,613,726	3,593,571	3,690,510	3,803,778	3,803,678
Ending Fund Balance	\$ 3,593,571	\$ 3,690,510	\$ 3,803,778	\$ 3,803,678	\$ 3,803,678

**TOTAL TOWN
REVENUES AND EXPENDITURES**

TOTAL ALL FUNDS

	2015/16	2016/17	2017/18	2018/19	2019/20
	Actuals	Actuals	Actuals	Estimated	Adopted
REVENUES					
Property Tax	\$ 10,779,447	\$ 11,518,257	\$ 12,510,996	\$ 13,543,960	\$ 14,174,700
VLF Backfill	2,984,023	3,237,955	3,447,584	3,685,247	3,795,800
Sales & Use Tax	7,501,175	9,171,373	7,592,206	7,629,897	8,001,917
Franchise Fees	2,258,892	2,366,908	2,474,814	2,386,910	2,458,520
Transient Occupancy Tax	1,943,166	2,322,910	2,628,927	2,622,500	2,848,730
Other Taxes	1,550,243	1,805,680	1,784,327	1,598,220	1,508,220
Licenses & Permits	4,046,677	3,731,606	4,624,222	3,560,858	4,435,910
Intergovernmental	4,571,198	3,664,926	4,275,547	4,282,254	6,015,772
Town Services	3,972,014	3,919,245	5,132,096	4,466,759	4,817,907
Internal Srvc Reimbursement	4,521,610	4,552,407	4,880,836	3,433,133	3,285,647
Fines & Forfeitures	858,929	917,106	676,212	505,349	483,950
Interest	839,321	251,115	369,893	965,897	674,278
Other Sources	1,571,666	3,659,217	2,075,633	8,921,165	2,158,831
CIP Proj Reimbursement	3,844,796	3,846,606	3,829,478	3,818,146	3,810,048
SCC RPTTF Reimbursement	-	-	-	-	-
Transfers In	2,991,791	7,907,692	3,886,431	4,678,825	9,604,676
TOTAL REVENUES	\$ 54,234,948	\$ 62,873,003	\$ 60,189,202	\$ 66,099,120	\$ 68,074,906
EXPENDITURES					
Salaries & Benefits	\$ 22,766,441	\$ 25,344,865	\$ 25,296,305	\$ 27,143,005	\$ 31,117,994
Operating Expenditures	12,284,264	12,911,922	13,539,894	18,567,261	14,861,024
Grants & Awards	194,155	209,381	194,808	233,472	222,500
Fixed Assets	958,991	402,806	620,915	900,711	1,734,495
Interest	1,025,000	1,065,000	756,482	1,150,000	1,195,000
Internal Service Charges	3,546,186	3,558,503	3,874,398	2,463,876	2,259,419
Capital Projects	2,293,246	6,863,374	10,048,398	8,209,275	13,164,778
Capital Acquisitions	-	-	-	-	-
Debt Service	4,742,194	4,648,772	4,927,828	4,577,218	4,519,803
Transfers Out	3,070,586	7,907,692	3,886,431	4,678,825	9,604,676
TOTAL EXPENDITURES	\$ 50,881,063	\$ 62,912,315	\$ 63,145,459	\$ 67,923,643	\$ 78,679,689
Net Increase (Decrease)	3,353,885	(39,312)	(2,956,257)	(1,824,523)	(10,604,783)
Beginning Fund Balance	58,247,886	61,601,771	61,562,459	58,606,202	56,781,679
Ending Fund Balance	\$ 61,601,771	\$ 61,562,459	\$ 58,606,202	\$ 56,781,679	\$ 46,176,896

Note: Expenditures and Transfers Out may exceed Revenues due to the inclusion of planned and carry-forward capital projects and payments from General Fund reserves to the Town Pension and OPEB Trust Funds.

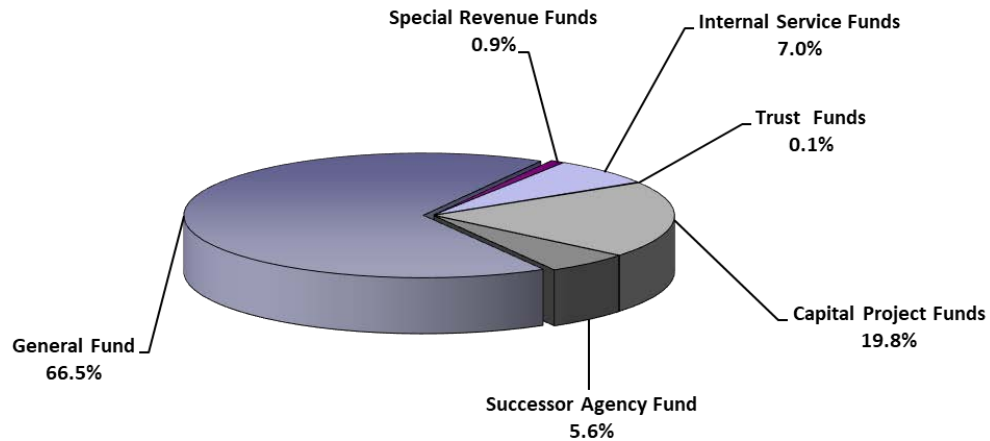
TOTAL TOWN REVENUES

BY FUND

(Includes Transfers In)

Fund	Fund Name	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted	Change from PY
General Fund								
111	General Fund	\$ 41,669,525	\$ 43,271,274	\$ 43,601,644	\$ 42,363,657	\$ 48,931,025	\$ 45,282,132	6.9%
Special Revenue Funds								
211	Housing Conservation Program	67	102,654	-	-	-	-	0.0%
212	Community Dev Block Grant	6,011	(6,011)	-	-	-	-	0.0%
222	Urban Run-Off Source Fund	418,813	372,626	577,592	584,394	584,394	594,394	1.7%
231	Blackwell Assessment District	3,233	3,252	3,311	3,210	3,260	3,210	0.0%
232	Kennedy Assessment District	346	10,631	7,982	10,605	10,675	10,605	0.0%
233	Gemini Assessment District	4,850	4,801	4,544	4,750	4,900	4,750	0.0%
234	Santa Rosa Assessment District	5,000	5,074	5,402	5,000	5,000	5,000	0.0%
235	Vasona Assessment District	10,054	10,107	9,612	10,075	10,075	10,075	0.0%
236	Hillbrook Assessment District	6,041	6,074	6,138	6,040	6,130	6,040	0.0%
Internal Service Funds								
611	Liability Self-Insurance	492,341	497,401	506,519	376,187	642,515	443,727	18.0%
612	Worker's Comp Self-Insurance	963,155	1,026,355	1,135,141	878,386	1,362,335	2,087,485	137.7%
621	Information Technology	1,114,384	1,110,361	1,177,826	334,478	1,120,501	859,223	156.9%
622	Office Stores Fund	117,734	130,520	127,786	118,000	118,000	-	-100.0%
631	Equipment Replacement	501,093	458,689	1,070,616	1,070,000	1,088,399	229,093	-78.6%
632	Facilities Maintenance	571,670	577,675	586,654	376,655	755,678	-	-100.0%
633	Vehicle Maintenance	1,281,462	1,423,566	1,759,036	1,209,089	1,782,866	1,173,757	-2.9%
Trust Funds								
711	Library Trust	71,720	80,350	75,039	75,050	83,820	75,550	0.7%
712	Library History Project	1,380	-	-	-	-	-	0.0%
713	Ness Trust Bequest	845	345	516	-	200	-	0.0%
714	Betty McClendon Trust	705	750	1,079	700	700	700	0.0%
716	Barbara J Cassin Trust	2,764	2,939	4,404	2,900	2,900	2,900	0.0%
Capital Projects Funds								
411	GFAR	1,282,824	8,913,877	3,495,886	4,180,576	3,992,239	10,000,355	139.2%
421	Grant Funded CIP Projects	196,627	3,093	243,448	544,046	207,903	1,047,100	92.5%
461	Storm Drain #1	51,538	74,183	13,996	49,010	70,450	49,150	0.3%
462	Storm Drain #2	72,598	69,142	752,689	50,240	50,240	53,770	7.0%
463	Storm Drain #3	46,944	6,813	40,564	1,860	1,860	1,620	-12.9%
471	Traffic Mitigation	572,672	163,126	151,452	354,874	242,106	942,524	165.6%
472	Construction Tax-Undergrounding	79,297	47,615	68,868	44,310	44,310	52,490	18.5%
481	Gas Tax	682,594	611,472	865,606	1,324,204	1,145,428	1,316,054	-0.6%
Successor Agency to the Los Gatos RDA Fund								
942	SA - Recognized Obligation Retirement	3,914,315	3,894,249	3,895,852	3,828,296	3,831,225	3,823,202	-0.1%
TOTAL Fund Rev & Transfers In		\$ 54,234,948	\$ 62,873,003	\$ 60,189,202	\$ 57,806,592	\$ 66,099,134	\$ 68,074,906	17.8%

TOTAL TOWN REVENUES BY FUND

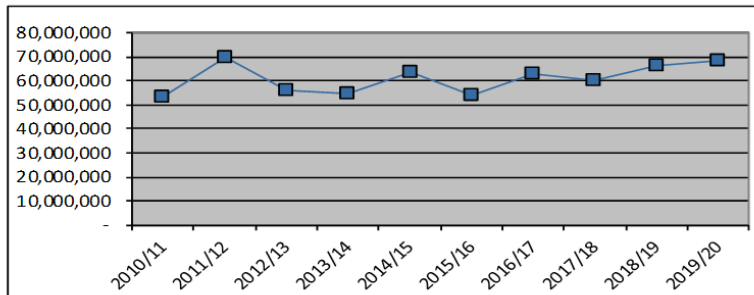


FY 2019/20 Revenues By Fund

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted	% of Total
General Fund	\$ 41,669,525	\$ 43,271,274	\$ 43,601,644	\$ 42,363,657	\$ 48,931,025	\$ 45,282,132	66.5%
Special Revenue Funds	454,415	509,208	614,581	624,074	624,434	634,074	0.9%
Internal Service Funds	5,041,839	5,224,567	6,363,578	4,362,795	6,870,294	4,793,285	7.0%
Trust Funds	169,760	84,384	81,038	78,650	87,620	79,150	0.1%
Capital Project Funds	2,985,094	9,889,321	5,632,509	6,549,120	5,754,536	13,463,063	19.8%
Successor Agency Fund	3,914,315	3,894,249	3,895,852	3,828,296	3,831,225	3,823,202	5.6%
Total Rev & Transfers In	\$ 54,234,948	\$ 62,873,003	\$ 60,189,202	\$ 57,806,592	\$ 66,099,134	\$ 68,074,906	100.0%

TOWN REVENUE HISTORICAL TREND (Includes Transfers In)

FY	Total	Status
2010/11	53,064,630	Actuals
2011/12	69,593,001	Actuals
2012/13	55,847,086	Actuals
2013/14	54,528,656	Actuals
2014/15	63,470,973	Actuals
2015/16	54,234,948	Actuals
2016/17	62,873,003	Actuals
2017/18	60,189,202	Actuals
2018/19	66,099,134	Estimated
2019/20	68,074,906	Projected



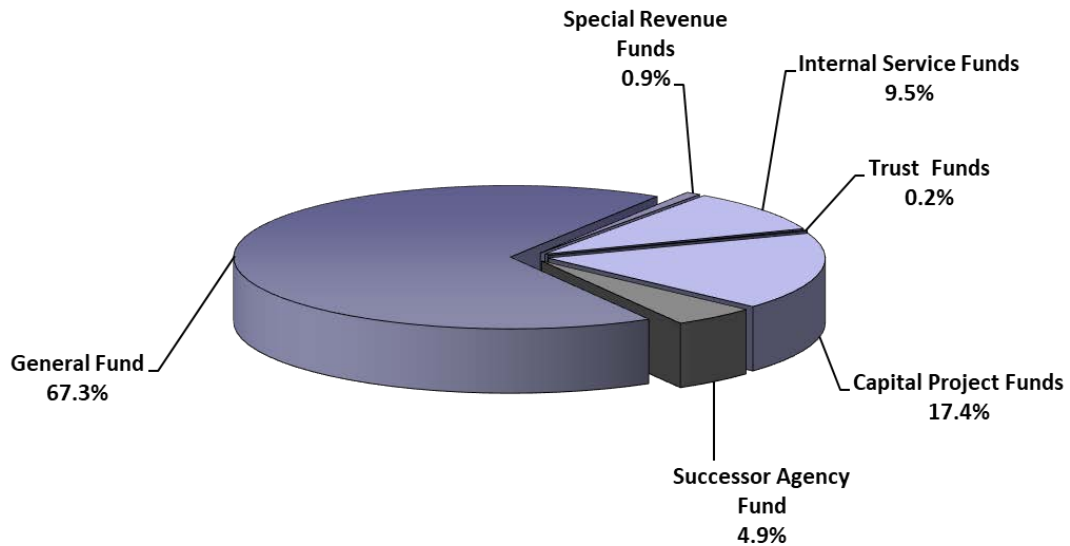
TOTAL TOWN EXPENDITURES

BY FUND

(Includes Transfers Out)

Fund	Fund Name	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted	Change from PY
General Fund								
111	General Fund	\$ 36,129,459	\$ 43,764,091	\$ 42,252,436	\$ 47,516,992	\$ 47,859,140	\$ 52,914,515	11.4%
Special Revenue Funds								
211	Housing Conservation Program	-	-	-	-	-	-	0.0%
212	Community Dev Block Grant	-	-	-	-	-	-	0.0%
222	Urban Run-Off Source Fund	452,726	466,762	521,147	559,482	664,571	579,173	3.5%
231	Blackwell Assessment District	1,650	1,555	2,536	10,907	2,597	10,907	0.0%
232	Kennedy Assessment District	8,400	8,631	14,846	31,506	7,905	8,913	-71.7%
233	Gemini Assessment District	1,406	1,406	2,244	12,544	2,722	12,544	0.0%
234	Santa Rosa Assessment District	2,955	2,955	9,172	19,472	9,172	19,472	0.0%
235	Vasona Assessment District	7,018	7,555	5,586	18,644	5,673	18,644	0.0%
236	Hillbrook Assessment District	2,969	3,525	3,565	19,757	3,657	19,757	0.0%
Internal Service Funds								
611	Liability Self-Insurance	656,053	1,015,409	397,190	641,361	412,788	680,137	6.0%
612	Worker's Comp Self-Insurance	1,264,688	1,337,371	1,416,722	1,218,202	1,966,962	1,657,210	36.0%
621	Information Technology	1,059,092	1,747,482	1,267,349	1,211,775	902,570	955,575	-21.1%
622	Office Stores Fund	122,562	113,210	100,432	134,500	345,791	-	-100.0%
631	Equipment Replacement	2,028,117	712,638	636,400	1,572,945	900,711	2,186,240	39.0%
632	Facilities Maintenance	484,662	805,178	506,234	376,655	1,018,466	-	-100.0%
633	Vehicle Maintenance	1,351,125	1,875,805	1,475,728	1,151,086	1,142,654	1,961,752	70.4%
Trust Funds								
711	Library Trust	64,896	75,498	71,265	73,500	83,000	100,000	36.1%
713	Ness Trust Bequest	131,694	-	-	-	21,048	20,755	0.0%
714	Betty McClendon Trust	-	-	5,986	-	-	2,500	0.0%
716	Barbara J Cassin Trust	-	-	-	-	-	10,000	0.0%
721	Parking District #88	179,204	-	-	-	-	-	0.0%
Capital Projects Funds								
411	GFAR	2,025,650	5,448,916	9,556,479	4,154,302	6,564,889	10,242,715	146.6%
421	Grant Funded CIP Projects	181,443	3,400	15,394	950,446	326,681	1,047,100	10.2%
461	Storm Drain #1	-	-	-	50,000	-	50,000	0.0%
462	Storm Drain #2	95,820	-	18,700	50,000	-	50,000	0.0%
463	Storm Drain #3	-	12,750	107,992	50,000	-	50,000	0.0%
471	Traffic Mitigation	587,695	141,791	119,507	334,874	242,106	942,524	181.5%
472	Construction Tax-Undergrounding	-	-	-	2,218,000	-	-	-100.0%
481	Gas Tax	107,309	1,569,077	855,965	1,324,134	1,609,215	1,316,054	-0.6%
Successor Agency to the Los Gatos RDA Fund								
942	SA- Trust Fund	3,934,470	3,797,310	3,782,584	3,831,229	3,831,325	3,823,202	
TOTAL Fund Exp & Transfers Out		\$ 50,881,063	\$ 62,912,315	\$ 63,145,459	\$ 67,532,313	\$ 67,923,643	\$ 78,679,689	16.5%

TOTAL TOWN EXPENDITURES BY FUND



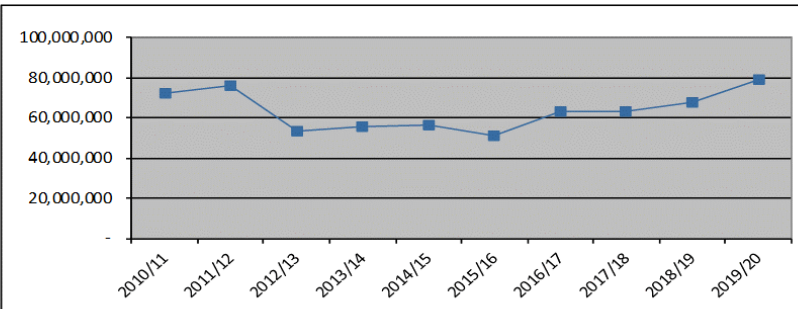
FY 2019/20 Expenditures by Fund

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted	% of Total
General Fund	\$ 36,129,459	\$ 43,764,091	\$ 42,252,436	\$ 47,516,992	\$ 47,859,140	\$ 52,914,515	67.3%
Special Revenue Funds	477,124	492,389	559,096	672,312	696,297	669,410	0.9%
Internal Service Funds	6,966,299	7,607,093	5,800,055	6,306,524	6,689,942	7,440,914	9.5%
Trust Funds	375,794	75,498	77,251	73,500	104,048	133,255	0.2%
Capital Project Funds	2,997,917	7,175,934	10,674,037	9,131,756	8,742,891	13,698,393	17.4%
Successor Agency Fund	3,934,470	3,797,310	3,782,584	3,831,229	3,831,325	3,823,202	4.9%
Total Exp & Transfers Out	\$ 50,881,063	\$ 62,912,315	\$ 63,145,459	\$ 67,532,313	\$ 67,923,643	\$ 78,679,689	100.0%

TOWN EXPENDITURE HISTORICAL TREND

(Includes Transfers Out)

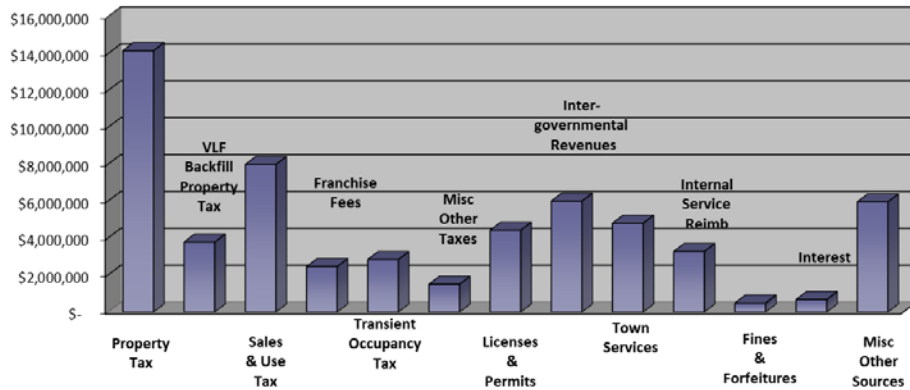
FY	Total	Status
2010/11	\$ 72,439,477	Actuals
2011/12	\$ 75,659,793	Actuals
2012/13	\$ 53,432,243	Actuals
2013/14	\$ 55,545,002	Actuals
2014/15	\$ 56,593,416	Actuals
2015/16	\$ 50,881,063	Actuals
2016/17	\$ 62,912,315	Actuals
2017/18	\$ 63,145,459	Actuals
2018/19	\$ 67,923,643	Estimated
2019/20	\$ 78,679,689	Projected



TOTAL TOWN REVENUES

BY CATEGORY

FY 2019/20 Revenues



Revenues	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted	% of Total
Property Tax	\$ 10,779,448	\$ 11,518,257	\$ 12,510,996	\$ 12,507,071	\$ 13,543,960	\$ 14,174,700	20.8%
VLF Backfill Property Tax	2,984,023	3,237,955	3,447,584	3,482,060	3,685,247	3,795,800	5.6%
Sales & Use Tax	7,501,175	9,171,373	7,592,206	7,744,208	7,629,897	8,001,917	11.8%
Franchise Fees	2,258,892	2,366,908	2,474,814	2,386,910	2,386,910	2,458,520	3.6%
Transient Occupancy Tax	1,943,166	2,322,910	2,628,927	2,272,500	2,622,500	2,848,730	4.2%
Miscellaneous Other Taxes	1,550,243	1,805,679	1,784,327	1,758,220	1,598,220	1,508,220	2.2%
Licenses & Permits	4,046,677	3,731,606	4,624,222	4,385,686	3,560,858	4,435,910	6.5%
Intergovernmental Revenues	4,571,198	3,664,925	4,275,547	5,262,535	4,282,254	6,015,772	8.8%
Town Services	3,972,014	3,919,245	5,132,095	4,909,709	4,466,759	4,817,907	7.1%
Internal Service Reimbursements	4,521,610	4,552,407	4,880,836	3,481,414	3,433,133	3,285,647	4.8%
Fines & Forfeitures	858,929	917,106	676,212	631,400	505,349	483,950	0.7%
Interest	839,321	251,116	369,892	317,696	965,897	674,278	1.0%
Miscellaneous Other Sources	5,416,461	7,505,824	5,905,113	5,037,114	12,739,311	5,968,879	8.8%
Total Revenues	\$ 51,243,157	\$ 54,965,311	\$ 56,302,771	\$ 54,176,523	\$ 61,420,295	\$ 58,470,230	
Plus Transfers In	2,991,791	7,907,692	3,886,431	3,630,056	4,678,825	9,604,676	14.1%
Total Revenues & Other Sources	\$ 54,234,948	\$ 62,873,003	\$ 60,189,202	\$ 57,806,579	\$ 66,099,120	\$ 68,074,906	100%

Total Budgeted Revenues (exclusive of Transfers In) have increased from the prior year, as the Town is expected to experience revenue growth in some of the key economically sensitive revenue categories of Property Tax, Transient Occupancy Tax, and VLF Backfill.

Key revenue highlights include:

Property Tax – Property Tax revenues have increased by 13.4% compared to the prior year budgeted amount as home sales continue to rise with the strong economy.

Sales and Use Tax – While the Town only receives 1.125 cents of the 9.125 cents of sales tax paid per dollar of taxable sales generated in Town, Sales and Use Tax remains one of the General Fund's largest revenue sources. The FY 2019/20 budget reflects \$8 million in sales tax revenue, or a 3% increase compared to the prior year budgeted amount. The change is the combined effect of the additional 1/8 cent sales tax, and the negative impact is associated with Netflix streaming and increased on-line retail sales versus local brick and mortar shopping.

Licenses and Permits – FY 2019/20 Licenses and Permits reflect a 1.1% increase reflecting anticipated permitting activity.

Intergovernmental Revenues – Increases in intergovernmental revenues are due to changes in available grant funding.

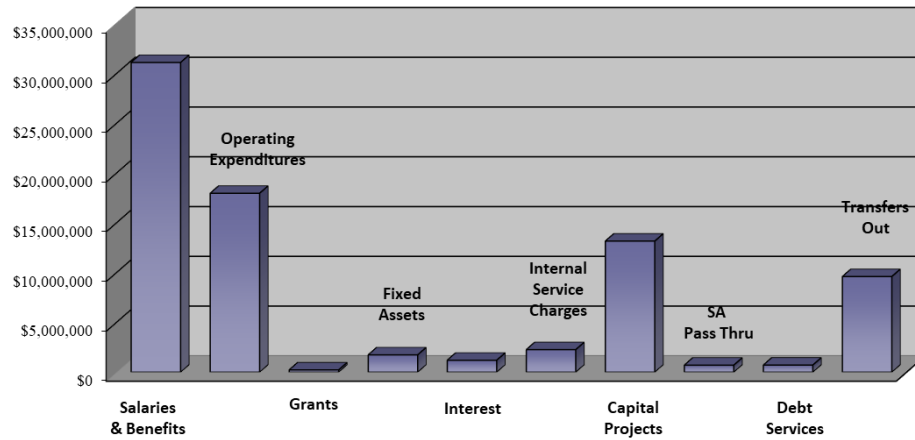
Transient Occupancy Tax– Transient Occupancy Tax (TOT) is expected to increase by 25.4% from FY 2018/19 budgeted amount of \$2.3 million due to the continued strong travel and tourism industry, and the anticipated additional TOT collection from short term vacation rental units.

Other Sources – This revenue reflects lease reimbursement revenue received from the Successor Agency to the Los Gatos Redevelopment Agency for 2002 and 2010 Certificates of Participation (COPs) debt service payments for the bond issues.

TOTAL TOWN EXPENDITURES

BY CATEGORY

**FY 2019/20
Expenditures**



Expenditures	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted	% of Total
Salaries and Benefits	\$ 22,766,441	\$ 25,344,865	\$ 25,296,305	\$ 27,347,094	\$ 27,143,005	\$ 31,117,995	39.6%
Operating Expenditures	14,791,682	16,085,203	16,354,837	20,807,148	20,053,122	17,971,353	22.8%
Grants	194,155	209,381	194,808	227,000	233,472	222,500	0.3%
Fixed Assets	958,991	402,807	627,785	1,798,038	900,711	1,734,495	2.2%
Interest	1,025,000	1,065,000	756,482	1,150,000	1,150,000	1,195,000	1.5%
Internal Service Charges	3,546,185	3,558,503	3,874,398	2,484,949	2,463,876	2,259,419	2.9%
Capital Projects	2,293,247	6,863,375	10,041,532	8,598,140	8,209,275	13,164,778	16.7%
Successor Agency Pass Thru	1,337,379	673,323	1,014,531	730,815	2,332,285	699,718	0.9%
Debt Services	897,398	802,166	1,098,350	759,073	759,072	709,755	0.9%
Total Expenditures	\$ 47,810,478	\$ 55,004,623	\$ 59,259,028	\$ 63,902,257	\$ 63,244,818	\$ 69,075,013	
Transfers Out	3,070,585	7,907,692	3,886,431	3,630,056	4,678,825	9,604,676	12.2%
Total Uses of Funds	\$ 50,881,063	\$ 62,912,315	\$ 63,145,459	\$ 67,532,313	\$ 67,923,643	\$ 78,679,689	100%

Total Budgeted Expenditures (exclusive of Transfers Out) include budgeted Capital Improvements, which can vary significantly from year to year. Net of Capital Projects, total expenditures reflect a 6.5% increase for FY 2019/20 compared to the prior year adopted budget. Expenditures of note include:

Salaries and Benefits – The FY 2019/20 budget reflects an increase in salaries related to negotiated across the board increases and benefits attributed to increased CalPERS and medical benefits rates. Staffing modifications include eliminating certain vacant positions and reclassifying them to better align with service delivery within the existing budget, including the 0.35 FTE Administrative Technician position and temporary Analyst hours in the Finance Program. The 1.0 FTE IT Analyst added to the budget last year and the 1.0 FTE Network Administrator that is currently budgeted have had the titles changed to the IT Systems Administrator classification and one FTE has moved from Information Technology to the Police Department to accurately reflect existing IT services allocated to the Police Department. The 1.0 FTE Accountant/Finance Analyst position is a permanent addition to the budget. Staff also proposes one-time temporary hours within the Town Manager’s Office, Police Department, and Community Development Department.

Fixed Assets – Budgeted fixed asset costs stem primarily from scheduled vehicle and equipment replacements. The variance in expenditures from year to year does not impact current year charges to the Departments, only the actual cash out to replace the asset.

Internal Service Charges – These expenditures represent the service program costs charged back to the operational programs for Liability Insurance, Information Technology, Vehicle Replacement, and Building Maintenance services. The FY 2019/20 budget reflects a decrease in the Internal Service Charges since two of the Internal Service Funds will be closed during FY 2018/19.

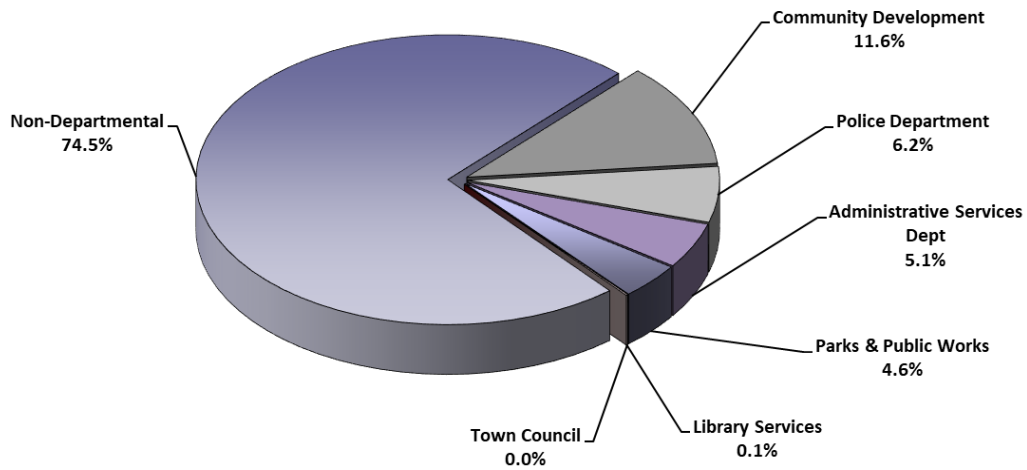
TOTAL TOWN EXPENDITURES

BY CATEGORY

Debt Service – Debt service charges reflect the Redevelopment Agency’s two outstanding Certificates of Participation (2002 and 2010) through a leasing expenditure and reimbursement revenue which nets to zero for the Town, while Successor Agency (SA) to the Los Gatos Redevelopment Agency funds provide the actual debt payment for the bond issues. The SA reimburses the General Fund for the debt service payment. The 1992 COP for Parking Lot #4 was paid in full in early FY 2012/13.

GENERAL FUND REVENUES

BY DEPARTMENT

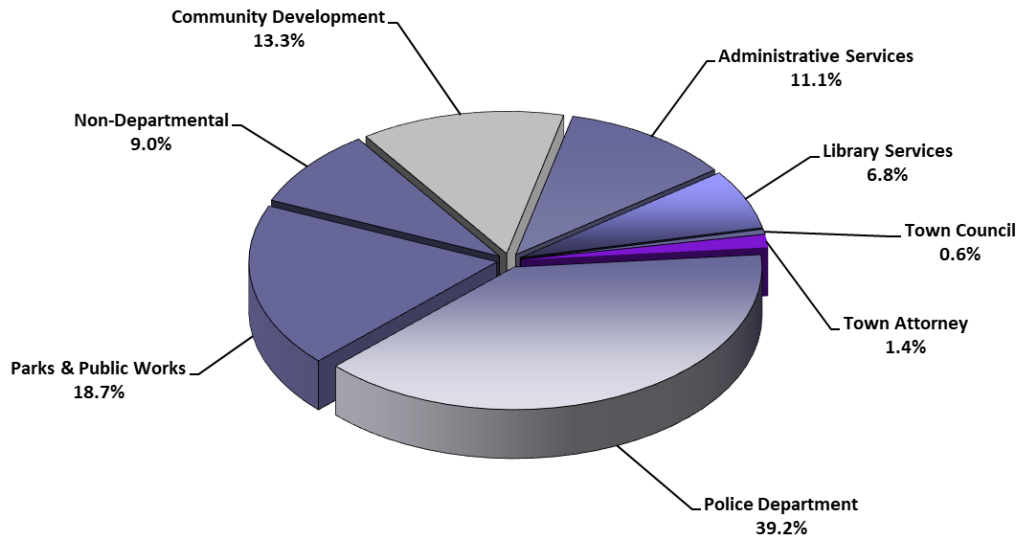


FY 2019/20 Departmental Revenues

Departments	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted	% of Total
Town Council	\$ 119	\$ 2,634	\$ 730	\$ -	\$ 150	\$ -	0.0%
Non-Departmental	25,815,404	30,660,035	28,988,477	28,371,332	33,685,253	31,267,889	73.0%
Administrative Services*	2,107,339	1,939,016	1,946,533	2,105,357	2,614,894	2,176,383	5.1%
Community Development	4,359,149	3,803,661	3,835,046	5,066,010	3,856,838	4,967,543	11.6%
Police Department	3,356,188	2,880,573	2,769,309	2,518,704	2,449,304	2,661,412	6.2%
Parks & Public Works	1,579,102	1,666,480	3,530,073	1,789,845	2,805,805	1,716,845	4.0%
Library Services	93,420	81,746	71,902	58,500	66,103	48,500	0.1%
Total General Fund Revenues	\$ 37,310,721	\$ 41,034,145	\$ 41,142,070	\$ 39,909,748	\$ 45,478,347	\$ 42,838,572	100%
Town Debt Payments	\$ 1,922,398	\$ 1,923,303	\$ 1,914,739	\$ 1,909,073	\$ 1,909,073	\$ 1,905,024	
Transfers In	2,436,405	313,825	544,836	544,836	1,543,605	538,536	
Net Operating Revenues	\$ 41,669,524	\$ 43,271,273	\$ 43,601,645	\$ 42,363,657	\$ 48,931,025	\$ 45,282,132	

**The Town Manager's Office, Human Resources, Finance, Clerk Administration, and Information Technology Programs are all accounted for within the Administrative Services Department.*

GENERAL FUND EXPENDITURES BY DEPARTMENT



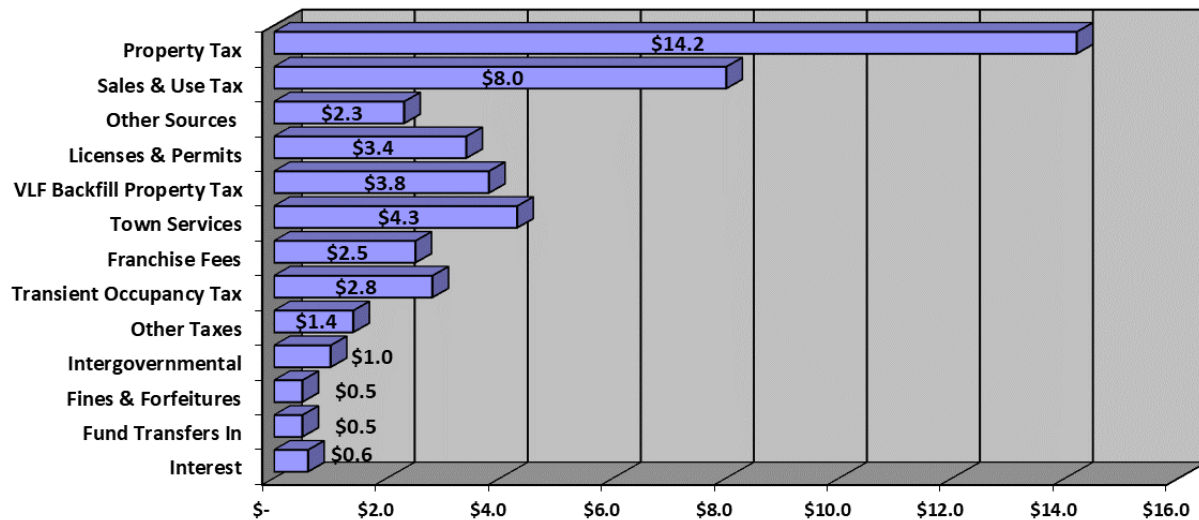
FY 2019/20 Departmental Expenditures

Departments	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted	% of Total
Police Department	\$ 13,844,684	\$ 13,251,291	\$ 14,423,554	\$ 14,976,514	\$ 15,348,311	\$ 16,940,786	39.2%
Parks & Public Works	6,226,196	6,597,744	7,099,527	7,621,282	9,097,208	8,070,067	18.7%
Non-Departmental	3,839,489	4,945,746	5,109,456	7,015,300	6,871,599	3,873,255	9.0%
Community Development	4,032,333	3,793,929	4,192,165	5,583,158	4,648,870	5,760,099	13.3%
Administrative Services*	2,883,289	2,825,082	3,193,995	4,290,959	3,961,505	4,815,138	11.1%
Library Services	2,332,268	2,508,678	2,529,017	2,556,267	2,461,954	2,935,010	6.8%
Town Council	171,530	193,584	192,183	223,036	215,399	240,605	0.6%
Town Attorney	296,258	426,548	354,205	556,183	560,001	621,391	1.4%
Total General Fund Exp	\$ 33,626,047	\$ 34,542,602	\$ 37,094,102	\$ 42,822,699	\$ 43,164,847	\$ 43,256,351	100%
Town Debt Payments	\$ 1,922,398	\$ 1,923,303	\$ 1,914,739	\$ 1,909,073	\$ 1,909,073	\$ 1,905,024	
Transfers Out	581,014	7,298,187	3,243,595	2,785,220	2,785,220	7,753,140	
Net Operating Expenditures	\$ 36,129,459	\$ 43,764,092	\$ 42,252,436	\$ 47,516,992	\$ 47,859,140	\$ 52,914,515	

* The Town Manager's Office, Human Resources, Finance, Clerk Administrator, and Information Technology Programs are all accounted for within the Administrative Services Department.

GENERAL FUND REVENUES BY CATEGORY

\$45.3 Million



Revenue Category	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted	% of Total
Property Tax	\$ 10,779,434	\$ 11,518,257	\$ 12,510,822	\$ 12,507,071	\$ 13,543,960	\$ 14,174,700	31.3%
VLF Backfill Property Tax	2,984,023	3,237,955	3,447,584	3,482,060	3,685,247	3,795,800	8.4%
Sales & Use Tax	7,501,175	9,171,373	7,592,206	7,744,208	7,629,897	8,001,917	17.7%
Franchise Fees	2,258,892	2,366,908	2,474,814	2,386,910	2,386,910	2,458,520	5.4%
Transient Occupancy Tax	1,943,166	2,322,910	2,628,927	2,272,500	2,622,500	2,848,730	6.3%
Other Taxes	1,465,547	1,720,980	1,686,251	1,650,000	1,490,000	1,400,000	3.1%
Licenses & Permits	3,512,019	3,042,166	3,011,309	3,311,429	2,822,968	3,382,534	7.5%
Intergovernmental	1,539,672	908,285	1,010,166	685,759	822,585	978,141	2.2%
Town Services	3,485,351	3,454,666	4,625,136	4,461,638	3,997,808	4,328,336	9.6%
Fines & Forfeitures	858,929	917,106	676,212	631,400	505,349	483,950	1.1%
Interest	620,895	171,653	244,762	267,806	932,518	629,774	1.4%
Other Sources	2,284,016	4,125,189	3,148,620	2,418,040	6,947,678	2,261,194	5.0%
Total Revenues	\$ 39,233,119	\$ 42,957,448	\$ 43,056,809	\$ 41,818,821	\$ 47,387,420	\$ 44,743,596	
Transfers In:	\$ 2,436,405	\$ 313,825	\$ 544,836	\$ 544,836	\$ 1,543,605	\$ 538,536	1.2%
Total Revenues & Transfers In	\$ 41,669,524	\$ 43,271,273	\$ 43,601,645	\$ 42,363,657	\$ 48,931,025	\$ 45,282,132	100%

FY 2019/20 General Fund revenues and fund transfers are estimated to increase by 6.9% from the FY 2018/19 adopted budget. The Town's operations are funded through a variety of revenue sources as depicted above. Revenues were estimated by trend analysis and historical data as explained below:

Sales Tax – While the Town only receives 1.125 cents of the 9.125 cents of sales tax paid per dollar of taxable sales generated in Town, Sales and Use Tax remains one of the General Fund's largest revenue sources. The FY 2019/20 budget reflects \$8 million in sales tax revenue, or a 3% increase compared to the prior year budgeted amount. The change is the combined effect of the additional 1/8 cent sales tax, and the negative impact of Netflix streaming and reduced local brick and mortar sales compared with on-line retail sales.

Property Tax – Property Tax receipts in Los Gatos are expected to increase from the budgeted FY 2018/19 amount by 13.4% totaling \$14.2 million, as homes sales continue to rise with the positive economy. Property Tax budget projections are based on valuations projected by the Santa Clara County Assessor's Office, given increased home sales, coupled with anticipated adjustments in property tax distribution due to the dissolution of California redevelopment agencies. The Town receives 9.3 cents of each property tax dollar paid by property owners. The remaining 90.7 cents of each dollar is distributed to several other taxing jurisdictions, including local schools,

GENERAL FUND REVENUES

BY CATEGORY

community college districts, the County of Santa Clara, Santa Clara County Central Fire Protection District, and other special districts that serve the community.

Town Services – Charges for Town Services decreased by 3% reflecting development projects that are in progress.

Licenses & Permits – Licenses and Permits remained flat based on current and anticipated building activities.

Intergovernmental Revenues – Intergovernmental revenues reflect a 42% increase since more grant revenue is anticipated to be received than the prior fiscal year.

Franchise Fees – Compared to the prior fiscal year, Franchise Fees, including cable television, electric utility and solid waste, have increased by 3%. The increase is based on an analysis of current year collection trends.

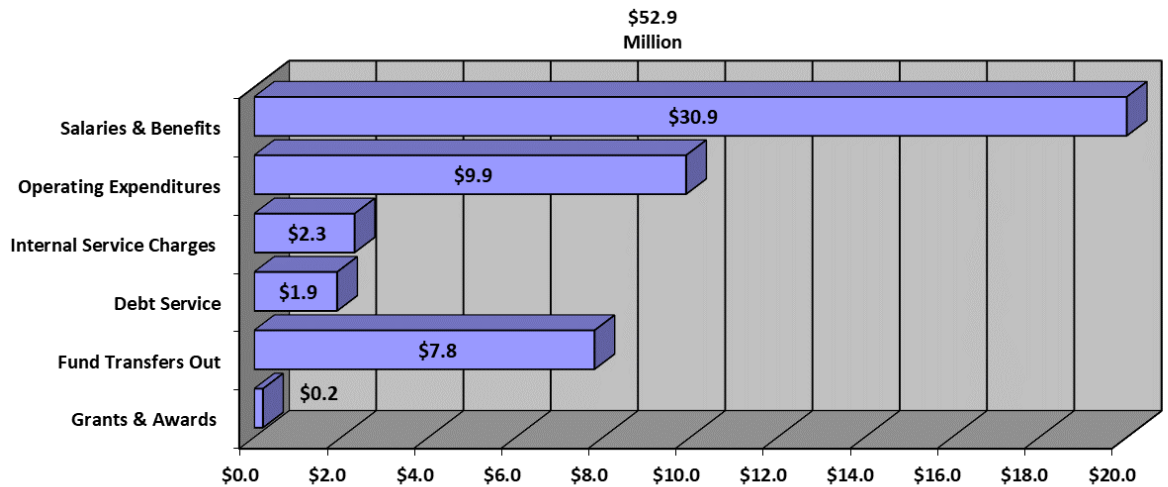
Transient Occupancy Tax – Transient Occupancy Tax (TOT) is expected to increase by 25.4% from the FY 2018/19 budgeted amount of \$2.3 million due to the continued strong travel and tourism industry, and the anticipated additional TOT collection from short term vacation rental units.

Fines and Forfeitures – Fines and Forfeitures include library and traffic fines and administrative citations which are expected to decrease by 23%.

Transfers In –Transfers in have remained the same as in the prior year budget.

Other Sources – Other sources reflects a 6% decrease compared to the prior fiscal year because of a reduction in Town “pass Through” programs.

GENERAL FUND EXPENDITURES BY CATEGORY



Expenditure Category	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted	% of Total
Salaries & Benefits	\$ 21,342,278	\$ 21,884,855	\$ 23,574,425	\$ 27,182,217	\$ 26,991,828	\$ 30,910,359	58.5%
Operating Expenditures	8,137,858	8,896,209	9,457,424	12,932,896	13,479,718	9,869,872	18.7%
Fixed Assets	411,820	-	-	-	-	-	0.0%
Grants & Awards	194,155	209,381	194,808	227,000	233,472	222,500	0.4%
Debt Service	1,922,398	1,923,303	1,914,739	1,909,073	1,909,073	1,905,024	3.6%
Internal Service Charges	3,539,936	3,552,157	3,867,445	2,480,585	2,459,829	2,253,620	4.2%
Total Expenditures	\$ 35,548,445	\$ 36,465,905	\$ 39,008,841	\$ 44,731,771	\$ 45,073,920	\$ 45,161,375	
Transfers Out	\$ 581,014	\$ 7,298,187	\$ 3,243,595	\$ 2,785,220	\$ 2,785,220	\$ 7,753,140	14.7%
Total Exp & Transfers Out	\$ 36,129,459	\$ 43,764,092	\$ 42,252,436	\$ 47,516,991	\$ 47,859,140	\$ 52,914,515	100.1%

The FY 2019/20 General Fund Operating Budget of \$45,128,690 (net of transfers out and the General Fund Update expenses) represents a 0.9% increase compared to the net FY 2018/19 adopted operating expenditures budget of \$44,731,771.

Salaries & Benefits – The delivery of Town services is highly dependent on labor which comprises 59.7% of budgeted General Fund expenditures for FY 2019/20. The FY 2019/20 budget reflects an increase in salaries consistent with approved labor contracts, and benefits costs attributed to increased CalPERS and medical benefits rates.

Operating Expenditures – The operating expenditures include \$1.0 million for the General Plan Update. The FY 2019/20 operating expenditures increased when compared to the FY 2018/19 adopted budget. Town-wide efforts continue to emphasize the importance of containing operating costs while maintaining core services; however, factors such as escalating energy costs and general cost increases have offset many departmental reductions.

Grants & Awards – The Town provides General Fund grants and awards to local nonprofit organizations for a variety of human, art, special events and educational services. FY 2019/20 grants and awards reflect a 0.2% decrease in grant funding from the prior year.

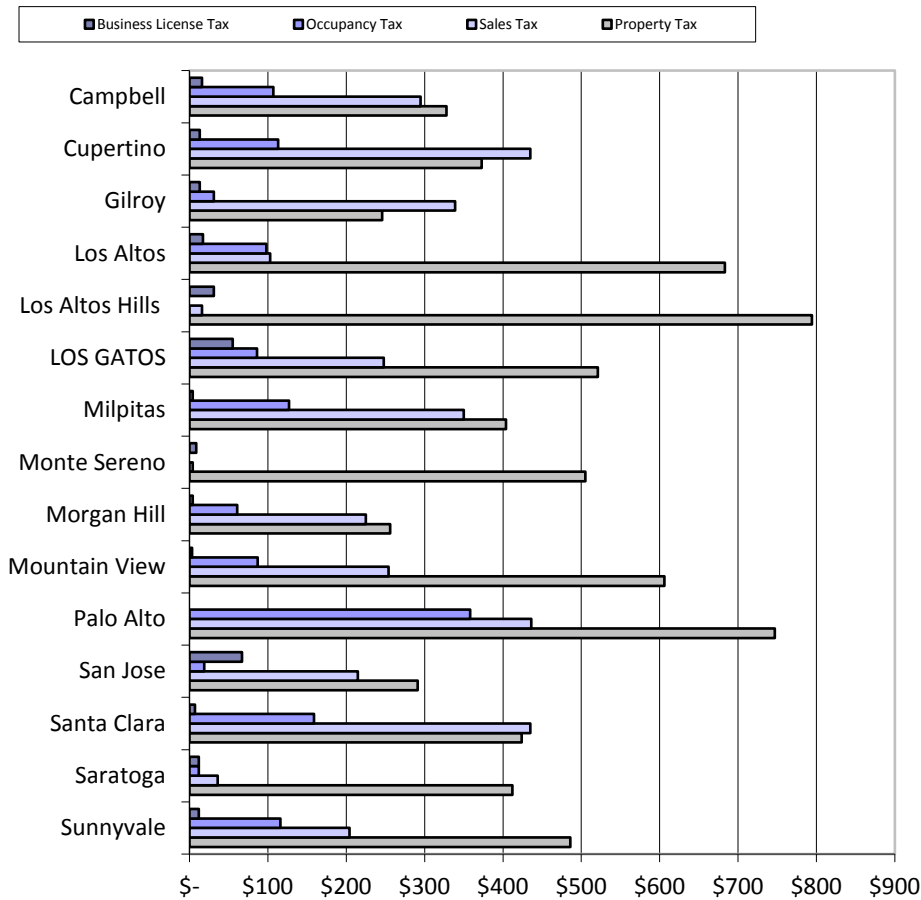
Internal Service Charges – These expenditures represent the service program costs charged back to the operational programs for Liability Insurance, Information Technology, Vehicle Replacement, and Building Maintenance services. The FY 2019/20 budget reflects a decrease in the Internal Service Charges since two of the Internal Service Funds will be closed during FY 2018/19.

GENERAL FUND EXPENDITURES
BY CATEGORY

Debt Service – The Town facilitates the Successor Agency (SA) to the Los Gatos Redevelopment Agency's two Certificates of Participation (COPs) through a leasing expense and reimbursement revenue which nets to zero for the Town, while SA funds provide the actual debt payment for the bond issues.

Transfers Out – The General Fund Transfers Out include \$5,709,500 to the Capital Projects Fund, \$1,061,256 to Workers' Compensation Fund, and \$10,000 to Non-Point Source Program for pollution prevention.

GENERAL FUND TAX REVENUES
CITIES OF SANTA CLARA COUNTY – TAX REVENUES PER CAPITA
(LATEST DATA AVAILABLE AT THE TIME OF PUBLICATION)



FY 2017/18 Actual Tax Revenue Amounts and Per Capita

Cities	Population	Property Tax		Sales Tax		Occupancy Tax		Business License Tax	
		Amount	Per Capita	Amount	Per Capita	Amount	Per Capita	Amount	Per Capita
Campbell	42,696	\$ 14,015,701	328	\$ 12,575,376	\$ 295	\$ 4,557,720	\$ 107	\$ 698,184	\$ 16
Cupertino	60,091	22,433,806	373	26,164,531	435	6,810,718	113	800,536	13
Gilroy	55,615	13,687,606	246	18,827,189	339	1,722,355	31	702,486	13
Los Altos	31,361	21,428,501	683	3,243,554	103	3,072,982	98	547,065	17
Los Altos Hills	8,568	6,799,663	794	139,105	16	-	-	264,424	31
LOS GATOS	30,601	15,958,406	521	7,592,206	248	2,628,927	86	1,686,251	55
Milpitas	74,865	30,261,513	404	26,213,910	350	9,536,211	127	329,362	4
Monte Sereno	3,630	1,833,253	505	13,764	4	-	-	32,031	9
Morgan Hill	44,513	11,396,623	256	10,006,737	225	2,732,631	61	195,035	4
Mountain View	81,527	49,418,921	606	20,713,381	254	7,057,226	87	250,739	3
Palo Alto	69,721	52,068,235	747	30,376,935	436	24,938,066	358	-	-
San Jose	1,051,316	306,222,332	291	226,336,942	215	19,530,772	19	70,673,106	67
Santa Clara	129,604	54,965,098	424	56,322,044	435	20,579,504	159	898,990	7
Saratoga	31,435	12,963,531	412	1,124,647	36	389,037	12	377,106	12
Sunnyvale	153,389	74,568,761	486	31,314,096	204	17,741,915	116	1,837,527	12
Average	124,595	\$ 45,868,130	\$ 368	\$ 31,397,628	\$ 252	\$ 8,086,538	\$ 65	\$ 5,286,189	\$ 42

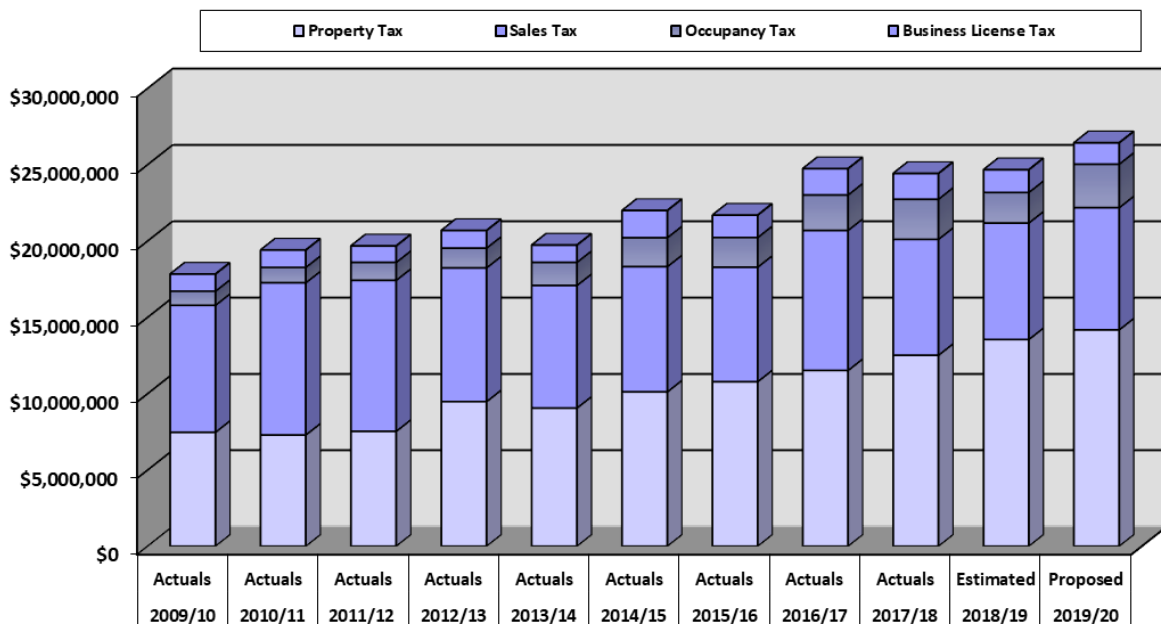
Based on FY 2017/18 Actual Revenues City Morgan Hill

City of Morgan Hill 2018 Comprehensive Annual Financial Report

Source: Santa Clara County and Cities of Santa Clara County

GENERAL FUND TAX REVENUES

BUDGET WITH 10 YEAR HISTORY



Fiscal Year		Property Tax	Sales Tax	Occupancy Tax	Business License Tax	Sum of Key Revenues	Change from Prior Year
2009/10	Actuals	\$ 7,465,871	\$ 8,317,217	\$ 923,783	\$ 1,122,000	\$ 17,828,871	3.1%
2010/11	Actuals	\$ 7,289,897	\$ 9,971,409	\$ 1,004,659	\$ 1,136,511	\$ 19,402,476	3.1%
2011/12	Actuals	\$ 7,532,073	\$ 9,889,100	\$ 1,174,485	\$ 1,077,320	\$ 18,196,717	3.1%
2012/13	Actuals	\$ 9,477,043	\$ 8,757,428	\$ 1,295,887	\$ 1,151,579	\$ 20,681,937	3.1%
2013/14	Actuals	\$ 9,054,908	\$ 8,029,571	\$ 1,512,846	\$ 1,130,020	\$ 19,727,345	3.1%
2014/15	Actuals	\$ 10,113,287	\$ 8,202,678	\$ 1,896,721	\$ 1,779,407	\$ 21,992,093	3.1%
2015/16	Actuals	\$ 10,779,434	\$ 7,501,175	\$ 1,943,166	\$ 1,465,546	\$ 21,689,321	3.1%
2016/17	Actuals	\$ 11,518,257	\$ 9,171,373	\$ 2,322,910	\$ 1,720,980	\$ 24,733,520	3.1%
2017/18	Actuals	\$ 12,510,822	\$ 7,592,206	\$ 2,628,927	\$ 1,686,251	\$ 24,418,206	3.1%
2018/19	Estimated	\$ 13,543,960	\$ 7,629,897	\$ 2,000,000	\$ 1,490,000	\$ 24,663,857	13.7%
2019/20	Proposed	\$ 14,174,700	\$ 8,001,917	\$ 2,848,730	\$ 1,400,000	\$ 26,425,347	7.1%

GENERAL FUND

FY 2018/19 & FY 2019/20 ESTIMATED FUND BALANCE ACTIVITY

Use of / Addition to GF Reserves:	Estimated July 1, 2019 Balance	Revenues & Transfers In	Expenditures and Transfers Out	Fund Balance Sources (Uses)	Estimated June 30, 2020 Balance
Unreserved Fund Balances					
Undesignated Reserves	\$ -	\$ -	\$ -	\$ -	\$ -
Available to be Appropriated	2,807,085	45,282,132	52,914,515	8,275,825	3,450,527
Reserved Fund Balances					
Committed to:					
Budget Stabilization Reserve	5,037,243	-	-	381,979	5,419,222
Catastrophic Reserves	5,037,243	-	-	381,979	5,419,222
CalPERS/OPEB Reserve	690,000	-	-	3,242,500	3,932,500
Almond Grove Reserve	-	-	-	-	-
Assigned to:					
Open Space Reserve	562,000	-	-	(152,000)	410,000
Sustainability	140,553	-	-	-	140,553
Strategy Reserve	129,090	-	-	(129,090)	-
Capital / Special Projects	10,035,983	-	-	(8,029,868)	2,006,115
Authorized Carryforwards	99,927	-	-	-	99,927
Compensated Absences	2,122,512	-	-	(1,061,256)	1,061,256
Vehicle Maintenance & Stores Residual	1,005,069	-	-	(1,005,069)	-
Surplus Property Reserve	1,905,000	-	-	(1,905,000)	-
Total Use of and Addition To Reserves	\$ 29,571,705	\$ 45,282,132	\$ 52,914,515	\$ -	\$ 21,939,322

FY 2018/19 and FY 2019/20 Estimated Fund Balance Activity:

	Budget Stabilization	Catastrophic	Pension/OPEB	Open Space	Sustainability	Strategic Planning	Capital/Special Projects	Carryforward Encumbrances	Compensated Absences	Vehicle Maint & Stores Res.	Surplus Property Reserve	Estimated Allocated Fund Balance	Total GF Balance
Actual General Fund Balance June 30, 2018	\$5,037,243	\$5,037,243	\$2,878,913	\$562,000	\$140,553	\$129,090	\$14,421,203	\$99,927	\$ 2,122,512	\$ -	\$ -	\$ -	\$30,428,684
Estimated FY 2018/19													
To Pension/OPEB Reserve			1,000,000				(1,000,000)						
Transfer to GFAR (FY 2018/19 Budget Resolution 2018-028)							(2,335,220)						
Transfer to Equip. Repl. Fund (FY 2018/19 Budget Resolution 2018-028)							(450,000)						
To PARS Trust (FY 2018/19 Budget Resolution 2018-028)			(3,188,913)										
Use of Reserve - Developer Fee Collected (Council Action 3/19/2019 Item 6)							(600,000)						
Surplus Property Reserve (Resolution 2018-052)											1,905,000		
Closing Veh Maintand Stores Funds Estimated Residual Balance										1,005,069			
FY 2018/19 Estimated Year-End Surplus												2,807,085	
Estimated General Fund Balance June 30, 2019	\$5,037,243	\$5,037,243	\$ 690,000	\$562,000	\$140,553	\$129,090	\$10,035,983	\$99,927	\$ 2,122,512	\$1,005,069	\$1,905,000	\$2,807,085	\$29,571,705
Proposed FY 2019/20													
Additional Funding To Pension/OPEB Reserve (January 2019 Priority Session)			1,337,500				(1,337,500)						
Additional Funding To Pension/OPEB Reserve (May 2019 Budget Hearing)			1,905,000								(1,905,000)		
Additional Funding for PCI Improvements (January 2019 Priority Session)							(1,337,500)						
Downtown Revitalization (January 2019 Priority Session)							(1,000,000)						
Downtown Revitalization (May 2019 Budget Hearing)										(972,384)			
Additional Capital Projects				(152,000)			(3,220,000)						
50% of Com. Abs. to Workers' Comp									(1,061,256)				
Reserve 25% of GF Operating Expenditure	381,979	381,979					(763,958)						
Close Budget Strategy Reserve						(129,090)	129,090						
Additional Grant (May 2019 Budget Hearing)										(5,000)			
Additional Side Walk Cleaning (May 2019 Budget Hearing)										(27,685)			
FY 2019/20 Estimated Year-End Surplus												143,442	
Estimated General Fund Balance June 30, 2020	\$5,419,222	\$5,419,222	\$3,932,500	\$410,000	\$140,553	\$ -	\$ 2,506,115	\$99,927	\$ 1,061,256	\$ -	\$ -	\$2,950,527	\$21,939,322

* Town Council may reallocate the funds available from the proceeds of surplus property and the residual balance of closing the Vehicle Maintenance and Stores Internal Service Funds (\$2.9M) to other Reserves during the budget hearing on May 21, 2019. Otherwise these proceeds will be placed in the Capital/Special Projects Reserve, consistent with the Town's adopted General Fund Reserve Policy for future Council consideration. The balances are estimates and will be finalized upon closing FY 2018/19.

SCHEDULE OF INTERFUND TRANSFERS
FISCAL YEAR 2018/19 & 2019/20

Fund Description	Estimated		Adopted Budget	
	2018/19 Transfers In	2018/19 Transfers Out	2019/20 Transfers In	2019/20 Transfers Out
General Funds				
General Fund	\$ 1,543,605	\$ 2,785,220	\$ 538,536	\$ 7,753,140
Special Revenue Funds				
Solid Waste Management	-	-	-	-
HCD Housing Rehabilitation	-	-	-	-
HCD-Community Dev Block Grant	-	-	-	-
Urban Run-Off Program	-	-	10,000	-
Landscape & Lighting Districts				
Blackwell District	-	460	-	460
Kennedy Meadows District	-	1,510	-	1,510
Gemini Court District	-	610	-	610
Santa Rosa Heights District	-	660	-	660
Vasona Heights District	-	1,430	-	1,430
Hillbrook District	-	250	-	250
Internal Service Funds				
Liability Self Insurance-Fund	-	-	-	-
Worker's Comp Self Insurance	-	-	1,061,256	-
Management Information Systems	-	300,000	-	-
Office Stores Fund	-	224,791	-	-
Equipment Fund	450,000	-	-	525,000
Vehicle Maintenance Fund	-	780,278	-	-
Facilities Maintenance Fund	-	50,000	-	788,000
Trust & Agency Funds				
Barbara J. Cassin Trust	-	-	-	-
History Project Trust Fund	-	-	-	-
Library Trust Fund	-	-	-	-
Capital Project Funds				
GFAR	2,685,220	417,616	7,994,884	417,616
Grant Funded CIP Projects	-	-	-	-
Storm Drain #1	-	-	-	-
Storm Drain #2	-	-	-	-
Storm Drain #3	-	-	-	-
Traffic Mitigation	-	10,000	-	10,000
Construction Utility Underground	-	-	-	-
Gas Tax - Street & Signal	-	106,000	-	106,000
Successor Agency of the Los Gatos RDA Fund				
SA - Administration	-	-	-	-
SA - Debt Service	-	-	-	-
SA - Low / Moderate Housing	-	-	-	-
SA - Recognized Obligation Retirement	-	-	-	-
SA - General Fund	-	-	-	-
Total Transfers	\$ 4,678,825	\$ 4,678,825	\$ 9,604,676	\$ 9,604,676

FUND BALANCE ACTIVITY SUMMARY

FISCAL YEAR 2019/20

	7/1/19 Estimated Fund Balance	Fiscal Year 2019/20 Adopted Budget						6/30/20 Estimated Fund Balance
		Plus		Less		Use of Reserves		
		Revenues & Carryforwards	Transfers In	Expenditures & Carryforwards	Transfers Out			
GENERAL FUND								
Unreserved Fund Balances								
Undesignated Reserves								
Available to be Appropriated	\$ 2,807,085	\$ 44,743,596	\$ 538,536	\$ 45,161,375	\$ 7,753,140	\$ 7,775,825	\$ 2,950,527	
Reserved Fund Balances								
Committed to:								
Budget Stabilization Reserve	5,419,222	-	-	-	-	-	5,419,222	
Catastrophic Reserves	5,419,222	-	-	-	-	-	5,419,222	
Pension/OPEB Reserve	3,932,500	-	-	-	-	-	3,932,500	
Almond Grove Reserve	-	-	-	-	-	-	-	
Assigned to:								
Open Space Reserve	562,000	-	-	-	-	(152,000)	410,000	
Sustainability	140,553	-	-	-	-	-	140,553	
Strategy Reserve	129,090	-	-	-	-	(129,090)	-	
Capital/Special Projects	7,934,525	-	-	-	-	(5,428,410)	2,506,115	
Authorized Carryforwards	99,927	-	-	-	-	-	99,927	
Compensated Absences	2,122,512	-	-	-	-	(1,061,256)	1,061,256	
Vehicle Maintenance & Stores Residual	1,005,069	-	-	-	-	(1,005,069)	-	
Surplus Property Reserve	-	-	-	-	-	-	-	
Total General Fund Reserves	\$ 29,571,705	\$ 44,743,596	\$ 538,536	\$ 45,161,375	\$ 7,753,140	\$ -	\$ 21,939,322	

General Fund Undesignated Reserves reflect ongoing revenue, carryforward, transfer, expenditures, the net effect of the change in Designated Reserves, and the use of Undesignated Reserves.

- **FY 2019/20 Budgeted revenue and expenditure appropriations, and transfers to and from the General Fund.**
- **Authorized carryforwards reflect operating appropriations that were brought forward as a funding source. The actual carryforward amount will be determined at FY 2018/19 year-end, with funding offset by undesignated reserves.**
- **General Fund Reserve Policy requires a minimum of 25% of General Fund operating expenditures equally divided between the Budget Stabilization Reserve and Catastrophic Reserve.**
- **In FY 2015/16, Council established a General Fund Pension/Other Post Employment Benefits (OPEB) Reserve Account. At the same time, the Council revised the General Fund Reserve Policy to provide for a maximum of \$300,000 in General Fund Year End Savings upon year-end close to be deposited in the Pension/OPEB Reserve Account and used as authorized by Town Council.**
- **Undesignated Fund Balance is a year-end fund balance not yet identified by the Town Council for a specific purpose. The Town General Fund Reserve Policy requires full funding of the Catastrophic and Budget Stabilization Reserves, distribution to the Pension/OPEB Reserve, and any remaining balance to the Capital/Special Project Reserve.**

SPECIAL REVENUE FUNDS								
Housing Conservation Program	\$ 177,240	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 177,240
Community Dev Block Grant	(10,587)	-	-	-	-	-	-	(10,587)
Urban Run-Off Source Fund	(8,839)	584,394	10,000	579,173	-	-	-	6,382
Blackwell Assessment District	13,363	3,210	-	10,447	460	-	-	5,666
Kennedy Assessment District	38,004	10,605	-	7,403	1,510	-	-	39,696
Gemini Assessment District	28,266	4,750	-	11,934	610	-	-	20,472
Santa Rosa Assessment District	54,305	5,000	-	18,812	660	-	-	39,833
Vasona Assessment District	53,577	10,075	-	17,214	1,430	-	-	45,008
Hillbrook Assessment District	19,483	6,040	-	19,507	250	-	-	5,766
Total Special Revenue Funds Reserves	\$ 364,812	\$ 624,074	\$ 10,000	\$ 664,490	\$ 4,920	\$ -	\$ -	\$ 329,476

FUND BALANCE ACTIVITY SUMMARY

FISCAL YEAR 2019/20

	Fiscal Year 2019/20 Adopted Budget							
	7/1/19 Estimated Fund Balance	Plus		Less			6/30/20 Estimated Fund Balance	
		Revenues & Carryforwards	Transfers In	Expenditures & Carryforwards	Transfers Out	Use of Reserves		
INTERNAL SERVICE FUNDS								
Liability Self-Insurance	\$ 1,224,496	\$ 443,727	\$ -	\$ 680,137	\$ -	\$ -	\$ 988,086	
Worker's Comp Self-Insurance	16,099	1,026,229	1,061,256	1,657,210	-	-	446,374	
Information Technology	2,379,739	859,223	-	955,575	-	-	2,283,387	
Office Stores Fund	-	-	-	-	-	-	-	
Equipment Replacement	2,515,958	229,093	-	1,661,240	525,000	-	558,811	
Vehicle Maintenance	-	-	-	-	-	-	-	
Facilities Maintenance	885,649	1,173,757	-	1,173,752	788,000	-	97,654	
Total Internal Service Funds Reserves	\$ 7,021,941	\$ 3,732,029	\$ 1,061,256	\$ 6,127,914	\$ 1,313,000	\$ -	\$ 4,374,312	
Equipment Replacement Fund Balance is the accumulation of replacement funding-to-date for assets. Revenues are the pro-rated annual charges to departments for asset replacement, and expenditures reflect the cost of equipment up for replacement in this fiscal year. The Fund will continue to reallocate Fund Balance as a transfer to the General Fund for assets that have accumulated replacement costs and have been identified as no longer being part of the Replacement Schedule.								
TRUST & AGENCY								
Library Trust	\$ 55,591	\$ 75,550	\$ -	\$ 100,000	\$ -	\$ -	\$ 31,141	
Ness Trust Bequest	20,755	-	-	20,755	-	-	-	
Betty McClendon Trust	85,205	700	-	2,500	-	-	83,405	
Barbara J Cassin Trust	357,765	2,900	-	10,000	-	-	350,665	
Total Trust & Agency Funds Reserves	\$ 519,316	\$ 79,150	\$ -	\$ 133,255	\$ -	\$ -	\$ 465,211	
CAPITAL PROJECTS FUNDS								
GFAR	\$ 8,142,217	\$ 2,005,471	\$ 7,994,884	\$ 9,825,099	\$ 417,616	\$ -	\$ 7,899,857	
GFAR - Designated for Parking	1,460,210	-	-	-	-	-	1,460,210	
Grant Funded CIP Projects	(252,889)	1,047,100	-	1,047,100	-	-	(252,889)	
Storm Drain #1	879,827	49,150	-	50,000	-	-	878,977	
Storm Drain #2	1,803,014	53,770	-	50,000	-	-	1,806,784	
Storm Drain #3	(74,294)	1,620	-	50,000	-	-	(122,674)	
Traffic Mitigation	260,487	942,524	-	932,524	10,000	-	260,487	
Construction Tax-Undergrounding	3,042,294	52,490	-	-	-	-	3,094,784	
Gas Tax	239,361	1,316,054	-	1,210,054	106,000	-	239,361	
Total Capital Projects Funds Reserves	\$ 15,500,227	\$ 5,468,179	\$ 7,994,884	\$ 13,164,777	\$ 533,616	\$ -	\$ 15,264,897	
GFAR, Grant Fund, Storm Drain Funds, and Gas Tax Fund Balances reflect the spending down of available funds in FY 2018/19 in line with the planned Capital Improvement Program. The GFAR and Grant Funds also include transfers-in to fund these planned projects. Traffic Mitigation Fund reflects a transfer out of \$10,000 for estimated annual administration fees. Grant Funded Projects Fund Balance reflects appropriations for incoming revenues and prior year carryforwards, which will result in either positive or negative fund balance depending on timing of receipts and budget. All grant projects net to zero at completion.								
Successor Agency of the Los Gatos RDA Fund								
SA- Trust Fund	\$ 3,803,678	\$ 3,823,202	\$ -	\$ 3,823,202	\$ -	\$ -	\$ 3,803,678	
Total SA of the Los Gatos RDA Funds Reserves	\$ 3,803,678	\$ 3,823,202	\$ -	\$ 3,823,202	\$ -	\$ -	\$ 3,803,678	
TOTAL RESERVES	\$ 56,781,679	\$ 58,470,230	\$ 9,604,676	\$ 69,075,013	\$ 9,604,676	\$ -	\$ 46,176,896	

FUND BALANCE RESERVES

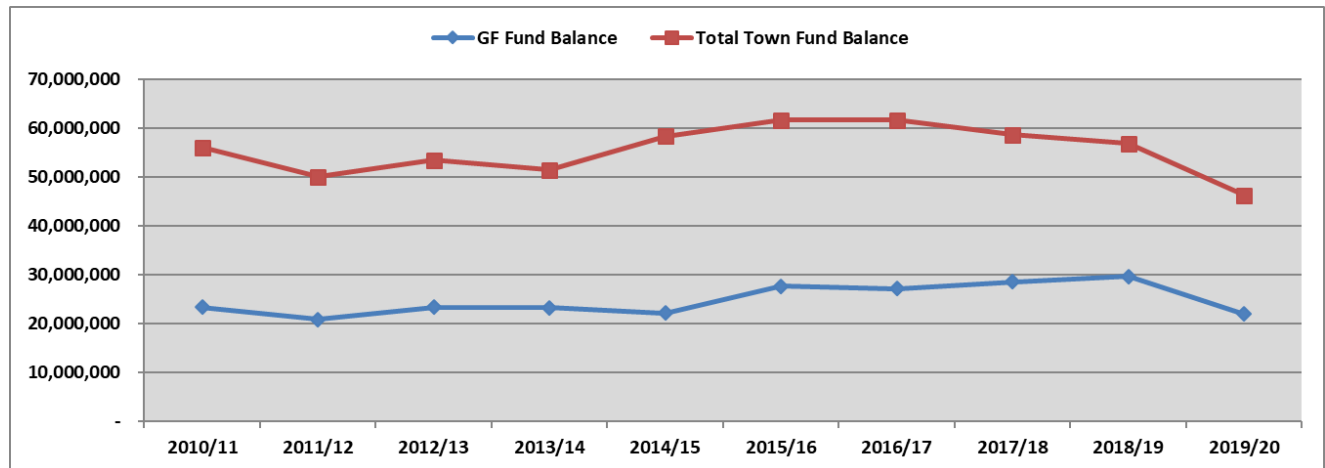
5 YEAR COMPARATIVE BALANCES

	6/30/2016 Actual YE Balance	6/30/2017 Actual YE Balance	6/30/2018 Actual YE Balance	6/30/2019 Estimated YE Balance	6/30/2020 Budgeted YE Balance
Fund Balance Reserves					
GENERAL FUND					
<i>Restricted Fund Balances</i>					
<i>Unreserved Fund Balances</i>					
<i>Undesignated Reserves</i>					
Available to be Appropriated	-	-	-	2,807,085	2,950,527
Committed to:					
Budget Stabilization Reserve	6,621,808	4,969,847	5,037,243	5,419,222	5,419,222
Catastrophic Reserves	4,637,406	4,969,847	5,037,243	5,419,222	5,419,222
Pension/OPEB Reserve	300,000	3,388,913	2,878,913	3,932,500	3,932,500
Almond Grove Reserve	8,459,973	1,801,318	-	-	-
Assigned to:					
Open Space Reserve	562,000	562,000	562,000	562,000	410,000
Sustainability	140,553	140,553	140,553	140,553	140,553
Strategic Planning Reserve	2,600,000	2,600,000	129,090	129,090	-
Capital/Special Projects	4,222,405	8,332,953	14,421,203	7,934,525	2,506,115
Authorized Carryforwards	99,284	34,852	99,927	99,927	99,927
Compensated Absences*	-	350,329	193,647	2,122,512	1,061,256
Stores and Vehicle Maintenance	-	-	-	1,005,069	-
Surplus Property Reserve	-	-	-	-	-
Total General Fund Reserves*	\$ 27,643,429	\$ 27,150,612	\$ 28,499,819	** \$ 29,571,705	\$ 21,939,322
SPECIAL REVENUE FUNDS					
Housing Conservation Program	\$ 74,586	\$ 177,240	\$ 177,240	\$ 177,240	\$ 177,240
Community Dev Block Grant	(4,576)	(10,587)	(10,587)	(10,587)	(10,587)
Urban Run-Off Source Fund	109,030	14,894	71,338	(8,839)	6,382
Blackwell Assessment District	10,231	11,928	12,700	13,363	5,666
Kennedy Assessment District	40,097	42,097	35,234	38,004	39,696
Gemini Assessment District	20,392	23,787	26,088	28,266	20,472
Santa Rosa Assessment District	60,128	62,247	58,477	54,305	39,833
Vasona Assessment District	42,596	45,148	49,175	53,577	45,008
Hillbrook Assessment District	11,887	14,436	17,010	19,483	5,766
Total Special Revenue Funds Reserves	\$ 364,371	\$ 381,190	\$ 436,675	\$ 364,812	\$ 329,476
INTERNAL SERVICE FUNDS					
Liability Self-Insurance	\$ 1,403,449	\$ 885,441	\$ 994,769	\$ 1,224,496	988,086
Worker's Comp Self-Insurance	1,213,323	902,307	620,726	16,099	446,374
Information Technology	2,888,452	2,251,331	2,161,808	2,379,739	2,283,387
Office Stores Fund	183,127	200,437	227,790	-	-
Equipment Replacement	2,148,005	1,894,057	2,328,270	2,515,958	558,811
Vehicle Maintenance	409,872	182,369	262,791	-	-
Facilities Maintenance	414,367	(37,872)	245,437	885,649	97,654
Total Internal Service Funds Reserves	\$ 8,660,595	\$ 6,278,070	\$ 6,841,591	\$ 7,021,941	\$ 4,374,312

* Year End Fund Balance represents General Fund 111 (Long Term Compensated Absences were accounted in Fund 961 prior to FY 2018/19).

FUND BALANCE RESERVES 5 YEAR COMPARATIVE BALANCES

Fund Balance Reserves	6/30/2016 Actual YE Balance	6/30/2017 Actual YE Balance	6/30/2018 Actual YE Balance	6/30/2019 Estimated YE Balance	6/30/2020 Budgeted YE Balance
TRUST FUNDS					
Library Trust	\$ 46,145	\$ 50,997	\$ 54,771	\$ 55,591	\$ 31,141
Ness Trust Bequest	40,743	41,087	41,603	20,755	-
Betty McClendon Trust	88,662	89,412	84,505	85,205	83,405
Barbara J Cassin Trust	347,522	350,461	354,865	357,765	350,665
Total Trust Reserves	\$ 523,072	\$ 531,957	\$ 535,744	\$ 519,316	\$ 465,211
CAPITAL PROJECTS FUNDS					
GFAR	\$ 13,328,595	\$ 16,793,556	\$ 10,714,880	\$ 8,142,217	7,899,857
GFAR - Designated for Parking	1,460,210	1,460,210	1,460,210	1,460,210	1,460,210
Grant Funded CIP Projects	(379,946)	(380,253)	(134,111)	(252,889)	(252,889)
Storm Drain #1	721,198	795,381	809,377	879,827	878,977
Storm Drain #2	949,644	1,018,786	1,752,774	1,803,014	1,806,784
Storm Drain #3	(2,788)	(8,725)	(76,154)	(74,294)	(122,674)
Traffic Mitigation	207,206	228,541	260,487	260,487	260,487
Construction Tax-Undergrounding	2,881,501	2,929,116	2,997,984	3,042,294	3,094,784
Gas Tax	1,651,113	693,508	703,148	239,361	239,361
Total Capital Projects Funds Reserves	\$ 20,816,733	\$ 23,530,120	\$ 18,488,595	\$ 15,500,227	\$ 15,264,897
Successor Agency Trust of the Los Gatos RDA					
SA - Trust Fund (Budgetary Fund Balance)	\$ 3,593,571	\$ 3,690,510	\$ 3,803,778	\$ 3,803,678	\$ 3,803,678
Total Successor Agency Fund Reserves	\$ 3,593,571	\$ 3,690,510	\$ 3,803,778	\$ 3,803,678	\$ 3,803,678
TOTAL RESERVES	\$ 61,601,771	\$ 61,562,459	\$ 58,606,202	\$ 56,781,679	\$ 46,176,896



DEPARTMENT REVENUES BY PROGRAM

		2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
Town Offices							
1101	Town Council	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1301	Town Attorney	119	2,634	730	-	150	-
1302	Liability Self-Insurance Fund	492,341	497,401	506,519	376,187	642,515	443,727
Total Town Offices		\$ 492,460	\$ 500,035	\$ 507,249	\$ 376,187	\$ 642,665	\$ 443,727
Administrative Services Department							
1201	Non-Departmental	\$ 27,772,802	\$ 32,681,146	\$ 31,218,830	\$ 30,596,021	\$ 35,909,942	\$ 33,488,529
2101	Town Manager Administration	13,547	7,639	14,590	8,055	20,004	29,415
2102	Community Grants	-	-	-	-	-	-
2103	Housing Program	67	102,654	-	-	-	-
2104	HCD Housing Rehab	6,011	(6,011)	-	-	-	-
2201	Human Resources	-	15,235	-	-	-	-
2202	Workers' Compensation Fund	963,155	1,026,355	1,135,140	878,386	1,362,335	1,026,229
2301	Finance & Administrative Services	2,086,597	1,893,142	1,931,943	1,917,806	2,422,588	2,139,774
2302	Office Stores Fund	117,734	130,520	127,786	118,000	118,000	-
2303	Parking Assessment District	92,346	-	-	-	-	-
2401	Clerk Administration	-	-	-	-	-	-
2502	Information Technology Management	-	-	-	169,300	169,300	-
2501	Information Technology Systems	1,114,383	1,110,362	1,172,455	334,478	1,120,501	859,223
2803	Smoking Restriction Implementation	-	19,998	-	-	-	-
2999	Pass Thru Accounts	7,194	3,002	-	10,196	3,002	7,194
Total Administrative Services		\$ 32,173,836	\$ 36,984,042	\$ 35,600,744	\$ 34,032,242	\$ 41,125,672	\$ 37,550,364
Community Development							
3101	Administration	\$ -	\$ -	\$ -	\$ -	\$ 7,500	\$ -
3201	Developmental Review	821,153	693,250	707,514	610,000	621,530	607,500
3202	Advanced Planning	211,700	149,224	142,006	1,361,000	391,000	1,130,200
3301	Inspection Services	2,244,922	2,172,585	2,105,643	2,447,000	1,994,115	2,510,000
3401	Code Compliance	10,300	5,225	4,800	3,100	57,215	4,300
3501	BMP Housing Program	360,877	195,941	190,833	134,410	190,978	183,043
3999	Pass Thru Accounts	710,196	587,435	684,249	510,500	594,500	532,500
Total Community Development		\$ 4,359,148	\$ 3,803,660	\$ 3,835,045	\$ 5,066,010	\$ 3,856,838	\$ 4,967,543
Police Department							
4101	Administration	\$ 33,528	\$ 6,778	\$ 14,210	\$ 21,500	\$ 29,472	\$ 23,735
4201	Records & Communication	9,993	8,880	9,530	11,172	15,172	10,472
4202	Personnel & Community Services	336,798	377,720	430,842	295,640	415,200	435,600
4301	Patrol	828,320	905,751	919,251	919,560	905,764	961,883
4302	Traffic	500,142	498,202	535,896	443,402	451,283	456,703
4303	Investigations	184,932	168,080	130,497	124,130	131,898	140,713
4304	Parking Program	824,936	872,394	676,242	626,066	470,566	504,400
4800	Grants Program - Police	77,239	15,196	50,579	39,119	26,967	95,791
4999	Pass Thru Accounts	560,300	27,573	2,263	38,115	2,982	32,115
Total Police Department		\$ 3,356,188	\$ 2,880,574	\$ 2,769,310	\$ 2,518,704	\$ 2,449,304	\$ 2,661,412

DEPARTMENT REVENUES BY PROGRAM

		2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
Parks & Public Works							
5101	Administration	\$ 594	\$ 7,231	\$ (3,272)	\$ -	\$ -	\$ -
5201	Engineering Program Services	-	128,775	209,631	-	-	-
5202	Engineering Development Svcs	776,907	696,327	1,817,315	698,260	768,009	680,260
5203	Non-Point Source Fund	368,813	372,626	577,591	584,394	584,394	584,394
5301	Park Services	298,408	250,936	318,940	280,270	226,950	225,270
5302	Environmental Services	165,753	158,961	148,110	160,156	160,029	160,156
5401	Street & Signals	198,969	219,798	198,030	195,543	221,603	195,543
5402	Equipment Replacement	501,093	458,689	672,616	620,000	638,399	229,093
5403	Vehicle Maintenance	571,670	577,675	586,654	376,655	755,678	-
5404	Facilities Maintenance	1,281,462	1,423,566	1,459,036	1,209,089	1,782,866	1,173,757
5405	Property Damage	67,785	26,856	206,630	-	9,008	-
5501	Lighting & Landscape Districts	29,524	39,940	36,990	39,680	40,040	39,680
5999	Pass Thru Accounts	70,686	79,790	319,073	140,000	1,104,590	140,000
8011	GFAR	818,463	1,320,008	857,661	1,545,342	1,307,005	2,005,471
8021	Grant Funded CIP Projects	156,987	3,093	243,448	544,046	207,903	1,047,100
8031	Storm Drain #1	51,538	74,183	13,997	49,010	70,450	49,150
8032	Storm Drain #2	72,598	69,142	752,689	50,240	50,240	53,770
8033	Storm Drain #3	46,944	6,813	40,564	1,860	1,860	1,620
8041	Traffic Mitigation	572,672	163,126	151,452	354,874	242,106	942,524
8042	Utility Undergrounding	79,297	47,615	68,868	44,310	44,310	52,490
8051	Gas Tax - Street & Signals	682,594	611,471	865,607	1,324,204	1,145,428	1,316,054
Total Parks & Public Works		\$ 6,812,757	\$ 6,736,621	\$ 9,541,630	\$ 8,217,933	\$ 9,360,868	\$ 8,896,332
Library							
7101	Administration	\$ 6,950	\$ 7,218	\$ 206	\$ -	\$ -	\$ -
7201	Adult Services	4,520	9,836	9,836	35,000	35,000	35,000
7202	Children's Services	-	14,066	14,066	-	-	2,500
7203	Acquisitions & Cataloging	5,596	3,559	1,762	-	-	-
7204	Circulation Services	41,354	47,067	23,832	23,500	8,000	11,000
7801	Operating Grant	-	-	22,200	-	23,103	-
7301	Library Trust	71,720	80,350	75,040	75,050	83,820	75,550
7302	Clelles Ness Bequest Trust	845	345	516	-	200	-
7304	Betty McClendon Trust	705	750	1,079	700	700	700
7305	Barbara J Cassin Trust	2,764	2,939	4,404	2,900	2,900	2,900
Total Library		\$ 134,454	\$ 166,130	\$ 152,941	\$ 137,150	\$ 153,723	\$ 127,650
Successor Agency to the Los Gatos RDA							
9403	SA- Admin Services	\$ 42,854	\$ 22,073	\$ 25,623	\$ 10,000	\$ 10,000	\$ 10,000
9404	SA- Debt to 2002 COP	1,363,015	1,360,886	1,365,839	1,351,146	1,351,096	1,348,198
9405	SA-Debt to 2010 COP	2,508,446	2,511,290	2,504,390	2,467,150	2,470,129	2,465,004
9406	SA- Debt to 1992 COP	-	-	-	-	-	-
Total SA to the Los Gatos RDA		\$ 3,914,315	\$ 3,894,249	\$ 3,895,852	\$ 3,828,296	\$ 3,831,225	\$ 3,823,202
Transfers In		2,991,790	7,907,692	3,886,431	3,630,056	4,678,825	9,604,676
Carryforward of CIP Grant Revenue							
Total Revenues by Department:		\$ 54,234,948	\$ 62,873,003	\$ 60,189,202	\$ 57,806,578	\$ 66,099,120	\$ 68,074,906

DEPARTMENTAL EXPENDITURES BY PROGRAM

		2015/16	2016/17	2017/18	2018/19	2018/19	2019/20
		Actuals	Actuals	Actuals	Adopted	Estimated	Adopted
Town Offices							
1101	Town Council	\$ 171,530	\$ 193,584	\$ 192,183	\$ 223,036	\$ 215,399	\$ 240,605
1301	Town Attorney	296,258	426,548	354,205	556,183	560,001	621,390
1302	Liability Self-Insurance Fund	656,053	1,015,409	397,190	641,361	412,788	680,137
Total Town Offices		\$ 1,123,841	\$ 1,635,541	\$ 943,578	\$ 1,420,580	\$ 1,188,188	\$ 1,542,132
Administrative Services Department							
1201	Non-Departmental	\$ 5,761,887	\$ 6,869,047	\$ 7,024,195	\$ 8,924,373	\$ 8,780,672	\$ 5,778,279
2101	Town Manager Administration	950,977	825,373	1,070,761	1,119,982	1,062,998	1,341,099
2102	Community Grants	103,519	119,800	119,800	142,000	142,000	142,500
2201	Human Resources	559,612	552,914	630,554	699,694	722,978	761,991
2301	Finance & Administrative Services	992,764	1,002,075	1,049,871	1,291,818	1,147,573	1,545,213
2401	Clerk Administration	276,418	315,912	322,976	342,507	331,881	438,948
2502	Information Technology Management	-	-	33	684,763	551,073	578,194
2803	Tobacco Prevention Initiatives	-	9,009	-	-	-	-
2802	Obesity Grant	-	-	-	-	-	-
2999	Pass Through	-	-	-	10,196	3,002	7,194
2202	Workers' Compensation Fund	1,264,689	1,337,371	1,416,722	1,218,202	1,966,962	1,657,210
2302	Office Stores Fund	122,562	113,210	100,432	134,500	121,000	-
2501	Information Technology Systems	1,059,091	1,747,482	1,267,349	911,775	602,570	955,575
2303	Parking Assessment District	-	-	-	-	-	-
Total Administrative Services		\$ 11,091,519	\$ 12,892,193	\$ 13,002,693	\$ 15,479,810	\$ 15,432,709	\$ 13,206,203
Community Development							
3101	Administration	\$ 144,484	\$ 221,508	\$ 222,614	\$ 268,908	\$ 218,528	\$ 303,002
3201	Developmental Review	1,107,301	1,135,513	1,258,291	1,412,409	1,337,827	1,528,945
3202	Advanced Planning	225,602	314,024	336,023	1,662,995	740,821	1,463,555
3301	Inspection Services	1,167,902	1,132,888	1,290,433	1,355,865	1,311,495	1,473,613
3401	Code Compliance	187,513	206,572	209,720	238,071	254,721	275,442
3501	BMP Housing Program	489,335	195,991	190,833	134,410	190,978	183,043
3999	Pass Thru Accounts	710,196	587,435	684,249	510,500	594,500	532,500
Total Community Development		\$ 4,032,333	\$ 3,793,931	\$ 4,192,163	\$ 5,583,158	\$ 4,648,870	\$ 5,760,100
Police Department							
4101	Administration	\$ 889,742	\$ 861,561	\$ 1,026,502	\$ 1,045,209	\$ 1,223,322	\$ 1,299,427
4201	Records & Communication	1,914,577	1,949,183	2,072,274	2,401,228	2,250,288	2,363,660
4202	Personnel & Community Services	701,737	596,274	773,826	780,682	562,927	1,037,275
4301	Patrol	6,115,836	5,827,002	6,575,258	6,616,271	7,315,973	7,512,107
4302	Traffic	719,561	932,169	992,689	921,515	1,008,544	1,084,957
4303	Investigations	2,208,996	2,342,031	2,282,295	2,445,825	2,361,976	2,844,068
4304	Parking Program	665,850	700,325	683,817	688,551	595,332	671,384
4800	Grants Program - Police	71,920	14,567	11,451	39,119	26,967	95,791
4999	Pass Thru Accounts	556,467	28,178	5,442	38,115	2,982	32,115
Total Police Department		\$ 13,844,686	\$ 13,251,290	\$ 14,423,554	\$ 14,976,515	\$ 15,348,311	\$ 16,940,784

DEPARTMENTAL EXPENDITURES By PROGRAM

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
Parks & Public Works						
5101 Administration	\$ 348,234	\$ 340,123	\$ 562,340	\$ 568,922	\$ 576,606	\$ 594,434
5201 Engineering Program Services	1,002,319	1,157,205	1,168,666	1,078,779	1,199,190	1,244,432
5202 Engineering Development Svcs	670,247	699,677	721,593	751,983	729,736	795,332
5203 Non-Point Source Fund	452,727	466,761	521,147	559,481	664,571	579,173
5301 Park Services	1,677,669	1,738,961	1,835,775	1,641,559	1,759,734	2,016,614
5302 Environmental Services	378,396	299,259	342,130	366,432	350,676	398,228
5401 Street & Signals	2,015,412	2,173,657	2,087,096	2,452,910	2,217,130	2,212,674
5402 Equipment Replacement	539,430	416,957	636,400	1,572,945	900,711	1,661,240
5403 Vehicle Maintenance	484,662	805,179	506,234	376,655	238,188	-
5404 Facilities Maintenance	1,338,979	1,875,804	1,475,728	1,151,086	1,092,654	1,173,751
5405 Property Damage	63,203	109,072	76,898	25,000	16,636	25,000
5406 Vehicle Maintenance Management	-	-	-	217,404	217,600	235,199
5407 Facilities Maintenance Management	-	-	-	378,292	325,310	408,155
5501 Lighting & Landscape Districts	19,478	20,707	33,029	107,910	26,806	85,317
5999 Pass Thru Accounts	70,715	79,790	305,028	140,000	1,704,590	140,000
8011 GFAR	1,484,857	5,249,109	9,040,867	3,736,686	6,147,273	9,825,100
8021 Grant Funded CIP Projects	141,803	3,400	15,394	950,446	326,681	1,047,100
8031 Storm Drain #1	-	-	-	50,000	-	50,000
8032 Storm Drain #2	95,820	-	18,700	50,000	-	50,000
8033 Storm Drain #3	-	12,750	107,992	50,000	-	50,000
8041 Traffic Mitigation	575,548	138,694	109,507	324,874	232,106	932,524
8042 Utility Undergrounding	-	-	-	2,218,000	-	-
8051 Gas Tax - Street & Signals	1,309	1,463,077	749,965	1,218,134	1,503,215	1,210,054
Total Parks & Public Works	\$ 11,360,808	\$ 17,050,182	\$ 20,314,489	\$ 19,987,498	\$ 20,229,413	\$ 24,734,327
Library						
7101 Administration	\$ 396,063	\$ 426,637	\$ 439,522	\$ 447,127	\$ 453,851	\$ 466,219
7201 Adult Services	597,085	637,465	576,961	575,859	504,788	689,115
7202 Children's Services	468,379	513,667	533,279	590,772	496,843	606,412
7203 Acquisitions & Cataloging	117,444	121,183	123,873	-	-	-
7204 Circulation Services	753,296	809,726	836,336	942,510	981,215	1,172,264
7801 Operating Grant	-	-	19,045	-	25,257	1,000
7301 Library Trust	28,515	75,498	71,265	73,500	83,000	100,000
7302 Clelles Ness Bequest Trust	131,694	-	-	-	21,048	20,755
7304 Betty McClendon Trust	-	-	5,986	-	-	2,500
7305 Barbara J Cassin Trust	-	-	-	-	-	10,000
Total Library	\$ 2,492,476	\$ 2,584,176	\$ 2,606,267	\$ 2,629,768	\$ 2,566,002	\$ 3,068,265
Successor Agency to the Los Gatos RDA						
9402 SA- Housing Trust Others	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9403 SA- Admin Services	16,500	1,571	1,443	1,513	7,910	8,053
9404 SA- Debt to 2002 COP	1,359,456	1,094,785	1,347,477	1,352,856	1,352,855	1,349,688
9405 SA- Debt to 2010 COP	2,488,860	2,700,954	2,427,364	2,470,560	2,470,560	2,465,461
9406 SA- Debt to 1992 COP	-	-	-	-	-	-
Total SA to the Los Gatos RDA	\$ 3,864,816	\$ 3,797,310	\$ 3,776,284	\$ 3,824,929	\$ 3,831,325	\$ 3,823,202
Total Operating Expenditures	\$ 47,810,479	\$ 55,004,623	\$ 59,259,028	\$ 63,902,258	\$ 63,244,818	\$ 69,075,013
Transfers Out	3,070,584	7,907,692	3,886,431	3,630,056	4,678,825	9,604,676
Total Expenditures by Department:	\$ 50,881,063	\$ 62,912,315	\$ 63,145,459	\$ 67,532,314	\$ 67,923,643	\$ 78,679,689

IN-KIND DONATIONS FY 2019 SUMMARY

The information below provides an estimated value of in-kind support the Town provides annually to local non-profit organizations, in addition to contribution of funds as described elsewhere in this budget, such as community grants. The in-kind support consists of Town facilities leased to these organizations at rates substantially below present market rates.

Los Gatos Museum Association - The Town and Los Gatos Museum Association (LGMA), renamed NUMU, have entered into an agreement in which NUMU leases 11,604 square feet in the Town Hall. NUMU has occupied the new space since the beginning FY 2015/16.

Los Gatos-Saratoga Recreation - Beginning January 2010, Los Gatos Saratoga (LGS) Recreation entered into a 20-year lease with the Town for the former Neighborhood Center, renamed the Adult Recreation Center. In exchange for providing and expanding senior services, the facility is leased at a below market rate. LGS Recreation also leases the Town-owned facility located at 123 E. Main Street, on a month to month basis.

Location	NUMU (LG Museums)	Recreation Department	Adult Recreation Center
	110 E. Main St 10-Year Lease	123 E. Main St.	208 E. Main St. 20-Year Lease
Market Price Per Square Foot/Month*	\$2.5 *	\$3.1 **	\$3.1
Square Footage	11,604	6,479	12,000
Value of Rent/Year	\$348,120	\$241,209	\$447,264
Rent Paid/Year	\$6,527	\$25,211	\$209,901
Total value of Donation/Lease Term	\$ 341,593	\$ 215,998	\$ 237,363

* "Market rate" is defined as a lease term and not subject to change.

** Market rate is based on the State of California Department of Industrial Relations, Division of Labor Statistics and Research's Consumer Price Index, All Urban Consumers, All Items, San Francisco-Oakland - San Jose, California as identified in the lease term.

In addition to providing subsidized leases, the Town provides in-kind staffing support for the Holiday Tree Lighting and the Children's Holiday Parade. Costs to provide maintenance and public safety services for the Holiday Tree Lighting are estimated to be \$5,300; the Children's Holiday Parade costs are estimated to be \$39,900. These estimates only include expenses that occur at the event and do not include time dedicated to event planning and logistics. The estimated total of all in-kind expenses is \$840,154.

FEE-RELATED PROJECTS LISTS

Under California law, cities and other local agencies may enact Development Impact Fees on proposed development which must be paid as a condition of development approval. Development Impact Fees ("DIFs") were enacted under Assembly Bill 1600 by the California Legislature in 1987 and codified under California Government Code §66000 *et. seq.*, also referred to as the Mitigation Fee Act (the Act or AB 1600).

Development Impact Fees are not ongoing fees or taxes; they are one-time fees, paid at the time of construction. Impact fees are not special assessments, nor are they permitted to cover on-going operations and maintenance costs. By definition, "a fee is voluntary and must be reasonably related to the cost of the service provided by the local agency." The fees are collected by local governmental agencies to pay for infrastructure or capital facilities needed to serve new development. Because impact fees are collected during the development approval process, the fees are typically paid by developers, builders, or other property owners who are seeking to develop property as a way of paying their "fair share" of needed facilities.

The Town collects three Development Impact Fees that meet the reporting requirements of AB 1600: the Traffic Impact Mitigation Fee, Below-Market Priced Housing Program In-Lieu Fee, and the Construction Activity Impact Fee. The following tables provide potential project lists.

Below Market Price (BMP) Housing Program Potential Project List			
Source	Description	Estimated Project Cost (2019 \$)	BMP Fee Eligible Cost
BMP	Extremely Low Income Housing Projects	\$ 1,100,000	\$ 1,100,000
BMP	Reacquisition of Distressed/Foreclosed Properties	700,000	700,000
BMP	Hello Housing Program Services	100,000	10,000
Total		\$ 1,900,000	\$ 1,810,000

Note:

BMP - Below Market Housing Program

Construction Impact Activity Project List			
Source	Description	Estimated Project Cost (2019\$)	Construction Impact Fee Eligible Cost
CIP	Street Repair and Resurfacing Projects (5 year-plan)	\$ 17,693,243	\$ 17,693,243
Total		\$ 17,693,243	\$ 17,693,243

Note:

CIP - Town of Los Gatos, Capital Improvement Program

FEE-RELATED PROJECTS LISTS

Town of Los Gatos Traffic Mitigation Improvements Potential Project List			
Source	Description	Estimated Project Cost (2014 \$)	Mitigation Impact Fee Eligible Cost
GP/VTP 2035	Blossom Hill Rd and Union Ave Intersection Improvements	\$ 1,200,000	\$ 1,080,000
GP/VTP 2035	Los Gatos - Almaden Rd Improvements	3,000,000	1,500,000
GP/VTP 2035	Los Gatos Blvd Widening - Samaritan Dr to Camino Del Sol Road widening, new sidewalks and bike lanes	4,000,000	2,000,000
GP/VTP 2035	Union Ave Widening and Sidewalks - complete ped and bike routes	3,000,000	1,500,000
GP/VTP 2035	Wood Rd Gateway on Santa Cruz Ave - roundabout	1,200,000	600,000
GP/VTP 2035	Central Traffic Signal Control System	750,000	72,600
GP/VTP 2035	Hwy 9 Los Gatos Creek Trail connector - new path and bridge for ped/bike	1,000,000	500,000
GP/VTP 2035	Hwy 9/N. Santa Cruz Ave Intersection Improvements	1,400,000	1,260,000
CIP	Roberts Road Improvements from bridge to University	600,000	300,000
CIP	Pollard Road Widening from Knowles to York Avenue	2,500,000	1,250,000
CIP	Sidewalks infill - Van Meter, Fischer and Blossom Hill Schools	1,000,000	500,000
CIP	Winchester Blvd/Lark Avenue Intersection Improvements	850,000	765,000
CIP	Westbound Lark to Hwy 17 northbound ramps - add two right-turn lanes	3,750,000	3,375,000
CIP	Unfunded Deferred Street Maintenance (Annual PMS Survey)	10,500,000	1,016,400
GP	Lark/Los Gatos Intersection Improvements - Add Third Left Turn Lanes for Eastbound and Northbound Approaches	1,200,000	1,080,000
GP	Complete Street Improvements - Lark from Garden Hill to Los Gatos Blvd	2,100,000	1,050,000
GP	Complete Street Improvements - SR 9 from University to Los Gatos Blvd	650,000	325,000
GP	Complete Street Improvements - Blossom Hill Road from Old Blossom Hill Road to Regent Drive	3,000,000	1,500,000
GP	Complete Street Improvements - Knowles from Pollard to Winchester	2,000,000	1,000,000
GP	Complete Street Improvements - Winchester from Blossom Hill to Lark	1,500,000	750,000
GP	Blossom Hill Road widening over Highway 17	2,000,000	1,000,000
GP	Local Bikeway Improvements	750,000	375,000
Total		\$ 47,950,000	\$ 22,799,000

Notes:

VTP = Valley Transportation Plan, 2035 by Santa Clara Valley Transportation Authority.

Town CIP = Town of Los Gatos, Capital Improvement Program and pending construction project list.

Source: Town of Los Gatos.

SUMMARY OF POSITIONS
DEPARTMENTAL STAFF BY FUND

	2015/16 Funded	2016/17 Funded	2017/18 Funded	2018/19 Funded	2019/20 Adopted
<i>General Fund</i>					
Town Council	0.50	0.50	0.50	0.50	0.50
Town Attorney*	0.85	1.04	0.91	1.88	1.88
Administrative Services*	16.33	16.28	16.19	20.53	20.17
Community Development	19.28	19.99	20.08	20.08	20.08
Police Department	58.00	58.00	59.00	59.00	60.00
Parks & Public Works*	28.40	28.40	29.40	33.50	33.50
Library	11.00	12.25	12.25	12.50	12.50
<i>Total General Fund Staff</i>	134.35	136.45	138.33	147.98	148.61
<i>Special Revenue Funds</i>					
Parks & Public Works	1.00	1.00	1.00	1.00	1.00
<i>Total Special Revenue Fund Staff</i>	1.00	1.00	1.00	1.00	1.00
<i>Internal Service Funds</i>					
Town Attorney*	0.65	0.71	0.71	-	-
Administrative Services*	3.90	3.70	3.95	-	-
Parks & Public Works*	4.10	4.10	4.10	-	-
<i>Total Internal Services Funds Staff</i>	8.65	8.51	8.76	-	-
<i>Successor Agency to the Los Gatos RDA</i>					
Administrative Services	-	-	0.01	0.01	0.01
Community Development	0.10	0.01	-	-	-
<i>Total Redevelopment Agency Staff</i>	0.10	0.01	0.01	0.01	0.01
Total Town FTEs	144.10	145.98	148.10	148.99	149.63

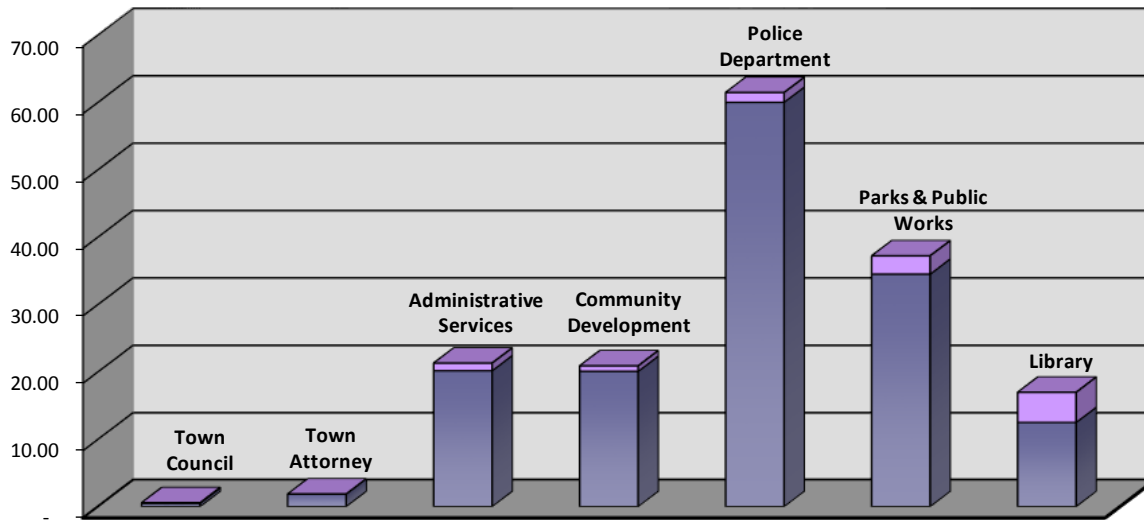
Full Time Equivalent (FTE)

**Personnel previously budgeted in Internal Service Funds are budgeted in General Fund Programs beginning in FY 2018/19.*

Administrative Services staffing numbers include the following programs: Town Manager's Office; Human Resources; Finance; Clerk Administration; and Information Technology Staffing

SUMMARY OF POSITIONS

BUDGETED FTEs BY DEPARTMENT



Blue Bar – Town Staff
Purple Bar – Hourly Employees

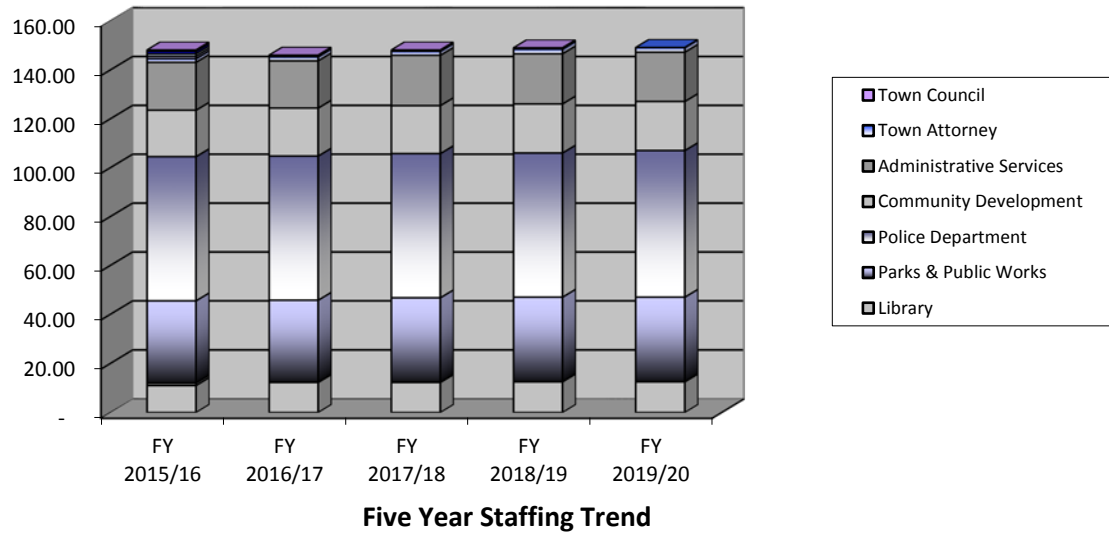
FY 2019/20 Budgeted FTEs by Department (Includes Converted Hourly Employees)

Departments	Authorized/ Funded Town Staff Positions	Hourly Emp Staff converted to FTEs	Total Budgeted Positions
Town Council	0.50	0.08	0.58
Town Attorney	1.88	-	1.88
Administrative Services	20.18	1.13	21.30
Community Development	20.08	0.81	20.89
Police Department	60.00	1.46	61.46
Parks & Public Works	34.50	2.72	37.22
Library	12.50	4.47	16.97
Total Positions	149.63	10.68	160.31

Administrative Services staffing numbers include the following six programs: Town Manager's Office; Human Resources; Finance; Clerk Administration; and Information Technology Staffing

Hourly employee positions result from seasonal, temporary, and part-time labor needs.

SUMMARY OF POSITIONS FUNDED FTEs BY DEPARTMENT



Departments	2015/16 Funded	2016/17 Funded	2017/18 Funded	2018/19 Funded	2019/20 Adopted
Town Council	0.50	0.63	0.50	0.50	0.50
Town Attorney	1.50	1.63	1.63	1.88	1.88
Administrative Services	19.60	19.35	20.59	20.53	20.18
Community Development	19.00	19.63	19.63	20.08	20.08
Police Department	59.00	59.00	59.00	59.00	60.00
Parks & Public Works	33.50	33.50	34.50	34.50	34.50
Library	11.00	12.25	12.25	12.50	12.50
Total Budgeted FTEs	144.10	145.98	148.10	148.99	149.63

FTEs represent Town staff positions funded in annual budgets. Numbers do not include temporary hours or the filled or unfilled status of the positions.

SUMMARY OF PERSONNEL CHANGES FY 2019/20

The Town's total budgeted personnel costs for FY 2019/20 increased to \$31.1 million (\$27.3 million in FY 2018/19) and accounts for 40.6% of the total Town's expenditures. Rising healthcare and pension rates have increased labor costs; however, reduction strategies including vacancy eliminations, structural reorganization, and realignments have helped to mitigate growing personnel expenditures. The following discussion describes some of the staffing expenditures, savings, and budget impacts.

Employee Compensation

Personnel costs represent salaries of full-time and part-time personnel (including vacation, holiday, and sick leave compensation) and benefits, including health coverage, life and disability insurance, and retirement contributions. For represented positions, annual salary increases and benefit adjustments are negotiated under each bargaining unit's Memorandum of Understanding (MOU's). Salary increases and benefit adjustments for unrepresented positions are determined under the Council's authority and are not subject to bargaining.

Memoranda of Understanding (MOUs)

The FY 2019/20 budget reflects negotiated salary changes and market adjustments necessary to attract and retain high performing employees. The salary schedules beginning on page C-51 reflect the cumulative changes effective in FY 2018/19 and FY 2019/20.

- All non-sworn and management employees received an across the board salary increase of 2.5% plus a 1.5% base salary one-time payment (non-PERSable) during FY 2018/19. A 3% across the board salary increase is effective in FY 2019/20.
- The TEA and AFSCME labor agreements have a re-opener provision to negotiate the specific topic of salaries effective in FY 2020/21 of the agreements that expire on June 30, 2021.
- The sworn employees represented by the Police Officers' Association (POA) received an across the board salary increase of 2.5% during FY 2018/19 and will receive a negotiated 4% across the board increase in FY 2019/20. The MOU has a re-opener provision to negotiate salaries effective in FY 2020/21 and expires on September 30, 2021.

Benefits

The Town contracts for medical coverage through CalPERS and rates are adjusted each January for the calendar year. Kaiser serves as the benchmark medical plan to determine the Town contribution toward all medical plan premiums. In the recent past, Kaiser rates have fluctuated and increased by as much as 11% in one year, simultaneously increasing the Town contribution. In 2019, Kaiser rates decreased 1.5% from the prior year, resulting in a slight reduction of benefit costs to the Town. As evidenced by this fluctuation, this is an area of continuing concern and volatility. Employees contribute to the cost of medical premiums when enrolled in the majority of CalPERS plans.

Dental, vision and life insurance rates are expected to remain relatively stable. Conversely, short and long-term disability insurance costs are increasing due to changes in the market and a growth in the Town's claim experience. Efforts are underway to identify measures to control and/or reduce costs. During negotiations in FY 2018/19, the Town's discretionary retiree medical benefit contribution was eliminated for all future hires. It is important to note that changes in benefit coverage are generally subject to negotiations with affected employee groups.

Pension Plan

In FY 2012/13, a three-tier pension plan was implemented for non-sworn, changing the pension formula from 2.5% at 55 to 2% at 60 for new hires after September 15, 2012 or 2% at 62 for "new" employees hired after January 1, 2013 who have not previously worked in a public pension system. Similarly, in FY 2012/13 the State implemented a new tier for safety employees, changing the pension formula for "new" employees from 3% at 50 to 2.7% at 57, effective January 1, 2013. While this does not provide immediate cost savings, it is anticipated to reduce future salary and benefit expenditures in the next 10 to 15 years. Pension reform continues to be an important topic in

SUMMARY OF PERSONNEL CHANGES FY 2019/20

regard to cost-containment and staff is monitoring a number of state-wide initiatives that may impact future pension costs.

More recently, however, CalPERS has significantly increased employer contribution rates to cover rising retiree costs and CalPERS investment losses sustained in the down economy. In FY 2014/15, the Town's miscellaneous employee rate was projected to increase to 23.45% and the safety rate was projected to increase to 43.87%. By Council authority in June 2014, the Town paid off its CalPERS side fund liability of \$4.5M which substantially decreased PERS sworn rates in future years. As a result of this payoff, the FY 2014/15 Town's miscellaneous employee rate was 22.38% and the safety rate was 29.56%, a sworn rate reduction of 14.31% from previously forecasted. In FY 2019/20 the Town's miscellaneous employee rate is projected to increase to 33.18%; the safety rate is projected to increase to 52.22%; and the PEPR safety rate is projected to be 15.02%.

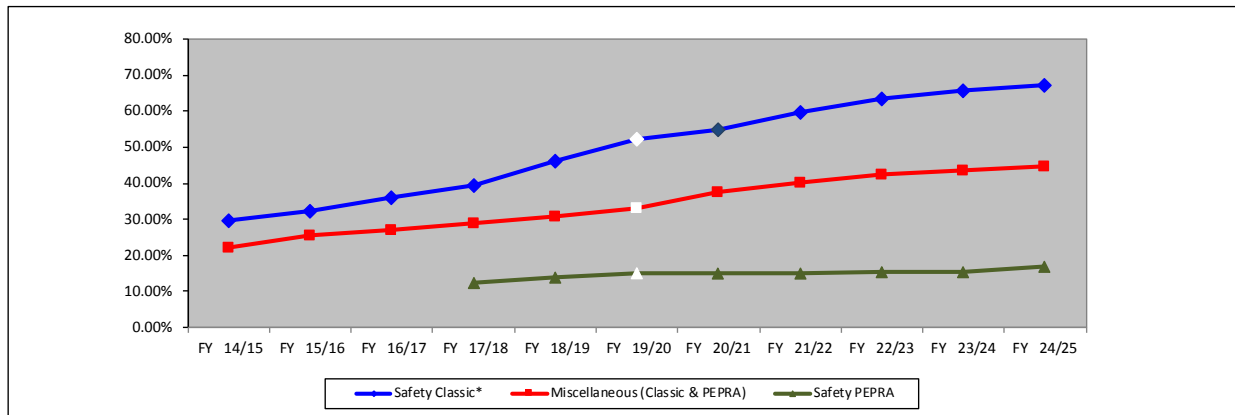
In December 2016 the CalPERS Board announced a plan to lower its discount rate from its current rate of 7.5%. The phase-in of the discount rate change approved by the Board effective beginning FY 2018/19 is as follows:

Valuation Date	Fiscal Year for Required Contribution	Discount Rate
June 30, 2016	FY 2018/19	7.375%
June 30, 2017	FY 2019/20	7.25%
June 30, 2018	FY 2020/21	7.00%

The immediate effect of this change is the actuarial valuation report being prepared for June 30, 2016 by CalPERS which sets the employer contribution rate for FY 2018/19 at a lower discount rate of 7.375%. This action will in turn lead to increased actuarial accrued liabilities because with lower expected returns there are lower projected assets to meet the expected pension obligations. Town staff had already anticipated increases in employer contributions in its Five-Year Financial Plan, and the rates in years three through five of the plan increased due to the lowering of the discount rate. The CalPERS Board had previously adopted recommendations to modify both the smoothing and amortization policies and implement these changes going forward with an impact to employer rates which began in FY 2015/16. As a result of this change, the smoothing period changed from a 15-year rolling period to a five-year direct smoothing rate. The amortization period changed from a 30-year rolling period to a 30-year fixed rate. The cumulative effect of these changes requires the Town to pay significantly more into the system. Current estimates indicate that these changes would result in the Town increasing from the FY 2018/19 rate of 46.09% to 67.39% in FY 2024/25 of pay rate for safety employees and from the FY 2018/19 rate of 30.87% to approximately 44.74% in FY 2024/25.

Using official information issued by CalPERS, the following schedule reflects the Town's actual CalPERS pension rate for FY 2019/20 and the expected rates for the following fiscal years based on the Town's five-year forecast model which was updated using a CalPERS employer bulletin in January 2018 that provided a calculation method to estimate rate impacts of the discount rate change approved in December 2017. The projected rates are slightly higher than the amounts treated by the Town's actuary, Bartel & Associates.

SUMMARY OF PERSONNEL CHANGES FY 2019/20



	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25
PERS Pension Plan											
Safety Classic*	29.56%	32.36%	36.18%	39.36%	46.09%	52.22%	55.06%	59.79%	63.58%	65.76%	67.39%
Safety PEPRAs				12.25%	13.96%	15.02%	15.05%	15.17%	15.29%	15.50%	17.00%
Miscellaneous (Classic & PEPRAs)	22.38%	25.43%	26.96%	28.90%	30.87%	33.18%	37.43%	40.14%	42.42%	43.74%	44.74%

* Safety Classic Rate reflects 3% decrease in employer's contribution rate to reflect 3% contribution as negotiated with the Town's POA during the collective bargaining process effective FY 2019/20.

Management Strategies

A number of strategies have been implemented to mitigate rising personnel costs. These include adjusting user fees to recover the cost of staff time to provide Town services, focusing staff time on core services to reduce overtime expenses, and reducing hourly staffing use. In light of limited available resources and uncertain economic trends in revenues sources such as Sales Tax, limited staffing changes have been included in the FY 2019/20 budget. Departments continuously evaluate staffing structures, anticipate succession needs, and modify staffing to improve efficiencies, align with service delivery demands, and meet other Town goals. In this budget, a couple of Departments have included cost neutral restructuring.

Overtime

Overtime expenditures continue to be assessed and adjusted when appropriate. While unpredictable or non-controllable events will impact the Town's limited public safety and public works maintenance resources, continued adjustments to schedules and workload have been successful in reducing budgeted overtime. Although some non-critical Town services have experienced moderate service level reductions, scheduling restrictions have not seriously impacted routine operations.

Staffing Changes

The FY 2019/20 Operating Budget has 160.31 budgeted FTEs, including temporary staff. This reflects an increase of 1.12 of FTEs compared to the prior year. The recommended FY 2019/20 staffing levels also reflect the following changes from the prior year's adopted budget:

- **Administrative Services and Town Offices** - The FY 2019/20 budget reflects the addition of one permanent Accountant/Finance Analyst position in the Finance Department, partially offset by a reduction of temporary hours and the elimination of a 0.35 FTE Account Technician position. The budget also includes a reclassification of two 1.0 FTE Office Assistant positions to 1.00 FTE Deputy Town Clerk and 1.00 FTE Administrative Assistant in the Clerk program. The Clerk program also reflects an increase of temporary hours to assist with special projects and tasks related to Music in the Park. In addition, the budget reflects a title change from the IT Analyst and Network Administrator classifications to a single IT Systems Administrator classification to continue to provide critical support to the burgeoning technology infrastructure necessary to support modern governance

SUMMARY OF PERSONNEL CHANGES FY 2019/20

throughout out the Town and promote succession planning. The current Network Administrator is dedicated to the support of Police Department technology. To better reflect the resource allocation, 1.00 FTE IT Systems Administrator will be transferred to the Police Department program. There is also an addition of a part time, two-year position to assist with the Town's emergency preparedness activities and regional emergency management engagement.

- *Police* –The FY 2019/20 budget reflects the transfer of 1.00 FTE IT Systems Administrator from IT to the Police Department program as described above. The program also contains one-time request for a Project Manager and Community Services Officer.
- *Community Development Department (CDD)* –The FY 2019/20 budget reflects a one-time request for a nighttime Code Compliance Community Service Officer.

In addition to direct personnel expenditures, Departments are charged for internal support services and employee insurance costs through payroll allocation charges. Appropriate charge-back rates are established based on either employee group historical costs or through a flat surcharge per employee. Annual reviews of all funds may result in adjustments to the rates as needed.

Liability Insurance

Self-Insurance Fund rates (liability claim insurance premiums) for FY 2019/20 remain relatively consistent with prior year rates. The Self-Insurance Fund Balance is declining as a result of adverse claims against the Town over the last several years. Staff will closely monitor and recommend a budget strategy to be incorporated into the FY 2019/20 proposed budget.

Workers' Compensation

The Workers' Compensation fund balance is declining as a result of several new injuries that kept employees out of work for extensive periods of time along with the cost of related medical procedures and continuing medical expenses associated with past employee claims. The FY 2019/20 Workers' Compensation rates remain at the prior year level. Staff will closely monitor and recommend a budget strategy to be incorporated into the FY 2019/20 proposed budget. The FY 2019/20 proposed budget includes transfer of \$1,061,256 from Compensated Absences.

Information Technology

The Information Technology (IT) program is funded through charge-back to the Departments. The charge is based on the Department's computer and printer equipment, established to fund the replacement cost of current technology equipment.

TOWN STAFF POSITIONS BY HOME DEPARTMENT

	2015/16 Funded	2016/17 Funded	2017/18 Funded	2018/19 Funded	2019/20 Adopted	Comments
TOWN ATTORNEY'S OFFICE						
Town Attorney	1.00	1.00	1.00	1.00	1.00	
Deputy Town Attorney	0.50	0.63	0.63	0.75	0.75	
TOTAL DEPARTMENT FTEs	1.50	1.63	1.63	1.75	1.75	
TOWN MANAGER'S OFFICE						
Town Manager	1.00	1.00	1.00	1.00	1.00	
Assistant Town Manager	-	1.00	1.00	1.00	1.00	
Asst. Town Manager/CDD Director	0.50	-	-	-	-	
Assistant to Town Manager	1.00	1.00	-	-	-	
Administrative Analyst	-	-	1.00	1.00	1.00	
Executive Asst. to Town Mgr.	1.00	1.00	1.00	1.00	1.00	
Economic Vitality Manager	-	-	0.75	0.75	0.75	
Economic Vitality Coordinator	0.63	0.63	-	-	-	
Communications Coordinator	1.00	-	-	-	-	
Office Assistant	0.63	-	-	-	-	
Events & Marketing Specialist	-	-	0.50	0.50	0.50	
TOTAL DEPARTMENT FTEs	5.76	4.63	5.25	5.25	5.25	
HUMAN RESOURCES						
Human Resources Director	1.00	1.00	1.00	1.00	1.00	
Administrative Analyst	1.00	1.00	1.50	1.00	1.00	
Human Resources Technician	1.00	1.00	1.00	1.00	1.00	
TOTAL DEPARTMENT FTEs	3.00	3.00	3.50	3.00	3.00	
FINANCE SERVICES						
Finance Director	1.00	1.00	1.00	1.00	1.00	
Finance & Budget Manager	1.00	1.00	1.00	1.00	1.00	
Accountant/Finance Analyst	1.00	1.00	1.00	1.00	2.00	CY add 1.0 FTE
Payroll Technician	1.00	1.00	1.00	1.00	1.00	
Administrative Analyst	-	1.00	2.00	2.00	2.00	
Administrative Technician	1.00	-	-	-	-	
Account Technician	1.35	1.35	0.35	0.35	-	CY delete 0.35 FTE
TOTAL DEPARTMENT FTEs	6.35	6.35	6.35	6.35	7.00	
CLERK ADMINISTRATION						
Clerk Administrator	1.00	1.00	1.00	1.00	-	CY delete 1.0 FTE
Town Clerk	-	-	-	-	1.00	CY add 1.0 FTE
Deputy Town Clerk	-	-	-	-	1.00	CY add 1.0 FTE
Administrative Assistant	-	-	-	-	1.00	CY add 1.0 FTE
Office Assistant	1.00	2.00	2.00	2.00	-	CY delete 2.0 FTE
TOTAL DEPARTMENT FTEs	2.00	3.00	3.00	3.00	3.00	
INFORMATION TECHNOLOGY SERVICES						
IT Manager	1.00	1.00	1.00	1.00	1.00	
Network Administrator	1.00	1.00	1.00	1.00	-	CY delete 1.0 FTE
IT Analyst	-	-	-	1.00	-	CY delete 1.0 FTE
IT Systems Administrator	-	-	-	-	1.00	CY add 1.0 FTE
IT Technician	1.00	1.00	1.00	1.00	1.00	
TOTAL DEPARTMENT FTEs	3.00	3.00	3.00	4.00	3.00	

TOWN STAFF
POSITIONS BY HOME DEPARTMENT

	2015/16 Funded	2016/17 Funded	2017/18 Funded	2018/19 Funded	2019/20 Adopted	Comments
COMMUNITY DEVELOPMENT						
Asst. Town Manager/CDD Director	0.50	-	-	-	-	
Community Development Dir.	-	1.00	1.00	1.00	1.00	
Planning Manager	1.00	1.00	1.00	1.00	1.00	
Chief Building Official	1.00	1.00	1.00	1.00	1.00	
Administrative Analyst	1.00	1.00	1.00	1.00	1.00	
Executive Assistant	1.00	1.00	1.00	1.00	1.00	
Administrative Assistant	1.00	1.00	1.00	1.00	1.00	
Senior Planner	2.00	2.00	2.00	2.00	2.00	
Associate Planner	2.50	2.63	2.63	2.63	2.63	
Assistant Planner	1.00	1.00	1.00	1.00	1.00	
Planning Technician	1.00	1.00	1.00	1.00	1.00	
Senior Building Inspector	-	-	-	1.00	1.00	
Building Inspector	4.00	4.00	4.00	3.00	3.00	
Permit Technician	2.00	2.00	2.00	2.00	2.00	
Code Compliance Officer	1.00	1.00	1.00	1.00	1.00	
TOTAL DEPARTMENT FTEs	19.00	19.63	19.63	19.63	19.63	
POLICE						
Chief of Police	1.00	1.00	1.00	1.00	1.00	
Police Captain	1.00	1.00	1.00	2.00	2.00	
Police Lieutenant	2.00	2.00	2.00	-	-	
Police Sergeant	6.00	6.00	6.00	7.00	7.00	
Police Corporal	4.00	4.00	4.00	4.00	4.00	
Police Officer	25.00	25.00	25.00	25.00	25.00	
Community Outreach Coordinator	1.00	1.00	1.00	1.00	1.00	
Community Services Officer	2.00	2.00	1.00	1.00	1.00	
Police Records and Communication Mgr	-	-	-	-	1.00	CY add 1.0 FTE
Records & Evidence Manager	1.00	-	-	-	-	
Police Records Manager	-	1.00	1.00	1.00	-	CY delete 1.0 FTE
Senior Administrative Analyst	-	-	-	1.00	1.00	
Administrative Analyst	1.00	1.00	1.00	-	-	
Executive Assistant to Chief	1.00	1.00	1.00	1.00	1.00	
Communications Dispatcher Lead	1.00	1.00	1.00	1.00	1.00	
Communications Dispatcher	6.00	7.00	7.00	7.00	7.00	
Parking Control Officer	2.00	2.00	2.00	2.00	2.00	
Police Records Specialist	5.00	4.00	4.00	4.00	4.00	
Human Resources Specialist	-	-	1.00	1.00	-	CY delete 1.0 FTE
Administrative Technician	-	-	-	-	1.00	CY add 1.0 FTE
IT Systems Administrator	-	-	-	-	1.00	CY add 1.0 FTE
TOTAL DEPARTMENT FTEs	59.00	59.00	59.00	59.00	60.00	

TOWN STAFF
POSITIONS BY HOME DEPARTMENT

	2015/16 Funded	2016/17 Funded	2017/18 Funded	2018/19 Funded	2019/20 Adopted	Comments
PARKS and PUBLIC WORKS DEPARTMENT						
Parks & Public Works Director	1.00	1.00	1.00	1.00	1.00	
Asst PPW Dir/Town Engineer	-	-	-	1.00	1.00	
Town Engineer	1.00	1.00	1.00	-	-	
Superintendent	1.00	1.00	1.00	1.00	1.00	
Facilities & Environmental Services Mgr	1.00	1.00	-	-	-	
Transportation & Mobility Mgr	-	-	1.00	1.00	1.00	
Park & Public Works Operations Mgr	-	-	2.00	2.00	2.00	
Senior Civil Engineer	1.00	1.00	1.00	1.00	1.00	
Senior Administrative Analyst	-	-	-	1.00	1.00	
Administrative Analyst	1.00	1.00	1.00	-	-	
Executive Assistant	2.00	2.00	1.00	1.00	1.00	
Administrative Assistant	2.00	2.00	2.00	2.50	2.50	
Office Assistant	0.50	0.50	0.50	-	-	
Environmental Programs Specialist	-	-	1.00	1.00	1.00	
Associate Engineer	2.00	2.00	2.00	2.00	2.00	
Assistant Engineer	1.00	1.00	1.00	2.00	2.00	
Construction Project Mgr	1.00	1.00	1.00	1.00	1.00	
Engineering Technician	1.00	1.00	1.00	1.00	1.00	
Sr Public Works Inspector	1.00	1.00	1.00	1.00	1.00	
Public Works Inspector	1.00	1.00	1.00	-	-	
Parks Service Officer	1.00	1.00	1.00	1.00	1.00	
Town Arborist	1.00	1.00	1.00	1.00	1.00	
Tree Trimmer/High Climber	1.00	1.00	1.00	1.00	-	CY delete 1.0 FTE
Lead Parks & Maint. Worker	3.00	3.00	3.00	3.00	3.00	
Parks & Maintenance Worker	9.00	9.00	8.00	8.00	9.00	CY add 1.0 FTE
Equipment Mechanic	1.00	1.00	1.00	1.00	1.00	
TOTAL DEPARTMENT FTEs	33.50	33.50	34.50	34.50	34.50	
LIBRARY						
Library Director	-	1.00	1.00	1.00	1.00	
Town Librarian	2.00	-	-	-	-	
Division Manager	-	2.00	2.00	2.00	2.00	
Librarian	3.75	3.00	3.00	3.00	3.00	
Library Technology Specialist	1.00	1.00	1.00	2.00	2.00	
Library Assistant	1.00	1.00	1.00	-	-	
Library Specialist	0.75	0.75	0.75	1.75	1.75	
Customer Service Supervisor	1.00	1.00	1.00	-	-	
Customer Service Specialist	1.50	1.50	1.50	1.75	1.75	
Sr Library Page	-	1.00	1.00	1.00	1.00	
TOTAL DEPARTMENT FTEs	11.00	12.25	12.25	12.50	12.50	
TOTAL TOWN FTEs	144.10	145.98	148.10	148.99	149.63	

TOWN STAFF
POSITIONS BY HOME DEPARTMENT

ELECTED OFFICIALS					
	2015/16 Funded	2016/17 Funded	2017/18 Funded	2018/19 Funded	2019/20 Adopted
Town Council	5.00	5.00	5.00	5.00	5.00
TOTAL ELECTED OFFICIALS	5.00	5.00	5.00	5.00	5.00
HOURLY EMPLOYEES					
	2015/16 Funded	2016/17 Funded	2017/18 Funded	2018/19 Funded	2019/20 Adopted
Temporary Hours by Department					
Town Council	175	175	175	175	175
Administrative Services	1,476	2,196	2,196	1,376	2,350
Community Development	1,165	1,305	1,305	1,695	1,695
Police Department	4,504	3,422	5,502	3,035	3,035
Parks & Public Works	9,566	8,567	6,637	5,661	5,661
Library Department	10,237	9,546	9,796	9,294	9,294
Total Temporary Hours by Department	27,123	25,211	25,611	21,236	22,210
CONVERTED HOURLY EMPLOYEES	13.04	12.12	12.31	10.21	10.68
(1.00 FTE = 2080 hours)					

TOWN OF LOS GATOS
SALARY SCHEDULE FOR AFSCME CLASSIFICATIONS
EFFECTIVE JULY 1, 2019

Class Code	Classification Title	Range AF1	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
6620	Equipment Mechanic	03	\$34.65	\$36.38	\$38.20	\$40.11	\$42.12	\$44.23
6670	Facility Technician	02	\$32.25	\$33.86	\$35.55	\$37.33	\$39.20	\$41.16
6600	Lead Parks & Maintenance Worker	07	\$36.80	\$38.64	\$40.57	\$42.60	\$44.73	\$46.97
6650	Parks & Maintenance Worker	05	\$29.60	\$31.08	\$32.63	\$34.26	\$35.97	\$37.77
6660	Parks & Maintenance Worker Trainee	04	\$24.18	\$25.39	\$26.66	\$27.99	\$29.39	\$30.86
6605	Senior Parks & Maintenance Worker	06	\$32.22	\$33.83	\$35.52	\$37.30	\$39.17	\$41.13
6610	Town Arborist	03	\$35.14	\$36.90	\$38.75	\$40.69	\$42.72	\$44.86

Reflects General Increase of 3%.

TOWN OF LOS GATOS
SALARY SCHEDULE FOR TEA CLASSIFICATIONS
EFFECTIVE JULY 1, 2019

Class Code	Classification Title	Range TE1	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
4310	Account Technician	08	\$33.15	\$34.81	\$36.55	\$38.38	\$40.30	\$42.90
3580	Administrative Assistant	04	\$27.74	\$29.13	\$30.59	\$32.12	\$33.73	\$36.00
4620	Assistant Engineer	25	\$44.15	\$46.36	\$48.68	\$51.11	\$53.67	\$56.93
4420	Assistant Planner	12	\$38.39	\$40.31	\$42.33	\$44.45	\$46.67	\$49.58
4600	Associate Civil Engineer	27	\$50.23	\$52.74	\$55.38	\$58.15	\$61.06	\$64.69
4400	Associate Planner	20	\$44.67	\$46.90	\$49.25	\$51.71	\$54.30	\$57.60
4410	Building Inspector	24	\$42.98	\$45.13	\$47.39	\$49.76	\$52.25	\$55.44
4430	Code Compliance Officer	10	\$38.43	\$40.35	\$42.37	\$44.49	\$46.71	\$49.63
4530	Communication Dispatcher	14	\$38.66	\$40.59	\$42.62	\$44.75	\$46.99	\$49.92
4535	Communication Dispatcher Lead	19	\$45.96	\$48.26	\$50.67	\$53.20	\$55.86	\$59.23
4540	Community Services Officer	11	\$32.68	\$34.31	\$36.03	\$37.83	\$39.72	\$42.29
4615	Construction Project Manager	26	\$48.19	\$50.60	\$53.13	\$55.79	\$58.58	\$62.09
4660	Engineering Technician	13	\$35.10	\$36.86	\$38.70	\$40.64	\$42.67	\$45.38
4705	Environmental Programs Specialist	08	\$33.15	\$34.81	\$36.55	\$38.38	\$40.30	\$42.90
4200	Events and Marketing Specialist	06	\$29.24	\$30.70	\$32.24	\$33.85	\$35.54	\$37.90
3501	Executive Assistant	08	\$33.15	\$34.81	\$36.55	\$38.38	\$40.30	\$42.90
4900	IT Systems Administrator (Rev. 7/1/19)	23	\$47.85	\$50.24	\$52.75	\$55.39	\$58.16	\$61.65
4915	IT Technician	07	\$35.87	\$37.66	\$39.54	\$41.52	\$43.60	\$46.36
4810	Librarian	16	\$36.68	\$38.51	\$40.44	\$42.46	\$44.58	\$47.39
4830	Library Assistant	03	\$27.08	\$28.43	\$29.85	\$31.34	\$32.91	\$35.14
4807	Library Customer Service Specialist	01	\$25.38	\$26.65	\$27.98	\$29.38	\$30.85	\$32.97
4805	Library Customer Service Supervisor	08	\$33.15	\$34.81	\$36.55	\$38.38	\$40.30	\$42.90
4825	Library Specialist	06	\$29.24	\$30.70	\$32.24	\$33.85	\$35.54	\$37.90
4819	Library Tech Specialist	15	\$35.54	\$37.32	\$39.19	\$41.15	\$43.21	\$45.95
3181	Office Assistant	01	\$25.38	\$26.65	\$27.98	\$29.38	\$30.85	\$32.97
4640	Park Services Officer	11	\$32.68	\$34.31	\$36.03	\$37.83	\$39.72	\$42.29
4560	Parking Control Officer	01	\$25.38	\$26.65	\$27.98	\$29.38	\$30.85	\$32.97
4440	Permit Technician	09	\$31.93	\$33.53	\$35.21	\$36.97	\$38.82	\$41.34
4425	Planning Technician	11	\$32.68	\$34.31	\$36.03	\$37.83	\$39.72	\$42.29
4550	Police Records Specialist	05	\$28.41	\$29.83	\$31.32	\$32.89	\$34.53	\$36.84
4630	Public Works Inspector	18	\$39.97	\$41.97	\$44.07	\$46.27	\$48.58	\$51.59
4450	Senior Building Inspector	27	\$50.23	\$52.74	\$55.38	\$58.15	\$61.06	\$64.69
4831	Senior Library Page	02	\$17.84	\$18.73	\$19.67	\$20.65	\$21.68	\$23.34
4405	Senior Planner	28	\$51.45	\$54.02	\$56.72	\$59.56	\$62.54	\$66.25
4610	Senior Public Works Inspector	26	\$48.19	\$50.60	\$53.13	\$55.79	\$58.58	\$62.09

Reflects General Increase of 3%

TOWN OF LOS GATOS
SALARY SCHEDULE FOR POLICE OFFICERS' ASSOCIATION CLASSIFICATIONS
EFFECTIVE OCTOBER 1, 2019

Class Code	Classification Title	Range	Step	Hourly Rate
2520	Police Sergeant (Prior)	04-0721	1	\$64.49
	<i>Appointment before 03/01/2015</i>		2	\$67.71
			3	\$71.10
			4	\$74.66
			5	\$78.39

Class Code	Classification Title	Range	Step	Hourly Rate
2521	Police Sergeant (New)	05-0721	1	\$64.49
	<i>Appointment after 03/01/2015</i>		2	\$67.71
			3	\$71.10
			4	\$74.66

Class Code	Classification Title	Range	Step	Hourly Rate
7500	Police Corporal	03-0715	1	\$53.50
			2	\$56.18
			3	\$58.99
			4	\$61.94
			5	\$65.04

Class Code	Classification Title	Range	Step	Hourly Rate
7510	Police Officer	02-0711	1	\$50.96
			2	\$53.51
			3	\$56.19
			4	\$59.00
			5	\$61.95

Class Code	Classification Title	Range	Step	Hourly Rate
9519	Police Trainee *	01-0710	1	\$48.41
	<i>* 95% of Step 1 of Police Officer Classification (Provisional Employee with Misc PERS)</i>			

Reflects General Increase of 4%.

TOWN OF LOS GATOS
SALARY SCHEDULE FOR CONFIDENTIAL CLASSIFICATIONS
EFFECTIVE JULY 1, 2019

Class Code	Classification Title	Range CF1	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
3300	Accountant/Finance Analyst	07	\$42.37	\$44.49	\$46.71	\$49.05	\$51.50	\$54.66
3000	Administrative Analyst	07	\$42.37	\$44.49	\$46.71	\$49.05	\$51.50	\$54.66
3581	Administrative Assistant <i>(new 7/1/19)</i>	08	\$29.13	\$30.59	\$32.12	\$33.73	\$35.42	\$37.77
3115	Administrative Technician	04	\$36.53	\$38.36	\$40.28	\$42.29	\$44.40	\$47.20
3190	Deputy Clerk	01	\$34.77	\$36.51	\$38.34	\$40.26	\$42.27	\$44.96
3500	Executive Assistant to Chief of Police	03	\$34.77	\$36.51	\$38.34	\$40.26	\$42.27	\$44.96
3100	Executive Assistant to Town Manager	05	\$36.53	\$38.36	\$40.28	\$42.29	\$44.40	\$47.20
3015	Human Resources Technician	02	\$33.10	\$34.76	\$36.50	\$38.33	\$40.25	\$42.84
3180	Office Assistant	01	\$27.17	\$28.53	\$29.96	\$31.46	\$33.03	\$35.26
3301	Payroll Technician	06	\$36.53	\$38.36	\$40.28	\$42.29	\$44.40	\$47.20

Reflects General Increase of 3% and includes 5% Confidential Premium.

TOWN OF LOS GATOS
SALARY SCHEDULE FOR TOWN COUNCIL AND MANAGEMENT
EFFECTIVE JULY 1, 2019 (UNLESS OTHERWISE NOTED)

Class Code	Classification Title	Annual Salary Minimum	Annual Salary Maximum
2615	Assistant Parks & Public Works Director	\$ 137,631	\$ 185,801
2110	Assistant Town Manager	\$ 163,599	\$ 220,859
2420	Chief Building Official	\$ 124,687	\$ 168,327
2400	Community Development Director	\$ 159,609	\$ 215,472
2180	Community Outreach Coordinator	\$ 86,092	\$ 116,223
2010	Deputy Attorney	\$ 107,517	\$ 145,148
2130	Economic Vitality Manager	\$ 118,678	\$ 160,215
2310	Finance and Budget Manager	\$ 124,687	\$ 168,327
2300	Finance Director	\$ 155,716	\$ 210,217
2200	Human Resources Director	\$ 144,598	\$ 195,207
2900	Information Technology Manager	\$ 124,687	\$ 168,327
2800	Library Director	\$ 144,598	\$ 195,207
2820	Library Division Manager	\$ 95,029	\$ 128,289
2600	Parks & Public Works Director	\$ 159,605	\$ 215,472
2645	Parks & Public Works Operations Manager	\$ 107,517	\$ 145,148
2630	Parks & Public Works Superintendent	\$ 124,687	\$ 168,327
2412	Planning Manager	\$ 124,687	\$ 168,327
2510	Police Captain	\$ 148,213	\$ 200,087
2500	Police Chief	\$ 167,689	\$ 226,381
2545	Police Records & Communication Manager	\$ 115,783	\$ 156,308
2140	Senior Administrative Analyst	\$ 92,711	\$ 125,160
2650	Senior Civil Engineer	\$ 118,678	\$ 160,215
2000	Town Attorney - Council Appointed (<i>Effective 12/12/18</i>)		\$ 225,000
2412	Town Clerk	\$ 124,687	\$ 168,327
2100	Town Manager - Council Appointed (<i>Effective 9/2/18</i>)		\$ 236,250
2655	Transportation & Mobility Manager	\$ 115,783	\$ 156,308
1000	Town Council (Effective 1/1/19)	\$570 Stipend per month, for a total compensation of \$6,840 per year	

Management salaries reflect a spread of 35% to the top of the range.

Reflects General Increase of 3%.

TOWN OF LOS GATOS
SALARY SCHEDULE FOR GENERAL/MISC TEMPORARY/HOURLY CLASSIFICATIONS
EFFECTIVE JULY 1, 2017

Class Code	Classification Title	Range TE2	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
9305	Account Clerk Temp/Hourly	04	\$24.04	\$25.24	\$26.50	\$27.83	\$29.22	\$30.68
9310	Account Technician Temp/Hourly	10	\$28.89	\$30.33	\$31.85	\$33.44	\$35.11	\$36.87
9300	Accountant Temp/Hourly	17	\$34.89	\$36.63	\$38.46	\$40.38	\$42.40	\$44.52
9010	Admin Analyst Temp/Hourly	17	\$34.89	\$36.63	\$38.46	\$40.38	\$42.40	\$44.52
9100	Admin Specialist Temp/Hourly	10	\$28.89	\$30.33	\$31.85	\$33.44	\$35.11	\$36.87
9580	Administrative Assistant Temp/Hourly	05	\$26.27	\$27.58	\$28.96	\$30.41	\$31.93	\$33.53
9105	Administrative Secretary Temp/Hourly	09	\$27.59	\$28.97	\$30.42	\$31.94	\$33.54	\$35.22
9656	Assistant Engineer Temp/Hourly	23	\$39.53	\$41.51	\$43.59	\$45.77	\$48.06	\$50.46
9655	Associate Civil Engineer Temp/Hourly	24	\$45.52	\$47.80	\$50.19	\$52.70	\$55.34	\$58.11
9400	Associate Planner Temp/Hourly	22	\$39.38	\$41.35	\$43.42	\$45.59	\$47.87	\$50.26
9410	Building Inspector Temp/Hrly	23	\$39.53	\$41.51	\$43.59	\$45.77	\$48.06	\$50.46
9112	Clerical Aide Temp/Hourly	01	\$12.70	\$13.34	\$14.01	\$14.71	\$15.45	\$16.22
9430	Code Compliance Officer Temp/Hourly	16	\$33.99	\$35.69	\$37.47	\$39.34	\$41.31	\$43.38
9530	Communication Dispatcher Temp/Hourly	19	\$36.61	\$38.44	\$40.36	\$42.38	\$44.50	\$46.73
9545	Crime Analyst Temp/Hourly	18	\$35.32	\$37.09	\$38.94	\$40.89	\$42.93	\$45.08
9540	CSO Intern Temp/Hourly	03	\$21.58	\$22.66	\$23.79	\$24.98	\$26.23	\$27.54
9532	CSO Temp/Hrly	12	\$30.94	\$32.49	\$34.11	\$35.82	\$37.61	\$39.49
9190	Deputy Clerk Temp/Hourly	04	\$24.04	\$25.24	\$26.50	\$27.83	\$29.22	\$30.68
9660	Engineering Technician Temp/Hourly	13	\$31.73	\$33.32	\$34.99	\$36.74	\$38.58	\$40.51
9501	Executive Assistant Temp/Hourly	10	\$28.89	\$30.33	\$31.85	\$33.44	\$35.11	\$36.87
9720	Facility Attendant Temp/Hourly	01	\$12.70	\$13.34	\$14.01	\$14.71	\$15.45	\$16.22
9109	Human Resources Specialist Temp/Hourly	09	\$27.59	\$28.97	\$30.42	\$31.94	\$33.54	\$35.22
9041	Intern I Temp/Hourly	02	\$16.90	\$17.75	\$18.64	\$19.57	\$20.55	\$21.58
9040	Intern II Temp/Hourly	03	\$21.58	\$22.66	\$23.79	\$24.98	\$26.23	\$27.54
9200	IT Technician Temp/Hrly	14	\$31.79	\$33.38	\$35.05	\$36.80	\$38.64	\$40.57
9015	Legal Assistant Temp/Hrly	17	\$34.89	\$36.63	\$38.46	\$40.38	\$42.40	\$44.52
9810	Librarian Temp/Hourly	15	\$33.65	\$35.33	\$37.10	\$38.96	\$40.91	\$42.96
9820	Library Assistant Temp/Hourly	06	\$25.65	\$26.93	\$28.28	\$29.69	\$31.17	\$32.73
9840	Library Clerk Temp/Hourly	04	\$24.04	\$25.24	\$26.50	\$27.83	\$29.22	\$30.68
9850	Library Page Temp/Hourly	01	\$12.70	\$13.34	\$14.01	\$14.71	\$15.45	\$16.22
9830	Library Teen Services Specialist	03	\$21.58	\$22.66	\$23.79	\$24.98	\$26.23	\$27.54
9900	Network Administrator	21	\$37.65	\$39.53	\$41.51	\$43.59	\$45.77	\$48.06
9180	Office Assistant Temp/Hourly	04	\$24.04	\$25.24	\$26.50	\$27.83	\$29.22	\$30.68
9645	Park Service Officer Aide Temp/Hourly	03	\$21.58	\$22.66	\$23.79	\$24.98	\$26.23	\$27.54
9640	Park Service Officer Temp/Hourly	12	\$30.94	\$32.49	\$34.11	\$35.82	\$37.61	\$39.49
9560	Parking Control Officer Temp/Hourly	04	\$24.04	\$25.24	\$26.50	\$27.83	\$29.22	\$30.68
9440	Permit Technician	11	\$29.77	\$31.26	\$32.82	\$34.46	\$36.18	\$37.99
9550	Police Records Specialist Temp/Hourly	08	\$26.91	\$28.26	\$29.67	\$31.15	\$32.71	\$34.35
9510	Police Officer Reserve (Top Step of Officer)*	25	\$59.56					
9650	Public Works Inspector Temp/Hourly	20	\$37.37	\$39.24	\$41.20	\$43.26	\$45.42	\$47.69
9670	Senior Electrician Temp/Hourly	23	\$39.53	\$41.51	\$43.59	\$45.77	\$48.06	\$50.46
9831	Senior Library Page	02	\$16.90	\$17.75	\$18.64	\$19.57	\$20.55	\$21.58
9725	Special Event Attendant	07	\$16.14	\$16.95	\$17.80	\$18.69	\$19.62	\$20.60

Reflect General Increase of 2.5%.

*Adjusted to reflect Oct. 2018 Police Officer top step

TOWN OF LOS GATOS
SALARY SCHEDULE FOR MAINTENANCE TEMPORARY/HOURLY CLASSIFICATIONS
EFFECTIVE JULY 1, 2017

Class Code	Classification Title	Range AF2	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
9621	Equipment Mechanic Temp	01	\$32.07	\$33.67	\$35.35	\$37.12	\$38.98	\$40.93
9605	Lead Parks & Maint Worker	06	\$33.58	\$35.26	\$37.02	\$38.87	\$40.81	\$42.85
9600	Maintenance Assistant	02	\$16.14	\$16.95	\$17.80	\$18.69	\$19.62	\$20.60
9630	Parks & Maint Worker Trainee Temp	03	\$22.08	\$23.18	\$24.34	\$25.56	\$26.84	\$28.18
9620	Parks & Maintenance Worker Temp	04	\$27.01	\$28.36	\$29.78	\$31.27	\$32.83	\$34.47
9610	Ticket Booth Attendant	05	\$13.24	\$13.90	\$14.60	\$15.33	\$16.10	\$16.91

Reflects General Increase of 2.5%.





Departmental Budgets

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∞ DEPARTMENTAL BUDGET DIRECTORY ∞

FY 2019/20

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FY 2019/20

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Town Offices

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Town Offices

PROGRAM PURPOSE

The Town Offices Program comprises the Town Council Administration Program and the Town Attorney Administration Program, which includes the Self-Insurance Liability Program. The purpose of each program is outlined in the sections that follow this page.

BUDGET OVERVIEW

The FY 2019/20 budget includes increases in salary and benefit costs attributed to Council actions to increase salaries, and higher benefit and CalPERS pension rates. The FY 2019/20 Town Offices budget is programmed to maintain existing staffing and service levels.

TOWN OFFICES

DEPARTMENTAL SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
Service Charge	\$ 26	\$ -	\$ 30	\$ -	\$ -	\$ -
Interest	-	-	-	-	-	-
Fines & Forfeitures	93	-	700	-	150	-
Other Revenues	-	2,634	-	-	-	-
TOTAL REVENUES	\$ 119	\$ 2,634	\$ 730	\$ -	\$ 150	\$ -
EXPENDITURES						
Salaries and Benefits*	\$ 383,836	\$ 422,766	\$ 426,102	\$ 665,374	\$ 656,871	\$ 742,204
Operating Expenditures	54,990	164,622	86,578	101,812	106,496	104,606
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	28,962	32,744	33,708	12,033	12,033	15,185
TOTAL EXPENDITURES	\$ 467,788	\$ 620,132	\$ 546,388	\$ 779,219	\$ 775,400	\$ 861,995
	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
PROGRAM						
Town Council	\$ 171,530	\$ 193,584	\$ 192,183	\$ 223,036	\$ 215,399	\$ 240,605
Town Attorney	296,258	426,548	354,205	556,183	560,001	621,390
TOTAL EXPENDITURES	\$ 467,788	\$ 620,132	\$ 546,388	\$ 779,219	\$ 775,400	\$ 861,995

*Personnel previously budgeted in the Liability Self-Insurance Internal Service Fund are budgeted in the Town Attorney Program beginning in FY 2018/19.

TOWN OFFICES

DEPARTMENT STAFFING

Full Time Equivalents (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
	Funded	Funded	Funded	Funded	Adopted
General Fund					
Town Attorney	0.60	0.60	0.60	1.00	1.00
Deputy Town Attorney	0.25	0.31	0.31	0.75	0.75
Deputy Town Clerk	-	-	-	-	0.13
Executive Asst to the Town Mgr	0.50	0.50	0.50	0.50	0.50
Office Assistant	-	0.13	0.13	0.13	-
Total General Fund FTEs	1.35	1.54	1.54	2.38	2.38

Non-General Fund FTEs

Liability Self-Insurance

Town Attorney	0.35	0.35	0.35	-	-
Deputy Town Attorney	0.25	0.31	0.31	-	-
Total Liability FTEs	0.60	0.66	0.66	-	-

Workers Compensation

Town Attorney	0.05	0.05	0.05	-	-
Total Workers Comp FTEs	0.05	0.05	0.05	-	-

Total Town Offices FTEs	2.00	2.25	2.25	2.38	2.38

Elected Officials

Councilmembers	5.00	5.00	5.00	5.00	5.00
TOTAL ELECTED OFFICIALS	5.00	5.00	5.00	5.00	5.00

Temporary Staff

Intern	175	175	175	175	175
TOTAL ANNUAL HOURS	175	175	175	175	175



Town Council

TOWN COUNCIL ADMINISTRATION PROGRAM 1101

PROGRAM PURPOSE

The Town Council is the elected legislative body that represents the residents and provides policy direction for the delivery of services and capital improvements for the Town of Los Gatos. The Town Council comprises five Council members, with the Mayor and Vice Mayor appointed annually by the Council each November. The Town operates under a Council/Manager (corporate) form of government that combines the policy leadership of elected officials with the managerial responsibility of an appointed Town Manager and appointed Town Attorney reporting to the Council. With the professional support of Town staff, the Mayor and Town Council identify and adopt appropriate policy, program, and budget priorities for the Town.

As an elected legislature, the Council's priorities reflect, through its regulatory and budgetary enactments, the aspirations of the residents of Los Gatos. These priorities are implicit in the programs adopted and set forth in the annual operating budget for the Town of Los Gatos.

BUDGET OVERVIEW

The FY 2019/20 budget includes increases in salary and benefit costs attributed to Council actions to increase salaries, and higher benefit and CalPERS pension rates. The FY 2019/20 Council budget includes general administrative services, constituent services, elected official support, official meetings and events, and Council policy/program analysis.

TOWN COUNCIL

SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
<i>Service Charge</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Interest</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 155,940	\$ 168,321	\$ 169,966	\$ 199,286	\$ 192,365	\$ 216,993
<i>Operating Expenditures</i>	12,530	22,141	19,032	23,456	22,740	23,250
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	3,060	3,122	3,185	294	294	362
TOTAL EXPENDITURES	\$ 171,530	\$ 193,584	\$ 192,183	\$ 223,036	\$ 215,399	\$ 240,605

KEY PROGRAM SERVICES

- Represents the residents of Los Gatos.
- Formulates and enacts public policy in response to current and anticipated needs within political, administrative, and fiscal constraints.
- Provides community leadership as the legislative and policy-making body of the municipal government.
- Oversees Town Boards and Commissions.
- Represents the Town of Los Gatos through coordination and collaboration with other government agencies.

TOWN COUNCIL

TOWN COUNCIL STAFFING

Full Time Equivalents (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Adopted
Executive Asst. to the Town Mgr.	0.50	0.50	0.50	0.50	0.50
TOTAL PROGRAM FTEs	0.50	0.50	0.50	0.50	0.50

Elected Officials

Councilmembers	5.00	5.00	5.00	5.00	5.00
TOTAL ELECTED OFFICIALS	5.00	5.00	5.00	5.00	5.00

Temporary Staff Hours

Intern	175	175	175	175	175
TOTAL ANNUAL HOURS	175	175	175	175	175



Town Attorney

TOWN ATTORNEY ADMINISTRATION PROGRAM 1301

PROGRAM PURPOSE

The Town Attorney is the legal advisor to the Town Council, Successor Agency to the former Redevelopment Agency, and Town staff. In this capacity, the Office of the Town Attorney provides a wide range of legal services to ensure that Town actions and activities are legally sound. The core services of the Town Attorney's Office include, but are not limited to: providing timely legal advice to the Town Council, Town advisory bodies, and staff; drafting contracts, opinions, resolutions, and ordinances; reviewing, processing, and settling claims against the Town; and prosecuting and defending civil lawsuits against the Town.

BUDGET OVERVIEW

The FY 2019/20 budget includes increases in salary and benefit costs attributed to Council actions to increase salaries, and higher benefit and CalPERS pension rates. The FY 2019/20 budget for the Town Attorney's Office also includes minor changes in operating expenditures.

∞ TOWN ATTORNEY ∞

ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Community Character</i> Preserve and enhance the appearance character and environment quality of the community	• Advised on a significant number of resolutions, ordinances, policies, and development projects in furtherance of implementation of the 2020 General Plan. • Provided litigation support for land use and California Environmental Quality Act challenges.
<i>Good Governance</i> Ensure responsive, accountable and collaborate government	• Prepared for and supported Council and Planning Commission meetings. • Prepared for and supported various Committee, Commission, and Board meetings as requested by staff and/or Council.
<i>Fiscal Stability</i> Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community	• Advised on the legal and financial matters associated with the Council Finance Committee and the Town Pension and OPEB Trusts Oversight Committee. • Provided administrative and analytical support in staff report development and review. • Provided legal and litigation support for the voter approved sales tax measure.

TOWN ATTORNEY

SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
Service Charge	\$ 26	\$ -	\$ 30	\$ -	\$ -	\$ -
Interest	-	-	-	-	-	-
Fines & Forfeitures	93	-	700	-	150	-
Other Revenues	-	2,634	-	-	-	-
TOTAL REVENUES	\$ 119	\$ 2,634	\$ 730	\$ -	\$ 150	\$ -
EXPENDITURES						
Salaries and Benefits*	\$ 227,896	\$ 254,445	\$ 256,136	\$ 466,088	\$ 464,506	\$ 525,211
Operating Expenditures	42,460	142,481	67,546	78,356	83,756	81,356
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	25,902	29,622	30,523	11,739	11,739	14,823
TOTAL EXPENDITURES	\$ 296,258	\$ 426,548	\$ 354,205	\$ 556,183	\$ 560,001	\$ 621,390

*Personnel previously budgeted in the Liability Self-Insurance Internal Service Fund are budgeted in the Town Attorney Program beginning in FY 2018/19.

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
Community Character Preserve and enhance the appearance character and environment quality of the community	Policy Development Assist and advise on the review and revision of numerous policies including but not limited to ordinance rewrite and amendments, implementation of the General Plan, and environmental issues related to development proposals.
Good Governance Ensure responsive, accountable and collaborate government	Process Improvements Respond to the needs of the Town Council and Town staff. Without compromising this key focus, the Town Attorney will continue to assist in streamlining administrative functions, including contract management, Council action, and code enforcement. Continue to explore and implement measures to reduce the cost of legal services and overall Town liability.

TOWN ATTORNEY

Core Goals	Key Projects
<i>Fiscal Stability</i> Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community	<i>Improved Efficiencies</i> Continue to seek improved efficiencies in providing legal services as necessary to meet budget constraints.

KEY PROGRAM SERVICES

- Represents the Town regarding litigation matters, including criminal prosecutions of code violations.
- Serves as the legal advisor for the Town Council, Town staff, and Successor Agency to the Redevelopment Agency.
- Processes and evaluates all personal injury, property damage, and other monetary claims against the Town and manages all litigation involving the Town.
- Drafts and/or reviews all proposed ordinances and resolutions.
- Supervises personal injury and property damage claims and related claims litigation.
- Drafts and/or reviews Town staff reports and contracts.
- Assists in the administration of the Town's liability insurance and risk management program.
- Negotiates key transactions such as property matters.
- Provides legal advice and support to Town Boards, Committees, and Commissions.

TOWN ATTORNEY STAFFING

Full Time Equivalents (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
	Funded	Funded	Funded	Funded	Adopted
<i>Town Staff</i>					
Town Attorney	0.60	0.60	0.60	1.00	1.00
Deputy Town Attorney	0.25	0.31	0.31	0.75	0.75
Office Assistant	-	0.13	0.13	0.13	-
Deputy Town Clerk	-	-	-	-	0.13
TOTAL PROGRAM FTEs	0.85	1.04	1.04	1.88	1.88

TOWN ATTORNEY

Performance Objectives and Measures	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1. <i>To reduce the legal and financial consequences of claims</i>					
a. Claims for denial or approval processed within 45 days of filing:	90%	90%	95%	95%	95%
2. <i>To protect the Town from legal exposure through the</i>					
a. Staff reports reviewed within 24 hours of receipt:	90%	90%	90%	90%	90%
b. Contracts reviewed and signed within 48 hours of receipt:*	<i>Data Not Available</i>	90%	90%	90%	90%
c. Staff questions and referrals responded to within 3 working days:	90%	90%	95%	95%	95%

Activity and Workload Highlights	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1. Number of incident reports processed:	20	12	14	14	20
2. Number of property loss reports processed:	16	9	29	20	20
3. Number of subpoenas handled:	12	12	7	7	7
6. Number of contracts reviewed:	283	239	<i>See Clerk</i>	<i>See Clerk</i>	<i>See Clerk</i>
7. Number of cases handled:	4	8	6	6	5
8. Number of claims:***	<i>Measure Discontinued</i>	22	29	29	30
9. Number of City Council and Advisory Body meetings attended:**	52	52	52	52	52

* New measure effective FY 2016/17.

** New measure effective FY 2015/16.

***Measure discontinued in FY 2014/15 and started again in FY 2016/17 due to workload. Historical data provided when available.



Town Attorney

LIABILITY SELF-INSURANCE FUND PROGRAM 1302

FUND PURPOSE

The Town is a member of the Joint Powers Authority Pooled Liability Assurance Network (PLAN) insurance pool, a self-insurance program established in 1986 to provide general liability, property insurance, and risk management services to 28 cities within the Bay Area. This coverage minimizes the Town's exposure to losses.

The annual premium paid by the Town allows for \$10 million total coverage with a \$50,000 deductible per occurrence. Self-Insurance rates have been established to allocate the cost of this Internal Service Fund accurately to all programs based on staffing levels, thus more accurately distributing and reflecting actual costs of services.

BUDGET OVERVIEW

The Self-Insurance Program is funded through departmental charges based on established assessment rates per labor dollar expended. Service rates are established to maintain fund balance capacity at a minimum of three times the annual operating expense. This rule of thumb provides a funding source for potential claims against the Town. Excess funding is reduced through lower service rates and transfers back to the General Fund. The Town continues to receive grant funding and to make strides in the area of Risk Management.

TOWN ATTORNEY
Liability Self-Insurance Program

STATEMENT OF SOURCE AND USE OF FUNDS

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	1,567,161	1,403,449	885,441	994,770	994,770	1,224,497
Total Beginning Fund Balance	1,567,161	1,403,449	885,441	994,770	994,770	1,224,497
Revenues						
<i>Service Charge</i>	\$ 492,341	\$ 497,401	\$ 506,519	\$ 376,187	\$ 350,518	\$ 443,727
<i>Interest</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	291,997	-
Total Revenues	\$ 492,341	\$ 497,401	\$ 506,519	\$ 376,187	\$ 642,515	\$ 443,727
TRANSFERS IN						
<i>Transfer from Equipment Replacement</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL TRANSFERS IN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES & TRANSFERS	492,341	497,401	506,519	376,187	642,515	443,727
TOTAL SOURCE OF FUNDS	\$ 2,059,502	\$ 1,900,850	\$ 1,391,960	\$ 1,370,957	\$ 1,637,285	\$ 1,668,224
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ 164,485	\$ 432,819	\$ 203,614	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	491,568	582,590	193,576	641,361	412,788	680,137
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
Total Expenditures	\$ 656,053	\$ 1,015,409	\$ 397,190	\$ 641,361	\$ 412,788	\$ 680,137
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	1,403,449	885,441	994,770	729,596	1,224,497	988,087
Total Ending Fund Balance	1,403,449	885,441	994,770	729,596	1,224,497	988,087
TOTAL USE OF FUNDS	\$ 2,059,502	\$ 1,900,850	\$ 1,391,960	\$ 1,370,957	\$ 1,637,285	\$ 1,668,224

* Personnel are budgeted in the Town Attorney Program beginning in FY 2018/19.

** FY 2018/19 estimated Ending Fund Balance is anticipated to be restated upon final audit because no material amounts of pension expense were budgeted in the Liability Self insurance Fund.

TOWN ATTORNEY
Liability Self-Insurance Program

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable and collaborate government	Premium Management Emphasize the improvement of safety concerns by actively pursuing training programs. In an effort to minimize insurance claims, the insurance pool offers safety training in areas which produce a high liability risk. Resolve claims favorable to the Town.

KEY PROGRAM SERVICES

- Acts as liaison with the Town's Liability Insurance administration.
- Informs Town Council and Town management of potential claims and results.

LIABILITY SELF-INSURANCE PROGRAM STAFFING

Full Time Equivalent (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
Town Staff	Funded	Funded	Funded	Funded	Adopted
Town Attorney*	0.35	0.35	0.35	-	-
Deputy Town Attorney*	0.25	0.31	0.31	-	-
Administrative Analyst*	-	0.10	0.10	-	-
Administrative Technician	0.10	-	-	-	-
Total Liability FTEs	0.70	0.76	0.76	-	-

*Personnel previously budgeted in in the Liability Self Insurance Internal Service fund are budgeted in the Town Attorney Program beginning in FY 2018/19.





Administrative Services

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Administrative Services

DEPARTMENT PURPOSE

The Town Manager provides overall management, administration, and direction for the entire Town organization, reporting to the full Town Council. The Town Manager identifies community issues and needs requiring legislative policy decisions and provides alternative solutions for Council consideration; assures that the Council's policies, programs, and priorities are effectively and efficiently implemented; prepares the Town budget with recommendations on the appropriate resources for Council action; provides research and information necessary for responsible decision making; fosters public awareness of municipal programs, services, and goals; responds to resident and other constituent inquiries by explaining Town services and functions; and investigates problems to determine appropriate actions; and provides information and specialized assistance on more complex Town issues.

The Administrative Services portion of Town Manager oversight encompasses responsibility for human resources, finance, budgeting, purchasing, labor relations, information technology systems, economic vitality, equipment replacement, workers' compensation, records management, customer service management, and other administrative support. For budget purposes, Administrative Services incorporates six key programs: Town Manager's Office, Clerk Department, Finance Department, Human Resources Department, Information Technology (IT), Non-Departmental (i.e., Town services and functions that are not attributable to a single Department). In addition, the Town's Workers' Compensation Fund and Office Stores Fund are accounted for in the Administrative Services. The following sections provide summaries of the Administrative Services' core services and service objectives.

BUDGET OVERVIEW

The majority of revenues which support Town wide services are accounted for in the Non-departmental program within Administrative Services. For FY 2019/20 revenues captured in Administrative Services reflect increases in Property Tax, Transient Occupancy Tax, Franchise Fees Licenses and Permits, and Charges for Services, all indicative of the continuing strength in

⌘ ADMINISTRATIVE SERVICES ⌘

the regional and local economy. However, despite these revenue increases, the FY 2019/20 Sales Tax projection is being reduced due to the ongoing transition in consumer preferences for online sales instead of purchases from local establishments. As a result, the FY 2019/20 Administrative Services budget continues to be conservative in nature and reflects only obligated and minor expenditure enhancements, including increases in benefit rates, including workers' compensation, and pensions (CalPERS). The FY 2019/20 budget also reflects the addition of one permanent Accountant position in the Finance Department (partially offset by a reduction in part-time and temporary hours) and a part time, two-year position to assist with the Town's emergency preparedness activities and regional emergency management engagement.

⌘ ADMINISTRATIVE SERVICES ⌘

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
<i>Other Taxes</i>	\$ 1,465,547	\$ 1,720,980	\$ 1,686,251	\$ 1,650,000	\$ 1,490,000	\$ 1,400,000
<i>Licenses and Permits</i>	-	-	965	7,000	2,600	114,415
<i>Intergovernmental Revenues</i>	-	19,998	-	-	-	-
<i>Service Charges</i>	555	510	60	-	20	-
<i>Interest</i>	620,895	509	930	-	70	-
<i>Other Revenues</i>	20,341	197,019	258,327	448,357	1,122,204	661,968
TOTAL REVENUES	\$ 2,107,338	\$ 1,939,016	\$ 1,946,533	\$ 2,105,357	\$ 2,614,894	\$ 2,176,383
EXPENDITURES						
<i>Salaries and Benefits*</i>	\$ 2,233,083	\$ 2,138,861	\$ 2,493,535	\$ 3,590,421	\$ 3,325,515	\$ 4,076,442
<i>Operating Expenditures</i>	373,777	364,660	368,698	451,819	396,355	450,411
<i>Grants</i>	99,000	119,800	119,800	142,000	142,000	142,500
<i>Pass Through Accounts</i>	-	-	-	10,196	3,002	7,194
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	177,430	201,762	211,962	96,524	94,633	138,592
TOTAL EXPENDITURES	\$ 2,883,290	\$ 2,825,083	\$ 3,193,995	\$ 4,290,960	\$ 3,961,505	\$ 4,815,139

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Proposed
PROGRAM						
<i>Town Manager's Office</i>	\$ 950,977	\$ 825,373	\$ 1,070,761	\$ 1,119,982	\$ 1,062,998	\$ 1,341,099
<i>Community Grants</i>	103,519	119,800	119,800	142,000	142,000	142,500
<i>Human Resources</i>	559,612	552,914	630,554	699,694	722,978	761,991
<i>Finance & Admin Services</i>	992,764	1,002,075	1,049,871	1,291,818	1,147,573	1,545,213
<i>Clerk Administration</i>	276,418	315,912	322,976	342,507	331,881	438,948
<i>Information Technology Management</i>	-	-	33	684,763	551,073	578,194
<i>Smoking Restriction Implementation</i>	-	9,009	-	-	-	-
<i>Obesity Grant</i>	-	-	-	-	-	-
<i>Pass Through</i>	-	-	-	10,196	3,002	7,194
TOTAL EXPENDITURES	\$ 2,883,290	\$ 2,825,083	\$ 3,193,995	\$ 4,290,960	\$ 3,961,505	\$ 4,815,139

* Personnel previously budgeted in Administrative Services Department Internal Service Funds are budgeted in the General Fund beginning in FY 2018/19.

⌘ ADMINISTRATIVE SERVICES ⌘

DEPARTMENT STAFFING

<i>Full Time Equivalents (FTE)</i>					
	2015/16	2016/17	2017/18	2018/19	2019/20
<i>General Fund</i>	Funded	Funded	Funded	Funded	Adopted
Town Manager	1.00	1.00	1.00	1.00	1.00
Assistant Town Manager	-	1.00	1.00	1.00	1.00
Asst. Town Manager/CDD Director	0.50	-	-	-	-
Assistant To Town Manager	1.00	1.00	-	-	-
Executive Asst. to Town Mgr.	0.50	0.50	0.50	0.50	0.50
Economic Vitality Manager	-	-	0.30	0.30	0.30
Economic Vitality Coordinator	0.25	0.25	-	-	-
Administrative Assistant	-	-	-	-	1.00
Office Assistant	1.63	1.88	1.75	1.88	-
Communications Coordinator	0.80	-	-	-	-
Community Outreach Coordinator	1.00	1.00	-	-	-
Human Resources Director	0.75	0.75	0.75	1.00	1.00
Administrative Analyst	0.80	1.70	4.10	4.00	4.00
Human Resources Technician	1.00	1.00	1.00	1.00	1.00
Finance Director	1.00	1.00	1.00	1.00	1.00
Finance & Budget Manager	1.00	1.00	1.00	1.00	1.00
Accountant/Finance Analyst	1.00	1.00	0.99	0.99	1.99
Payroll Technician	0.95	0.95	0.95	1.00	1.00
Administrative Technician	0.90	-	-	-	-
Account Technician	1.25	1.25	0.35	0.35	-
Town Clerk	-	-	-	-	1.00
Clerk Administrator	1.00	1.00	1.00	1.00	-
Deputy Town Clerk	-	-	-	-	0.88
Events & Marketing Specialist	-	-	0.50	0.50	0.50
IT Manager	-	-	-	1.00	1.00
IT Systems Administrator	-	-	-	-	1.00
Network Administrator	-	-	-	1.00	-
IT Analyst	-	-	-	1.00	-
IT Technician	-	-	-	1.00	1.00
Total General Fund FTEs	16.33	16.28	16.19	20.52	20.17
Non-General Fund FTEs (located in Administrative Services programs unless otherwise noted)					
Successor Agency to the Los Gatos RDA					
Accountant/Finance Analyst	-	-	0.01	0.01	0.01
Total Successor Agency FTEs	-	-	0.01	0.01	0.01
Equipment Replacement					
Account Technician	0.10	0.10	-	-	-
Administrative Analyst	-	-	0.10	-	-
Total Equip Replace FTEs	0.10	0.10	0.10	-	-
Liability Self-Insurance					
Administrative Analyst	-	0.10	0.10	-	-
Administrative Technician	0.10	-	-	-	-
Total Liability Self-Insurance	0.10	0.10	0.10	-	-

⌘ ADMINISTRATIVE SERVICES ⌘

ADMINISTRATIVE SERVICES STAFFING

<i>Full Time Equivalents (FTE)</i>	2015/16	2016/17	2017/18	2018/19	2019/20
	Funded	Funded	Funded	Funded	Adopted
Workers Compensation					
Human Resources Director	0.25	0.25	0.25	-	-
Payroll Technician	0.05	0.05	0.05	-	-
Administrative Analyst	0.20	0.20	0.20	-	-
Total Workers Comp FTEs	0.50	0.50	0.50	-	-
Information Technology Services					
IT Manager	1.00	1.00	1.00	-	-
Network Administrator	1.00	1.00	1.00	-	-
IT Technician	1.00	1.00	1.00	-	-
Communications Coordinator	0.20	-	-	-	-
Office Assistant	-	-	0.13	-	-
Total IT FTEs	3.20	3.00	3.13	-	-
Total Admin Services FTEs	20.23	19.98	20.02	20.53	20.18
Temporary Staff Hours					
Intern I	450	450	450	450	1,050
Facility Attendant	50	50	50	50	50
Administrative Analyst	726	726	726	626	-
IT Technician	-	720	720	-	-
Mail Room Clerk (Library Dept Temps	250	250	250	250	250
Emergency Management	-	-	-	-	1,000
Total Annual Hours	1,476	2,196	2,196	1,376	2,350



Administrative Services

TOWN MANAGER'S OFFICE ADMINISTRATION PROGRAM 2101

PROGRAM PURPOSE

The Town Manager's Office ensures that all Town programs and services are provided effectively and efficiently. The core services of the Town Manager's Office are to: provide administrative direction and leadership for all Town Departments and programs to ensure the community receives high quality services; oversee the Town Council agenda process to provide comprehensive information and analysis to the Town Council in a timely manner; support business attraction and retention through economic vitality efforts; provide staff support to all Council standing Committees and the Community and Senior Services Commission; and facilitate associated projects and services of these Committees and the Commission; foster public awareness of, equitable access to, and engagement in municipal programs, services, and goals; and provide timely and accurate responses to constituent inquiries, concerns, and requests.

Other key duties include providing direct staff assistance to the Mayor and Town Council on special projects and day-to-day activities, and initiating new or special projects under the direction of the Council that enhance the Town government and community.

BUDGET OVERVIEW

The FY 2019/20 budget includes increases in salary and benefit costs attributed to negotiated salary raises, and higher benefit and CalPERS pension rates. The FY 2019/20 Town Manager's Office budget is programmed to maintain existing staffing and service levels with the addition of a part time, two-year position to assist with the Town's emergency preparedness activities and regional emergency management engagement.

As in prior years, the Town Manager's Office will continue to direct its attention in managing key special projects and policies as reflected in the 2019-2021 Town Council Strategic Priorities.

⌘ ADMINISTRATIVE SERVICES ⌘

Town Manager's Office

ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Community Character</i> Preserve and enhance the appearance, character, and environmental quality of the community	• Provided oversight to the Council Policy Committee as it evaluated a variety of land use policies and good government practices. • Assisted businesses to locate, expand, or stay in Los Gatos, including updating policies to strengthen the economic vitality of the Town. • Streamlined the Town's Special Event Permit process. • Created and installed banners in the downtown to "Celebrate Los Gatos" during the 2018 summer months • Provided strategic guidance to the launch of the Town's General Plan update, involving all Town Departments and Boards, Commissions, and Committees.
<i>Good Governance</i> Ensure responsive, accountable, and collaborative government	• Provided administrative support to the Pension and OPEB Trusts Oversight Committee to manage the additional discretionary monies deposited into the Town's IRS 115 Pension and healthcare accounts. • Completed the IT Disaster Recovery Plan. • Continued to increase transparency and community access to Town financial information by creating an easy to read pension and other post-employment benefits website. • Represented the Town in County-wide and regional forums. • Supported the Town Council as it took positions on pending legislation and funding items affecting Los Gatos. • Continued to enhance community awareness and engagement through the Town's Facebook, Instagram and Twitter accounts. • Enhanced the "Did You Know" social media segment to continue to improve access to information and promote opportunities for involvement in public Town activities.
<i>Fiscal Stability</i> Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community	• Led a series of Town Council discussions regarding Internal Service Funds, Reserve Policies, and other in-depth examinations of municipal financial practices. • Partnered with all of the Town's bargaining groups for the prospective elimination of retiree health care benefits. • Led the development of a comprehensive Town-wide budget. • Provided technical and administrative support to the Council Finance Committee as it continues to evaluate options to reduce the Town's unfunded pension and other post-employment benefit obligations. • Implemented the State requirements to establish a voter approved general sales tax measure.

⌘ ADMINISTRATIVE SERVICES ⌘

Town Manager's Office

ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Quality Public Infrastructure</i> Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	• Supported respective Council Members as they serve on regional boards governing transportation, clean energy, and other topics. • Led an inter-Departmental team regarding cut-through traffic and staffed a hotline to respond to community input.
<i>Civic Enrichment</i> Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	• Supported the Arts and Culture Commission in the implementation of another phase of the Footbridge Restoration project and the Utility Art Box Program. • Provided oversight to the Leadership Los Gatos program which promotes community enrichment and involvement. • Worked with Jazz on the Plazz, Fiesta de Artes, Farmers' Market, and other community organizations regarding special events to ensure consistency across organizations. • Operated the 2018 Music in the Park summer concert series. • Hosted the Town's annual Spring into Green, Screen on the Green, and Fourth of July events. • Oversaw the implementation of the Town's action items in support of its World Health Organizations Age-Friendly Community Designation.
<i>Public Safety</i> Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness	• Continued to participate in County-led Emergency Management training programs and exercises. • Continued to implement a comprehensive training plan for all Town staff involved in the activation of the Emergency Operation Center (EOC). • Expanded communication and coordination with County Fire and other agencies regarding wildfire prevention and preparedness.

ADMINISTRATIVE SERVICES
Town Manager's Office

SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
<i>Other Taxes</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Licenses and Permits</i>	-	-	965	7,000	2,600	4,415
<i>Intergovernmental Revenues</i>	-	-	-	-	-	-
<i>Service Charges</i>	400	510	60	-	20	-
<i>Interest</i>	-	-	-	-	-	-
<i>Other Revenues</i>	13,147	7,129	13,565	1,055	17,384	25,000
TOTAL REVENUES	\$ 13,547	\$ 7,639	\$ 14,590	\$ 8,055	\$ 20,004	\$ 29,415
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 851,984	\$ 678,324	\$ 894,948	\$ 957,249	\$ 918,548	\$ 1,157,583
<i>Operating Expenditures</i>	23,773	63,255	83,539	115,258	97,033	116,050
<i>Grants</i>	-	-	-	-	-	-
<i>Pass Through Accounts</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	75,220	83,794	92,274	47,475	47,417	67,466
TOTAL EXPENDITURES	\$ 950,977	\$ 825,373	\$ 1,070,761	\$ 1,119,982	\$ 1,062,998	\$ 1,341,099

ADMINISTRATIVE SERVICES
Town Manager's Office

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
Community Character Preserve and enhance the appearance, character, and environmental quality of the community	<i>Land Use Policies Review</i>
	Continue to support the Council Policy Committee in its evaluation of land use policies.
	<i>Business Attraction and Retention</i>
	Continue to assist businesses to find available locations in Los Gatos and encourage diverse and unique offerings in the downtown. Economic Vitality staff will also continue to identify actions in collaboration with other Town Departments to enhance overall community vitality for Council consideration.
	<i>Music in the Park</i>
	Oversee the Town's 2019 Music in the Park summer concert series and transition to a new provider for 2020.
	<i>Special Events</i>
	Continue to work with event organizers to fine tune the Special Events Permit process, providing guidelines and other information to assist events and processing all Special Event Permit applications.
	<i>General Plan Update</i>
	Continue to ensure all Departments and Town Commissions are actively engaged in the General Plan Update, foster community involvement, and provide strategic support to the Community Development Department throughout the General Plan Update process.
Good Governance Ensure responsive, accountable, and collaborative government	<i>Communication with the Public</i>
	Enhance the usefulness of the Town's website and other communication tools, including social media, to improve accessibility and transparency of information and services for the public.
	<i>Technology Master Plan</i>
	Implement the recently completed IT Disaster Recovery Plan and its high priority projects. Update the Town's IT Master Plan to ensure technology continues to enhance productivity and customer service.
	<i>Town Council Policies</i>
	Continue to provide support, research, and analysis to the Policy Committee for the review and revision of Town policies regarding a wide range of topics.
	<i>Town Council Priorities</i>
	Lead an annual Strategic Priorities session with the Town Council to provide guidance on policy, special projects, and key capital investments to align the work of Town Department and Commissions with current and future budgets.

ADMINISTRATIVE SERVICES

Town Manager's Office

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
<i>Fiscal Stability</i> Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community	<i>Cost Containment</i> Continue to provide oversight on the efforts to identify and implement employee benefit pension and other post-employment benefit costs containment measures to address long-term fiscal structural issues. <i>Fiscal Planning</i> Continue to support the Town Pension and OPEB Trusts Oversight Committee and Finance Committee and their evaluation of options to reduce unfunded pension obligations and other related work. <i>Financial Information</i> Enhance the description of budget assumptions and graphic representation to better explain the Town's budget and other financial documents. <i>Property Asset Management</i> Continue to manage the research, analysis, and negotiations regarding the potential sale and/or lease of remaining Town-owned properties.
<i>Quality Public Infrastructure</i> Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	<i>Summer One-Way Pilot</i> Support the communications strategy, address community responses, and implement community vitality elements for the One-Way Street Pilot for North Santa Cruz Avenue. <i>Downtown Parking</i> Support Parks and Public Works in the preparation of a comprehensive parking study and determine appropriate next steps and options for Council consideration.

ADMINISTRATIVE SERVICES
Town Manager's Office

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
<i>Civic Enrichment</i> Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	<i>Arts and Culture</i> Support the Arts and Culture Commission's Footbridge Mural project and the Parks and Public Works' Outside the Box Program. <i>Cultural Partnerships</i> Continue to oversee the ongoing partnerships with the Museums of Los Gatos, the Friends of the Los Gatos Library, Los Gatos-Saratoga Recreation, local school districts, and other organizations. <i>Age Friendly Goals</i> Support the community and Senior Services Commission in the implementation of the Town's current Age Friendly Goals and identification of additional goals.
<i>Public Safety</i> Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness	<i>Emergency Preparedness</i> Increase emergency preparedness activities in collaboration with the County Fire Department, County Office of Emergency Management, City of Monte Sereno, and volunteer organizations.

⌘ ADMINISTRATIVE SERVICES ⌘
Town Manager's Office

KEY PROGRAM SERVICES

- Provides staff support to the Mayor and Town Council.
- Provides administrative direction and leadership over Town departments, programs, and services.
- Oversees the Town's organizational and fiscal management efforts and program development and evaluation processes.
- Leads the preparation of the annual Operating and Capital Budgets.
- Oversees and administers the Economic Vitality program.
- Oversees the Town Council agenda process.
- Provides centralized customer service through telephone, counter, and website assistance.
- Provides staff support to the Finance Committee, Policy Committee, and the Community and Senior Services Commission.
- Manages the provision of senior services at the Los Gatos Adult Recreation Center through the long-term lease agreement with LGS Recreation.
- Manages the contracts with NUMU, Friends of the Library, LGS Recreation, and other community organizations.
- Manages the Community Grant process.
- Oversees and executes Town events including Spring into Green, 4th of July, and Screen on the Green.
- Processes all Special Event Permits.
- Addresses resident complaints, inquiries, and requests.
- Oversees continuous improvements in Town administrative processes, measurements, and other activities.
- Provides public information and website/social media management.
- Oversees special projects and new initiatives, particularly during policy development stages.
- Monitors and participates in regional activities to represent the Town interests.
- Monitors state and federal legislation.

ADMINISTRATIVE SERVICES
Town Manager's Office

TOWN MANAGER'S OFFICE STAFFING

Full Time Equivalents (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
	Funded	Funded	Funded	Funded	Adopted
Town Staff					
Town Manager	1.00	1.00	1.00	1.00	1.00
Assistant Town Manager	-	1.00	1.00	1.00	1.00
Asst. Town Manager/CDD Director	0.50	-	-	-	-
Administrative Analyst	-	-	1.00	1.00	1.00
Deputy Town Clerk	-	-	-	-	0.25
Assistant to Town Manager	1.00	1.00	-	-	-
Executive Asst. to Town Mgr.	0.50	0.50	0.50	0.50	0.50
Administrative Assistant	-	-	-	-	0.13
Office Assistant	0.63	0.38	0.38	0.38	-
Communications Coordinator	0.80	-	-	-	-
Economic Vitality Manager	-	-	0.30	0.30	0.30
Economic Vitality Coordinator	0.25	0.25	-	-	-
Events & Marketing Specialist	-	-	0.50	0.50	0.50
Total Manager's Program FTEs	4.68	4.13	4.68	4.68	4.68

	2015/16	2016/17	2017/18	2018/19	2019/20
	Funded	Funded	Funded	Funded	Adopted
Temporary Staff Hours					
Facility Attendant	50	50	50	50	50
Emergency Management	-	-	-	-	1,000
Administrative Analyst	100	100	100	-	-
Intern I	450	450	450	450	675
Total Annual Hours	600	600	600	500	1,725

ADMINISTRATIVE SERVICES
Town Manager's Office

GRANTS AND ARTS FUNDING SUMMARY

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Awarded	2019/20 Adopted
Human Services Grants					
Counseling and Support Services for Youth	\$ 15,000	\$ 15,000	\$ 10,000	\$ 10,000	\$ 10,000
LGS Recreation - 55+ Program	-	-	10,000	15,000	15,000
LGS Recreation - Clubhouse Scholarship	-	-	11,000	9,000	7,000
LGS Recreation - Summer Enrichment School Scholarship	-	-	-	4,000	4,000
Live Oak Adult Day Services	13,000	13,000	13,000	13,000	13,000
Live Oak Sr. Nutrition and Service	26,500	28,500	29,000	29,000	25,000
Los Gatos Community Concert Association	-	-	-	-	500
Next Door Solutions Dom. Violence	15,000	15,000	6,000	3,000	5,000
NUMU - Senior Explorer Program	-	-	-	-	1,000
Parents Helping Parents	2,000	-	1,000	-	6,000
Saratoga Area and Senior Coordinating Council	-	-	-	-	5,000
Support Network	6,000	6,000	-	-	-
United Way - 211 Funding	2,500	2,500	-	-	-
West Valley Community Services	10,000	20,000	20,000	20,000	20,000
West Valley Muslim Association	-	-	-	-	1,000
Total Human Services Grants	\$ 90,000	\$ 100,000	\$ 100,000	\$ 103,000	\$ 112,500
Arts, Cultural & Educational Grants					
Art Docents of Los Gatos	\$ 3,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 3,000
Cat Walk	3,000	-	-	-	-
Los Gatos Community Concert	1,000	3,800	5,000	5,000	4,000
Los Gatos High School New Millennium Foundation - 2019 STEAM	-	-	-	-	3,000
Morning Rotary	-	-	1,500	-	4,000
NUMU - Cataloguing	-	-	2,800	-	-
NUMU - Youth Explorer Program	5,000	7,000	6,500	6,500	6,000
NUMU - Video Histories with KCAT Project	-	-	-	3,000	-
Veterans M & S F of LG - Veteran's Day Celebration	-	-	-	1,500	-
Youth Science Institute	-	5,000	-	-	-
Total Arts, Cultural & Educational Grants	\$ 12,000	\$ 19,800	\$ 19,800	\$ 20,000	\$ 20,000
Special Events Grants					
Special Events Grants	\$ -	\$ -	\$ -	\$ 19,000	\$ 10,000
Total Special Events Grants	\$ -	\$ -	\$ -	\$ 19,000	\$ 10,000
Total Grant Funding	\$ 102,000	\$ 119,800	\$ 119,800	\$ 123,000	\$ 142,500
Arts Funding					
Arts & Culture Commission	2,000	-	5,000	5,000	-
Forbes Mill	5,800	-	-	-	-
Total Arts Funding	\$ 7,800	\$ -	\$ 5,000	\$ 5,000	\$ -
Grand Total	\$ 109,800	\$ 119,800	\$ 124,800	\$ 128,000	\$ 142,500

ADMINISTRATIVE SERVICES

Town Manager's Office

Performance Objectives and Measures	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1. <i>Oversee the Town Council Agenda process to ensure</i>					
a. Percentage of Town Council reports available 120 hours prior to Town Council meetings:*	See Clerk	See Clerk	See Clerk	See Clerk	See Clerk
<i>(Prior to FY 2015/16, reports were available 96 hours prior to Town Council meetings)</i>					
2. <i>Supplement resources for nonprofit agencies providing</i>					
a. The average percentage of a grantee's budget that comes from the Town's grant contributions:	10%	6%	10%	13%	14%
3. <i>Foster a comprehensive arts environment in Los Gatos</i>					
a. Percentage of public art pieces in good to excellent condition:	86%	86%	80%	80%	75%
b. Resident satisfaction with Arts and Cultural opportunities in Los Gatos:	99%	99%	81%	80%	80%
4. <i>Foster business growth and success to provide jobs and</i>					
a. Percentage of businesses satisfied or very satisfied with business assistance received:**	98%	98%	Measure Discontinued	Measure Discontinued	Measure Discontinued

Activity and Workload Highlights	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1. Number of Town Council agenda reports processed:*	See Clerk	See Clerk	See Clerk	See Clerk	See Clerk
2. Number of community/customer referrals:	238	304	414	558	837
3. Grant agreements administered:					
a. Number of Human Service grants:	8	8	8	9	8
b. Number of Arts/Cultural/Educational grants:	6	5	5	5	5
c. Number of Special Events grants:**	Data Not Available	Data Not Available	Measure Discontinued	Measure Discontinued	Measure Discontinued
d. Dollar amount of Special Event grants:***	Data Not Available	Data Not Available	Data Not Available	\$19,000	\$10,000
4. Total dollar amount of General Fund grant agreements administered:	\$109,800	\$119,800	\$124,800	\$109,000	\$127,500
5. Number of Los Gatos residents directly served by Town grant-funded organizations:	69,200	27,930	40,000	33,000	41,000
6. Number of Art in the Council Chambers exhibitions installed and curated:	4	4	4	4	4
7. Number of events, presentations or meetings designed to attract, retain or educate businesses:**	30	30	Measure Discontinued	Measure Discontinued	Measure Discontinued
8. Number of business, commercial property owners, and industry professionals receiving business liaison services through the Economic Vitality Office. **	315	315	Measure Discontinued	Measure Discontinued	Measure Discontinued
9. Number of attendees at events and meeting designed to attract, retain and educate businesses, and foster commerce:**	Data Not Available	Data Not Available	Data Not Available	Data Not Available	Measure Discontinued
10. Number of businesses receiving general business liaison assistance:	Data Not Available	Data Not Available	75	75	75
11. Number of businesses receiving direct business support including in person and phone meetings, and interface through OpenCounter:**	Data Not Available	Data Not Available	Data Not Available	Data Not Available	Measure Discontinued
12. Commercial Brokers/Property Owner Outreach Communications:	Data Not Available	Data Not Available	50	50	50

* This measure was moved to Clerk Department during FY 2015/16.

**Measure discontinued effective FY 19/20

***New measure effective FY 19/20.



Administrative Services

HUMAN RESOURCES PROGRAM 2201

PROGRAM PURPOSE

The purpose of the Human Resources Program is to attract, develop, and retain a quality workforce to provide high quality Town services. It accomplishes this by providing effective and efficient employee recruitment and retention, professional development, training, organizational development, compensation and classification administration, employee relations support, safety and workers' compensation administration, benefit administration, and policy and procedure development and administration. Employee relations activities emphasize proactive and preventive informal resolution of employee and management concerns. Program staff is responsible for the development of Memoranda of Understanding (MOU's) with the Town's three bargaining units and informal discussions with the Town's management and confidential employees, all subject to Council direction and approval.

BUDGET OVERVIEW

The FY 2019/20 budget includes increases in salaries and benefits costs attributed to negotiated salary raises, and higher benefit and CalPERS pension rates. The FY 2019/20 Human Resource's budget is programmed to maintain existing staffing and service levels.

Human Resource staff will continue to assist the organization with filling critical Town-wide positions through effective recruitment and selection methods and will continue to assist Departments with succession planning; retention and training; and restructuring and redesigning jobs for efficiencies as vacancies become available.

ADMINISTRATIVE SERVICES

Human Resources

ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Good Governance</i> Ensure responsive, accountable and collaborate government	• Successfully recruited and onboarded 16 positions. • Organized a Health and Wellness Fair for employees with various local vendors in attendance offering preventative health screenings, flu shots, healthy snacks, and wellness information. • In continued compliance with AB 1825, all of the Town's management, supervisory, elected officials, and new employees received bi-annual harassment training. • Formed a new cross-departmental Wellness Committee to create a program that will enhance the Town's overall employee benefit package, encourage a healthy workforce, and offer fitness opportunities. • Selected and implemented a new employee performance evaluation software product that will create efficiencies in the employee review process, such as: providing an electronic tracking and routing process. • Arranged on-site workers' compensation informational training sessions for management, supervisors, and lead workers. • Coordinated Department of Transportation training for employees that maintain Class A driver licenses, and their supervisors, related to required random drug testing and reasonable suspicion reporting.
<i>Fiscal Stability</i> Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community	• Completed timely labor negotiations with the Town's three bargaining units, including the elimination of Retiree healthcare prospectively. • Conducted competitive salary studies for all represented and unrepresented employee groups to support attraction and retention of employees. • Updated the Town's benefit and compensation plan documents for management and confidential employees. • Replaced the Town's existing employee workers' compensation designated medical treatment facility with two additional facilities offering competitive pricing, flexible hours, and convenient locations.

ADMINISTRATIVE SERVICES
Human Resources

SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
<i>Other Taxes</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenues</i>	-	-	-	-	-	-
<i>Service Charges</i>	-	-	-	-	-	-
<i>Interest</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	15,235	-	-	-	-
TOTAL REVENUES	\$ -	\$ 15,235	\$ -	\$ -	\$ -	\$ -
EXPENDITURES						
<i>Salaries and Benefits*</i>	\$ 330,228	\$ 379,863	\$ 454,488	\$ 545,798	\$ 574,675	\$ 601,497
<i>Operating Expenditures</i>	204,794	143,114	141,199	142,156	136,562	142,156
<i>Grants</i>	-	-	-	-	-	-
<i>Pass Through Accounts</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	24,590	29,937	34,867	11,740	11,741	18,338
TOTAL EXPENDITURES	\$ 559,612	\$ 552,914	\$ 630,554	\$ 699,694	\$ 722,978	\$ 761,991

* Personnel previously budgeted in the Workers' Compensation Internal Service Fund are budgeted in the Human Resources Program beginning in FY 2018/19.

ADMINISTRATIVE SERVICES
Human Resources

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable and collaborate government	Personnel Rules and Regulations
	Complete the process to review and update the Town's Personnel Rules and Regulations, which includes: meeting and conferring with employee groups regarding the proposed changes and bringing a recommendation to the Town Council to formally adopt a resolution accepting the revisions.
	Labor Relations
	Meet and confer regarding salary re-opener language related to the TEA and AFSCME contracts prior to June 30, 2020. Coordinate CalPERS pension contract amendment to formalize pension cost-sharing to begin in October 2019 for LGPOA classic members.
	Training and Development
	Engage with a certified trainer to conduct additional required training for Preventing Workplace Harassment, Discrimination and Retaliation, including Bullying and Bystander segments, for all employees and elected officials resulting from SB 1343 that was effective January 1, 2019.
	Develop and present an internal employee training program related to interview and public presentation skills.
	Identify and make available other training opportunities.
	Records Management
	Activate the Forms module of the Town's current recruitment platform, NeoGov, to transition all Human Resources related forms to an electronic format allowing for the creation of signature workflows/routing and a seamless upload to employee files as well as automated delivery of executed forms to employees and management.
Fiscal Stability Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community	Recruitment/Onboarding
	Implement the Onboarding module of the Town's current recruitment platform, NeoGov, to create efficiencies and consistencies in the hiring of new employees as well as to deliver a welcoming experience.
	Succession Planning
	Continue to partner with Departments to identify future retirements and create a plan to ensure the transfer of institutional knowledge while simultaneously providing training opportunities to prepare employees for upcoming promotional opportunities.

⌘ ADMINISTRATIVE SERVICES ⌘
Human Resources

KEY PROGRAM SERVICES

- Provides effective administration and ensures legal compliance of employee relations program.
- Conducts employee training and organizational development assessments.
- Administers, evaluates, and selects competitive employee benefits.
- Works collaboratively with Department managers to facilitate the Town's recruitment and selection programs.
- Administers and refreshes classification and compensation plans.
- Provides information and interpretation regarding Town personnel rules, regulations and procedures, MOUs, administrative policies, and ordinances.
- Partners with the Town Manager's Office and Town Attorney's Office to resolve personnel issues.
- Maintains employee personnel files, records, and documentation.
- Ensures all legislative changes related to the Human Resources program areas (i.e., employment, benefits, training, workers' compensation, and recruitment) are communicated and implemented in a timely manner.
- Manages the workers' compensation program.
- Collaborates with the Parks and Public Works Department to administer the safety and ergonomics programs, including supporting the Town's employee Health and Safety Committee.
- Develops, implements, revises, and maintains administrative policies and procedures to ensure incorporation of legislative and Town-wide changes.
- Serves as advisor to employee recognition program.
- Provides support for Personnel Board activities.
- Participates in the development of multi-agency training programs, such as the Leadership Academy.

ADMINISTRATIVE SERVICES
Human Resources

HUMAN RESOURCES PROGRAM STAFFING

Full Time Equivalents (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
Town Staff	Funded	Funded	Funded	Funded	Adopted
Human Resources Director*	0.75	0.75	0.75	1.00	1.00
Administrative Analyst*	0.80	0.80	1.30	1.00	1.00
Human Resources Technician	1.00	1.00	1.00	1.00	1.00
Office Assistant	-	0.13	-	-	-
Total Human Resources FTEs	2.55	2.68	3.05	3.00	3.00

**Personnel previously budgeted in Administrative Services Department Internal Service funds are budgeted in the General Fund beginning in FY 2018/19.*

ADMINISTRATIVE SERVICES
Human Resources

Performance Objectives and Measures	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1. <i>To provide effective and efficient employee recruitment and</i>					
a. Percentage of employees rating benefit program material, products, and services as good to excellent:	89%	95%	94%	96%	96%
2. <i>To provide effective and efficient professional</i>					
a. Percentage of employees rating the effectiveness of training classes as good to excellent:	71%	82%	83%	79%	80%
b. Percentage of employee evaluations completed by due date:	90%	90%	90%	87%	92%
3. <i>To provide effective and efficient safety programs.</i>					
a. Percentage of employees rating safety programs as good or excellent based on quality, content, and	78%	76%	78%	84%	85%
4. <i>To provide effective and efficient employee relations</i>					
a. Percentage of labor agreements ratified prior to expiration of existing contracts:	0%	Not Applicable	100%	100%	Not Applicable

Activity and Workload Highlights	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1. Number of (full-time, part-time, and temporary) employees:	186	208	165	164	164
2. Number of recruitments conducted:	30	26	31	19	15
3. Number of employment applications processed:	2,914	3,100	2,147	1,700	1,300
4. Number of Workers' Compensation claims filed:	14	9	8	12	8
5. Percentage of eligible employees participating in deferred compensation:	49%	50%	56%	58%	60%
6. Number of sick leave hours used per benefitted employee:	51	58	52	54	52



Administrative Services

FINANCE PROGRAM 2301

PROGRAM PURPOSE

The Finance Program assures fiscal accountability to the Council and to the public. The Finance Program's core services are to: provide financial oversight and administer accounting functions for all of the Town's funds and accounts; prepare the Town's Annual Operating and Capital Budgets for fiscal and service accountability; coordinate the annual financial audit and preparation of the Comprehensive Annual Financial Report (CAFR) to verify that proper fiscal practices are maintained; administer the Town's Business License, Accounts Payable, Accounts Receivable, Investing, and Payroll functions; and oversee the Town's Purchasing and Claims Administration functions, ensuring proper practices are in place, and that fiscal and operational responsibility is upheld.

BUDGET OVERVIEW

The Finance Program's FY 2019/20 budget reflects an increase in business license processing fees and interest earnings, while business license tax revenue is declining. Business license tax revenue is based on the anticipated number of licensed businesses and gross receipts activity. The Finance Program continues to monitor business license tax receipts and implement improvements for collections. The FY 2019/20 budget includes increases in salaries and benefits costs attributed to negotiated salary raises, and higher benefit and CalPERS pension rates. The FY 2019/20 budget also reflects the addition of one permanent Accountant/Finance Analyst position in the Finance Department, partially offset by a reduction in part-time and temporary hours.

ADMINISTRATIVE SERVICES
Finance

ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Good Governance</i> Ensure responsive, accountable and collaborate government	• Coordinated the successful development of the FY 2017/18 Comprehensive Annual Financial Report (CAFR) and corresponding financial and compliance audit of the Town of Los Gatos. • Achieved the GFOA's Certificate of Achievement for Excellence in Financial Reporting for the CAFR for the FY 2016/17. • Achieved the GFOA's Distinguished Budget Presentation Award for the FY 2018/19 Operating Budget. • Completed State Controller's "Cities Annual Report" and "Streets Report."
<i>Fiscal Stability</i> Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community	• Managed the coordination and on-time preparation of the FY 2019/20 Operating Budget and FY 2019/20-2023/24 Capital Improvement Program for Council consideration. • Managed the Town's investments and prepared quarterly investment reports. • Supported the Successor Agency and its required filings. • Conducted further analyses for the Council Finance Committee and Town Council regarding options to pay down unfunded liabilities. • Provided ongoing fiscal controls for contracts and other Town expenditures. • Completed a comprehensive fee study for the Town to evaluate cost recovery and recommend potential fee schedule modifications.

ADMINISTRATIVE SERVICES
Finance

SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
<i>Other Taxes</i>	\$ 1,465,547	\$ 1,720,980	\$ 1,686,251	\$ 1,650,000	\$ 1,490,000	\$ 1,400,000
<i>Licenses and Permits</i>	-	-	-	-	-	110,000
<i>Intergovernmental Revenues</i>	-	-	-	-	-	-
<i>Service Charges</i>	155	509	930	-	70	-
<i>Interest</i>	620,895	171,653	244,762	267,806	932,518	629,774
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ 2,086,597	\$ 1,893,142	\$ 1,931,943	\$ 1,917,806	\$ 2,422,588	\$ 2,139,774
EXPENDITURES						
<i>Salaries and Benefits*</i>	\$ 807,744	\$ 797,403	\$ 857,806	\$ 1,092,989	\$ 979,508	\$ 1,343,403
<i>Operating Expenditures</i>	123,678	135,057	125,833	170,300	139,575	170,200
<i>Grants</i>	-	-	-	-	-	-
<i>Pass Through Accounts</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	61,342	69,615	66,232	28,529	28,490	31,610
TOTAL EXPENDITURES	\$ 992,764	\$ 1,002,075	\$ 1,049,871	\$ 1,291,818	\$ 1,147,573	\$ 1,545,213

* Personnel previously budgeted in various Internal Service Funds are budgeted in the Finance Program beginning in FY 2018/19.

ADMINISTRATIVE SERVICES
Finance

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative government	<i>Financial System Upgrade</i>
	Identify system parameters and evaluate potential replacement options of the Town's financial/personnel information system to support Town-wide budget-related operations and community needs.
	<i>Electronic General Ledger Journal Entry Files</i>
	Continue to scan general ledger journal entry files to store electronically in Laserfiche.
	<i>Department Cross Training in Key Functional Areas</i>
	Continue to cross train in key functional areas of the Finance Department with an emphasis on Payroll.
	<i>Online Timesheets</i>
	Research viability of online submittal and approval of payroll timesheets, through the existing financial information system. Implementation would be done through a phased approach.
	<i>Long-Term Budget Development</i>
	Provide support, analysis, and recommendations to restructure and reduce long-term projected increases in employee salary and benefit costs. Explore ways to generate one-time or ongoing funds.
Fiscal Stability Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community	<i>Business License Amnesty Program</i>
	Identify terms and conditions, timeframe, and notify businesses of a potential amnesty program. Provide compliance period in which businesses can pay business license with no penalty.
	<i>Town Council Finance Committee</i>
	Further support the Town Finance Committee as it pursues identifying strategies to address the Town's unfunded pension and OPEB liabilities, and identify new revenue sources.

∞ ADMINISTRATIVE SERVICES ∞

Finance

KEY PROGRAM SERVICES

- Develops and monitors the Town's Annual Operating and Capital Budgets in accordance with Governmental Finance Officer Association (GFOA) guidelines. Monitoring includes a Mid-Year Budget Report.
- Coordinates the annual audit of the Town's financial statements and preparation of the Comprehensive Annual Financial Report (CAFR).
- Maintains the Town's financial information system for record-keeping and reporting of all financial transactions.
- Oversees Town's Investment portfolio.
- Manages Other Post-Employment Benefits (OPEB) and Pension Trusts.
- Track legacy Redevelopment obligations that must be paid over the remaining life of the debt service.
- Provides Accounts Payable and Payroll disbursement and reporting services; Accounts Receivable invoicing, revenue collection, and cash reconciliation; and Business License Tax processing and auditing services.
- Provides accounting, arbitrage reporting, and claim reimbursement services for bond issues.
- Provides oversight of procurement functions including Purchase Order processing, financial tracking of contracts, vendor resolution issues, and proper accounting allocation.

ADMINISTRATIVE SERVICES
Finance

FINANCE PROGRAM STAFFING

Full Time Equivalents (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
Town Staff	Funded	Funded	Funded	Funded	Adopted
Finance Director	1.00	1.00	1.00	1.00	1.00
Finance & Budget Manager	1.00	1.00	1.00	1.00	1.00
Accountant/Fin Analyst	1.00	1.00	0.99	0.99	1.99
Payroll Technician*	0.95	0.95	0.95	1.00	1.00
Administrative Analyst*	-	0.90	1.80	2.00	2.00
Administrative Technician	0.90	-	-	-	-
Account Technician	1.25	1.25	0.35	0.35	-
Total Finance Services FTEs	6.10	6.10	6.09	6.34	6.99

	2015/16	2016/17	2017/18	2018/19	2019/20
Temporary Staff	Funded	Funded	Funded	Funded	Adopted
Administrative Analyst	626	626	626	626	-
Mail Room Clerk (Library Dept Temps)	250	250	250	250	250
Total Annual Hours	876	876	876	876	250

**Personnel previously budgeted in Administrative Services Department Internal Service Funds are budgeted in the General Fund beginning in FY 2018/19.*

ADMINISTRATIVE SERVICES

Finance

Performance Objectives and Measures	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1. <i>Provide oversight of Town investment activities to obtain highest available portfolio earnings in accordance with State and Town Codes.</i>					
a. Average rate of return on investments:	0.86%	1.25%	1.73%	1.94%	1.94%
2. <i>Assure legal and fiscal accountability to the public, in compliance with established accounting standards.</i>					
a. Town Financial Statements receive an 'Unqualified Opinion' from the Town's independent auditor:	Yes	Yes	Yes	Yes	Yes
b. Governmental Finance Officer Association (GFOA) 'Certificate of Achievement of Excellence in Financial Reporting' awarded to the Town:	Yes	Yes	Yes	Yes	Yes
3. <i>Prepare accurate budget forecasts and workplans in compliance with standard budgeting practices.</i>					
a. Governmental Finance Officer Association (GFOA) 'Certificate of Achievement of Excellence in Budgeting' awarded to the Town:	Yes	Yes	Yes	Yes	Yes
4. <i>Provide timely and accurate financial reports within specified deadlines.</i>					
a. Percent of State Controller's annual financial reports completed and filed by deadlines:	100%	100%	100%	100%	100%
b. Percent of County annual financial reports completed and filed by deadlines:	100%	100%	100%	100%	100%
c. Percent of time revenue analyses completed within 30 days of month-end:*	Data Not Available	Data Not Available	Data Not Available	Data Not Available	Data Not Available
d. Percent of time bank statements reconciled to general ledger within 30 days of month-end:*	Data Not Available	Data Not Available	100%	100%	100%
e. Percent of quarterly reports completed and submitted to Council by deadlines:**	100%	100%	100%	100%	100%
5. <i>Provide financial oversight and administer accounting functions for all Town funds and accounts.</i>					
a. Percentage of Accounts Payable invoices paid accurately:	99%	99%	99%	99%	99%
b. Percentage of Payroll checks paid accurately and on-time:	99%	99%	99%	99%	99%

Activity and Workload Highlights	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1. Quarterly investment reports to Town Council:	4	4	4	4	4
2. Number of general ledger corrections needed during audit due to processing error:	0	0	0	0	0
3. Annual number of invoices entered into the Accounts Payable	8,443	7,855	7,643	7,600	7,500
4. Average number of Accounts Payable checks issued weekly:	75	68	62	60	60
5. Average number of regular and temporary employee payroll checks issued bi-weekly:	186	186	186	186	186
6. Number of Business Licenses issued annually:	4,389	4,057	4,468	4,300	4,300

* During FY 2015/16, the method for calculating this performance measure was changed. See measure #4e.

** New measure effective FY 2015/16.



Administrative Services

CLERK ADMINISTRATION PROGRAM 2401

PROGRAM PURPOSE

The Clerk Administration Program serves the public by providing information and assistance related to Town records; Council actions; Boards, Commissions, and Committees; public meetings; and elections. Currently, core services include maintaining key Town records through the timely indexing of resolutions, ordinances, minutes, rosters, recordings, and agreements. The program is focused on making Town records accessible by adding to the electronic repository of documents. The program's ultimate goal is to have all Town public records accessible to the public through the Town's website. The Clerk Administration Program also recruits individuals to serve on the Town's advisory bodies and assists them with the document filing requirements of the Fair Political Practices Commission. The Clerk Administration Program handles Town-related election activities and coordinates its efforts with the Santa Clara County Registrar of Voters to ensure an efficient election process. The Clerk Administration Program also manages the Council agenda packet preparation, posting, and distribution.

BUDGET OVERVIEW

The FY 2019/20 budget includes increases in salaries and benefits costs attributed to negotiated salary raises, and higher benefit and CalPERS pension rates. In addition, the two Office Assistant positions were reclassified to one Deputy Clerk and one Administrative Assistant to better align with current service delivery and needs. The FY 2019/20 Clerk's budget is programmed to maintain existing staffing and service levels.

ADMINISTRATIVE SERVICES
Clerk Administration

ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Good Governance</i> Ensure responsive, accountable and collaborative government	• Began to create a Council Member Handbook as part of the Town's continuing efforts to increase efficiency and service to the Town Council. • Continued the update of the Retention Schedule and created the required forms for transferring and destroying of records in coordination with the Town Attorney and the Manager's Office. • Completed a comprehensive review of the electronic agenda management system and identified improvements that will start in the next fiscal year.
<i>Civic Enrichment</i> Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	• Presented an overview of the Clerk Department's role and responsibilities at Leadership Los Gatos, highlighting the Board, Commission, and Committee Commissioner recruitment process. • Participated in Spring into Green in April to provide information on current Board, Commission, and Committee openings and the role of the Clerk Department. • Celebrated Municipal Clerks Week in May by inviting the public into the Clerk's office for tours and to increase the public's awareness of Municipal Clerks and the vital services they provide for local government and the community.

ADMINISTRATIVE SERVICES
Clerk Administration

SUMMARY OF REVENUES AND EXPENDITURES

	2015/16	2016/17	2017/18	2018/19	2018/19	2019/20
	Actuals	Actuals	Actuals	Adopted	Estimated	Adopted
REVENUES						
<i>Other Taxes</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenues</i>	-	-	-	-	-	-
<i>Service Charges</i>	-	-	-	-	-	-
<i>Interest</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 243,127	\$ 283,271	\$ 286,260	\$ 311,423	\$ 301,711	\$ 397,425
<i>Operating Expenditures</i>	17,013	14,225	18,127	24,105	23,185	22,005
<i>Grants</i>	-	-	-	-	-	-
<i>Pass Through Accounts</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	16,278	18,416	18,589	6,979	6,985	19,518
TOTAL EXPENDITURES	\$ 276,418	\$ 315,912	\$ 322,976	\$ 342,507	\$ 331,881	\$ 438,948

ADMINISTRATIVE SERVICES
Clerk Administration

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable and collaborate government	<i>Records Retention</i>
	Continue to implement the Town's Retention Policy, including procedures and schedules.
	<i>Public Engagement</i>
	Celebrate Municipal Clerks Week in May by inviting the public into the Clerk's office for tours and to increase the public's awareness of Municipal Clerks and the vital services they provide for local government and the community.
	Continue to participate in Spring into Green to increase the public's awareness of the vital role of the Clerk Department.
	Continue to participate in Leadership Los Gatos, highlighting the Board, Commission, and Committee Commissioner recruitment process.
Quality Public Infrastructure Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	<i>Public Document Accessibility</i>
	Make various public documents available to the public through the Town's website. All resolutions and ordinances have been added to the repository and the Department is now adding historical minutes so that the public can access documents directly through the Town's website.
	Completed the first year of utilizing NetFile, e-filing for the required Fair Political Practices Commission (FPPC) Form 700 and Campaign Statements. The system allows the public to access the documents directly through the Town website.

ADMINISTRATIVE SERVICES
Clerk Administration

KEY PROGRAM SERVICES

- Prepares and distributes all Town Council and Council Committee agenda packets.
- Provides public notice of Town Council, Commission, Committee, and Board meetings.
- Coordinates recruitment and appointment process for Town Boards, Commissions, and Committees.
- Accepts and files appropriate documents associated with municipal elections.
- Acts as Filing Official for the Town's Conflict of Interest Code (Form 700) in conformance with the requirements of the Fair Political Practices Commission.
- Preserves and maintains the Town records and legislative history.
- Responds to Public Records Act requests.
- Provides risk management services, and processes and monitors all Town contracts.

CLERK ADMINISTRATION STAFFING

Full Time Equivalents (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
	Funded	Funded	Funded	Funded	Adopted
Town Staff					
Clerk Administrator	1.00	1.00	1.00	1.00	-
Town Clerk	-	-	-	-	1.00
Deputy Town Clerk	-	-	-	-	0.63
Administrative Assistant	-	-	-	-	0.88
Office Assistant*	1.00	1.25	1.38	1.50	-
Total Clerk Admin FTEs	2.00	2.25	2.38	2.50	2.50

**Personnel previously budgeted in Administrative Services Department Internal Service Funds are budgeted in the General Fund beginning in FY 2018/19.*

	2015/16	2016/17	2017/18	2018/19	2019/20
	Funded	Funded	Funded	Funded	Adopted
Temporary Staff					
Intern 1	-	-	-	-	375
Total Annual Hours	-	-	-	-	375

ADMINISTRATIVE SERVICES

Clerk Administration

Performance Objectives and Measures	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1. <i>Provide efficient and effective indexing of key documents to ensure adequate tracking of and accessibility to the Town's legislative</i>					
a. Percentage of resolutions, agreements, and ordinances indexed within five business days:	99%	99%	99%	99%	99%
b. Percentage of Town Council Minutes prepared within five business days:	99%	99%	99%	99%	99%
2. <i>Oversee the Town Council Agenda process to ensure comprehensive information and analysis is provided to the Town Council in a timely manner.</i>					
a. Percentage of Town Council reports available 120 hours prior to Town Council meetings: * (Prior to FY 2015/16, reports were available 96 hours prior to Town Council meetings)	100%	100%	100%	100%	100%
3. <i>Oversee the Public Records Act requests in a timely and effective manner.</i>					
a. Percentage of Public Records requests received by the Town Clerk's Office that are completed within 10 days. **	95%	95%	95%	95%	95%
4. <i>Percentage of vacancies filled on an annual basis to maximize community participation within the Town's advisory bodies.</i>	99%	95%	95%	95%	95%

Activity and Workload Highlights	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1. <i>Number of Legislative Records indexed:</i>					
a. Number of resolutions indexed:	50	70	68	68	65
b. Number of agreements indexed:	302	240	262	250	245
c. Number of documents recorded:	80	52	65	60	60
d. Number of ordinances indexed:	12	5	17	10	8
2. Number of commission and board applications and appointments	97	96	74	80	80
3. Number of commission and board seats available: ****	90	87	91	91	91
4. Number of Legal Notices published within established timelines:	156	110	145	120	120
5. Number of Fair Political Practices Commission (FPPC) Form 700:	173	190	164	170	170
6. Number of bids processed and project files monitored for final action:	12	19	7	22	15
7. Number of Town records processed for retention: *****	1,500	Measure Discontinued	Measure Discontinued	Measure Discontinued	Measure Discontinued
8. Number of required insurance certificates verified:	352	381	368	350	350
9. Number of Town Council agenda reports processed: *	320	315	378	365	360
10. Number of Public Records Act requests processed: ***	162	135	139	130	130

* This measure moved from Town Manager Office during FY 2015/16.

** New measure effective FY 2014/15.

*** This measure moved from Town Attorney Office during FY 2015/16.

**** This measure used to read "Number of advisory board seats available". Changed to "commission and board" to align better with the related measure #2.

***** This measure was discontinued effective FY 2018/19 since the Town is moving into more electronic storage of documents.

Administrative Services

INFORMATION TECHNOLOGY STAFFING PROGRAM 2502

PROGRAM PURPOSE

Information Technology (IT) staffing program reflects all salaries and benefits related to IT staffing.

BUDGET OVERVIEW

The FY 2019/20 budget reflects a overall decrease in salaries and benefits from the prior year Adopted Budget which is attributed to the combined effect of negotiated labor agreements and increased CalPERS and medical benefits rates, and moving the Network Administrator position to the Police Department as an IT Systems Administrator. In addition, the IT Analyst position was reclassified to IT Systems Administrator to better align with current service delivery needs. These positions are responsible for overseeing the implementation and maintenance of technology improvements in the Police Department or all other Departments, respectively. The two positions (one programmed in Police Department and another in this program) ensure that the Town continues to provide cost-effective and efficient service delivery throughout the organization.

ADMINISTRATIVE SERVICES
Information Technology Staffing

ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Good Governance</i> Ensure responsive, accountable, and collaborative government	Completed new, improved, and upgraded systems, including the following: • Wireless network system replacement • Disaster recovery plan inventory • Online mapping upgrades • Security best practices improvements • Council chambers projector/switch replacement • Electronic form and workflow improvements • PC, laptop, and server replacements • Accela development application system upgrade • Internet security upgrades • Anti-virus/ransomware upgrades • Email security phish/malware training implementation • Server operating systems and management systems upgrades • Police computer aided dispatch and reports upgrades • Library phone system replacement • Printers/copiers

ADMINISTRATIVE SERVICES
Information Technology Staffing

SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
<i>Other Taxes</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenues</i>	-	-	-	-	-	-
<i>Service Charges</i>	-	-	-	-	-	-
<i>Interest</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	169,300	169,300	-
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ 169,300	\$ 169,300	\$ -
EXPENDITURES						
<i>Salaries and Benefits*</i>	\$ -	\$ -	\$ 33	\$ 682,962	\$ 551,073	\$ 576,534
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Grants</i>	-	-	-	-	-	-
<i>Pass Through Accounts</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	1,801	-	1,660
TOTAL EXPENDITURES	\$ -	\$ -	\$ 33	\$ 684,763	\$ 551,073	\$ 578,194

* Personnel previously budgeted in Information Technology Internal Service Fund are budgeted in the Information Technology Staffing Program beginning in FY 2018/19.

ADMINISTRATIVE SERVICES
Information Technology Staffing

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
<i>Community Character</i> Preserve and enhance the appearance, character, and environment quality of the community	<i>Development of IT Master Plan Projects</i> Continue to implement selected projects in the current IT master plan to enhance productivity, including e-government improvements.
<i>Good Governance</i> Ensure responsive, accountable, and collaborative government	<i>Equipment Replacement</i> Replace certain servers, computers, notebooks, monitors, and printers as part of the replacement program.
<i>Fiscal Stability</i> Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community	<i>Electronic Document Management System</i> Expand electronic document management in Finance, Human Resources, Parks and Public Works, and other Departments to increase efficiency of record retrieval. <i>Update IT Master Plan</i> Complete an updated Master Plan to guide the Town's strategic investments in technology to improve Town service delivery, transparency, efficiency, and government access.
<i>Quality Public Infrastructure</i> Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	<i>Disaster Recovery</i> Expand virtualization of servers to aid in disaster recovery and added efficiency to improve disaster recovery.
<i>Civic Enrichment</i> Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	<i>Online Services Improvements</i> Complete improvements for the online tree permits and development applications, online business license applications, and other online improvements, consistent with the Town Council's Strategic Priorities to improve efficiency and 24/7 service to the public.

ADMINISTRATIVE SERVICES
Information Technology Staffing

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
Public Safety Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness	Police Support Technology Maintain the Police computer aided dispatch and records management systems.

KEY PROGRAM SERVICES

- Performs maintenance and upgrades of administrative network system (servers, PCs, notebooks, printers, hardware, and software).
- Makes Town-wide IT replacement program purchases.
- Provides customer technical support.
- Completes research and planning for new technology solutions.

INFORMATION TECHNOLOGY STAFFING

Full Time Equivalent (FTE)

	2015/16 Funded	2016/17 Funded	2017/18 Funded	2018/19 Funded	2019/20 Adopted
Town Staff					
IT Manager*	-	-	-	1.00	1.00
Network Administrator*	-	-	-	1.00	-
IT Systems Administrator	-	-	-	-	1.00
IT Analyst	-	-	-	1.00	-
IT Technician*	-	-	-	1.00	1.00
Total IT FTEs	-	-	-	4.00	3.00

**Personnel previously budgeted in Information Technology Internal Service fund are budgeted in the Information Technology Staffing General Fund program beginning in FY 2018/19.*

ADMINISTRATIVE SERVICES

Information Technology Staffing

Performance Objectives and Measures	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1. <i>Support the delivery of services to all the Town's customers through the use of SMART technology (Sensible, Multi-modal, Accessible, Responsive, and Time phased technology).</i>					
a. Percentage of time service requests are resolved within established guidelines:	85%	87%	85%	80%	85%
b. Percentage of network availability during normal business hours:	99%	99%	99%	99%	99%
c. Percentage of customers rating support as "good" or "excellent" based on timeliness:	98%	98%	97%	98%	98%
d. Percentage of customers rating support as "good" or "excellent" based on quality of service:	98%	96%	96%	97%	98%

Activity and Workload Highlights	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1. Number of PCs/Notebooks maintained:*	230	238	238	240	240
2. Number of network servers maintained:	72	73	77	78	78
3. Number of network printers maintained:	34	33	33	34	34
4. Number of service requests received:	2980	3040	4020	4190	5000

Administrative Services

NON-DEPARTMENTAL PROGRAM PROGRAM 1201

PROGRAM PURPOSE

Appropriated funds are provided in the Non-Departmental Program to account for a variety of Town services and activities not specifically attributable to individual Departments. Tax revenues, license and permit fees, and intergovernmental revenues are generated as a result of overall government operations. Non-Departmental employee and retiree expenditures, Town-wide organizational costs, Town memberships, and joint-agency service agreements benefiting the entire Town are also contained in the Non-Departmental Program.

BUDGET OVERVIEW

The majority of the Town's general revenues are accounted for in the Non-Departmental Program. Current trends in some tax revenues indicate that the local economy is continuing to be strong. The FY 2019/20 proposed General Fund budget assumes growth trends in economically sensitive revenue sources such as Property Tax, Transient Occupancy Tax, and Franchise Fees. The FY 2019/20 Sales Tax projection is declining overall as online sales continue to detract from brick and mortar shops and due to the Netflix business model change. As a result, these estimates are conservative, and the Town will continue its proactive efforts to retain and protect vital revenue sources, align Town services with projected revenue streams to improve and enhance efficiencies, and manage staff deployment consistent with service delivery.

The Town of Los Gatos provides a defined benefit pension plan for all full-time employees and some part time benefitted employees as part of their total compensation package. Defined benefit plans provide a fixed, pre-established benefit payment for employees in retirement based on a formula which takes into account an employee's year of service and highest average annual salary. The defined benefit pension has been a standard part of compensation in

ADMINISTRATIVE SERVICES

Non-Departmental

governmental organizations and in Los Gatos is in lieu of participating in Social Security, except for the required Medicare rate of 1.45% of all wages.

The Town's pension plans are administered by the Board of Administration of the California Public Employees' Retirement System (CalPERS). The Board of Administration is responsible for the management and control of CalPERS. In addition, the Board has exclusive control of the administration and investment of funds.

The Town's pension plans over the past several decades, like all other CalPERS participants, have experience unfavorable investment returns, changes in actuarial assumptions, and unfavorable demographic shifts which have outweighed any positive plan experiences, resulting in increasing employer contributions. The CalPERS rates for FY 2018/19 are either 46.085% or 12.961% for public safety employees, depending on date of entrance into CalPERS, and 30.87% for miscellaneous employees.

The Town also provides a healthcare benefit for all eligible employees. The healthcare plan pays all, or a portion of, health insurance premiums for qualified retirees and their survivors and dependents. The Town's healthcare plan is an Internal Revenue Code Section 115 Trust which is administered by the Town Pension and OPEB Trusts Oversight Committee.

Photocopy and printer equipment, postage, and bulk mail expenditures are now centrally funded through the Non-Departmental Program, and subsequently charged back to the appropriate Department for services and materials utilized on a monthly basis. The Town maintains approximately 34 printers and copiers. The lease and maintenance service includes toner and repairs for all copiers and printers and the Non-Departmental Program pays for copy paper for use on the printers and copiers.

The Non-Departmental Program includes the following:

- \$1,242,000 for the cost of covering the Town's portion of retiree medical insurance premiums. The Town has paid for this expenditure since the Town became a member of the CalPERS medical plan as it is part of the CalPERS agreement.
- \$1,100,000 for the actuarially-required contribution for post-retirement benefit and pension obligations. The Governmental Accounting Standards Board Statement No. 45 (GASB 45) requires that the Town accrue an annual expenditure on its financial statements for the cost of providing post-retirement health care costs.
- \$1,230,925 for the lease payment on the Town's Library building as pledged under the 2010

ADMINISTRATIVE SERVICES

Non-Departmental

Certificates of Participation. This payment is offset by a reimbursement from the Successor Agency to the Los Gatos Redevelopment Agency, with a result of no net impact on the Town's General Fund budget.

- \$674,099 for the lease payment on the Town's Corporation Yard property as pledged under the 2002 Certificates of Participation. This payment is offset by a reimbursement from the Successor Agency to the Los Gatos Redevelopment Agency, with a result of no net impact on the Town's General Fund budget.
- \$390,000 payment toward unfunded pension liability.
- \$233,000 for animal control services provided by the City of San Jose. The Town entered into a 20-year agreement with the City of San Jose effective July 1, 2004.
- \$139,900 for Santa Clara County's Tax Administration fee for collecting and processing of the Town's assorted tax receipts.
- \$100,000 for the Town Manager's Contingency and Productivity Funds to address unforeseen situations or opportunities that may arise during the fiscal year.
- \$70,000 for additional special studies when needed.
- \$45,000 for the Los Gatos Chamber of Commerce contract to provide support for the Chamber's information center.
- \$20,000 for a Town Council Contingency Fund for the Council to address unique issues that may arise during the fiscal year.
- \$15,000 for employee health and wellness program.
- \$15,000 for employee commuter benefits program.
- \$10,000 for one more year of a senior transportation pilot within the West Valley. The program provides door to door transport services to seniors at a discounted or subsidized rate.
- \$10,000 for organizational development and training to address needs of the Town organization when opportunities arise.

The Non-Departmental program budget also reflects a transfer of \$6.7 million from the General Fund Capital and Special Projects Reserve to the General Fund Appropriated Reserves (GFAR) to support the Capital Improvement Program (CIP). The transfer supports capital projects as outlined in the proposed Capital Improvement Program. A \$10,000 transfer is included for stormwater management to comply with permitting requirements. In addition, the Non-Departmental program budget also reflects a transfer of \$1.1 million from the Compensated Absences Reserve to the Workers Compensation Fund.

⌘ ADMINISTRATIVE SERVICES ⌘
Non-Departmental

NON-DEPARTMENTAL STAFFING

Full Time Equivalents (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Adopted
Community Outreach Coordinator	1.00	1.00	-	-	-
Total Non-Departmental FTEs	1.00	1.00	-	-	-

ADMINISTRATIVE SERVICES

Non-Departmental

SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
Property Tax	\$ 10,779,434	\$ 11,518,257	\$ 12,510,822	\$ 12,507,071	\$ 13,543,960	\$ 14,174,700
VLF Backfill Property Tax	2,984,023	3,237,955	3,447,584	3,482,060	3,685,247	3,795,800
Sales & Use Tax	7,501,175	9,171,373	7,592,206	7,744,208	7,629,897	8,001,917
Franchise Fees	2,258,892	2,366,908	2,474,814	2,386,910	2,386,910	2,458,520
Other Taxes	-	-	-	-	-	-
Transient Occupancy Tax	1,943,166	2,322,910	2,628,927	2,272,500	2,622,500	2,848,730
Licenses & Permits	-	3,655	-	230	-	-
Intergovernmental Revenues	74,003	20,169	24,237	7,800	9,242	9,350
Lease Payments	1,922,398	1,923,303	1,914,739	1,909,073	1,909,073	1,905,024
Charges for Services	145,581	138,454	110,785	132,359	129,162	134,452
Fines & Forfeitures	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Other Sources	164,130	1,978,162	514,716	153,810	3,993,951	160,036
TOTAL REVENUES	\$ 27,772,802	\$ 32,681,146	\$ 31,218,830	\$ 30,596,021	\$ 35,909,942	\$ 33,488,529
TRANSFERS IN						
Transfer from Parking District	\$ 179,204	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer from Blackwell Dst	460	460	460	460	460	460
Transfer from Kennedy Meadow Dst	1,510	1,510	1,510	1,510	1,510	1,510
Transfer from Gemini Court Dst	610	610	610	610	610	610
Transfer from Santa Rosa Dst	660	660	660	660	660	660
Transfer from Vasona Heights Dst	1,430	1,430	1,430	1,430	1,430	1,430
Transfer from Hillbrook Dst	250	250	250	250	250	250
Transfer from Capital Project Funds	540,792	102,000	102,000	102,000	102,000	102,000
Transfer from Traffic Mitigations	12,147	3,097	10,000	10,000	10,000	10,000
Transfer from Gas Tax	106,000	106,000	106,000	106,000	106,000	106,000
Transfer from Equip Replacement	1,488,687	-	-	-	-	-
Transfer from Equipment Maintenance	-	-	-	-	780,278	-
Transfer from Stores	-	-	-	-	224,791	-
Transfer from SA	69,654	-	6,300	6,300	-	-
TOTAL TRANSFERS IN	\$ 2,401,404	\$ 216,017	\$ 229,220	\$ 229,220	\$ 1,227,989	\$ 222,920
TOTAL REVENUES & TRANSFERS	\$ 30,174,206	\$ 32,897,163	\$ 31,448,050	\$ 30,825,241	\$ 37,137,931	\$ 33,711,449
EXPENDITURES						
Salaries and Benefits	\$ 371,680	\$ 497,408	\$ 402,057	\$ 50,000	\$ 3,145	\$ 50,000
Operating Expenditures	3,399,896	4,381,239	4,643,978	6,900,300	6,803,454	3,762,500
Charges for Services	5,359	5,493	-	-	-	755
Debt Service	1,922,398	1,923,303	1,914,739	1,909,073	1,909,073	1,905,024
TOTAL EXPENDITURES	\$ 5,761,887	\$ 6,869,047	\$ 7,024,195	\$ 8,924,373	\$ 8,780,672	\$ 5,778,279
TRANSFERS OUT						
Transfer fo History Project Fund	-	-	-	-	-	-
Transfers to GFAR	\$ 531,014	\$ 7,298,187	\$ 2,638,224	\$ 2,335,220	\$ 2,335,220	\$ 6,681,884
Transfers to Pollution Prevention	50,000	-	-	-	-	10,000
Transfer to Equipment Replacement	-	-	300,000	450,000	450,000	-
Transfer to Facilities	-	-	300,000	-	-	-
Transfer to Workers' Comp	-	-	-	-	-	1,061,256
Transfer to IT fund	-	-	5,371	-	-	-
TOTAL TRANSFERS OUT	\$ 581,014	\$ 7,298,187	\$ 3,243,595	\$ 2,785,220	\$ 2,785,220	\$ 7,753,140
TOTAL EXPEND'S & TRANSFERS	\$ 6,342,901	\$ 14,167,234	\$ 10,267,790	\$ 11,709,593	\$ 11,565,892	\$ 13,531,419



Administrative Services

INFORMATION TECHNOLOGY FUND FUND 621

FUND PURPOSE

Information Technology Services (IT) supports the delivery of services to all the Town's employees and customers through the use of SMART technology (Sensible, Multi-modal, Accessible, Responsive, and Time-phased Technology). Key services include the maintenance, replacement, and upgrade of existing technology and the support for new information technology initiatives.

In meeting the Town organization's information technology needs, the IT Program strives to achieve the following goals:

- Enhance and improve customer service
- Maintain and enhance a sound, secure, and reliable IT infrastructure
- Use information technology to provide seamless and more efficient services
- Operate as a team to achieve information technology goals

BUDGET OVERVIEW

The FY 2019/20 budget for IT recognizes the continued need to identify and invest in information technology opportunities. Continued investment is a cost-effective approach to maintain or potentially improve service delivery levels in a fiscally prudent manner. To this end, in FY 2019/20, the Town's IT Master Plan will be updated.

The IT Program receives revenues through charges to General Fund and Special Revenue departmental programs based on service and equipment replacement costs. Service rates are adjusted to build fund balance capacity for future technology projects.

ADMINISTRATIVE SERVICES
Information Technology Fund

IT program expenses are budgeted to increase for FY 2019/20 due to the scheduled replacement of network servers and systems.

STATEMENT OF SOURCE AND USE OF FUNDS

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	2,833,160	2,888,452	2,251,332	2,161,809	2,161,809	2,379,740
Total Beginning Fund Balance	2,833,160	2,888,452	2,251,332	2,161,809	2,161,809	2,379,740
Revenues						
<i>Service Charge</i>	972,184	981,378	1,016,399	244,478	243,996	769,223
<i>Other Revenues</i>	142,199	128,984	156,056	90,000	876,505	90,000
Total Revenues	1,114,383	1,110,362	1,172,455	334,478	1,120,501	859,223
TRANSFERS IN						
<i>From General Fund</i>	-	-	5,371	-	-	-
TOTAL TRANSFERS IN	-	-	5,371	-	-	-
TOTAL REVENUES & TRANSFERS	1,114,383	1,110,362	1,177,826	334,478	1,120,501	859,223
TOTAL SOURCE OF FUNDS	\$ 3,947,543	\$ 3,998,814	\$ 3,429,158	\$ 2,496,287	\$ 3,282,310	\$ 3,238,963
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits*</i>	\$ 440,482	\$ 1,195,735	\$ 581,371	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	601,937	551,694	685,978	761,775	602,570	955,575
<i>Fixed Assets</i>	16,672	-	-	150,000	-	-
<i>Internal Service Charges</i>	-	53	-	-	-	-
Total Expenditures	1,059,091	1,747,482	1,267,349	911,775	602,570	955,575
Transfers Out						
<i>Transfer to General</i>	-	-	-	-	-	-
<i>Transfer to Equipment Replacement</i>	-	-	-	-	-	-
<i>Transfer to GFAR</i>	-	-	-	300,000	300,000	-
Total Transfers Out	-	-	-	300,000	300,000	-
Total Expenditures & Transfers Out	1,059,091	1,747,482	1,267,349	1,211,775	902,570	\$ 955,575
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	2,888,452	2,251,332	2,161,809	1,284,512	2,379,740	2,283,388
Total Ending Fund Balance	2,888,452	2,251,332	2,161,809	1,284,512	2,379,740	2,283,388
TOTAL USE OF FUNDS	\$ 3,947,543	\$ 3,998,814	\$ 3,429,158	\$ 2,196,287	\$ 2,982,310	\$ 3,238,963

* Personnel are budgeted in the Information Technology Staffing Program beginning in FY 2018/19.

** FY 2018/19 estimated Ending Fund Balance is anticipated to be restated upon final audit because no material amounts of pension expense were budgeted in Workers' Compensation Fund.

ADMINISTRATIVE SERVICES
Information Technology Fund

INFORMATION TECHNOLOGY FUND STAFFING

Full Time Equivalent (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
Town Staff	Funded	Funded	Funded	Funded	Adopted
IT Manager*	1.00	1.00	1.00	-	-
Network Administrator*	1.00	1.00	1.00	-	-
IT Technician*	1.00	1.00	1.00	-	-
Communications Coordinator	0.20	-	-	-	-
Office Assistant*	-	0.13	0.13	-	-
Total IT FTEs	3.20	3.13	3.13	-	-

	2015/16	2016/17	2017/18	2018/19	2019/20
Temporary Staff Hours	Funded	Funded	Funded	Funded	Adopted
IT Technician temp/hourly	-	720	720	-	-
Total Annual Hours	-	720	720	-	-

**Personnel previously budgeted in Information Technology Internal Service fund are budgeted in the Information Technology Staffing General Fund program beginning in FY 2018/19.*



Administrative Services

WORKERS' COMPENSATION FUND FUND 612

FUND PURPOSE

The Town's Workers' Compensation Program provides for anticipated liabilities for worker compensation benefits. The Town self-insures for benefits provided to Town employees and volunteers for work-related injuries up to \$250,000, and has excess insurance coverage for claims up to \$25 million. The Town belongs to the Local Agency Workers' Compensation Excess (LAWCX) Joint Powers Authority for the purpose of pooling for this excess insurance. A third party administrator, Innovative Claims Solutions, Inc. (ICS), handles the Town's day-to-day workers' compensation claims administration.

BUDGET OVERVIEW

Revenues to fund this program are derived as a percentage of salary each payroll period. Each Department pays a portion of the program's cost based on gross wages and level of risk for the various job classifications within the Department. The annual appropriation to this fund represents the self-insurance premiums paid by the operating Departments. Service rates are established which maintain fund balance capacity at approximately two and one-half times the annual operating expenditures. Any excess funds are returned through reduced rates and fund balance transfers as needed.

Program costs covered in the internal rates include administration fees, claim settlement costs, attorney fees (outside counsel), medical expenses, payment for temporary and permanent disability, safety program administration and training, and excess insurance premiums. The budget for workers' compensation is based on actual payroll in the same manner as prior years. In Fiscal Year 2015/16 staff increased rates by 1.5% to begin restoring fund balance which has significantly declined in the last few years due to several on the job-related injuries. Staff is not anticipating to further increase the rate this Fiscal Year.

ADMINISTRATIVE SERVICES
Workers' Compensation Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	1,514,858	1,213,324	902,308	620,726	620,726	16,099
Total Beginning Fund Balance	1,514,858	1,213,324	902,308	620,726	620,726	16,099
Revenues						
<i>Service Charge</i>	863,342	868,527	884,190	878,386	856,257	1,026,229
<i>Interest</i>	6	8	5	-	-	-
<i>Other Revenues</i>	99,807	157,820	250,945	-	506,078	-
Total Revenues	963,155	1,026,355	1,135,140	878,386	1,362,335	1,026,229
TRANSFERS IN						
<i>From General Fund</i>	-	-	-	-	-	1,061,256
TOTAL TRANSFERS IN	-	-	-	-	-	1,061,256
TOTAL REVENUES & TRANSFERS	963,155	1,026,355	1,135,140	878,386	1,362,335	\$ 2,087,485
TOTAL SOURCE OF FUNDS	\$ 2,478,013	\$ 2,239,679	\$ 2,037,448	\$ 1,499,112	\$ 1,983,061	\$ 2,103,584
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits*</i>	\$ 90,014	\$ 278,539	\$ 137,014	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	1,174,505	1,058,832	1,279,708	1,218,202	1,966,962	1,657,210
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	170	-	-	-	-	-
Total Expenditures	1,264,689	1,337,371	1,416,722	1,218,202	1,966,962	1,657,210
Transfers Out						
<i>Transfer to Grant Funds</i>	-	-	-	-	-	-
<i>Transfer to General Fund</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	1,264,689	1,337,371	1,416,722	1,218,202	1,966,962	1,657,210
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	1,213,324	902,308	620,726	280,910	16,099	446,374
Total Ending Fund Balance	1,213,324	902,308	620,726	280,910	16,099	446,374
TOTAL USE OF FUNDS	\$ 2,478,013	\$ 2,239,679	\$ 2,037,448	\$ 1,499,112	\$ 1,983,061	\$ 2,103,584

* Personnel are budgeted in the Human Resources Program beginning in FY 2018/19.

** FY 2018/19 estimated Ending Fund Balance is anticipated to be restated upon final audit because no material amounts of pension expense were budgeted in Workers' Compensation Fund.

ADMINISTRATIVE SERVICES
Workers' Compensation Fund

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative government	Accident Reviews
	Coordinate with the Safety Committee to assist in accident review and help develop action plans to prevent future injuries on an on-going basis and reduce or eliminate exposure.
	Cal-OSHA Safety Compliance Programs
	Monitor work activities to identify and ensure compliance with safety programs that are mandated by Cal OSHA and oversee the setting of priorities and training as required.

KEY PROGRAM SERVICES

- Coordinates the Town's Workers' Compensation Program with a contract administration firm.
- Administers and/or coordinates work safety programs.
- Promotes safe work practices and employee wellness.
- Provides timely reporting of employee injury reports.
- Provides information to employees regarding workers' compensation reporting.
- Minimizes the Town's exposure to losses as a result of employee accidents or illnesses.

WORKERS' COMPENSATION FUND STAFFING

Full Time Equivalent (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
	Funded	Funded	Funded	Funded	Adopted
Town Staff					
Human Resources Director*	0.25	0.25	0.25	-	-
Town Attorney*	0.05	0.05	0.05	-	-
Payroll Technician*	0.05	0.05	0.05	-	-
Administrative Analyst*	0.20	0.20	0.20	-	-
Total Workers Compensation FTEs	0.55	0.55	0.55	-	-

*Personnel previously budgeted in Administrative Services Department Internal Service funds are budgeted in the General Fund beginning in FY 2018/19.



Administrative Services

OFFICE STORES FUND FUND 622

FUND PURPOSE

The Town is closing the Office Stores Fund beginning in FY 2019/20. Any fund balance will be added to the General Fund Assigned Reserve. Town Council may provide direction on use of funds at the Budget hearing. The actual reserve balance will be determined at the year-end close. Photocopy and printer equipment, postage, and bulk mail expenditures are now centrally funded through the Non-Departmental Program, and subsequently charged back to the appropriate Department for services and materials utilized on a monthly basis. Due to limited personnel activity in the operations of this program, there are no staffing, key projects, or performance measures accounted for in this fund.

BUDGET OVERVIEW

The Office Stores Program maintains approximately 36 printers and copiers. The lease and maintenance program includes toner and repairs for all copiers and printers and the Office Stores Fund pays for copy paper for use on the printers and copiers on the program.

ADMINISTRATIVE SERVICES
Office Stores Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	187,955	183,127	200,437	227,791	227,791	-
Total Beginning Fund Balance	187,955	183,127	200,437	227,791	227,791	-
Revenues						
<i>Service Charge</i>	112,083	125,377	122,247	113,000	113,000	-
<i>Interest</i>	-	-	-	-	-	-
<i>Other Revenues</i>	5,651	5,143	5,539	5,000	5,000	-
Total Revenues	117,734	130,520	127,786	118,000	118,000	-
Transfers In						
<i>Equipment Replacement Fund</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
Total Revenues & Transfers In	117,734	130,520	127,786	118,000	118,000	-
TOTAL SOURCE OF FUNDS	\$ 305,689	\$ 313,647	\$ 328,223	\$ 345,791	\$ 345,791	\$ -
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	122,562	113,210	100,432	134,500	121,000	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
Total Expenditures	122,562	113,210	100,432	134,500	121,000	-
Transfers Out						
<i>Transfer to General Fund</i>	-	-	-	-	224,791	-
Total Transfers Out	-	-	-	-	224,791	-
Total Expenditures & Transfers Out	122,562	113,210	100,432	134,500	345,791	-
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	183,127	200,437	227,791	211,291	-	-
Total Ending Fund Balance	183,127	200,437	227,791	211,291	-	-
TOTAL USE OF FUNDS	\$ 305,689	\$ 313,647	\$ 328,223	\$ 345,791	\$ 345,791	\$ -

KEY PROGRAM SERVICES

- Provides postage and photocopy equipment and supplies for all Town Departments.
- Monitors service levels and performance of copiers, printers, and postage machines, maintaining and replacing equipment as needed.



Community Development

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Community Development Department

DEPARTMENT PURPOSE

The Community Development Department works with elected and appointed officials, other Departments, and the community to guide the physical growth, development, and preservation of the Town. It accomplishes this by providing current and advanced planning, affordable housing, code compliance, building plan check, building inspection, and other land use services. The community assists the Department's efforts through participation on the Planning Commission, Historic Preservation Committee, Conceptual Development Advisory Committee, Building Board of Appeals, General Plan Committee, and related subcommittees, all of which are supported by Department staff. The Department also manages the Town's Affordable Housing Program and supports the Town's Economic Vitality Program.

BUDGET OVERVIEW

The Community Development Department will continue to work on a large number of advanced planning efforts and development review applications in FY 2019/20. The complexity and scope of these projects are significant and require that the Town Council set priorities annually through review of the Council's Strategic Priorities as new issues arise. The Department also supports the Council Policy Committee as it reviews and considers updates to the Town's land use policies in 2019 and 2020.

In keeping with the Town's financial policies, the Department's development related services are supported by fees based on the costs of providing the services. On a regular basis, the Town analyzes the actual costs associated with development services to ensure that development fees achieve the goal of recovering the costs to provide the services. Anticipated revenues resulting from the adopted fee schedule are reflected in the budget. The anticipated revenues are expected to stay consistent with the previous year and are expected to provide full cost recovery for building inspection, plan check services, and planning services. Limited funding is provided through the General Fund and General Plan Fund to cover the costs associated with special advanced planning projects that are unrelated to the development services provided by the Department. Established fee rates include Department-wide development support services. Consequently, actual cost recovery is to be viewed from a Department perspective, not on a program-by-program basis.

☞ COMMUNITY DEVELOPMENT DEPARTMENT ☞

For FY 2019/20, total Department budgeted revenues are projected to stay status quo. The FY 2019/20 budget includes increases in salaries and benefits costs attributed to negotiated salary raises, and higher benefit and CalPERS pension rates. Budgeted salary and benefit expenditures include the part-time Community Services Officer position being continued for another year in FY 2019/20 with one-time funding.

The Community Development Department budget consists of the following programs: Administration; Development Review; Advanced Planning; Building and Inspection Services; Code Compliance; Below Market Price (BMP) Housing Program; and Pass-Through accounts.

COMMUNITY DEVELOPMENT DEPARTMENT

ACCOMPLISHMENTS

Core Goals	Accomplishments
Community Character Preserve and enhance the appearance, character, and environmental quality of the community	• Evaluated all Building and Planning applications to ensure compliance with adopted policy documents, Town Code, and Building Code. • Completed environmental review for applicable projects. • Participated in the West Valley Clean Water Program. • Town Council has adopted: ○ Affordable Housing Overlay Zone amendments; ○ Shared parking amendments; ○ Town-wide fencing amendments; and ○ North 40 Specific Plan amendments. • By the end of FY 2018/19, the Town Council is expected to have considered: ○ Land use appeal process amendments; and ○ Land use streamlining modifications.
Good Governance Ensure responsive, accountable, and collaborative government	• Continued to review land use policies with the Council Policy Committee. • Completed Building and Planning application reviews within published timelines. • Scheduled building inspections within one business day to meet construction timelines. • Contacted reporting parties for Code Compliance cases within published timelines. • Updated Building and Planning information forms and handouts. • Review of North 40 Phase 1 building permits.

COMMUNITY DEVELOPMENT DEPARTMENT

DEPARTMENTAL SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
<i>Licenses and Permits</i>	\$ 2,439,323	\$ 2,261,235	\$ 2,050,622	\$ 2,475,000	\$ 1,945,000	\$ 2,475,000
<i>Intergovernmental Revenue</i>	-	-	-	-	6,000	95,200
<i>Service Charge</i>	1,909,522	1,537,668	1,403,967	2,570,910	1,825,373	2,393,343
<i>Fines & Forfeitures</i>	10,300	5,225	4,800	3,100	57,000	4,000
<i>Other Revenues</i>	3	(468)	375,656	17,000	23,465	-
TOTAL REVENUES	\$ 4,359,148	\$ 3,803,660	\$ 3,835,045	\$ 5,066,010	\$ 3,856,838	\$ 4,967,543
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 2,450,448	\$ 2,567,589	\$ 2,846,578	\$ 3,362,714	\$ 3,165,928	\$ 3,679,531
<i>Operating Expenditures</i>	979,685	961,441	1,054,874	2,068,603	1,331,033	1,910,621
<i>Grants</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	360,830	-	-	-	-	-
<i>Internal Service Charges</i>	241,370	264,901	290,711	151,841	151,909	169,948
TOTAL EXPENDITURES	\$ 4,032,333	\$ 3,793,931	\$ 4,192,163	\$ 5,583,158	\$ 4,648,870	\$ 5,760,100

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
PROGRAM						
<i>Administration</i>	\$ 144,484	\$ 221,508	\$ 222,614	\$ 268,908	\$ 218,528	\$ 303,002
<i>Development Review</i>	1,107,301	1,135,513	1,258,291	1,412,409	1,337,827	1,528,945
<i>Advanced Planning</i>	225,602	314,024	336,023	1,662,995	740,821	1,463,555
<i>Inspection Services</i>	1,167,902	1,132,888	1,290,433	1,355,865	1,311,495	1,473,613
<i>Code Compliance</i>	187,513	206,572	209,720	238,071	254,721	275,442
<i>BMP Housing Program</i>	489,335	195,991	190,833	134,410	190,978	183,043
<i>Pass Thru Accounts</i>	710,196	587,435	684,249	510,500	594,500	532,500
TOTAL EXPENDITURES	\$ 4,032,333	\$ 3,793,931	\$ 4,192,163	\$ 5,583,158	\$ 4,648,870	\$ 5,760,100

COMMUNITY DEVELOPMENT DEPARTMENT

COMMUNITY DEVELOPMENT DEPARTMENT STAFFING

Full Time Equivalent (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
	Funded	Funded	Funded	Funded	Adopted
Town Staff					
Asst. Town Manager/CDD Director	0.50	-	-	-	-
Community Development Dir.	-	1.00	1.00	1.00	1.00
Planning Manager	1.00	1.00	1.00	1.00	1.00
Chief Building Official	1.00	1.00	1.00	1.00	1.00
Economic Vitality Manager	-	-	0.45	0.45	0.45
Economic Vitality Coordinator	0.38	0.38	-	-	-
Administrative Analyst	0.90	0.99	1.00	1.00	1.00
Executive Assistant	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Senior Planner	2.00	2.00	2.00	2.00	2.00
Associate Planner	2.50	2.63	2.63	2.63	2.63
Assistant Planner	1.00	1.00	1.00	1.00	1.00
Planning Technician	1.00	1.00	1.00	1.00	1.00
Senior Building Inspector	-	-	-	1.00	1.00
Building Inspector	4.00	4.00	4.00	3.00	3.00
Permit Technician	2.00	2.00	2.00	2.00	2.00
Code Compliance Officer	1.00	1.00	1.00	1.00	1.00
Total Community Development FTEs	19.28	19.99	20.08	20.08	20.08
	2015/16	2016/17	2017/18	2018/19	2019/20
	Funded	Funded	Funded	Funded	Adopted
Successor Agency to the Los Gatos RDA					
Administrative Analyst	0.10	0.01	-	-	-
Total SA FTEs	0.10	0.01	-	-	-
Total Community Dev. FTEs	19.38	20.00	20.08	20.08	20.08
	2015/16	2016/17	2017/18	2018/19	2019/20
	Funded	Funded	Funded	Funded	Adopted
Temporary Staff Hours					
Associate Planner Temp/Hrly	915	915	915	915	915
Community Service Officer Temp/Hrly	250	390	390	780	780
Total Annual Hours	1,165	1,305	1,305	1,695	1,695



Community Development Department

ADMINISTRATION PROGRAM 3101

PROGRAM PURPOSE

The Administration Program supports the delivery of all Community Development Department services. Staff assigned to this program work with other agencies, Boards, Commissions, and Committees to represent the Town's interests. Staff serves on the Valley Transportation Authority (VTA) Land Use and Transportation Integration Working Group, and the Santa Clara County Planning Officials organization. Administrative support is provided to the Planning Commission, including the preparation of agenda packets for 22 scheduled Planning Commission meetings per year. Management of Department operations is a component of this program, including personnel and budget administration.

BUDGET OVERVIEW

The Administration Program continues to keep the Community Development Department focused on management of the Department, including budget preparation and monitoring. The FY 2019/20 budget includes increases in salaries and benefits costs attributed to negotiated salary raises, and higher benefit and CalPERS pension rates.

COMMUNITY DEVELOPMENT DEPARTMENT
Administration

SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenue</i>	-	-	-	-	-	-
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	7,500	-
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ 7,500	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 114,283	\$ 180,770	\$ 182,152	\$ 239,110	\$ 182,907	\$ 232,029
<i>Operating Expenditures</i>	1,572	9,708	9,936	6,650	12,649	6,650
<i>Grants</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	28,629	31,030	30,526	23,148	22,972	64,323
TOTAL EXPENDITURES	\$ 144,484	\$ 221,508	\$ 222,614	\$ 268,908	\$ 218,528	\$ 303,002

COMMUNITY DEVELOPMENT DEPARTMENT
Administration

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
<i>Good Governance</i> Ensure responsive, accountable, and collaborative government	<i>Staff Training</i> Continue to build the capacity of Community Development staff to carry out broad job responsibilities by conducting in-house training, participating in select outside training, and supporting continuing education.
<i>Civic Enrichment</i> Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	<i>Planning Commission Training</i> Continue training opportunities for the Planning Commission, emphasizing the role of the Commission, communication with applicants, how a quasi-judicial body performs its duties, Brown Act, California Environmental Quality Act, and various aspects of Town regulations and procedures.
<i>Community Character</i> Preserve and enhance the appearance, character, and environmental quality of the community	<i>General Plan Update</i> Continue the General Plan Update process. <i>Short Term Rental</i> Assist with implementation of the new Short Term Rental ordinance.

COMMUNITY DEVELOPMENT DEPARTMENT
Administration

KEY PROGRAM SERVICES

- Set and monitor goals for the Department and staff.
- Manage departmental operations, including preparing and managing the departmental budget.
- Provide support for Town Council and Planning Commission meetings.
- Provide support on Town projects and initiatives including planning and building issues.
- Oversee General Plan implementation.
- Oversee Housing Element implementation.
- Oversee Sustainability Plan implementation.
- Provide oversight for the General Plan Update and Environmental Impact Report (EIR) implementation process.
- Develop and mentor Department staff.
- Manage the annual Department work plan.

ADMINISTRATION PROGRAM STAFFING

Full Time Equivalent (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
	Funded	Funded	Funded	Funded	Adopted
Town Staff					
Asst. Town Manager/CDD Dir.	0.15	-	-	-	-
Community Development Dir.	-	0.30	0.30	0.25	0.25
Planning Manager	0.10	0.10	0.10	0.10	0.10
Administrative Analyst	0.20	0.29	0.30	0.30	0.30
Executive Assistant	0.10	0.10	0.25	0.30	0.30
Administrative Assistant	0.05	0.05	0.05	0.15	0.15
Total Administration FTEs	0.60	0.84	1.00	1.10	1.10

	2015/16	2016/17	2017/18	2018/19	2019/20
	Funded	Funded	Funded	Funded	Adopted
Temporary Staff Hours					
Associate Planner Temp/Hrly	915	915	915	915	915
Total Annual Hours	915	915	915	915	915

Community Development Department

DEVELOPMENT REVIEW PROGRAM 3201

PROGRAM PURPOSE

The Development Review Program evaluates planning applications for the proposed development of land and structures consistent with Town Codes, plans, and policies. This is accomplished through meeting with and advising project applicants and other stakeholders, and analyzing and processing all development applications including environmental review, plan check, and inspection. The process involves an assessment of a planning application's consistency and compliance with the General Plan, Hillside Specific Plan, Town Code, and other applicable Town regulations.

BUDGET OVERVIEW

As noted in the departmental budget overview, Development Review-related fees reflect the FY 2019/20 approved fee schedule. These fees continue to help support the operating expenditures, thereby ensuring on-going cost recovery.

For FY 2019/20, budgeted revenues are projected to stay on trend due to anticipated new accessory dwelling units, new homes, and businesses.

The FY 2019/20 budget includes increases in salaries and benefits costs attributed to negotiated salary raises, and higher benefit and CalPERS pension rates.

COMMUNITY DEVELOPMENT DEPARTMENT
Development Review

SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ 627,909	\$ 515,744	\$ 556,435	\$ 450,000	\$ 450,000	\$ 450,000
<i>Service Charges</i>	193,244	177,506	151,079	160,000	171,530	157,500
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ 821,153	\$ 693,250	\$ 707,514	\$ 610,000	\$ 621,530	\$ 607,500
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 947,725	\$ 965,736	\$ 1,115,972	\$ 1,307,858	\$ 1,257,132	\$ 1,418,982
<i>Operating Expenditures</i>	104,980	110,526	76,549	84,100	60,244	81,600
<i>Grants</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	54,596	59,251	65,770	20,451	20,451	28,363
TOTAL EXPENDITURES	\$ 1,107,301	\$ 1,135,513	\$ 1,258,291	\$ 1,412,409	\$ 1,337,827	\$ 1,528,945

COMMUNITY DEVELOPMENT DEPARTMENT
Development Review

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative government	<i>Development Team Continuous Improvement</i> The Development Team (Community Development, Parks and Public Works, and Police Departments, and County Fire) will continue to focus on evaluating processes, procedures, and systems; defining roles and responsibilities; building capacity; and obtaining input and feedback from customers to continue to improve the development review process.
	<i>Process Improvements</i> Continue to enhance the development review process by: • Coordinating Arborist/Architect/Landscape Water and Conservation consultants' peer review processes; • Revising/updating development application forms and website information; • Implementing Town Code amendments to improve the development process; and • Providing timely planning application review and customer service to all participants in the planning process.
Community Character Preserve and enhance the appearance, character, and environmental quality of the community	<i>Major Development Applications Pending</i> Includes the following known property: • 16212 Los Gatos Boulevard Planned Development (may be approved FY 18-19)
Fiscal Stability Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community	<i>Cost Recovery</i> • Ensure ongoing cost recovery.

COMMUNITY DEVELOPMENT DEPARTMENT
Development Review

KEY PROGRAM SERVICES

Overall Services

- Set and monitor goals for the Department and staff.
- Develop and mentor Department staff.
- Manage the annual Department work plan.

Commission/Committee Support

- Provide support for the following Commissions and Committees: Planning Commission; Development Review Committee; Historic Preservation Committee; Conceptual Development Advisory Committee; General Plan Committee; and various subcommittees.

Application Review

- Analyze and process applications, including: General Plan amendments; Town Code amendments; Rezoning and Planned Developments; Architecture and Site; Variances, Conditional Use Permits; Minor Residential Development; Subdivisions; Agricultural Preserve Contracts; Home Occupation Permits; Certificates of Use and Occupancy; Sign and Banner Permits; Accessory Dwelling Units; Mobile Home Park Conversions; and Environmental Review.

Major Projects

- Implement North 40 Phase 1.
- Potential General Plan Amendment for Measure B highway improvements.

COMMUNITY DEVELOPMENT DEPARTMENT
Development Review

DEVELOPMENT REVIEW PROGRAM STAFFING

Full Time Equivalent (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
	Funded	Funded	Funded	Funded	Adopted
Town Staff					
Asst Town Manager/CDD Director	0.15	-	-	-	-
Community Development Dir.	-	0.30	0.30	0.30	0.30
Planning Manager	0.60	0.60	0.60	0.55	0.55
Chief Building Official	0.10	0.10	0.10	0.10	0.10
Economic Vitality Manager	-	-	0.45	0.45	0.45
Economic Vitality Coordinator	0.38	0.38	-	-	-
Administrative Analyst	0.35	0.35	0.35	0.35	0.15
Executive Assistant	0.65	0.65	0.65	0.65	0.65
Administrative Assistant	0.70	0.70	0.70	0.70	0.70
Senior Planner	1.20	1.70	1.40	1.30	1.30
Senior Building Inspector	-	-	-	0.10	0.10
Associate Planner	2.10	2.03	1.93	1.93	1.93
Assistant Planner	0.80	0.80	0.80	0.80	0.80
Planning Technician	1.00	1.00	0.90	0.90	0.90
Permit Technician	0.10	0.10	0.10	0.10	0.10
Total Development Review FTEs	8.13	8.70	8.28	8.23	8.03

	2015/16	2016/17	2017/18	2018/19	2019/20
Performance Objectives and Measures	Actual	Actual	Actual	Estimated	Planned
1. Facilitate the development of land and structures consistent with Town codes, plans and policies.	100%	100%	100%	100%	100%
2. Analyze and process development applications efficiently and effectively.					
a. Percentage of applications continued by Planning Commission:	45%	43%	15%	35%	25%
b. Percentage of Planning Commission decisions upheld by Town Council:	33%	50%	70%	80%	80%

	2015/16	2016/17	2017/18	2018/19	2019/20
Activity and Workload Highlights	Actual	Actual	Actual	Estimated	Planned
1. Number of applications processed:	526	380	494	460	420
2. Number of Planning Commission Meetings:	24	25	19	20	22
3. Number of Public Notices:	12,135	10,026	9571	11000	11000
4. Number of referrals to consulting architect:	29	17	25	30	30



Community Development Department

ADVANCED PLANNING PROGRAM 3202

PROGRAM PURPOSE

The Advanced Planning Program guides the physical development of the community consistent with the General Plan, Hillside Specific Plan, Town Codes, and other policy documents, which are kept relevant and current through approved amendments. Staff updates official Town maps to ensure they are clear and accurate. Staff undertakes special projects and studies to meet the evolving needs of the community and provides staff support for the General Plan Committee and any Council-appointed subcommittees.

BUDGET OVERVIEW

The FY 2019/20 budget includes increases in salaries and benefits costs attributed to negotiated salary raises, and higher benefit and CalPERS pension rates.

Budgeted expenditures for FY 2019/20 will decrease to stay within the multi-year contract obligation associated with the General Plan update. The General Plan update will be funded through General Plan Fees already collected.

COMMUNITY DEVELOPMENT DEPARTMENT
Advanced Planning

SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenue</i>	-	-	-	-	6,000	95,200
<i>Service Charges</i>	211,700	149,224	142,006	1,361,000	385,000	1,035,000
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ 211,700	\$ 149,224	\$ 142,006	\$ 1,361,000	\$ 391,000	\$ 1,130,200
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 172,405	\$ 257,885	\$ 272,773	\$ 354,495	\$ 348,339	\$ 400,124
<i>Operating Expenditures</i>	39,291	40,161	46,379	1,302,978	386,960	1,057,690
<i>Grants</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	13,906	15,978	16,871	5,522	5,522	5,741
TOTAL EXPENDITURES	\$ 225,602	\$ 314,024	\$ 336,023	\$ 1,662,995	\$ 740,821	\$ 1,463,555

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
	<i>General Plan and Housing Element Action Items</i>
<i>Community Character</i> Preserve and enhance the appearance, character, and environmental quality of the community	• Prepare Town Code amendments and other action items to implement the adopted General Plan, Housing Element, Sustainability Plan, recent State laws, and Town Council strategies priorities, including streamlining Land Use processes. • Continue the General Plan update process. • Update the Below Market Price Program Guidelines. • Complete Census 2020 activities, including Local Update of Census Addresses (LUCA). • Continue review of objective standards.

COMMUNITY DEVELOPMENT DEPARTMENT
Advanced Planning

KEY PROGRAM SERVICES

- Prepare plans, amendments, administrative policies, ordinances, and maps.
- Implement the General Plan and Housing Element.
- Review land use policies and recommend modifications to the Planning Commission and Town Council.
- Set and monitor goals for the Department and staff.
- Develop and mentor Department staff.
- Manage the annual Department work plan.

ADVANCED PLANNING PROGRAM STAFFING

Full Time Equivalent (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
Town Staff	Funded	Funded	Funded	Funded	Adopted
Asst. Town Manager/CDD Director	0.18	-	-	-	-
Community Development Dir.	-	0.35	0.35	0.40	0.40
Planning Manager	0.30	0.30	0.20	0.25	0.25
Executive Assistant	0.05	0.05	0.05	0.05	0.05
Administrative Assistant	0.20	0.20	0.10	0.10	0.10
Senior Planner	0.60	0.20	0.40	0.50	0.50
Associate Planner	0.25	0.25	0.40	0.40	0.40
Assistant Planner	0.20	0.20	0.10	0.10	0.10
Total Advanced Planning FTEs	1.78	1.55	1.60	1.80	1.80

COMMUNITY DEVELOPMENT DEPARTMENT
Advanced Planning

Performance Objectives and Measures	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1. <i>Guide the physical development of the community consistent with the General Plan, Hillside Specific Plan, and Town Codes.</i>					
a. Percentage of General Plan implementation measures completed within cycle time:	100%	100%	100%	100%	1000%
2. <i>Meet the evolving needs of the community and provide staff support to advisory committees.</i>					
a. Percentage of special studies adopted:	100%	100%	100%	100%	100%

Activity and Workload Highlights	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1. Number of special studies completed:	3	1	4	10	5
2. Number of Planning Commission directives received:	0	0	0	0	0
3. Number of General Plan implementation measures completed:	1	0	1	1	1
4. Number of General Plan amendments requested:	0	2	2	1	1

Community Development Department

BUILDING & INSPECTION SERVICES PROGRAM 3301

PROGRAM PURPOSE

The Building and Inspection Services Program helps to ensure safe, healthy, and attractive property improvements by facilitating the issuance of permits and compliance with codes, policies, guidelines, and standards. Staff assigned to this program: provide information concerning building regulations; maintain the computerized permit tracking and plan check systems; inspect commercial and residential buildings under construction; provide plan check review for compliance with the California Building Codes, disabled access regulations, and other state and local ordinances; and coordinate the duties of the Plan Check Consultants, which provides complex structural and engineering plan check services.

BUDGET OVERVIEW

The FY 2019/20 budget includes increases in salaries and benefits costs attributed to negotiated salary raises, and higher benefit and CalPERS pension rates. Total Department budgeted revenues will increase due to the expected issuance of building permits for the North 40. Overall program budgeted expenditures for FY 2019/20 remain steady with an increase in Plan Check services.

The Building Inspectors continue to handle the storm water management inspections during construction for all building permits with the potential to generate non-point source storm water runoff as part of the National Pollutant Discharge Elimination System (NPDES) Program (PPW conducts post-construction monitoring). The San Francisco Regional Water Quality Control Board issued an updated NPDES permit for the municipalities in Santa Clara County in 2015. The NPDES permit implements significant new requirements on development projects that could impact Town staffing resources. Staff will continue to monitor the new permit requirements and evaluate the potential to recover additional costs imposed by the NPDES permit during FY 2019/20.

COMMUNITY DEVELOPMENT DEPARTMENT
Building & Inspection Services

The Building Division also assists with code compliance violations that are related to construction and sub-standard housing. Contract Plan Check Consultants continue to provide plan check services on a cost-recovery basis.

SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ 1,811,414	\$ 1,745,491	\$ 1,494,187	\$ 2,025,000	\$ 1,495,000	\$ 2,025,000
<i>Service Charges</i>	433,505	427,562	608,880	415,000	483,150	485,000
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	3	(468)	2,576	7,000	15,965	-
TOTAL REVENUES	\$ 2,244,922	\$ 2,172,585	\$ 2,105,643	\$ 2,447,000	\$ 1,994,115	\$ 2,510,000
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 962,735	\$ 901,600	\$ 1,022,585	\$ 1,171,174	\$ 1,071,062	\$ 1,282,398
<i>Operating Expenditures</i>	74,677	88,088	105,641	87,000	142,741	124,306
<i>Grants</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	130,490	143,200	162,207	97,691	97,692	66,909
TOTAL EXPENDITURES	\$ 1,167,902	\$ 1,132,888	\$ 1,290,433	\$ 1,355,865	\$ 1,311,495	\$ 1,473,613

COMMUNITY DEVELOPMENT DEPARTMENT
Building & Inspection Services

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
Community Character Preserve and enhance the appearance, character, and environmental quality of the community	<i>Public Information on Building Codes</i> Continue to provide updated forms and information through the Town's website as well as assisting customers with online permitting, processing, and information. Staff will continue to correct and clarify the Town's official street address file.
	<i>Inspection Services on Larger Projects</i> Continue several significant projects into FY 2019/20 including: several new large custom homes and tenant improvements. Continue to provide next day inspection services even with the increased inspection workload as the Town has done in years past.
	<i>Major Building Projects Pending</i> Pending projects include the following: • Sisters of the Holy Names new custom homes • North 40 Phase 1 • 405 Alberto Way • 400-420 Blossom Hill Road • 258 Union Avenue
Good Governance Ensure responsive, accountable, and collaborative government	<i>Improvements to Plan Checking Services</i> To improve the efficiency of the plan check process, the Building Division will coordinate with the Santa Clara County Fire Department and the Planning Division to expedite commercial tenant improvements and continue to increase the number of internal plan checks by Building Inspection staff. The goal is to decrease the Plan Check Consultant workload and reduce the time required to conduct a plan check to provide a higher level of service.

COMMUNITY DEVELOPMENT DEPARTMENT
Building & Inspection Services

KEY PROGRAM SERVICES

Overall Services

- Set and monitor goals for the Department and staff.
- Develop and mentor Department staff.
- Manage the annual Department work plan.

Inspection Services

- Perform on-site field inspections for all buildings and structures under construction.
- Investigate Housing Code violations.
- Assist contractors, architects, engineers, and the general public with construction questions.

Building Counter Services

- Coordinate building permit applications with other departments and agencies.
- Review workers' compensation requirements and contractors' licenses.
- Maintain the computerized permit tracking and plan check systems including data entry for permit activity.
- Produce and distribute statistical reports regarding building and related permit activity.
- Distribute and track plans to reviewing Town Departments and outside agencies.
- Calculate and collect fees.

Plan Check Services

- Perform complex building, structural, and life safety plan review of commercial, industrial, and residential buildings per the California Building Codes, state regulations, and local ordinances.
- Coordinate building information and activity with other departments and agencies.
- Provide building code information to customers.

COMMUNITY DEVELOPMENT DEPARTMENT
Building & Inspection Services

BUILDING & INSPECTION SERVICES PROGRAM STAFFING

Full Time Equivalent (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
	Funded	Funded	Funded	Funded	Adopted
Town Staff					
Chief Building Official	0.75	0.75	0.75	0.75	0.75
Administrative Analyst	0.15	0.15	0.15	0.15	0.30
Administrative Assistant	0.05	0.05	0.05	0.05	0.05
Senior Planner	-	0.10	0.20	0.20	0.20
Associate Planner	0.15	0.15	0.30	0.30	0.30
Assistant Planner	-	-	0.10	0.10	0.10
Senior Building Inspector	-	-	-	0.75	0.75
Building Inspector	4.00	4.00	4.00	3.00	3.00
Permit Technician	1.90	1.90	1.90	1.90	1.90
Planning Technician	-	-	0.10	0.10	0.10
Total Building and Inspection FTEs	7.00	7.10	7.55	7.30	7.45

	2015/16	2016/17	2017/18	2018/19	2019/20
Performance Objectives and Measures	Actual	Actual	Actual	Estimated	Planned
1. <i>Ensure safe, healthy, and attractive property improvements.</i>					
a. Percentage of inspections delivered within cycle times:	100%	100%	100%	100%	100%
b. Percentage of plan checks completed within cycle times:	98%	95%	98%	98%	97%

	2015/16	2016/17	2017/18	2018/19	2019/20
Activity and Workload Highlights	Actual	Actual	Actual	Estimated	Planned
1. Number of inspections conducted:	12,112	14,294	14,849	15,000	16,000
2. Number of building plan checks completed:	863	797	676	800	950
3. Number of Building Division permit applications received:	1,557	1,559	1,648	1,600	1,600
4. Number of Building Division permits issued:	1,503	1,465	1,488	1,000	1,500



Community Development Department

CODE COMPLIANCE PROGRAM PROGRAM 3401

PROGRAM PURPOSE

The Code Compliance Program ensures property is used in a manner that is safe, healthy, and consistent with the community's character as conveyed by the Town's zoning regulations and approvals. Program staff identifies, investigates, and abates zoning violations, non-conforming uses, and other Town Code violations. Enforcement services are primarily in response to community concerns and are designed to achieve timely compliance through proactive efforts and the on-going education of the public to increase awareness of the Town's zoning and sign regulations. Violations that affect life, health, and safety are given the highest priority.

BUDGET OVERVIEW

The Code Compliance Program budget includes revenue from the Administrative Citation Program established in FY 2003/04. With the added incentive to avoid fines, this program reduces the number of times Code Compliance staff must revisit an outstanding violation, thereby abating violations more effectively. The fines also reduce the financial burden on the General Fund by placing a portion of the cost of abating violations on the violator. Staff has found that most violators choose to comply within the established time frame rather than pay a fine.

The FY 2019/20 budget includes increases in salaries and benefits costs attributed to negotiated salary raises, and higher benefit and CalPERS pension rates.

The FY 2019/20 budget includes the part-time Community Services Officer position which will be continued for one more year in FY 2019/20 with one-time funding.

COMMUNITY DEVELOPMENT DEPARTMENT
Code Compliance Program

SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Service Charges</i>	-	-	-	-	215	300
<i>Fines & Forfeitures</i>	10,300	5,225	4,800	3,100	57,000	4,000
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ 10,300	\$ 5,225	\$ 4,800	\$ 3,100	\$ 57,215	\$ 4,300
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 174,648	\$ 189,419	\$ 195,322	\$ 226,499	\$ 235,790	\$ 263,839
<i>Operating Expenditures</i>	2,336	4,507	1,380	6,725	13,879	7,225
<i>Grants</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	10,529	12,646	13,018	4,847	5,052	4,378
TOTAL EXPENDITURES	\$ 187,513	\$ 206,572	\$ 209,720	\$ 238,071	\$ 254,721	\$ 275,442

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative government	<i>Process Improvements</i>
	- Continue to work with the Police and Parks and Public Works Departments, and the Town Attorney on code compliance issues and the Administrative Citation Program. - Administer fair and unbiased enforcement to correct violations of municipal, property maintenance, and building codes. - Proactively and reactively enforce the most called upon violations (i.e. gas leaf blowers and working without a permit).

COMMUNITY DEVELOPMENT DEPARTMENT
Code Compliance Program

KEY PROGRAM SERVICES

- Resolves complex Town Code and zoning violations.
- Enforces various Town Codes, while focusing on obtaining voluntary compliance from the public.
- Educates residents, businesses, and property owners about Town regulations.
- Conducts inspections and investigations of structures and residences regarding public health-related issues.
- Prioritizes health and safety violations and public nuisances over other code violations.

CODE COMPLIANCE PROGRAM STAFFING

Full Time Equivalent (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
	Funded	Funded	Funded	Funded	Adopted
Town Staff					
Chief Building Official	0.15	0.15	0.15	0.15	0.15
Executive Assistant	0.05	0.05	0.05	-	-
Senior Building Inspector	-	-	-	0.15	0.15
Code Compliance Officer	1.00	1.00	1.00	1.00	1.00
Total Code Compliance FTEs	1.20	1.20	1.20	1.30	1.30

	2015/16	2016/17	2017/18	2018/19	2019/20
	Funded	Funded	Funded	Adopted	Adopted
Temporary Staff Hours					
Community Service Officer Temp/Hrly	250	390	390	780	780
Total Annual Hours	250	390	390	780	780

COMMUNITY DEVELOPMENT DEPARTMENT
Code Compliance Program

Performance Objectives and Measures	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1. Respond to complaining party within 48 hours:*	99%	99%	99%	99%	99%
2. <i>Ensure properties in Los Gatos are used safely and are consistent with the Town's zoning regulations.*</i>					
a. Percentage of complaints abated within cycle times:	90%	90%	90%	90%	90%
3. <i>Achieve timely compliance.*</i>					
a. Percentage of complaints resulting in court hearings:	0%	1%	0%	0%	0%

Activity and Workload Highlights	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1. Number of complaints reported:	522	382	459	552	500
2. Number of complaints abated:	445	323	421	462	450
3. Total number of Administrative Citations:	100	68	65	64	60

**Measure discontinued as of FY 2019/20*

Community Development Department

BMP HOUSING PROGRAM PROGRAM 3501

PROGRAM PURPOSE

The purpose of the Below Market Price (BMP) Housing Program is to provide for adequate housing for Los Gatos residents, regardless of age, income, race, or ethnic background. As required by the State, the Town plans and facilitates the construction of housing adequate for future populations consistent with environmental limitations and in a proper relationship to community facilities, open space, transportation, and small town character.

BUDGET OVERVIEW

All expenditures in this program are funded by non-General Fund revenues. BMP activities are funded through BMP In-Lieu Fees, paid by developers for new housing.

The FY 2019/20 budget includes increases in salaries and benefits costs attributed to negotiated salary raises, and higher benefit and CalPERS pension rates.

The majority of expenditures in this program are related to a service contract with Hello Housing, which administers several components of the BMP Housing Program.

COMMUNITY DEVELOPMENT DEPARTMENT
BMP Housing Program

SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Service Charges</i>	360,877	195,941	(182,247)	134,410	190,978	183,043
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	373,080	-	-	-
TOTAL REVENUES	\$ 360,877	\$ 195,941	\$ 190,833	\$ 134,410	\$ 190,978	\$ 183,043
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 78,652	\$ 72,179	\$ 57,774	\$ 63,578	\$ 70,698	\$ 82,159
<i>Operating Expenditures</i>	46,633	121,016	130,740	70,650	120,060	100,650
<i>Grants</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	360,830	-	-	-	-	-
<i>Internal Service Charges</i>	3,220	2,796	2,319	182	220	234
TOTAL EXPENDITURES	\$ 489,335	\$ 195,991	\$ 190,833	\$ 134,410	\$ 190,978	\$ 183,043

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
Community Character Preserve and enhance the appearance, character, and environmental quality of the community	<i>Below Market Price Housing (BMP) Program</i> The BMP Program makes homes available for purchase or rent at below market prices to low and median income families. Eligibility for the BMP program is based on federal household income guidelines.

KEY PROGRAM SERVICES

- Administer the BMP Housing Program.
- Monitor the BMP ordinance and guidelines to determine and recommend potential improvements to enhance the effectiveness of the program.

COMMUNITY DEVELOPMENT DEPARTMENT
BMP Housing Program

BMP HOUSING PROGRAM STAFFING

Full Time Equivalent (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
	Funded	Funded	Funded	Funded	Adopted
Town Staff					
Asst. Town Manager/CDD Dir	0.03	-	-	-	-
Community Development Dir.	-	0.05	0.05	0.05	0.05
Planning Manager	-	-	0.10	0.10	0.10
Administrative Analyst	0.20	0.20	0.20	0.20	0.25
Executive Assistant	0.15	0.15	-	-	-
Administrative Assistant	-	-	0.10	-	-
Senior Planner	0.20	-	-	-	-
Associate Planner	-	0.20	-	-	-
Total BMP Housing FTEs	0.58	0.60	0.45	0.35	0.40

	2015/16	2016/17	2017/18	2018/19	2019/20
Activity and Workload Highlights	Actual	Actual	Actual	Estimated	Planned
1. Number of owner-occupied housing units registered in the Below Market Price Housing Program:	50	50	54	54	55
2. Number of rental housing units registered in the Below Market Price Housing Program:	119	119	119	119	121



Community Development Department

PASS-THROUGH ACCOUNTS PROGRAM 3999

PROGRAM PURPOSE

This pass-through accounting structure separates Community Development program activities from the funding mechanism set up for external consultant services utilized to assist applicants in the planning, development, and building processes. Most pass-through activity is generated by development projects. Depending on the development project, an applicant may be required to deposit funds for architectural review services, arborist review services, environmental review services, and/or plan checking services with the Town. The Town provides these various services for an applicant's project and the consultants are subsequently paid out of the applicant's account. Any remaining balances are returned to the applicants. Pass-through funding is also utilized for the Town's General Plan funding. General Plan Fees are collected for development projects and held in a deposit account until recognized as General Plan expenses as they are incurred during the year.

BUDGET OVERVIEW

There is no net budgetary impact for this program, as revenues will equal expenditures. The revenues and expenditures reflect estimates based on prior year trends. At fiscal year end, actuals may differ substantially from original budgeted numbers as the quantity and size of development projects within the community in any given year is not known or determinable in advance. This budget reflects a reasonable estimate only.

COMMUNITY DEVELOPMENT DEPARTMENT
Pass-Through Accounts

SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Service Charges</i>	710,196	587,435	684,249	500,500	594,500	532,500
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	10,000	-	-
TOTAL REVENUES	\$ 710,196	\$ 587,435	\$ 684,249	\$ 510,500	\$ 594,500	\$ 532,500
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	710,196	587,435	684,249	510,500	594,500	532,500
<i>Grants</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 710,196	\$ 587,435	\$ 684,249	\$ 510,500	\$ 594,500	\$ 532,500



Police Department

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Police Department

DEPARTMENT PURPOSE

The Los Gatos-Monte Sereno Police Department provides police services to the Town of Los Gatos and contractually to the City of Monte Sereno. The Department's vision is to accomplish three goals: build a highly competent, professional law enforcement organization utilizing a 21st Century policing approach, develop community relationships and partnerships, and engage the community in problem solving.

The core services provided by the Police Department include: responding to emergency and non-emergency calls for service; identifying and interdicting of criminal activity; investigating and prosecuting of crimes; recruiting, hiring and training high quality personnel; preventing crime; conducting community outreach; facilitating traffic and pedestrian safety; and maintaining records, property and evidence.

The Police Department continues to build upon a strong police-community partnership through innovative Department and community programs including: School Resource Officer funding partnership; Juvenile Diversion programs; Digital Media Safety/Cyberbullying education; Safe Routes to School; Drug Free Committee; Youth Commission; homeless outreach; mental health response; and traffic management. Volunteer programs such as Reserve Police Officers, Community Emergency Response Team (CERT), Volunteers in Policing (VIP), Disaster Aid Response Team (DART), the Police Chaplain program, Intern opportunities, Parking Citation Hearing Officers, Victim Services Unit (VSU), and the Police Explorer program extend these partnerships to the community. For the past 13 years, volunteers have personally welcomed new homeowners to the Town through the Department's New Resident Outreach Program, documented and removed graffiti, and conducted numerous vacation checks.

☞ POLICE DEPARTMENT ☜

The Police Department is focused on community problem solving. Individual Officers and patrol teams are responsible for identifying problems, then developing and implementing solutions to those problems. In furtherance of this effort, the Department continues to build and maintain relationships with broad segments of our community to include the Chamber of Commerce, Communities against Substance Abuse (CASA), Mothers against Drunk Driving (MADD), homeowner and neighborhood associations, schools, non-profit organizations, the faith community, service clubs, and others. All field staff are trained in effective community policing strategies, as well as crisis intervention tactics that allows for an appropriate response to field situations and the ability to de-escalate difficult or dynamic scenarios.

All Police Department personnel are committed to an organizational strategy of collaboration and problem-solving with the goal of creating a safe environment for all community members while providing an extraordinary level of customer service. This process will facilitate our efforts in getting to know everyone in the Los Gatos and Monte Sereno communities.

BUDGET OVERVIEW

This budget overview discusses the Police Department's focus for FY 2019/20 as well as its revenue and expenditure outlook. The FY 2019/20 budget includes increases in salaries and benefits costs attributed to negotiated salary raises, and higher benefit and CalPERS pension rates.

The Police Department is committed to ongoing structural evaluation and budgetary efficiency by regularly assessing internal functioning considering increased service levels and the complex demands of ensuring public safety.

The Police Department and the Town of Los Gatos have enjoyed a very good relationship with the City of Monte Sereno. Both communities have similar residential demographics and the Police Department has provided quality and responsive services with a long history of reaching out to its residents, which has resulted in a strong bond between both communities. Revenues generated as a result of the police services contract with the City of Monte Sereno are the largest revenue source in the Police Department budget.

Since FY 2009/10, funding for the School Resource Officer (SRO) position has been offset by an agreement with the high school and elementary school districts with each sharing cost aggregated to one-half the Officer's salary and benefits. Given the positive and collaborative working relationship between the Town and the elementary and high school districts, the current contracts runs through June 30, 2021.

☞ POLICE DEPARTMENT ☜

Department Reclassification

To best meet the needs of the Department in FY 2019/20 and align responsibilities with minimal budgetary impact, one sworn and three non-sworn reclassifications were completed.

In FY 2019/20 the Personnel and Community Services Program has been revised to incorporate 1.0 FTE of the Support Services Bureau Administrative Sergeant. Previously this position was programmed as 0.70 FTE in the Personnel and Community Services program and 0.30 in the Records and Communications program. Budgeted programming for this position will no longer be divided. Responsibilities of the Administrative Sergeant include management of community outreach efforts, volunteer programs, crime prevention, personnel recruitment and hiring, training, radio interoperability implementation, and support for Town-wide emergency preparedness efforts.

The 1.0 FTE Records Manager has been reclassified to a 1.0 Records and Communications Manager to reflect the responsibilities of this position. The position is responsible for overseeing and managing the day-to-day operations of the Records and Communications Program. Duties include but are not limited to overseeing upgrades and maintenance requirements involving the Computer Aided Dispatch and Records Management Systems (CAD/RMS), managing a variety of intelligence databases, assisting with the management of technology and the radio system, leading the Dispatch operation, and supporting essential division recruitment and training requirements.

Budget programming for 1.0 FTE IT Systems Administrator previously in the Town Administrative Services Program (Information Technology Staffing) has been transferred to the Personnel and Community Services Program under direction of the Administrative Sergeant. For many years, this position has provided for the information technology needs of the Police Department. This updated program modification allows for a more seamless reporting structure and aligns with the technology needs of the Police Department. This position is responsible for Police Department information technology requests, and managing maintenance and improvements of CAD/RMS, information networks, equipment and software.

The 1.0 FTE Human Resources Technician assigned to Personnel and Community Services program is now reclassified as a 1.0 FTE Administrative Technician. The reclassification reflects the required wide range of technical duties and analytical assignments in support of the Administrative Sergeant and Command Staff.

☞ POLICE DEPARTMENT ☜

Staff Resource Modifications

Temporary staff funding is proposed in the FY 2019/20 budget for technology and communication support, and for a Community Service Officer Intern. These temporary hours are from one-time funding.

- Additional temporary staffing hours (685 hrs.) are proposed for a Project Manager to assist with critical operational technology needs and the regional radio project including interoperability upgrades.
- Additional temporary staffing hours (270 hrs.) are proposed for a Community Services Officer Intern (CSO) as a one-time support. The flexibility of using a CSO Intern allows assignment to various divisions within the Police Department for maximum efficiency.

In consideration of staff reductions from prior years and for cost savings, Patrol Officers continue to work 12-hour shifts to maintain adequate staffing levels on each shift. During FY 2018/19 several hybrid schedules were implemented for individual Officers to allow for coverage across all patrol shifts.

The Police Department budget consists of the following programs: Police Administration, Records and Communications, Personnel and Community Services, Patrol, Traffic, Investigations and Parking Management. Pass-Through accounts and Police operating grants are also reflected in the Police Department.

POLICE DEPARTMENT

ACCOMPLISHMENTS

Core Goals	Accomplishments
Community Character Preserve and enhance the appearance character and environment quality of the community	- As the liaison to the Los Gatos Youth Commission, the Police Department continued to facilitate their progressive work on the “No Smoking” project. For FY 2018/19, the Youth Commission finalized designs for the community friendly no-smoking signs that will be distributed throughout downtown Los Gatos. - Homeless Liaison Officers dedicated numerous hours to identifying, assessing and interacting with homeless individuals in Town. The primary focus was to ensure that the homeless population had access to local and county-wide services, adhered to appropriate ordinances and their encampments did not pose a threat to the environment.
Good Governance Ensure responsive, accountable, and collaborative government	- The Police Department maintained an ongoing commitment to recruit and hire qualified candidates for staff vacancies. This fiscal year, three new Officers and two professional staff members were hired to fill existing vacancies. - A working group was formed to conduct a review of the Department’s Policy Manual. The Policy Manual delineates strategic intent, legal foundation and operating procedures that guide the actions of the entire Department. During the review, legal updates were implemented to reflect the most current statutes and operating procedures were evaluated and revised as necessary. - As part of the effort to promote wellness and resiliency of all Department members, a Fitness Cadre was formed to incorporate functional fitness and healthy lifestyles into the daily regimen. A functional fitness gym was built at the Police Operations Building with assistance from the Police Foundation and a local CrossFit elite athlete offered training on how to safely and efficiently embark on a functional fitness program directed towards the physical demands of first responders.

POLICE DEPARTMENT

ACCOMPLISHMENTS

Core Goals	Accomplishments
Good Governance Ensure responsive, accountable and collaborate government	• Recognizing that wellness and resiliency are not solely physical pursuits, Department members participated in Compassion Cultivation Training seminars provided by the Compassion Institute of Palo Alto. The training focused on practices to develop mindfulness, self-compassion and ultimately compassion for all beings. Although this program is in the developmental stages for first responders, the practice of mindfulness is becoming increasingly widespread as a technique to address the stress factors inherent in the law enforcement profession. • During FY 2018/19, the Police Department submitted two grant requests to the California Commission on Peace Officer Standards and Training. The focus of the grants was the development of innovative training and procedures for law enforcement officers with the goal of reducing the frequency of officer-involved shootings statewide. If the grants are awarded, the funding will be used for development and implementation of training related to de-escalation of force techniques for Police Officers, as well as programs that provide training in wellness and mindfulness practices that will assist in appropriate decision-making during high-stress situations. • The Police Department remains committed to the concept that higher education not only promotes excellence in the employee but also allows for a stronger organization and a safer community. In the last fiscal year, seven Department members were enrolled or graduated from college programs to complete Bachelors' and Masters' degrees in work-related courses of study.

POLICE DEPARTMENT

ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Civic Enrichment</i> Foster opportunities for citizen involvement, and cultural, recreational and individual enrichment	• In FY 2018/19, the Department hosted seven Neighborhood Watch meetings and collaborated with the Los Gatos Chamber of Commerce in the implementation of two merchant discussions. Community residents and local businesses participating in the Neighborhood Watch program and merchant safety meetings were provided with crime prevention measures, neighborhood enrichment and community involvement opportunities. Community policing projects are developed with actionable plans for the promotion of engagement in community problem solving. • In FY 2018/19, the School Resource Officer (SRO) took a collaborative approach to the problem of “vaping” (electronic cigarettes) in the schools. The first step was providing education to school faculty and staff on the recognition of vaping, which can be subtle enough to occur in the classroom. This effort lead to an increase in vaping violations and in response, the SRO partnered with the Los Gatos High School administration and the Los Gatos Home and School Club, to develop a vaping educational diversion program for first-time offenders and their parents. The Saturday class provided awareness and education regarding the potential health risk of vaping tobacco and other illegal substances. Four educational vaping diversion classes were completed this past year. • The Police Department hosted three “Coffee with a Cop” events to allow the community to interact with Department members in a relaxed and casual environment over a cup of coffee. Various merchants and organizations throughout the Town generously hosted the event, which provided the opportunity for open communication, community engagement and one-on-one fielding of questions regarding neighborhood concerns. • An analysis of the Dispatch Center call volume was conducted to review and improve the staffing model. Although the audit showed 95% of incoming 911 calls were answered within fifteen seconds (the State standard), adjustments to the Dispatch Center staffing schedule were implemented in FY 2018/19. Improvements were observed immediately as evidenced by 97% of incoming 911 calls being answered within ten seconds. Additionally, 98% of the 42,000 non-emergency calls were answered within twenty seconds.

POLICE DEPARTMENT

ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Public Safety</i> Ensure public safety through proactive community policing, affective emergency response, and community-wide emergency preparedness	• In response to the burgeoning opioid epidemic, the Police Department joined a County-wide effort in collaboration with the Santa Clara County Behavioral Health Services to distribute Naloxone kits to Police Officers. These kits are to be utilized in medical emergencies involving potential opioid overdoses. In FY 2018/19, the Department received training in administering Naloxone to patients. Each patrol vehicle is now equipped with Naloxone kits in addition to the AED device and other first aid equipment. • In FY 2018/19 the Police Department continued to collaborate with the Safe Routes to School Partnership, Traffic Safe Communities Network, and Parks and Public Works in promoting pedestrian and bicycle safety programs. These programs consisted of increased education, enforcement, and encouragement around the schools. In addition, the Police Department participated in Bicycle Rodeos where officers collaborated with Safe Routes Committee liaisons to provide educational training to students on bicycle and pedestrian safety. • In the ongoing effort to enhance the Police Department's strategic deployment model, two Specialized Electric Pedal-Assist bicycles were introduced in FY 2018/19. These new bicycles enhanced the overall effectiveness of the Patrol Bicycle Team and specifically provide Officers with ease of access during special events and periods of congested traffic conditions in the downtown Los Gatos area. • In FY 2016/17 the Police Department partnered with Crisis Text Line to promote alternative crisis communication for individuals in mental health crisis. The program allowed access to mental health professionals from a mobile device. In FY 2017/18, the Los Gatos Youth Commission successfully requested that Los Gatos High School and Fisher Middle School administrators incorporated Crisis Text Line information as an additional resource on student identification cards. The Youth Commission continued with the promotion of Crisis Text Line in FY 2018/19, provided peer to peer mentoring and initiated a "See it/Say it" campaign to ensure that students were proactive in assessing the well-being of their classmates.

POLICE DEPARTMENT

ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Public Safety</i> Ensure public safety through proactive community policing, affective emergency response, and community-wide emergency preparedness	During FY 2018/19, Department staff focused on re-organizing and expanding the Community Emergency Response Teams (CERT) as part of the Town's overall efforts to bolster emergency preparedness levels. Initial efforts centered on meeting with CERT leaders to provide them with direction and support from the Police Department. This led to the identification of additional volunteers willing to assume leadership positions. The out-of-date list of CERT volunteers was audited and updated to identify 161 CERT volunteers still interested in being an active part of the program. All of the CERT members within the Department's jurisdiction were entered into AlertSCC to facilitate notification and activation in the event of a disaster. A bi-monthly Los Gatos-Monte Sereno CERT newsletter was initiated in Fall 2018 and a training calendar was created to identify local CERT training and other related training opportunities offered through the Santa Clara County Fire Department or the American Red Cross. In partnership with the CERT leaders, goals and objectives for the 2019 calendar year were created to address training opportunities, membership recruitment and equipment upgrades. This year, updated radio equipment was purchased for the Neighborhood Incident Command Post's (NICP) and the Town's Emergency Operations Center. To enhance communications capabilities, several CERT leaders have developed a prototype solar power option in order to provide energy to the NICP's that would supplement existing generators in the event of a disaster. Efforts by Department staff during FY 2018/19 timeframe have addressed the previously held perceptions regarding the lack of Department involvement, minimal training and archaic equipment. These efforts have resulted in a re-invigorated CERT program that will ultimately make the community more resilient and prepared in the event of a disaster.

POLICE DEPARTMENT

ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Public Safety</i> Ensure public safety through proactive community policing, affective emergency response, and community-wide emergency preparedness	• In addition to training sworn personnel in active shooter response, the Department continued efforts to provide training and resources to various segments of the community regarding preparation for a potential violent intruder or mass casualty event. All sworn personnel participated in realistic active shooter response scenarios that emphasized safe tactics and interaction with Fire/EMS personnel to facilitate rapid care for injured victims. The School Resource Officer (SRO) and members of the tactical team, certified as Active Shooter Instructors provided “Run, Hide, Defend” training for faculty and staff within both the Los Gatos-Saratoga Union High School District and the Los Gatos Union School District. In addition, staff met with a variety of businesses, public facilities and faith-based organizations to assist with developing or revising emergency action plans. • The Police Department continues to embrace the importance of providing enhanced training to all sworn personnel and dispatchers in dealing with community members in mental health crisis. Officers and dispatchers attend Crisis Intervention Training (CIT) courses from a variety of providers, in addition to mandatory in-service training. In FY 2018/19, four Officers attended the 40-hour Crisis Intervention Training course. Currently, over 90% of sworn personnel and 100% of Dispatchers have received enhanced Crisis Intervention Training. In addition, recognizing the need for collaboration to address the issue of mental health, Chief Decena represents the Santa Clara County Police Chiefs’ Association on the newly formed Mental Health Response Working Group. The Working Group includes the Behavioral Health Services Director and staff members, representatives from the Sheriff’s Office and the San Jose Police Department. The goal is to facilitate partnerships between law enforcement and mental health clinicians to enhance the safety of those in mental health crisis and ensure they receive the appropriate services.

POLICE DEPARTMENT

ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Public Safety</i> Ensure public safety through proactive community policing, affective emergency response, and community-wide emergency preparedness	During FY 2018/19 the Police Department issued a Request for Proposal (RFP) for a new Computer Aided Dispatch and Records Management System (CAD/RMS) that will meet the Department's current and future operational needs. The new CAD/RMS System will also provide the ability to collect and report state-mandated data in accordance with recent legislative changes, such as the California Racial and Identity Profiling Act (RIPA), and National Incident-Based Reporting System (NIBRS). Police Department staff will continue to identify improvements to the data collection and retention system with the goal of eliminating data-entry redundancy, enhancing security and increasing productivity.

POLICE DEPARTMENT

DEPARTMENTAL SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
<i>Licenses and Permits</i>	\$ 94,363	\$ 87,427	\$ 78,027	\$ 69,000	\$ 75,109	\$ 87,920
<i>Intergovernmental Revenues</i>	1,408,880	817,331	886,555	639,759	746,167	835,391
<i>Service Charge</i>	977,705	1,049,384	1,099,057	1,122,092	1,123,666	1,182,264
<i>Fines & Forfeitures</i>	809,014	862,076	656,216	604,800	433,809	468,950
<i>Other Revenues</i>	66,226	64,356	49,455	83,053	70,553	86,887
TOTAL REVENUES	\$ 3,356,188	\$ 2,880,574	\$ 2,769,310	\$ 2,518,704	\$ 2,449,304	\$ 2,661,412
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 10,470,070	\$ 10,518,132	\$ 11,445,906	\$ 12,436,453	\$ 12,912,462	\$ 14,377,080
<i>Operating Expenditures</i>	1,535,609	1,008,652	1,025,236	1,377,328	1,280,025	1,445,810
<i>Grants</i>	32,601	5,897	11,587	20,000	26,472	20,000
<i>Fixed Assets</i>	35,633	-	-	-	-	-
<i>Internal Service Charges</i>	1,770,773	1,718,609	1,940,825	1,142,734	1,129,352	1,097,894
TOTAL EXPENDITURES	\$ 13,844,686	\$ 13,251,290	\$14,423,554	\$ 14,976,515	\$ 15,348,311	\$ 16,940,784
Transfers Out						
<i>Transfers Out to Equipment Replacement</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Transfers Out	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES & TRANSFERS OUT	\$ 13,844,686	\$ 13,251,290	\$14,423,554	\$ 14,976,515	\$ 15,348,311	\$ 16,940,784

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
PROGRAM						
<i>Administration</i>	\$ 889,742	\$ 861,561	\$ 1,026,502	\$ 1,045,209	\$ 1,223,322	\$ 1,299,427
<i>Records & Communications</i>	1,914,577	1,949,183	2,072,274	2,401,228	2,250,288	2,363,660
<i>Patrol</i>	6,115,836	5,827,002	6,575,258	6,616,271	7,315,973	7,512,107
<i>Traffic</i>	719,561	932,169	992,689	921,515	1,008,544	1,084,957
<i>Investigations</i>	2,208,996	2,342,031	2,282,295	2,445,825	2,361,976	2,844,068
<i>Personnel & Community Services</i>	701,737	596,274	773,826	780,682	562,927	1,037,275
<i>Parking</i>	665,850	700,325	683,817	688,551	595,332	671,384
<i>Operating Grants</i>	71,920	14,567	11,451	39,119	26,967	95,791
<i>Pass -Through Accounts</i>	556,467	28,178	5,442	38,115	2,982	32,115
TOTAL EXPENDITURES	\$ 13,844,686	\$ 13,251,290	\$14,423,554	\$ 14,976,515	\$ 15,348,311	\$ 16,940,784

POLICE DEPARTMENT

DEPARTMENT STAFFING

Full Time Equivalents (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
	Funded	Funded	Funded	Funded	Adopted
General Fund					
Chief of Police	1.00	1.00	1.00	1.00	1.00
Police Captain	1.00	1.00	1.00	2.00	2.00
Police Lieutenant	2.00	2.00	2.00	-	-
Police Sergeant	6.00	6.00	6.00	7.00	7.00
Police Corporal	4.00	4.00	4.00	4.00	4.00
Police Officer	25.00	25.00	25.00	25.00	25.00
Community Services Officer	2.00	2.00	1.00	1.00	1.00
Records & Evidence Manager	1.00	-	-	-	-
Police Records Manager	-	1.00	1.00	1.00	-
Police Records & Com Manager	-	-	-	-	1.00
Senior Administrative Analyst	-	-	-	1.00	1.00
Administrative Analyst	1.00	1.00	1.00	-	-
Executive Assistant to Chief	1.00	1.00	1.00	1.00	1.00
Communication Dispatcher Lead	1.00	1.00	1.00	1.00	1.00
Communications Dispatcher	6.00	7.00	7.00	7.00	7.00
Parking Control Officer	2.00	2.00	2.00	2.00	2.00
Police Records Specialist	5.00	4.00	4.00	4.00	4.00
Community Outreach Coordinator	-	-	1.00	1.00	1.00
Human Resources Specialist	-	-	1.00	1.00	-
Administrative Technician	-	-	-	-	1.00
IT Systems Administrator	-	-	-	-	1.00
Total General Fund FTEs	58.00	58.00	59.00	59.00	60.00
Temporary Staff Hours					
Community Service Officer Intern	1,938	1,725	1,040	1,720	1,720
Community Service Officer	250	390	390	-	-
Police Officer	1,119	300	300	300	300
IT Technician	-	-	685	685	-
Parking Control Officer	357	357	357	-	-
Police Records Specialist	320	320	1,360	-	-
Communications Dispatcher	520	330	330	330	330
CSO-Investigation Evidence	-	-	1,040	-	-
Project Manager	-	-	-	-	685
Total Annual Hours	4,504	3,422	5,502	3,035	3,035



Police Department

POLICE ADMINISTRATION PROGRAM 4101

PROGRAM PURPOSE

The Police Administration Program is responsible for the organization and management of the Department. These resources manage the departmental programs and are responsible for developing and providing oversight for the Department's total budget, hiring and promotion of sworn and professional staff, career development, succession planning and review and implementation of policies and procedures. The Administration Program supports responsive, effective, and efficient police services and a strong police/community partnership. The Police Administration Program resources are allocated in a manner to provide thorough review and deliver current industry equipment, technology, and training necessary to deliver quality policing services while being fiscally responsible.

Departmental operations are consistent with Town policies, core values, and community safety needs. Police Administration staff emphasize transparency, police legitimacy, responsive crime suppression and prevention programs, directed traffic enforcement to promote safe and orderly traffic flow on Town streets and emergency preparedness. The Police Administration Program is dedicated to furthering the vision and goals of the Department and supporting personnel in the fulfillment of their duties. The Police Administration Program continually collaborates with other Town Departments to increase effectiveness and enhance quality of life for the citizens of Los Gatos. This program also provides the primary support for the Town's Youth Commission activities.

BUDGET OVERVIEW

The FY 2019/20 budget includes increases in salaries and benefits costs attributed to negotiated salary raises, and higher benefit and CalPERS pension rates.

POLICE DEPARTMENT
Police Administration

SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ 927	\$ 698	\$ 2,489	\$ 1,500	\$ 3,000	\$ 3,735
<i>Intergovernmental Revenue</i>	-	-	-	-	-	-
<i>Service Charges</i>	-	-	-	-	-	-
<i>Grants</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	32,601	6,080	11,721	20,000	26,472	20,000
TOTAL REVENUES	\$ 33,528	\$ 6,778	\$ 14,210	\$ 21,500	\$ 29,472	\$ 23,735
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 691,914	\$ 684,660	\$ 847,743	\$ 899,787	\$ 1,062,727	\$ 1,058,719
<i>Operating Expenditures</i>	17,675	20,611	13,447	21,500	23,700	27,214
<i>Grants</i>	32,601	5,897	11,587	20,000	26,472	20,000
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	147,552	150,393	153,725	103,922	110,423	193,494
TOTAL EXPENDITURES	\$ 889,742	\$ 861,561	\$ 1,026,502	\$ 1,045,209	\$ 1,223,322	\$ 1,299,427
TRANSFERS OUT						
<i>Transfer to Equipment Replacement</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL TRANSFERS OUT	-	-	-	-	-	-
TOTAL EXPENDITURES & TRANSFERS OUT	889,742	861,561	1,026,502	1,045,209	1,223,322	\$ 1,299,427

☞ POLICE DEPARTMENT ☜
Police Administration

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative governance	<i>Organizational Structure and Development</i>
	In FY 2018/19 the Police Department restructured its Command Staff by eliminating 2.0 FTE Lieutenants and adding 1.0 FTE Captain allowing the Department to return to a two Captain organizational model. The restructure supported budgetary funding for an increase from 6.0 FTE Sergeants to 7.0 FTE Sergeants. The restructure will continue to be evaluated for efficiency and effectiveness during FY 2019/20. The Department will continue to analyze the primary job responsibilities of various positions / assignments to identify areas of operational effectiveness. In addition, career development and succession planning will be conducted through skill development and essential training opportunities.
	<i>Budget Oversight and Equipment Grant Opportunities</i>
	During FY 2019/20, the Police Administration will continue to track and monitor program budgets including overtime, salaries and benefits, and operational capabilities to ensure the Department remains fiscally responsible. The Department continues to seek grant opportunities in an effort to maximize potential revenue sources and procure operational equipment replacement needs.
	<i>Recruitment and Retention</i>
	The Police Administration will continue to work collaboratively with the Human Resources Department to identify innovative staff recruitment and retention strategies. In FY 2019/20, staff will provide ongoing recruitment testing processes, and participate in job fairs, recruitment opportunities at colleges and police academies. In addition, due to the extensive hiring process, staff will identify potential departures and transitions to reduce vacant positions for extended durations of time.
	<i>Legislative Updates and Policy Revisions</i>
	The Police Administration will continue to monitor federal, state, and local legislative updates and identify the operational impacts to the Department. Legislative revisions and new legislation are the catalyst for amendments to Department policy, operational procedures, and mandated reporting requirements. In FY 2019/20, staff will continue to monitor and forecast the impacts of legislative mandates, while revising and developing model policies and Department procedures.

PD POLICE DEPARTMENT
Police Administration

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
<i>Civic Enrichment</i> Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	<i>Youth Commission</i> The Los Gatos Youth Commission's goal of sharing a voice of the youth in the Los Gatos community continues in FY 2019/20. As the liaison to the Los Gatos Youth Commission, the Police Department will continue to guide the Commission in their development and promotion of initiated projects in FY 2019/20. The potential projects provide information and community outreach to various residents, youth and businesses of the Town.

KEY PROGRAM SERVICES

- Administers Department operations.
- Provides policy and operational guidance for staff.
- Develops and monitors the Department's annual operating budget.
- Provides departmental financial/budget statistical analysis.
- Manage and oversee police service contractual obligations with the City of Monte Sereno.
- Develops succession planning goals and opportunities for staff.
- Oversees Police Department's media and mass notification communications.
- Provides project management on special projects.
- Manages division programs and personnel.

☞ POLICE DEPARTMENT ☜
Police Administration

POLICE ADMINISTRATION PROGRAM STAFFING

Full Time Equivalents (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Adopted
Chief of Police	1.00	1.00	1.00	1.00	1.00
Police Captain	1.00	1.00	1.00	1.00	1.00
Administrative Analyst	1.00	1.00	1.00	-	-
Senior Administrative Analyst	-	-	-	1.00	1.00
Executive Assistant to Chief	1.00	1.00	1.00	1.00	1.00
Total Administration FTEs	4.00	4.00	4.00	4.00	4.00



Police Department

RECORDS AND COMMUNICATIONS PROGRAM 4201

PROGRAM PURPOSE

The Records and Communications Program is staffed by civilian personnel and is comprised of both Police Records and the Communication Center (Dispatch).

The Los Gatos-Monte Sereno Police Department Records Division is staffed by civilian personnel who perform numerous support functions in addition to serving as the repository for all Police records. This unit is responsible for accurate data entry and maintenance of reported Police activity in all systems including in-house records management systems as well as county, state, and federal database systems. Records Division staff processes criminal and traffic warrants, handles custodial and non-custodial bookings, and prepares criminal case filings to be forwarded to the District Attorney's Office for prosecution within mandated time restrictions. As the primary point of contact for the public at Police Headquarters, Records personnel fulfill report requests, provide LiveScan fingerprinting services, and handle a wide number of other administrative duties in support of the Police Department.

The Records Division is supervised by a Records and Communications Manager who serves as the Custodian of Records and is responsible for the collection, classification, monitoring and reporting of all departmental criminal and statistical data. Additionally, the Records and Communications Manager receives, conducts research, and responds to requests filed under the California Public Records Act. This position manages special projects and database administration, in addition to completing internal and external audits.

The Communication Center is staffed twenty-four hours a day, seven days a week. The Dispatchers handle the prompt and effective coordination of emergency and non-emergency response by receiving emergency and non-emergency calls, assigning resources, monitoring call and personnel status, and providing support to law enforcement personnel. The Communication Center also supports the sworn personnel by retrieving information for

☞ POLICE DEPARTMENT ☜
Records and Communications

officers, fulfilling requests for dispatch recordings, completing data entry and releasing property when the Records Division is not open.

BUDGET OVERVIEW

The 1.0 FTE Records Manager has been reclassified to a 1.0 Records and Communications Manager to reflect the responsibilities of this position. This position is responsible for overseeing and managing the day-to-day operations of the Records and Communications Program.

In FY 2018/19, 0.30 FTE of the Support Services Administrative Sergeant was programmed in the Records and Communications program. Budgeted programming for this position will no longer be divided. In FY 2019/20 the Administrative Sergeant will be programmed as 1.0 FTE in the Personnel and Community Services program.

Temporary staffing hours have been outlined for an IT Program Manager to work with management on the regional radio project as well as address police radio and other IT related matters.

SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenue</i>	-	-	-	-	-	-
<i>Service Charges</i>	8,919	8,737	7,001	7,800	6,800	7,100
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	1,074	143	2,529	3,372	8,372	3,372
TOTAL REVENUES	\$ 9,993	\$ 8,880	\$ 9,530	\$ 11,172	\$ 15,172	\$ 10,472
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 1,478,310	\$ 1,570,839	\$ 1,714,157	\$ 1,939,354	\$ 1,788,738	\$ 1,984,296
<i>Operating Expenditures</i>	247,780	195,513	224,859	280,218	281,294	283,883
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	188,487	182,831	133,258	181,656	180,256	95,481
TOTAL EXPENDITURES	\$ 1,914,577	\$ 1,949,183	\$ 2,072,274	\$ 2,401,228	\$ 2,250,288	\$ 2,363,660

☞ POLICE DEPARTMENT ☜
Records and Communications

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative government	<i>Regionalized Information Sharing</i>
	Multiple upgrades to electronic management systems are underway that impact all county law enforcement agencies in the County. These include new case management systems at Superior Court, upcoming Jail Management System upgrades, and Electronic Case Management portals within the District Attorney’s Office. During FY 19/20, the Records and Communications Manager will participate in workgroups in collaboration with local law enforcement agencies, prosecutors, and County entities, focusing on the ability for local databases to interface with these various County and State database systems.
	<i>Compliance with Upcoming Mandates</i>
	The Racial and Identity Profiling Act (RIPA) of 2015 (AB953) will require Los Gatos-Monte Sereno Police Officers to report data on their law enforcement related contacts beginning in 2022. During FY 2019/20 Police Department staff will research how to best comply with these requirements to make appropriate recommendations in FY 2020/21. In FY 2019/20, Police Department staff will also research how best to transition from Uniform Crime Reporting (UCR) to National Incident Based Reporting System (NIBRS), the method used to report statistical data to state and federal agencies. The transition, and subsequent training, will need to be identified and completed by 2021. During FY 19/20, the Department will confirm that its future CAD/RMS solution will support compliance with this reporting requirement.
	<i>California Public Records Act Requests</i>
	New legislation has increased the number of California Public Records Act requests. In FY 2019/20, staff will continue to ensure that responses are provided within the ten days as prescribed by law. Recent legislation has created a need to procure redaction software for Mobile Audio video (MAV) and Body Worn Camera video. In FY 2019/20, the Department will identify redaction software and recommend the purchase of the software to comply with the required release of redacted video.

☞ POLICE DEPARTMENT ☜
Records and Communications

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
<i>Civic Enrichment</i> Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	<i>911 for Kids</i> In FY 2019/20, Communications Dispatchers will be completing 911 for Kids curriculum and working with the School Resource Officer (SRO) to conduct educational campaigns at the elementary school level. 911 for Kids is an interactive training program to teach kids how to call 9-1-1. With technology ever changing, 911 for Kids now includes a 9-1-1 procedure for cellphone and gaming devices. 911 for Kids also honors kids who made a difference by dialing 9-1-1.
<i>Public Safety</i> Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness	<i>NexGen 911 Dispatch Technology</i> In FY 2019/20, staff will explore options to upgrade technological infrastructure to implement NexGen 911 capabilities. This system allows the capability for the public to make voice, text, or video emergency "calls" from any communications device via Internet Protocol-based networks to the Communications Dispatch Center. Additionally, Text-to-911 is the ability to send a text message to reach 9-1-1 emergency call takers from mobile phones or other devices. Text-to-911 should be functional in FY 2019/20. <i>CAD/RMS</i> During FY 2018/19 the Police Department issued a Request for Proposal (RFP) for a new Computer Aided Dispatch and Records Management System (CAD/RMS) that will meet the Department's current and future operational needs. In FY 2019/20, the Police Department will work on the implementation of the new CAD/RMS system. The goal is to eliminate redundancy, allow for enhanced efficiency, and provide the ability to make more informed, data driven decisions in the deployment of resources. This is a large-scale project that impacts all Department staff members and aids in meeting upcoming legislative mandates related to compiling specific information. Data conversion and system cutover is anticipated during FY 2019/20.

☞ POLICE DEPARTMENT ☜
Records and Communications

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
<i>Public Safety</i> Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness	<i>SVRIA</i> In FY 2019/20, construction of the needed infrastructure to complete the Silicon Valley Regional Interoperability Association (SVRIA) project will occur. The SVRIA was formed to enhance interoperability for public safety radio communications. The Police Department has worked in partnership with SVRIA to ensure responsible fiscal accounting, continued build out of the radio system infrastructure in our jurisdiction, and local application of the regional interoperable communications network known as Silicon Valley Regional Communications System (SVRCS). The Police Department is in the process of purchasing the remaining radios and infrastructure needed to communicate on the new system. Department staff is ensuring accountability and necessary training, ongoing channel plan and system updates, and will switch over to the SVRIA system in FY 2019/20.

KEY PROGRAM SERVICES

Records

- Responds to customer inquiries.
- Processes police reports and citations.
- Processes criminal and traffic warrants.
- Provides fingerprint services to residents.
- Completes required statistical reporting to state and federal government.
- Processes subpoena and Public Records Requests.
- Distributes statistical information to Patrol and Investigations as needed.

Communications

- Responds to 911 calls and other emergency/non-emergency calls.
- Provides dispatch service to patrol.
- Dispatches emergency personnel.
- Handles customer inquiries.
- Maintains audio recordings of radio and phone traffic; provides copies for court and Department use.

☞ POLICE DEPARTMENT ☜
Records and Communications

RECORDS & COMMUNICATION PROGRAM STAFFING

Full Time Equivalents (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Adopted
Police Lieutenant	0.30	0.30	0.30	-	-
Police Sergeant	-	-	-	0.30	-
Police Records Manager	-	1.00	1.00	1.00	-
Police Records & Com Manager	-	-	-	-	1.00
Records & Evidence Manager	1.00	-	-	-	-
Communications Dispatcher Lead	1.00	1.00	1.00	1.00	1.00
Communications Dispatcher	6.00	7.00	7.00	7.00	7.00
Police Records Specialist	3.00	3.00	3.00	3.00	3.00
Total Records & Comm. FTEs	11.30	12.30	12.30	12.30	12.00

	2015/16	2016/17	2017/18	2018/19	2019/20
<i>Temporary Staff Hours</i>	Funded	Funded	Funded	Funded	Adopted
IT Technician	898	685	685	685	-
Project Manager	-	-	-	-	685
Police Records Specialist	320	320	1,360	-	-
Communications Dispatcher	520	330	330	330	330
Total Annual Hours	1,738	1,335	2,375	1,015	1,015

POLICE DEPARTMENT
Records and Communications

Performance Objectives and Measures		2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1. Provide efficient delivery of department statistics by the 15th of every month.*						
a. Statistics completed on or before the 15th day of the month or nearest working date.		100%	100%	100%	100%	100%

Activity and Workload Highlights		2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1.	Total number of CAD events created:**	55,994	56,501	55,283	54,630	55,283
2.	Total landline and wireless calls received by dispatch (does not include 911 calls):	48,404	46,630	44,436	39,196	46,630
3.	Number of 911 calls received:	10,181	10,489	10,301	9,893	10,287
4.	Number of stored and/or impounded vehicles processed:	148	194	202	219	194
5.	Number of police reports processed:	4,177	4,140	4,231	4,150	4,150
6.	Number of public contacts at Records:***	4,042	4,126	3,000	2,500	2,500
7.	Number of citations processed:***	6,338	4,856	4,419	3,936	4,856

* New measure effective FY 2014/15.

** A computer-aided dispatch (CAD) event documents all Police-related activity by sworn and civilian personnel.

*** New measure effective FY 2015/16, historical data provided when available.



Police Department

PERSONNEL AND COMMUNITY SERVICES PROGRAM 4202

PROGRAM PURPOSE

The Personnel and Community Services (PCS) Program provides an essential level of support to the Police Department by overseeing the Department's adherence to state and federal mandates and values of the community for a transparent law enforcement agency. The PCS Program supports the personnel growth and recruitment of the Police Department through hiring of new personnel, continued education, in-service training, and professional growth of personnel as required through California Peace Officer Standards and Training. This program identifies succession planning; promotes organizational development; maintains personnel adherence to professional standards; and administers crime prevention activities and community event programs. Staff in the PCS program also manages and provides oversight to the numerous volunteer programs that support all functions of the Department. This program facilitates the administrative management of the tow truck permit program, residential parking, commercial alarm permits, and Alcohol Beverage Control licensing permits.

Working in conjunction with the Town Manager's Office and the Santa Clara County Fire Department, the Police Department participates in emergency management and preparedness. Staff in this program work in collaboration with state and regional emergency management entities, such as Santa Clara County Office of Emergency Services, in preparation and planning for the possibility of earthquakes, fires, floods, and other natural and man-made disasters.

In FY 2018/19 the Personnel and Community Service program was involved in hiring three sworn officers, two civilian staff member employees, and assessing the recruitment process and announcements for various sworn and civilian opportunities throughout the Department.

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Personnel and Community Services

BUDGET OVERVIEW

In FY 2019/20 the Personnel and Community Services Program has been revised to incorporate 1.0 FTE of the Support Services Bureau Administrative Sergeant position. Previously this position was programmed as 0.70 FTE in the Personnel and Community Services program and 0.30 in the Records and Communications program. Responsibilities of the Administrative Sergeant include management of community outreach efforts, volunteer programs, crime prevention, Department personnel hiring, training, radio interoperability expansion and deployment, and supplementing emergency management.

Budget programming for 1.0 FTE IT Systems Administrator previously in the Town Administrative Services Program (Information Technology Staffing) has transferred to the Personnel and Community Services Program under direction of the Administrative Sergeant. This position is responsible for Police Department Information Technology (IT) requests, and managing maintenance and improvements of information networks, equipment and software.

The 1.0 FTE Human Resources Technician assigned to Personnel and Community Services program is now reclassified to a 1.0 FTE Administrative Technician. The reclassification reflects the required wide range of technical and analytical duties in support of the Administrative Sergeant and Command Staff. These reclassifications support professional development opportunities and increase flexibility for operational effectiveness.

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Personnel and Community Services

SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenue</i>	334,483	376,720	429,342	294,640	414,200	434,600
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	2,315	1,000	1,500	1,000	1,000	1,000
TOTAL REVENUES	\$ 336,798	\$ 377,720	\$ 430,842	\$ 295,640	\$ 415,200	\$ 435,600
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 422,193	\$ 337,873	\$ 501,437	\$ 519,160	\$ 309,443	\$ 898,531
<i>Operating Expenditures</i>	11,580	14,865	17,288	191,350	189,510	27,464
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	267,964	243,536	255,101	70,172	63,974	111,280
TOTAL EXPENDITURES	\$ 701,737	\$ 596,274	\$ 773,826	\$ 780,682	\$ 562,927	\$ 1,037,275

☞ POLICE DEPARTMENT ☞
Personnel and Community Services

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
<i>Good Governance</i> Ensure responsive, accountable, and collaborative government	<i>Police Department Training Plan</i>
	Personnel and Community Services staff is creating a comprehensive training plan that includes mandatory training as well as essential and desired training for each position within the organization. This will assist Department employees to identify career development opportunities and needs as well as assist Personnel and Community Services in monitoring and managing succession planning for all Department employees.
	<i>Bloodborne Pathogens and Cal-OSHA Training</i>
	In FY 2019/20, Personnel and Community Services staff will work in conjunction with the Human Resources Department to assure Police Department staff will complete Cal-OSHA mandated training on first-responder “Bloodborne Pathogens Awareness and Exposures,” and “Air Purifying Respirator” fit testing and certification. The annual training will provide sworn staff with personal protective equipment and provide certified training during hazardous materials and chemical exposure incidents.

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Personnel and Community Services

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
Civic Enrichment Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	Website Refresh
	The Department is reviewing, assessing, and collaborating on improving the Police Department website to ensure that the most current and relevant information is available and arranged in a manner that makes information easily accessible. Specific areas of focus include the design and information available on emergency preparedness and employment opportunities.
	“Getting to Know Everyone in the Community”
	Personnel and Community Services engages in multi-faceted efforts toward the achievement of the Department’s vision with the ultimate goal of “knowing everyone in our community.” The Personnel and Community Services staff will continue to oversee and monitor all personnel efforts to build community relationships and engage in community problem solving. The Department continues to foster relationships and host community events such as: “See it / Say it”, “Coffee with a Cop”, Boy Scouts and Girls Scouts of America tours and presentations, New Resident Outreach Program, Leadership Los Gatos participation, “Los Gatos On-Watch Program”, Vacation Checks, and Operation Care.
	Neighborhood Watch Programs
	During FY 2019/20, the Police Department will continually work to expand the Neighborhood and Business Watch Programs, targeting crime prevention, awareness, and education. This community outreach program provides citizens with current crime trends, enhances communications, promotes crime preventative measures, and builds community resilience and neighborhood relationships. The Neighborhood Watch Program focuses on crime prevention strategies and collaboration between neighbors and the Police Department.

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Personnel and Community Services

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
<i>Civic Enrichment</i> Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	<i>Volunteer Programs</i> Personnel and Community Services screens and provides direction to several volunteer personnel that fulfill roles in Volunteer in Policing (VIP), the Victim Services Unit (VSU), and college interns. The VIP's are trained volunteers that are used to enhance crime prevention awareness, explain community services and perform a multitude of duties to support the function of the Police Department. Some of these duties include vacation house checks, graffiti patrol, clerical work, and computer data entry. In FY 2019/20, the Police Department is devoted to reinvigorating the Victim Service Unit with a new protocol, framework, and additional volunteer assignments. VSU is committed to preserving the dignity and rights of the victims of crime that occur in the Town of Los Gatos and the City of Monte Sereno. In addition, the Police Department will continue to conduct a workload assessment and determine availability of opportunities for college internships that will provide an educational exposure to the inner operations of the Police Department and the various functions.
<i>Public Safety</i> Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness	<i>Community Emergency Response Team (CERT)</i> Police Department staff collaborates with the Community Emergency Response Team leads and has formulated goals and objectives for the 2019 calendar year. These goals address jurisdiction specific training opportunities not previously held to refresh and develop our membership skills and capabilities, focus on CERT membership recruitment opportunities, and enhance the communication capabilities via the purchase of updated CERT radio equipment for the Neighborhood Incident Command Post's and Emergency Operations Center. The Department and membership are reinvigorating a robust LGMS CERT program that will ultimately make the community more resilient and prepared in the event of a disaster. The program recognizes the need and appreciation for these volunteers. Training opportunities have been identified throughout the year that will be hosted both by the Police Department and in collaboration with other CERT. training resources. Additionally, the FY 2019/20 goals and objectives consist of supplementing and replacing CERT equipment, recruiting additional active members, and updating the communication function and abilities.

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Personnel and Community Services

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
<i>Public Safety</i> Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness	<i>Emergency Preparedness</i>
	During FY 2019/20, the Police Department will mobilize both a proactive and reactive emphasis on the Neighborhood Watch Program, through facilitating the integration and promotion of the Community Emergency Response Team (CERT) program. The collaboration of the CERT program in conjunction with Neighborhood Watch will enhance community awareness, community partnerships, and build community resilience. Neighborhood Watch will work in partnership with CERT similarly to the Block Action Team (BAT) design. A unified approach will increase swift disaster assessment abilities, improve rescue response, and amplify community awareness and involvement
	<i>Emergency Operations Plan</i>
	The Police Department continues to coordinate and collaborate with the Town Manager's Office and Santa Clara County Fire Department on establishing roles and responsibilities within emergency management, volunteer coordination, and planning. In FY 2019/20 an emphasis will be placed on emergency management and preparedness to ensure critical planning and community training for wildland fire evacuation, earthquake preparedness, flood evacuation, and other critical disaster planning. The Department will continue to update, test, and maintain emergency notification and communication systems through the Alert SCC Program, and Nixle Program.

KEY PROGRAM SERVICES

- Manages personnel hiring.
- Manages community outreach through social media and community databases.
- Manages the Department training program.
- Coordinates the Department's community outreach, crime prevention, and neighborhood organization efforts.
- Manages the Department's volunteer program.
- Coordinates emergency management response, training of personnel, and maintenance of the Emergency Operations Center (EOC).
- Develops, coordinates, and manages the Community Emergency Response Team (CERT) and the Disaster Aide Response Team (DART).

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Personnel and Community Services

PERSONNEL & COMMUNITY SERVICE PROGRAM STAFFING

Full Time Equivalents (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
	Funded	Funded	Funded	Funded	Adopted
<i>Town Staff</i>					
Police Lieutenant	0.70	0.70	0.70	-	-
Police Sergeant	-	-	-	0.70	1.00
Community Services Officer	2.00	1.00	-	-	-
Community Outreach Coordinator	-	-	1.00	1.00	1.00
IT Systems Administrator	-	-	-	-	1.00
Human Resources Specialist	-	-	1.00	1.00	-
Administrative Technician	-	-	-	-	1.00
Total Personnel & CS FTEs	2.70	1.70	2.70	2.70	4.00

	2015/16	2016/17	2017/18	2018/19	2019/20
	Funded	Funded	Funded	Funded	Adopted
<i>Temporary Staff Hours</i>					
Police Officer	296	300	300	300	300
Total Annual Hours	296	300	300	300	300

☞ POLICE DEPARTMENT ☞
Personnel and Community Services

Performance Objectives and Measures	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1. <i>Enhance the breadth of public safety services provided through the effective use of volunteers.</i>					
a. Percentage of Volunteers in Policing (VIP) reporting satisfaction with their assignments:	100%	100%	100%	100%	100%
2. <i>Prepare resident volunteers to assist in an emergency.</i>					
a. Percentage of CERT participants better prepared to assist in an emergency:	100%	100%	100%	100%	100%
3. <i>Create a spirit of cooperation between the Town organization and the community.</i>					
a. Percentage of Town volunteers who find their participation in Town volunteer activities to be a positive experience:*	100%	100%	100%	Measure Discontinued	Measure Discontinued

Activity and Workload Highlights	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1. Average hours of training for per sworn officer:	115	118	63	90	60
2. Hours of essential training provided to each person in a specialized assignment (Detective Bureau, Traffic, etc.):	52	60	52	44	40
3. Average hours of training for non-sworn personnel:	30	38	16	28	20
4. Total number of hours volunteered Town-wide (not including VIP):	37,840	25,239	21,151	22,000	27,000
5. Total value of volunteer hours (not including VIP):	\$851,400	\$567,877	\$475,897.50	\$495,000	\$607,500
6. Number of hours of volunteer (VIP) service:	1,894	1,414	1,570	1,732	1,713
7. Dollar value of total annual volunteer (VIP) hours of service:	\$39,774	\$29,687	\$35,325	\$37,550	\$35,973
8. Number of CERT personnel trained this year:	36	31	36	31	31
9. Total number of active trained CERT personnel:	441	466	168	175	200

* Measure discontinued effective FY 18/19



Police Department

PATROL PROGRAM 4301

PROGRAM PURPOSE

The Patrol Program has the responsibility of providing responsive police services to the community of Los Gatos twenty-four hours a day, seven days a week. The Patrol Program deploys twenty-five uniformed police officers across four shifts to respond to all calls for service. Officers provide both proactive and reactive service to the community, respond to emergency and non-emergency calls, engage in directed and self-initiated enforcement actions, and utilize problem solving techniques designed to increase community safety. The Patrol Program implements innovative crime suppression techniques and strategic deployment models to reduce crime and promote a high degree of safety and quality of life for the Town. Patrol officers respond to calls for service, provide directed patrol based on crime patterns and citizen complaints, make arrests, conduct criminal investigations, participate in community and neighborhood events/meetings, and issue traffic citations and warnings.

Within the Patrol function, specialized trained officers are deployed as Field Training Officers (FTO), Crisis Intervention/Mental Health Officers (CIT), Homeless Liaison Officers, K-9 Officer, and Bicycle Officers. Officers in this program are also assigned to other collateral assignments on specialized teams. The collateral specialized teams provide support to the Patrol Program, including the Crisis Response Unit (CRU), Crisis Negotiation Team (CNT), Traffic Collision Investigation/Crime Scene Team, Peer Support Team, Firearms/Range Team, Defensive Tactics Team, and the Bicycle Team.

The Reserve Police Officer Program is a subdivision of the Patrol Program and consists of voluntary part-time, sworn volunteers who are trained to assist in regular patrol activities. Reserve officers serve as secondary officers in a patrol capacity or are assigned specific duty functions during special events. Reserve officers are certified and maintain standards as

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Patrol Program

required by California Peace Officers Standards and Training. During FY 18/19, Reserve Officers were utilized to supplement patrol staffing vacancies, perform directed patrol in crime targeted areas, assist with traffic control, work special events, and assist with administrative and criminal pre-booking procedures.

BUDGET OVERVIEW

The Police Department and the Town of Los Gatos enjoy a collaborative relationship with the City of Monte Sereno. In FY 2015/16, the Town entered into a restructured, ten-year agreement effective July 1, 2015 to provide Law Enforcement Services to the City of Monte Sereno through June 30, 2025. This contractual agreement allows for consideration of ongoing updates in law enforcement practices and more closely reflects the workload and modernized service delivery models for both the Town and the City of Monte Sereno. The annual contract rate based on the Average Annual Consumer Price Index for benefits increases the FY 2019/20 City of Monte Sereno Police Services contract to \$873,843.

In consideration of staff reductions from prior years and for cost savings, Patrol Officers continue to work 12-hour shifts to maintain adequate staffing levels and service delivery on each shift. The Department is committed to continually reviewing patrol staffing models based on available resources, fiscal stability, and current service levels.

Temporary staffing hours have been outlined for Community Service Officer Interns (CSO Intern). Under the direction of the assigned patrol shift supervisor, the CSO Intern will be utilized in non-emergency calls for service, non-injury traffic collisions and assisting patrol and other divisions in non-enforcement administrative duties.

POLICE DEPARTMENT
Patrol Program

SUMMARY OF REVENUES AND EXPENDITURES

	2015/16	2016/17	2017/18	2018/19	2018/19	2019/20
	Actuals	Actuals	Actuals	Adopted	Estimated	Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ 29,676	\$ 28,461	\$ 24,352	\$ 18,500	\$ 23,550	\$ 39,500
<i>Intergovernmental Revenue</i>	5,727	14,266	7,481	1,000	-	-
<i>Service Charges</i>	760,043	813,401	858,046	874,960	873,005	909,633
<i>Fines & Forfeitures</i>	32,874	46,302	29,372	25,100	9,209	12,750
<i>Other Revenues</i>	-	3,321	-	-	-	-
TOTAL REVENUES	\$ 828,320	\$ 905,751	\$ 919,251	\$ 919,560	\$ 905,764	\$ 961,883
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 5,345,598	\$ 5,042,450	\$ 5,513,485	\$ 5,970,614	\$ 6,668,164	\$ 6,754,569
<i>Operating Expenditures</i>	119,956	130,631	201,330	185,221	195,008	309,009
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	650,282	653,921	860,443	460,436	452,801	448,529
TOTAL EXPENDITURES	\$ 6,115,836	\$ 5,827,002	\$ 6,575,258	\$ 6,616,271	\$ 7,315,973	\$ 7,512,107

☞ POLICE DEPARTMENT ☜
Patrol Program

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
<i>Good Governance</i> Ensure responsive, accountable, and collaborative government	<i>Report Writing Software Programs</i> During FY 2019/20, the Police Department will work to identify a new automated report writing system that will integrate with the identified Records Management System (RMS) for the Police Department. A working-group of sworn personnel will conduct assessment and evaluation of various report writing systems. They will gauge methods to increase efficiency, adhere to operational procedures and policies, and maintain integration with other databases and systems.
<i>Public Safety</i> Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness	<i>Strategic Patrol Deployment Methods</i> The Patrol Division will continue to identify different patrol deployment methods which increase visibility, promote crime suppression, and provide best overall law enforcement service levels to the town. Officers will incorporate bicycle patrols, foot patrols, unmarked vehicle patrols, and directed traffic enforcement in coordination with patrol response duties. In addition, the staffing levels of each patrol team will continue to be evaluated based on call volume, best service delivery methods, and anticipated staffing vacancies. <i>Safety Planning and Training</i> The Police Department will continue to work collaboratively with various segments of the community in providing guidance and education related to emergency action plans for local schools, businesses, and faith-based organizations. Our participation and concerted efforts in working with the community provide unified response efforts, consistent training, and enhanced awareness to vulnerabilities during a potential violent intruder or mass casualty event.
<i>Community Character</i> Preserve and enhance the appearance, character, and environment quality of the community	<i>Homeless Outreach & Service Programs</i> The Homeless Encampment Resource Officer is a collateral assignment to patrol, with specific focus on homeless outreach, accountability, and services. Officers directed to this assignment will work with homeless individuals and provide regional service programs, coordinate necessary encampment cleanups through inter-agency coordination, and promote overall safety and enriched quality of life.

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Patrol Program

KEY PROGRAM SERVICES

- Responds to emergency and non-emergency calls for service.
- Performs directed patrol and self-initiated activity during non-committed time.
- Investigates crimes and traffic accidents.
- Utilizes innovative crime suppression techniques and directed patrol plans to reduce crime.
- Supports the Department's traffic enforcement control program, including issuance of traffic and parking citations.
- Solves community problems using proactive Problem Oriented Policing techniques.
- Builds relationships within the community to enhance public safety and increase community policing.
- Oversees the deployment of volunteer police teams such as, the Disaster Aid Response Team (DART), Reserve Police Officers, and the Police Explorer Post.

PATROL PROGRAM STAFFING

Full Time Equivalents (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
	Funded	Funded	Funded	Funded	Adopted
<i>Town Staff</i>					
Police Captain	-	-	-	0.50	0.50
Police Lieutenant	0.50	0.50	0.50	-	-
Police Sergeant	4.00	4.00	4.00	4.00	4.00
Police Corporal	4.00	4.00	4.00	4.00	4.00
Police Officer	17.00	17.00	17.00	17.00	17.00
Total Patrol Program FTEs	25.50	25.50	25.50	25.50	25.50

	2015/16	2016/17	2017/18	2018/19	2019/20
	Funded	Funded	Funded	Funded	Adopted
<i>Temporary Staff Hours</i>					
Community Service Officer Intern	1,040	1,040	1,040	1,720	1,720
Community Service Officer	250	390	390	-	-
Total Annual Hours	1,290	1,430	1,430	1,720	1,720

☞ POLICE DEPARTMENT ☜
Patrol Program

Performance Objectives and Measures	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1. <i>Provide safe environment through timely response and police assistance.</i>					
a. Average response time - Priority I calls:	4:27	4:08	4:29	4:25	4:29
b. Average response time - Priority II calls:	6:49	5:34	6:21	6:19	7:01
c. Average response time - Priority III calls:	9:19	6:34	9:55	8:30	9:51

Activity and Workload Highlights	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1. Number of Priority I incidents (immediate emergency with threat of life and public safety hazard):*	314	380	289	231	304
2. Number of Priority II incidents(urgent emergency that requires immediate response):*	13,859	13,065	14,691	14,012	13,907
3. Number of Priority III incidents (non-emergency):*	14,782	15,335	14,840	14,782	14,935
4. Number of Priority IV incidents (other):*	15,485	17,392	15,245	15,245	15,842
5. Total number of Incidents:*	44,440	46,211	45,065	44,440	45,039
6. Hours of Volunteer Reserve Officer hours used:	784	571	769	769	650
7. Dollar value of total Reserve Officer hours used:	\$40,485	\$29,486	\$39,736	\$39,736	\$37,361
8. Hours of Disaster Aid Response Team service used:	947	765	792	912	854
9. Dollar value of total Disaster Aid Response Team service used:	\$29,085	\$26,775	\$24,323	\$29,085	\$27,317
10. Number of hours patrolling Monte Sereno: (Per agreement - 4160 hrs. patrol + 416 traffic/annually)	4,576	4,576	4,537	4,576	4,576
11. Total number of arrests by Los Gatos/ Monte Sereno Police Department:	953	1,040	1,100	1,081	1,040
12. Total number of reports written by Community Service Officer intern:**	131	138	175	164	143

**FY 2014/15 incident types were recategorized and consolidated to most accurately reflect previously established priority definitions (I, II, III). ☐*

Prior year calculations were based upon 9 Priority Types. FY 2014/15 and proceeding will be reflective of 4 Priority Types as defined above.

*** New measure effective FY 2015/16.*

Police Department

TRAFFIC PROGRAM 4302

PROGRAM PURPOSE

The Traffic Program focuses on the education, encouragement, and enforcement of the California Vehicle Code. The Traffic Program assists in the evaluation of various factors that affect the safety of the roadways for all motorists, bicyclists, and pedestrians. The Traffic Program collaborates with the Town's Parks and Public Works Department to offer suggestions on roadway engineering improvements to enhance roadway safety. The Program utilizes national and regional traffic safety programs to manage and coordinate community education activities designed to address traffic complaints; increase motorist, bicyclist and pedestrian safety; and reduce property damage, injury and fatal traffic collisions. The Traffic Program works in conjunction with the Transportation and Parking Commission, the Bicycle Pedestrian Advisory Committee, Traffic Safe Communities Network, and Monte Sereno Better Streets Commission to promote the success of programs such as Safe Routes to School. Bike Rodeos are one specific educational opportunity designed to educate the youth in bicycle safety, including rules of the road and proper use of safety helmets and equipment. The Traffic Program also manages and coordinates special events that may impact the flow of traffic upon the roadway or create hazards.

Officers assigned to the Traffic Program are responsible for utilizing the California Vehicle Code to educate, encourage, and enforce safe behaviors of motorists, bicyclists, and pedestrians on public roadways. Officers operate marked Los Gatos-Monte Sereno Police patrol motorcycles or vehicles, passive speed detection devices, and mobile speed radar sign trailers to assist in response to traffic complaints and areas experiencing higher incidents of traffic collisions. Officers are also responsible for the investigation and documentation of traffic collisions. Traffic Officers strive to reduce property damage, injury, and death related to traffic collisions.

☞ POLICE DEPARTMENT ☞
Traffic

For more than a decade, the Traffic Program has managed the School Crossing Guard program in partnership with the Los Gatos Union School District and the Union School District to provide contractual crossing guard services. The current contract renewal is anticipated in FY 2020/2021.

BUDGET OVERVIEW

The Traffic Program is staffed with a 0.70 FTE Police Sergeant and 2.0 FTE sworn officers. The Sergeant evaluates trends in primary and associated collision factors, responds to community-generated traffic complaints, and evaluates data obtained after the deployment of the mobile speed radar sign trailers. The Sergeant acts as a liaison with the Transportation and Parking Commission, the Bicycle Pedestrian Advisory Committee, the Traffic Safe Communities Network, Safe Routes to School, and Monte Sereno Better Streets Commission. The Sergeant works collaboratively with the Town's Parks and Public Works Department to identify and evaluate roadway improvements to promote safe travel for all modes of transportation and partners with the Town Fleet Manager to design and outfit the Police Department's vehicles.

☞ POLICE DEPARTMENT ☜
Traffic

SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ 21,926	\$ 14,588	\$ 12,131	\$ 8,500	\$ 12,434	\$ 8,185
<i>Intergovernmental Revenue</i>	366,266	361,175	399,153	305,000	305,000	305,000
<i>Service Charges</i>	91,051	107,702	107,702	107,702	115,249	123,318
<i>Fines & Forfeitures</i>	20,899	14,737	16,910	22,200	18,600	20,200
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ 500,142	\$ 498,202	\$ 535,896	\$ 443,402	\$ 451,283	\$ 456,703
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 464,942	\$ 665,351	\$ 707,350	\$ 690,650	\$ 769,147	\$ 835,537
<i>Operating Expenditures</i>	122,400	137,398	137,948	143,603	152,963	184,746
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	132,219	129,420	147,391	87,262	86,434	64,674
TOTAL EXPENDITURES	\$ 719,561	\$ 932,169	\$ 992,689	\$ 921,515	\$ 1,008,544	\$ 1,084,957

POLICE DEPARTMENT
Traffic

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative government	<i>Major Traffic Collision Investigation Training and Equipment</i> In FY 2019/20, the Traffic Division will enhance their expertise by completing training in vehicle collision reconstruction, investigation, and other specialized training. The Traffic Division will work collaboratively with the Major Collision Investigation Team in the review and training with the Topcon Robotics Total Station. The Topcon Robotics Total Station provides the ability for traffic investigators to reconstruct the incident, survey exact locations of evidence, and provide an accurate analysis and review of the vehicle collision investigation.
	<i>Electronic Handheld Traffic Citation System</i> In FY 2019/20, the Police Department will explore the integration and implementation of an electronic traffic citation system. An electronic traffic citation system would enhance officer efficiency in the issuance of citations and assist the Records Division in the processing of citations with the Court system. Currently the Records Division receives, processes, documents, and manages submitted traffic citations and prepares their filing with Traffic Court. An electronic traffic citation system can manage these steps and provides streamline communication with Traffic Court for the filing of traffic citations with minimal staff oversight.
	<i>Directed Traffic Enforcement Response and Evaluation</i> The Traffic Division continues to explore ways to streamline the sharing of directed traffic enforcement areas to the Bureau of Support Service and the Bureau of Operations. The Traffic Division will identify new and innovative ways to disseminate traffic complaints to both the Bureau of Support Services and Bureau of Operations to evaluate the effectiveness of the Traffic Division with the overall goal of reducing vehicle collisions, increasing traffic safety, and strengthening the responsiveness to public related traffic concerns.

☞ POLICE DEPARTMENT ☜
Traffic

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
<i>Public Safety</i> Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness	<i>Reduction in Traffic Collisions</i> During FY 2019/20, the Traffic Division will work in collaboration with the Bureau of Operations and the Town Engineering Division to analyze hazardous traffic collision data. The Police Department strives to reduce injury-related traffic collisions through directed enforcement during peak commute times and at hazardous intersections and thoroughfares.
	<i>Safe Routes Promoting the Five “E’s”</i> As a part of traffic safety education and awareness, the Department continues to promote the “Five E’s” (Evaluation, Engineering, Education, Encouragement, and Enforcement) in collaboration with Safe Routes to School. In FY 2019/20, the Department will continue to participate in Safe Routes to School, Transportation and Parking Commission, and Bicycle and Pedestrian Advisory Commission programs and projects. These projects will include the identification of alternate transportation methods, traffic flow, and promote vehicle, bicycle and pedestrian safety.

KEY PROGRAM SERVICES

- Responds to and investigates traffic accidents.
- Educates the public on traffic safety.
- Provides traffic enforcement.
- Participates in community traffic safety committees and programs.
- Collaborates with the Traffic and Parking Commission.
- Reviews traffic safety plans for special events.
- Participates in regional efforts to maintain traffic safety.

TRAFFIC PROGRAM STAFFING

Full Time Equivalents (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
	Funded	Funded	Funded	Funded	Adopted
<i>Town Staff</i>					
Police Sergeant	0.70	0.70	0.70	0.70	0.70
Police Officer	2.00	2.00	2.00	2.00	2.00
Total Traffic Program FTEs	2.70	2.70	2.70	2.70	2.70

☞ POLICE DEPARTMENT ☜
Traffic

Performance Objectives and Measures	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1. <i>Reduction of DUI-involved collisions through specialized enforcement and educational programs.</i>					
a. Percentage of reported traffic collisions involving drugs or alcohol:	5.70%	6.73%	4.60%	10.00%	8.31%
2. <i>Through directed enforcement, the program seeks to minimize the loss of life and reduce personal injuries due to traffic collisions.</i>					
a. Traffic Index:	23	28	24.1	22	30
<i>The Traffic Index is a national standard developed by the Federal Office of Traffic Safety (OTS). The index number is determined by dividing the number of hazardous citations issued by the total number of fatal and injury collisions. An index of 25 - 35 is generally viewed as desirable. A substantially higher number would indicate that officers are writing an excessive number of citations that are not related to the causes of traffic collisions. A substantially lower number indicates that inadequate staffing or attention is directed at the traffic collision problem in a jurisdiction.</i>					

Activity and Workload Highlights	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1. Total number of traffic citations issued (excludes courtesy citations):	2,585	2,839	2,537	1,966	2,465
2. Number of hazardous citations:	1,945	1,929	2,145	1,550	2,340
3. Number of courtesy citations issued	2,808	2,399	1,882	1,908	2,302
4. Number of DUI arrests:	50	60	55	71	57
5. Number of traffic collision reports:	366	282	304	100	274
6. Number of injury collisions:	83	69	89	76	78

**Traffic collision report increase due to reports being written for non-injury collisions in lieu of information exchange between parties.*

Police Department

INVESTIGATIONS PROGRAM 4303

PROGRAM PURPOSE

The Investigations Program conducts both self-initiated and follow-up investigations related to crime, coordinates the prosecution of crimes through the criminal justice system, and performs special operations and enforcement.

Detectives assigned to this Program conduct in-depth investigations. This includes the identification of crime trends and patterns, apprehension of criminal suspects, evidence collection, interagency collaboration, and victim outreach. In addition, the Investigations Program maintains and enforces the required registration and monitoring of sex offenders, narcotics offenders, and arson offenders. Detectives possess expertise in specialized skills including the obtaining and execution of search warrants, recovery of stolen property, interview and interrogation techniques, contemporary sexual assault investigative practices, and computer forensic investigations, as well as juvenile crime and diversion efforts.

One Officer in this Program is assigned as the School Resource Officer (SRO). The SRO is responsible for assisting in investigating crimes involving juveniles as victims or offenders, managing youth-related problems and trends, and maintaining liaison with local schools. The SRO works collaboratively with school staff, administration, and students in both the Los Gatos-Saratoga Union High School District and Los Gatos Union School District to promote school campus and community safety and to be a presence on campus. Since FY 2009/10, funding for the SRO position has been offset by an agreement with the high school and elementary school districts, with each sharing costs for nearly one-half the Officer's salary and benefits. The SRO contract runs through June 30, 2021.

In addition, an Officer from this Program is assigned to the Santa Clara County Specialized Enforcement Team (SCCSET) Task Force. This regional Task Force specializes in the

☞ POLICE DEPARTMENT ☜
Investigations

investigation of major narcotics trafficking, fugitive apprehension, covert tactical surveillance operations, and support to local law enforcement agencies in major criminal investigations.

BUDGET OVERVIEW

The Investigations Program is comprised of one 1.0 FTE Police Sergeant, six 1.0 FTE sworn officers, one 1.0 FTE Community Service Officer and one 1.0 FTE Police Records Specialist.

SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ 705	\$ 889	\$ 1,313	\$ 500	\$ 125	\$ 500
<i>Intergovernmental Revenue</i>	70,000	50,000	-	-	-	-
<i>Service Charges</i>	112,557	114,506	124,045	122,630	125,630	139,213
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	1,670	2,685	5,139	1,000	6,143	1,000
TOTAL REVENUES	\$ 184,932	\$ 168,080	\$ 130,497	\$ 124,130	\$ 131,898	\$ 140,713
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 1,808,796	\$ 1,934,392	\$ 1,858,971	\$ 2,116,560	\$ 2,043,880	\$ 2,501,656
<i>Operating Expenditures</i>	116,180	130,531	130,616	152,033	144,687	203,760
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	284,020	277,108	292,708	177,232	173,409	138,652
TOTAL EXPENDITURES	\$ 2,208,996	\$ 2,342,031	\$ 2,282,295	\$ 2,445,825	\$ 2,361,976	\$ 2,844,068

☞ POLICE DEPARTMENT ☞
Investigations

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative government	<i>School Resource Officer Safety Diversion Programs</i>
	During FY 2019/20, the School Resource Officer (SRO) will continue collaborative efforts with the Los Gatos-Saratoga Union High School District, Los Gatos Union School District, and Los Gatos Home and School Club in promoting educational diversion programs as an alternative for youth offenders. In addition to preventative education and mentoring youth on campus, the SRO will also continue to promote campus safety by facilitating staff trainings on Run, Hide, Defend and evacuations.
	<i>Collaborative Investigations-Crime Unit</i>
	During FY 2019/20, the Detectives in the Investigations Division will actively collaborate with other regional law enforcement agencies in gathering and sharing crime intelligence information through the County of Santa Clara Crime Strategies Unit. The regionalization of data-gathering and information sharing enhances the ability to link, solve, and prosecute individuals responsible for similar crimes in the Bay Area.
	<i>Evidence Management Tracking System</i>
	During FY 2019/20, the Department will seek to replace the current evidence management software system which assists with management of the intake and release of property and evidence. Evidence staff will conduct research and analysis of various evidence management systems which adhere to best-practices, policies, and updated retention legislation.
	<i>County-Wide Gun-Related Intelligence Program (GRIP)</i>
	In 2017, the Gun-Related Intelligence Program (GRIP) was developed by the Santa Clara County District Attorney's Office to assist with the prosecution of gun-related crimes through using ballistic evidence and intelligence analysis gathering. In FY 2019/20, the Police Department will actively participate in GRIP, prioritizing the submission of all gun-related evidence to the program for regional crime analysis and data-sharing amongst various law enforcement agencies.

☞ POLICE DEPARTMENT ☜
Investigations

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
<i>Civic Enrichment</i> Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	<i>Cyber-Crime Investigative Training</i> In the past several years the Police Department has recognized the sophisticated use of modern technology to commit frauds, thefts, and other crimes. To assist with investigative efforts and intervene on cyber-crime activity, the Investigations Division will focus on attending computer-forensic and cyber-crime trainings hosted by the Federal Bureau of Investigation, the Santa Clara County Regional Enforcement Allied Computer Team Task Force, and the Regional Computer Forensic Crime Laboratories. <i>On-Line Reporting Software</i> During FY 2019/20, the Police Department will explore options to upgrade the current on-line crime reporting system. The Department will focus on identifying an on-line reporting software program which enhances the user's experience, and also allows for Investigations Division staff to monitor the crime types and trends, with the ability to further investigate or link similar cases.
<i>Public Safety</i> Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness	<i>Anti-Theft Bait Technology</i> The Investigations Division strives to reduce thefts and property crimes through the deployment of "bait" technology systems, targeting package theft and bicycle theft offenders. In the upcoming year, crime analytics will be utilized to identify package theft and bicycle crime trends to provide opportunities for successful deployment. <i>Mobile Technology for Crime Suppression</i> The Police Department will continue to conduct crime analysis and identify targeted crime areas throughout the Town. In FY 2019/20, the Department will strategically deploy available mobile surveillance assets to suppress crime in targeted areas and assist with the development of investigative leads.

☞ POLICE DEPARTMENT ☜
Investigations

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
<i>Community Character</i> Preserve and enhance the appearance, character, and environment quality of the community	<i>Community Threat Assessment</i> During FY 2019/20, Detectives will work with individual residents and business owners to conduct property threat assessments and placement of surveillance cameras to promote crime deterrence. The Police Department maintains a voluntary database in which residents and businesses can register having a surveillance system via “On Watch” and investigators may then contact the owner to obtain footage if suspect information was possibly captured on the camera. As a part of the Neighborhood Watch Program, residents often solicit crime deterrence signage, best techniques and practices to prevent crime on their property, and creative ideas for neighborhood safety.

KEY PROGRAM SERVICES

- Investigates and solves crimes.
- Directs and coordinates the prosecution of offenders.
- Provides services to victims.
- Provides diversion opportunities and counseling to local youth.
- Assists in management of property and evidence.
- Monitors and registers narcotics, sex, and arson offenders.
- Provides administrative, strategic, and tactical crime analysis.
- Oversees School Resource Officer program and involvement in the schools.

☞ POLICE DEPARTMENT ☜
Investigations

INVESTIGATIONS PROGRAM STAFFING

Full Time Equivalents (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
	Funded	Funded	Funded	Funded	Adopted
Town Staff					
Police Captain	-	-	-	0.50	0.50
Police Lieutenant	0.50	0.50	0.50	-	-
Police Sergeant	1.00	1.00	1.00	1.00	1.00
Police Officer *	6.00	6.00	6.00	6.00	6.00
Community Services Officer	-	1.00	1.00	1.00	1.00
Police Records Specialist	2.00	1.00	1.00	1.00	1.00
Total Investigation FTEs	9.50	9.50	9.50	9.50	9.50

	2015/16	2016/17	2017/18	2018/19	2019/20
	Funded	Funded	Funded	Funded	Adopted
Temporary Staff Hours					
Police Officer	823	-	-	-	-
CSO-Investigation Evidence	-	-	1,040	-	-
Total Annual Hours	823	-	1,040	-	-

* Includes one officer in the Santa Clara County Enforcement Team (SCCET) and the reassignment of the School Resource Officer to this unit.

Performance Objectives and Measures	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1. To provide thorough and objective analysis of crime to achieve resolution of criminal matters.					
a. Number of Part I and Part II crimes cleared:	674	696	625	633	637
2. To divert local youth from the criminal justice system.					
a. Percentage of youthful offenders diverted from the criminal justice system:	28%	24%	16%	25%	23%
3. To obtain criminal complaints against violators.					
a. Percentage of criminal complaints issued by District Attorney with charges filed:	76%	79%	58%	74%	72%
b. Percentage of criminal complaints denied by District Attorney:	23%	17%	24%	24%	22%

Activity and Workload Highlights	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1. Number of cases investigated:	1,888	1,417	1,401	1,582	1,500
2. Number of criminal complaints requested for review at District Attorney's Office:	683	809	840	696	752
3. Annual number of public school visits by the School Resource Officer:	292	357	361	332	335

Police Department

PARKING MANAGEMENT PROGRAM 4304

PROGRAM PURPOSE

The Parking Management Program coordinates, manages, and enforces vehicular parking on roadways and highways and in municipal lots. The Parking Management Program uses the California Vehicle Code and Town Municipal Code to enforce residential/employee/commercial zone permit-only parking, time-restricted parking, disabled parking, and loading zones. The enforcement of parking violations assists traffic flow and increases parking space availability. This Program works in conjunction with the Bureau of Operations on vehicle tows, traffic control, special events and the deployment and management of the mobile speed radar trailers. In addition, the Program manages the issuance of residential and business preferential parking permits, as well as the Abandoned Vehicle Abatement Service Authority (AVASA) program in Town to ensure roadways and highways are free of abandoned vehicles.

The Parking Management Program collaborates with the Town's Parks and Public Works Department and the Community Development Department to address permit parking, special event parking, municipal lot parking management, and parking issues around schools. Parking Control Officers utilize automated parking enforcement technology to assist in the efficiency and accuracy of parking violation documentation and issuance of citations. They will support Patrol Officers with traffic control during high impact roadway events and assist with crossing guard duties as necessary. Resources within this Program will incorporate appropriate recommendations from the Comprehensive Parking Study as identified in the proposed Capital Improvement Program.

☞ POLICE DEPARTMENT ☞
Parking Management

BUDGET OVERVIEW

The Parking Management Program is budgeted for 0.30 FTE Police Sergeant and 2.0 FTE Parking Control Officers. The Sergeant oversees and manages the deployment and allocation of Parking Control resources. The Sergeant works collaboratively with the Town's Parks and Public Works Department, the Community Development Department, and the Transportation and Parking Commission to coordinate the monitoring and enforcement of parking related concerns throughout Town public highways and municipal lots.

SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ 41,129	\$ 42,791	\$ 37,742	\$ 40,000	\$ 36,000	\$ 36,000
<i>Intergovernmental Revenue</i>	-	-	-	-	-	-
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	755,241	801,037	609,934	557,500	406,000	436,000
<i>Other Revenues</i>	28,566	28,566	28,566	28,566	28,566	32,400
TOTAL REVENUES	\$ 824,936	\$ 872,394	\$ 676,242	\$ 626,066	\$ 470,566	\$ 504,400
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 227,280	\$ 282,567	\$ 302,763	\$ 300,328	\$ 270,363	\$ 343,772
<i>Operating Expenditures</i>	338,321	336,358	282,855	326,169	262,914	281,828
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	100,249	81,400	98,199	62,054	62,055	45,784
TOTAL EXPENDITURES	\$ 665,850	\$ 700,325	\$ 683,817	\$ 688,551	\$ 595,332	\$ 671,384

☞ POLICE DEPARTMENT ☜
Parking Management

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative government	<i>Parking Management Program</i>
	During FY 2019/20, the Parking Management Program will explore the potential implementation and cost allocation/savings plan for a potential transition to virtual parking permits. As a feature of the current Parking Management Program, virtual parking permits will allow increased flexibility and management of parking permits, instant updates and data collection, and increased enforcement efficiency.
	<i>Comprehensive Parking Study Evaluation and Coordination</i>
	During FY 2019/20, the Parking Management Program will coordinate with the Parks and Public Works Department to review the proposed Comprehensive Parking Study. The evaluation and implementation may require adjustments to the Parking Management Program's deployment of resources to efficiently and effectively respond to the proposed recommendations.
	<i>Ensure Responsive Accountable and Collaborative Government</i>
	In FY 2019/20, the Parking Management Program will evaluate Automated License Plate Reader (ALPR) technology. New ALPR technology will enhance the ability to accurately and efficiently monitor and enforce timed and permitted parking zones. New ALPR technology will also need to be evaluated to respond to recommendations by the Comprehensive Parking Study.

KEY PROGRAM SERVICES

- Proactively collaborates with Park and Public Works Department in the management of the Town's available parking inventory.
- Monitors and enforces parking and abandoned vehicle laws.
- Communicates with and educates residents, businesses, and visitors on parking issues and regulations.
- Coordinates the Holiday Parking program and special event parking control.
- Manages and oversees the parking citation appeal process.
- Coordinates efforts with the Transportation and Parking Commission and Parks and Public Works.

☞ POLICE DEPARTMENT ☛
Parking Management

PARKING MANAGEMENT FUND STAFFING

Full Time Equivalent (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Adopted
Police Sergeant	0.30	0.30	0.30	0.30	0.30
Parking Control Officer	2.00	2.00	2.00	2.00	2.00
Total Parking Mgmt. FTEs	2.30	2.30	2.30	2.30	2.30

	2015/16	2016/17	2017/18	2018/19	2019/20
<i>Temporary Staff Hours</i>	Funded	Funded	Funded	Funded	Adopted
Parking Control Officer	357	357	357	-	-
Total Annual Hours	357	357	357	-	-

☞ POLICE DEPARTMENT ☜
Parking Management

Performance Objectives and Measures	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1. <i>Promote pedestrian and vehicular safety while providing improved traffic flow and increased parking availability on residential streets.</i>					
a. Percentage of parking citations paid with initial notices:	88%	89%	89%	89%	89%
2. <i>Enforce timed limit, residential and employee zoned permit parking</i>					
a. During enforcement hours respond to community reported parking problems within 20 minutes:	Yes	Yes	Yes	Yes	Yes

Activity and Workload Highlights	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1. Number of parking citations issued:	15,667	14,652	11,784	10,119	11,954
2. Number of residential and employee parking permits issued:	1,371	1,369	1,372	1,374	1,372
3. Number of vehicles marked for 72-hour parking:	449	606	653	461	466
4. Number of abandoned vehicles removed from public streets:	23	20	43	27	23
5. Revenue received on parking permits issued:	\$41,129	\$39,422	\$37,742	\$46,711	\$40,220
6. Revenue received on parking citations issued:	\$755,240	\$581,479	\$591,414	\$425,000	\$532,103



Police Department

PASS-THROUGH ACCOUNTS PROGRAM 4999

PROGRAM PURPOSE

Revenues and expenditures which are collected for, and remitted to, external agencies are considered “pass-through” appropriations in the Town’s budget. Accounting for these activities in a separate accounting structure allows the true cost of operations to remain intact within a program, eliminating unrelated funding fluctuations from year to year.

BUDGET OVERVIEW

There is no budgetary impact to this program as revenues equal expenditures. The revenues and expenditures reflect a reasonable estimate based on prior year trends or Department information; however, actuals may differ substantially from original budgeted numbers at fiscal year-end.

FY 2019/20 revenues and expenditures reflect a pass-through of Department of Justice Fingerprinting realignment funds and Community Emergency Response Team (CERT) funds. As this program includes no staff activity, it does not have Key Projects or Performance Measures.

☞ POLICE DEPARTMENT ☜
Pass-Through Accounts

SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenue</i>	555,165	-	-	-	-	-
<i>Service Charges</i>	5,135	5,012	2,263	9,000	2,982	3,000
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	22,561	-	29,115	-	29,115
TOTAL REVENUES	\$ 560,300	\$ 27,573	\$ 2,263	\$ 38,115	\$ 2,982	\$ 32,115
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	556,467	28,178	5,442	38,115	2,982	32,115
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 556,467	\$ 28,178	\$ 5,442	\$ 38,115	\$ 2,982	\$ 32,115

Police Department

OPERATING GRANTS

4803-4812

PROGRAM PURPOSE

This fund accounts for revenues and expenditures attributed to grants for operating budget projects that fall outside of the Capital Improvement Program (CIP) Grant Projects. The Town's CIP project guidelines state a CIP project must have a value of \$25,000 or more with a minimum useful life of 5 years at a fixed location.

Grant revenues and expenditures are structured to net out to zero. If overages or non-reimbursable expenses occur for grant activities, the additional charges are absorbed within the Department's operating budget. Some grants require a Town matching or other contribution as part of the award, which is reflected either as funding transferred into the grant, or expenditures reallocated to the appropriate program budget.

BUDGET OVERVIEW

In FY 2017/18 the Police Department was awarded a grant through the Board of State and Community Corrections (BSCC) to increase positive outcomes between municipal law enforcement and high-risk populations. Provision 1 of Item 5227-102-0001 of the Budget Act of 2016 requires a minimum of 60 percent of the total funding must go to Police Departments employing 100 or fewer Officers. The BSCC grant continues into FY 2019/20.

In FY 2018/19 the Police Department was awarded the Bulletproof Vest Partnership (BVP) grant, created by the Bulletproof Vest Partnership Grant Act of 1998 it is a unique U.S. Department of Justice initiative designed to provide a critical resource to state and local law enforcement.

☞ POLICE DEPARTMENT ☜
Operating Grants

At the end of FY 2018/19 the Police Department was awarded a grant for the Innovations Grant Program (IGP) from Peace Officer Standards and Training (POST). The focus of this POST grant is on fostering innovations in training and procedures for law enforcement officers, with the goal of reducing the number of officer-involved shootings statewide.

PEACE OFFICER STANDARDS AND TRAINING (POST) GRANT

SUMMARY OF REVENUES AND EXPENDITURES						
	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenue</i>	-	-	-	-	-	77,698
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 77,698
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	-	77,698
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 77,698

BSCC COMMUNITY GRANT

SUMMARY OF REVENUES AND EXPENDITURES						
	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenue</i>	-	-	49,706	39,119	26,095	13,024
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ 49,706	\$ 39,119	\$ 26,095	\$ 13,024
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	10,578	39,119	26,095	13,024
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ 10,578	\$ 39,119	\$ 26,095	\$ 13,024

POLICE DEPARTMENT
Operating Grants

BVP GRANT

SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenue</i>	-	4,076	873	-	872	5,069
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ 4,076	\$ 873	\$ -	\$ 872	\$ 5,069
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	4,076	873	-	872	5,069
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ 4,076	\$ 873	\$ -	\$ 872	\$ 5,069

HOMELAND SECURITY GRANT

SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenue</i>	71,919	10,491	-	-	-	-
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ 71,919	\$ 10,491	\$ -	\$ -	\$ -	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 31,037	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	5,250	10,491	-	-	-	-
<i>Fixed Assets</i>	35,633	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 71,920	\$ 10,491	\$ -	\$ -	\$ -	\$ -

POLICE DEPARTMENT
Operating Grants

OFFICE OF TRAFFIC STUDY GRANT

SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenue</i>	2,075	603	-	-	-	-
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ 2,075	\$ 603	\$ -	\$ -	\$ -	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

ALCOHOLIC BEVERAGE CONTROL GRANT

SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenue</i>	3,245	-	-	-	-	-
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ 3,245	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



Parks & Public Works

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Parks & Public Works Department

DEPARTMENT PURPOSE

The Parks and Public Works Department (PPW) constructs and maintains the Town's public parks, facilities, roadways, rights-of-way, and other infrastructure. Six organizational units (the Administration, Park Services, Engineering Development Services, Engineering Program Services, Streets and Signals, and Environmental Services Program) work in coordination to achieve the Department's overarching goal of ensuring the Town's facilities are safe, functional, and attractive. Additional departmental services that support these objectives include the Facilities Maintenance, Vehicle Maintenance, and Non-Point Source Program. PPW is also responsible for several Landscape and Lighting Districts. In addition to providing ongoing maintenance activities, the Parks and Public Works Department staff provides information and outreach to Town residents, businesses, and the public concerning the Department's programs, activities, and projects.

BUDGET OVERVIEW

The Parks and Public Works Department's personnel budget will be higher than the FY 2018/19 personnel budget, which accounts for increases in salaries and benefits costs attributed to negotiated salary raises, higher benefit and CalPERS pension rates, and the realignment of existing positions. The operating expenditures have been augmented by a decrease of approximately \$12,000 which is net of higher mobile data use costs, a decrease in street light and signal energy, and a one-time allocation of \$100,000 for tree pruning.

During this fiscal year, the Department will advance or complete many major Capital Improvement Projects. Some projects include: Almond Grove Street Rehabilitation Project Phase II, the Annual Street Rehabilitation project, the Traffic Signal Modernization, and the Highway 17 Interchange and Capacity Improvements project. Additionally, staff will work to recommend, design, and deliver projects from the Town's approved Bicycle and Pedestrian Master Plan and Traffic Around Schools Plan. Staff will continue to apply for grants to supplement Town funding and advance the Town's capital project plans.

PARKS & PUBLIC WORKS DEPARTMENT

The Engineering Development program will continue to work on several key private projects in Los Gatos including: the North Forty project, the Greenridge Terrace project, the multi-use project on Union Avenue, and the elderly care facility on Blossom Hill Road. Staff will continue to provide technical support and work collaboratively with residents and private developers through the development process for new planning applications to ensure compliance with Town regulations.

The 18-month School Bus Pilot Program, aimed at reducing traffic congestion around schools, will continue into the next fiscal year. Through the course of the year, staff will continue to analyze and adjust the program to maximize subscribers and ridership. Towards the end of the fiscal year, staff will provide a report with analysis to the Town Council to allow for decisions on the future of the program.

The Town continues to add recycling receptacles through the Downtown Recycling Expansion Program. There were an additional six receptacles added in FY 2018/19 downtown, three bins at Blossom Hill Park, and one at Belgatos Park. In FY 2019/20, staff will add receptacles to multiple parks throughout the Town. This program was created to comply with AB 939 and AB 341 to reduce litter throughout the community and assist with reaching the Statewide diversion goal.

The Town's Outside the Box Program is designed to enhance the character of the community by adding artwork to utility boxes that are often targeted by graffiti vandals. Selected artwork harbors environmental sustainability messages that include: alternative transportation, clean energy, clean creeks, community sustainability, and healthy lifestyles. In FY 2018/19 four utility boxes are being added which bring the total to 21, and another four are planned in FY 2019/20. Staff will explore future sites as an ongoing funding source has been added to the Capital Improvement Program.

The Streets and Signals Program includes a one-time budget increase for additional tree pruning and trimming Town-wide. The additional funds will put the Town on a 15-year trimming cycle (the industry standard is seven years).

The Department will continue work on several other areas, including facilities projects and vegetation management. In addition to these, staff will continue to support the new West Valley Clean Water Program JPA to manage the West Valley cities' Non-Point Source Programs.

ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Community Character</i> Preserve and enhance the appearance character and environment quality of the community	• Staff has been working vigorously on Phase 1 of the North 40 development project to review plans and documents, hold meetings with the development team, and coordinate with the developer and their consultants in an effort towards issuing required permits. This collaborative effort led to the issuance of encroachment and interim grading permits for the ongoing construction and installation of the new traffic signal and its associated improvements on Los Gatos Boulevard, a prerequisite for future on-site work. Plan check review continues for the numerous on- and off-site improvement plans and construction drawings. In the current fiscal year alone, staff and our consultant have collaborated in the review of over 25 submittals of plans, held over 25 meetings and conference calls with the development team, and coordinated numerous agreements, exhibits, maps and other project-related details and documents. • Added 14 new recycling receptacles on Santa Cruz Avenue and Main street, three to Blossom Hill Park, and one to Belgatos Park, with the purpose of diverting items that would otherwise end up in landfill, discouraging litter, and helping keep our local creeks clean and pollution free. • Implemented the use of renewable diesel (RD) as part its goal to reduce emissions. Any on-road heavy duty diesel vehicle that will be sold in California after 2030 will likely be required by the California Air Resources Board (CARB) to: 1) achieve (at a minimum) near-zero-emissions of key air pollutants (especially oxides of nitrogen, or “NOx”), and 2) use a low-carbon-intensity renewable fuel. RD used in California’s transportation sector and cities achieves a volume-weighted carbon intensity rating that is about 66 percent lower than petroleum diesel (mostly ultra-low sulfur diesel, or ULSD). This “drop-in” replacement for ULSD is delivering major greenhouse gas (GHG) reductions in Northern and Southern California cities. • Facilitated the addition of twelve Tesla Super Charger ports at the Northside Parking lot, located north of Highway 9 between University and North Santa Cruz Avenues.

PARKS & PUBLIC WORKS DEPARTMENT

ACCOMPLISHMENTS

Core Goals	Accomplishments
Community Character Preserve and enhance the appearance, character, and environmental quality of the community	Restored water for the Civic Center fountain, installed a fence to enhance safety, and installed a more permanent type of seating around the fountain deck.
Good Governance Ensure responsive, accountable and collaborate government	- Completed concrete street removal and replacement on Bean, Massol, and Wilder Avenue as part of Phase II of the Almond Grove. Continued to provide high-level outreach and communication with Almond Grove residents. - Set up and maintained message board signs over the summer to discourage summer cut-through traffic. Managed a traffic control consultant to set-up temporary street closures as needed to address summer cut-through traffic. - Completed resident outreach, managed resident meetings, and constructed traffic calming facilities on Wedgwood and College Avenues to address resident concerns over speeding traffic. - Removed dead trees and vegetation behind the Civic Center Complex. Staff received numerous complaints from residents along Cleland Ave of extreme fire danger due to overgrown vegetation and dead trees.
Quality Public Infrastructure Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	- Began service in January 2019 for the School Bus Pilot with 113 paid passengers, 50 in Route A that runs through Town and 63 in Route B which provides service to the mountains as of early March. - Increased funding for tree maintenance, implemented tree preservation method for North 40 Phase I project, and began utilizing tree maintenance software for an accurate database to address tree maintenance needs. Awarded the Town's first Tree City USA Growth Award by Tree City USA. Safely pruned 56 125-foot tall Eucalyptus trees located at Overlook and Laurel Roads. The existing tree canopies extended over neighboring structures and roadways, so pruning was essential to mitigate future damage to adjacent structures.

PARKS & PUBLIC WORKS DEPARTMENT

ACCOMPLISHMENTS

Core Goals	Accomplishments
Quality Public Infrastructure Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	- Completed the Annual Street Repair & Resurfacing project and installed new bike lanes with green bike lane markings and a new bike box at the intersection of Los Gatos Boulevard and Los Gatos-Almaden Road. - Continued to develop design work on the Los Gatos Creek Trail Connector project. Issued RFP for design and environment consultants. - Completed the design and successful bidding of the Town's first street maintenance project using a cold-in-place recycling method that allows for grinding and reusing the existing asphalt pavement, thereby lowering project costs and providing environmental benefits. - Completed the design and successful bidding for the Town's first barrier bike lane project (Class IV) on Blossom Hill Road near Fisher Middle School - Completed the design and construction of lighting, landscaping and ADA pathway improvements in Bachman Park. The project was bid as three separate projects, with the Town acting as the general contractor allowing the Town better pricing on the project and increased coordination with residents. - Originally the West Valley Sanitation District (WVSD) was contracted by the West Valley cities to maintain, inspect, and clean storm sewer catch basins annually. In 2018 WVSD notified cities that they would not be renewing their contract for services. Parks and Public Works developed an RFP for the West Valley cities for maintenance operations. Staff received bid proposals from three contractors, and one internal bid from Parks and Public Works. The overall cost for Parks and Public Works to perform the work for the three West Valley cities was approximately 42% lower than the next low bidder, so staff has assumed this role. - Improved important crossings for schools at Los Gatos-Almaden Road and Cherry Blossom Lane and also at Santa Cruz Avenue and Blossom Hill Road. Improvements included flashing crosswalk lights, median islands, ADA ramps, and an additional sidewalk. - Repaired the Los Gatos Creek Trail at Charter Oaks which sustained damage during storms in 2017 with funds from the Federal Emergency Management Agency (FEMA).

∞ PARKS & PUBLIC WORKS DEPARTMENT ∞

ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Civic Enrichment</i> Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	• Led approximately 50 members of the Los Gatos High School Varsity Football team in sanding and painting the outdoor hand rails at Town Hall. • Led 23 volunteers in planting trees, spreading mulch, and installing new landscaping at Live Oak Manor Park. • Led an average of 5 to 6 volunteers during Adopt-A-Highway cleanups at the Highway 17/Highway 9 on and off ramps and removed 50 bags of debris and 11 miscellaneous items.

PARKS & PUBLIC WORKS DEPARTMENT

DEPARTMENTAL SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	978,332	689,850	881,694	760,199	800,259	705,199
Intergovernmental	44,561	50,787	77,175	38,200	38,073	38,200
Service Charges	451,962	724,705	2,010,305	636,277	919,517	618,277
Fines & Forfeitures	290	13,702	-	-	6,390	-
Other Revenues	103,957	89,630	245,283	39,553	725,950	39,553
TOTAL REVENUES	\$ 1,579,102	\$ 1,568,674	\$ 3,214,457	\$ 1,474,229	\$ 2,490,189	\$ 1,401,229
Transfers In						
Transfer from GFAR	-	97,808	315,616	315,616	315,616	315,616
Total Transfers In	-	97,808	315,616	315,616	315,616	315,616
TOTAL REVENUES & TRANSFERS IN	\$ 1,579,102	\$ 1,666,482	\$ 3,530,073	\$ 1,789,845	\$ 2,805,805	\$ 1,716,845
EXPENDITURES						
Salaries and Benefits*	\$ 3,942,418	\$ 4,153,295	\$ 4,374,286	\$ 5,262,629	\$ 5,232,713	\$ 5,928,839
Operating Expenditures	1,431,484	1,618,222	1,609,441	1,548,738	1,513,626	1,699,030
Fixed Assets	86,073	79,790	305,028	140,000	1,704,590	140,000
Pass Thru Account	-	-	9,234	18,000	-	-
Internal Service Charges	766,220	746,437	801,537	651,914	646,279	302,199
TOTAL EXPENDITURES	\$ 6,226,195	\$ 6,597,744	\$ 7,099,526	\$ 7,621,281	\$ 9,097,208	\$ 8,070,068

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
PROGRAM						
Administration	\$ 348,234	\$ 340,123	\$ 562,340	\$ 568,922	\$ 576,606	\$ 594,434
Engineering Prog Svcs	1,002,319	1,157,205	1,168,666	1,078,779	1,199,190	1,244,432
Engineering Dev Svcs	670,247	699,677	721,593	751,983	729,736	795,332
Park Services	1,677,669	1,738,961	1,835,775	1,641,559	1,759,734	2,016,614
Environmental Services	378,396	299,259	342,130	366,432	350,676	398,228
Streets Signals & Sidewalks	2,015,412	2,173,657	2,087,096	2,452,910	2,217,130	2,212,674
Property Damage	63,203	109,072	76,898	25,000	16,636	25,000
Vehicle Maintenance Management	-	-	-	217,404	217,600	235,199
Facilities Maintenance Management	-	-	-	378,292	325,310	408,155
Pass Through	70,715	79,790	305,028	140,000	1,704,590	140,000
TOTAL EXPENDITURES	\$ 6,226,195	\$ 6,597,744	\$ 7,099,526	\$ 7,621,281	\$ 9,097,208	\$ 8,070,068

* Personnel previously budgeted in various Internal Service Funds are budgeted in the Parks and Public Works Department General Fund Programs beginning in FY 2018/19.

The above totals reflect General Fund programs. Additional Parks and Public Works programs are reflected in separate Special Revenue and Internal Service Funds following the General Fund portion of this section. Staffing assignments to the Capital Program and Redevelopment Agency are reflected outside of the Department's budget.

PARKS & PUBLIC WORKS DEPARTMENT

DEPARTMENT STAFFING

Full Time Equivalent (FTE)

	2015/16 Funded	2016/17 Funded	2017/18 Funded	2018/19 Funded	2019/20 Adopted
General Fund					
Parks & Public Works Director	1.00	1.00	1.00	1.00	1.00
Asst PPW Dir/Town Engineer	-	-	-	1.00	1.00
Town Engineer	1.00	1.00	1.00	-	-
Superintendent*	0.80	0.80	0.80	1.00	1.00
Facilities & Environmental Svcs Mgr	0.50	0.50	-	-	-
Parks & Public Works Operations Mgr*	-	-	1.50	2.00	2.00
Transportation & Mobility Mgr	-	-	1.00	1.00	1.00
Senior Civil Engineer	1.00	1.00	1.00	1.00	1.00
Senior Administrative Analyst	-	-	-	0.75	0.75
Administrative Analyst	0.75	0.75	0.75	-	-
Executive Assistant	2.00	2.00	1.00	1.00	1.00
Administrative Assistant*	1.80	1.80	1.80	2.50	2.50
Office Assistant*	0.30	0.30	0.30	-	-
Environmental Programs Specialist	-	-	1.00	1.00	1.00
Associate Engineer	2.00	2.00	2.00	2.00	2.00
Assistant Engineer	1.00	1.00	1.00	2.00	2.00
Construction Project Mgr	1.00	1.00	1.00	1.00	1.00
Engineering Technician	1.00	1.00	1.00	1.00	1.00
Senior Public Works Inspector	1.00	1.00	1.00	0.50	0.50
Public Works Inspector	0.50	0.50	0.50	-	-
Parks Service Officer	1.00	1.00	1.00	1.00	1.00
Town Arborist	1.00	1.00	1.00	1.00	1.00
Tree Trimmer/High Climber	1.00	1.00	1.00	1.00	-
Lead Parks & Maintenance Worker*	2.00	2.00	2.00	3.00	3.00
Parks & Maintenance Worker*	7.75	7.75	6.75	7.75	8.75
Equipment Mechanic*	-	-	-	1.00	1.00
Total General Fund FTEs	28.40	28.40	29.40	33.50	33.50
Non-General Fund FTEs (in Parks & Public Works Department programs unless otherwise noted)					
Non-Point Source					
Parks & Maint Worker	0.25	0.25	0.25	0.25	0.25
Public Works Inspector	0.50	0.50	0.50	-	-
Senior Administrative Analyst	-	-	-	0.25	0.25
Senior Public Works Inspector	-	-	-	0.50	0.50
Administrative Analyst	0.25	0.25	0.25	-	-
Total Non-Point Source FTEs	1.00	1.00	1.00	1.00	1.00
Vehicle Maintenance					
Superintendent*	0.20	0.20	0.20	-	-
Administrative Assistant*	0.20	0.20	0.20	-	-
Office Assistant*	0.20	0.20	0.20	-	-
Equipment Mechanic*	1.00	1.00	1.00	-	-
Total Vehicle Maint. FTEs	1.60	1.60	1.60	-	-

☞ PARKS & PUBLIC WORKS DEPARTMENT ☞

DEPARTMENT STAFFING

Full Time Equivalent (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
	Funded	Funded	Funded	Funded	Adopted
<i>Facilities Maintenance</i>					
Facilities & Environmental Svcs Mgr	0.50	0.50	-	-	-
Parks & Public Works Operations Mgr*	-	-	0.50	-	-
Lead Parks & Maintenance Worker*	1.00	1.00	1.00	-	-
Parks & Maintenance Worker*	1.00	1.00	1.00	-	-
Total Facilities Maint. FTEs	2.50	2.50	2.50	-	-
Total PPW Department FTE's	33.50	33.50	34.50	34.50	34.50
<i>Temporary Staff Hours</i>	Funded	Funded	Funded	Funded	Adopted
Park Service Officer	1,000	1,000	-	-	-
Maintenance Worker	1,975	976	976	-	-
Maintenance Assistant	6,591	6,591	5,661	5,661	5,661
Total Annual Hours	9,566	8,567	6,637	5,661	5,661

**Personnel previously budgeted in Park and Public Works Department Internal Service Funds are budgeted in the General Fund beginning in FY 2018/19.*



Parks & Public Works Department

PARKS & PUBLIC WORKS ADMINISTRATION PROGRAM 5101

PROGRAM PURPOSE

The Administration Program supports the delivery of services throughout the Department. Its primary responsibilities include managing and coordinating the efforts of the Department's programs; organizing meetings with residents, contractors, and other agencies; preparing and developing budget documents; administering the traffic calming program; processing and managing grants; and preparing reports to the Town Council, Commissions, and Town Manager.

BUDGET OVERVIEW

Staff will continue to manage the complex federal and state grant fund documentation and reimbursement processes with an emphasis on pursuing new grant opportunities. Staff from this program also supports the administrative management and oversight of the Municipal Regional Storm Water Permit (MRP) along with assistance from Community Development Department staff. A portion of the Senior Administrative Analyst's position is funded through the Non-Point Source fund to offset personnel costs to this program's budget.

Program staff will continue to manage the online parks reservation system. The system allows for more advanced program applications, such as report and data analysis tools, and gives customers an enhanced user interface when making online reservations. Demand for reserved space at Los Gatos parks remains high.

⌘ PARKS & PUBLIC WORKS DEPARTMENT ⌘
Administration

SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
<i>Other Taxes</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Licenses and Permits</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	7,140	(3,272)	-	-	-
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	594	91	-	-	-	-
TOTAL REVENUES	\$ 594	\$ 7,231	\$ (3,272)	\$ -	\$ -	\$ -
 Transfers In						
<i>Transfer from GFAR</i>	\$ -	\$ -	\$ 217,808	\$ 217,808	\$ 217,808	\$ 217,808
Total Transfers In	\$ -	\$ -	\$ 217,808	\$ 217,808	\$ 217,808	\$ 217,808
TOTAL REVENUES & TRANSFERS IN	\$ 594	\$ 7,231	\$ 214,536	\$ 217,808	\$ 217,808	\$ 217,808
 EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 264,683	\$ 243,492	\$ 464,283	\$ 501,345	\$ 489,864	\$ 524,093
<i>Operating Expenditures</i>	42,292	52,295	45,694	39,444	58,609	33,444
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	41,259	44,336	52,363	28,133	28,133	36,897
TOTAL EXPENDITURES	\$ 348,234	\$ 340,123	\$ 562,340	\$ 568,922	\$ 576,606	\$ 594,434

⌘ PARKS & PUBLIC WORKS DEPARTMENT ⌘
Administration

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
<i>Community Character</i> Preserve and enhance the appearance character and environment quality of the community	<i>Park Reservation System Management</i>
	Continue to manage the online parks reservation system for resident and non-resident use of Town park facilities. Staff forecasts that 90% of the 600 expected reservations in the coming year will be made online via the parks reservation system.
	<i>Customer Service Efficiency</i>
	Focus on evaluating processes, procedures and systems to obtain input and feedback from customers to continuously improve the delivery of service to both internal and external customers.

KEY PROGRAM SERVICES

- Provides walk-in and telephone customer service for departmental programs and services.
- Provides internal clerical and program support for departmental services.
- Oversees regulatory and project operations.
- Manages the Department's budget.
- Pursues grant funding to enable the Town to implement key projects.
- Prepares and tracks construction and maintenance contracts.
- Facilitates neighborhood meetings to discuss concerns related to traffic calming, street improvements, and other parks and public works-related issues.
- Provides staff support to the Transportation and Parking Commission, Bicycle and Pedestrian Advisory Commission, and Parks Commission; and assists in coordination of Commission-sponsored projects.
- Provides support for Town-wide Committees, such as Town-wide Health and Safety Committee, Beautification Committee, Town Outreach Team, Safe Routes to School, and Los Gatos Town Employees Foundation.
- Administers the processing of permits and Town park reservations.
- Oversees Department employee training and safety programs.

⌘ PARKS & PUBLIC WORKS DEPARTMENT ⌘
Administration

PPW ADMINISTRATION PROGRAM STAFFING

Full Time Equivalent (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Adopted
Parks & Public Works Director	0.40	0.40	0.40	0.40	0.40
Transporation & Mobility Manager	-	-	1.00	1.00	1.00
Senior Administrative Analyst	-	-	-	0.30	0.30
Administrative Analyst	0.30	0.30	0.30	-	-
Executive Assistant	0.25	0.25	0.25	0.25	0.25
Administrative Assistant	0.50	0.50	0.50	0.58	0.60
Office Assistant	0.30	0.30	0.30	-	-
TOTAL PROGRAM FTE's	1.75	1.75	2.75	2.53	2.55

Parks & Public Works Department

ENGINEERING PROGRAM SERVICES PROGRAM 5201

PROGRAM PURPOSE

Engineering Program Services provides Town engineering services not related to private development. This includes the design, construction management, and administration of the Capital Improvement Program (CIP) to improve the Town's public infrastructure (such as streets, sidewalks, storm drains, parks, retaining walls, and traffic signals) with an emphasis on delivering capital projects within their planned schedules and approved budgets. Engineering operations effectively manage planning, design, and construction of Capital Improvement Projects; Town-wide and neighborhood traffic issues (such as the Town's traffic calming policy and cut-through traffic); engineering inspection services to ensure the Town's project contractors are meeting contract standards and requirements; development of Geographic Information System (GIS) data to manage Town infrastructure, right-of-way, and property boundary issues; and the administration of the asset management and workload tracking system.

BUDGET OVERVIEW

Engineering Program Services provides non-fee-related engineering services and activities. Budgeted staffing supports engineering design, review, consultant management, construction oversight of the Town's CIP projects, and inspection activities to ensure the completion of construction projects as designed. The Engineering Program Services staff oversees grant fund applications and reimbursements, public information meetings and notifications, and traffic calming requests. Additionally, this program houses traffic engineering management for traffic control, signalization, daily operations, and inter-agency coordination of shared intersections and roadways.

∞ PARKS & PUBLIC WORKS DEPARTMENT ∞
Engineering Program Services

For FY 2019/20, staff will manage the design and construction of several key projects including: the continuation of the Almond Grove Street Reconstruction project Phase II, the Annual Street Rehabilitation Project, and the Annual Curb, Gutter, Sidewalk and ADA ramp Project, and the Massol Intersection Improvements. Staff will work to recommend, design, and deliver projects from the Town's approved Bicycle and Pedestrian Master Plan and Traffic Around Schools Plan. Staff will work with the Metropolitan Transportation Commission on the partially grant funded Traffic Signal Modernization project and with PG&E on the Rule 20A project on Los Gatos Boulevard. To support the work in this program, the Department often relies on project delivery models, including the use of temporary part time staff. Costs for these alternative delivery models are outside the Department's allocated operating budget, but recaptured through transfers from specific capital projects. This allows for delivery of a greater number and more complex projects than would be possible with budgeted staffing.

In the FY 2016/17 budget, funding was pro-rated for the addition of a Transportation and Mobility Manager position in this program to establish project feasibility and to best position the Town to compete for Measure B opportunities. Santa Clara County voters approved Measure B, a 30-year, half-cent Countywide sales tax to enhance transit, highways, expressways, and active transportation (bicycles, pedestrians, and complete streets). This position is funded by the General Fund for FY 19/20 after which point the position could potentially transition to funding through awarded projects. The position is also advancing existing Town priorities such as the school busing program, the Town's signal controller and communication system upgrade, and bicycle and pedestrian projects.

⌘ PARKS & PUBLIC WORKS DEPARTMENT ⌘
Engineering Program Services

SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Service Charges	-	128,775	209,631	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ 128,775	\$ 209,631	\$ -	\$ -	\$ -
Transfers In						
Transfer from GFAR	-	97,808	97,808	97,808	97,808	97,808
Total Transfers In	-	97,808	97,808	97,808	97,808	97,808
TOTAL REVENUES & TRANSFERS IN	\$ -	\$ 226,583	\$ 307,439	\$ 97,808	\$ 97,808	\$ 97,808
EXPENDITURES						
Salaries and Benefits	\$ 908,143	\$ 1,065,288	\$ 1,073,387	\$ 1,019,423	\$ 1,146,418	\$ 1,181,717
Operating Expenditures	36,456	23,129	24,844	31,144	24,556	31,144
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	57,720	68,788	70,435	28,212	28,216	31,571
TOTAL EXPENDITURES	\$ 1,002,319	\$ 1,157,205	\$ 1,168,666	\$ 1,078,779	\$ 1,199,190	\$ 1,244,432

PARKS & PUBLIC WORKS DEPARTMENT
Engineering Program Services

FY 2019/20 KEY PROJECTS

Core Values	Key Projects
Community Character Preserve and enhance the appearance character and environment quality of the community	<i>Almond Grove Street Rehabilitation Project</i> Continue to work on the construction, which will be completed by fall of 2019. Staff will continue a high level of outreach to residents in this neighborhood as this project impacts each street for construction. <i>Bicycle and Pedestrian Improvements</i> Complete construction of the new Class I and Class IV bicycle lanes on Blossom Hill Road near Fisher Middle School and provide crosswalk improvements. This project is partially grant funded and identified the need for these important improvements near Fisher Middle School, which creates high levels of student pedestrian and bicycle traffic along this corridor. In addition to Blossom Hill Road, bicycle and pedestrian improvements will be completed on Roberts Road East in front of Fisher Middle School.
Quality Public Infrastructure Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	<i>Additional Capital Improvement Program Projects</i> Continue to work on the design and construction of currently programmed capital projects and the preparation of construction documents for future capital projects. Due to capacity issues and project funding, staff prioritizes projects in the five-year Capital Improvement Program (CIP) for Council consideration. Program staff will pursue grant opportunities where applicable for capital projects. In addition to the aforementioned projects, planned CIP construction projects include regular recurring projects such as the Town's annual street resurfacing and curb, gutter, and sidewalk projects.

KEY PROGRAM SERVICES

Capital Improvement Projects

- Provides plans, specifications, estimates, right-of-way plans, and property descriptions for Town projects; develops requests for proposals (RFPs), and manages consultants, contractors and other various contracts.
- Designs and administers projects for the annual Capital Improvement Program, including street resurfacing and curb, gutter, and sidewalk improvements.

⌘ PARKS & PUBLIC WORKS DEPARTMENT ⌘
Engineering Program Services

KEY PROGRAM SERVICES

Traffic Engineering

- Performs traffic engineering analysis.
- Manages neighborhood traffic concerns and requests, including the traffic calming program and cut-through traffic.

Community Information

- Provides assistance to the public regarding engineering services.
- Manages websites for public notification and other public noticing methods including mailings, door hangers, and NextDoor postings.

ENGINEERING PROGRAM SERVICES STAFFING

Full Time Equivalent (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Adopted
Asst PPW Dir/Town Engineer	-	-	-	0.80	0.80
Town Engineer	0.80	0.80	0.80	-	-
Construction Project Mgr	0.60	0.60	0.60	0.60	0.60
Senior Civil Engineer	0.20	0.20	0.20	0.20	0.20
Senior Administrative Analyst	-	-	-	0.15	0.15
Administrative Analyst	0.15	0.15	0.15	-	-
Executive Assistant	0.20	0.20	0.20	0.20	0.20
Administrative Assistant	0.50	0.50	0.50	0.50	0.50
Associate Engineer	0.80	0.80	0.80	0.80	0.80
Assistant Engineer	0.80	0.80	0.80	1.80	1.80
Engineering Technician	1.00	1.00	1.00	1.00	1.00
Senior Public Works Inspector	0.70	0.70	0.70	0.15	0.15
Public Works Inspector	0.15	0.15	0.15	-	-
TOTAL PROGRAM FTEs	5.90	5.90	5.90	6.20	6.20

⌘ PARKS & PUBLIC WORKS DEPARTMENT ⌘
Engineering Program Services

Performance Objectives and Measures	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1. <i>To effectively manage Capital Projects</i>					
a. Percentage of CIP projects completed within budget:*	100%	100%	100%	100%	100%
b. Percentage of CIP projects completed within schedule:*	100%	100%	100%	100%	100%

Activity and Workload Highlights	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1. Number of traffic calming requests received:	1	1	1	3	3
2. Number of traffic calming projects:	1	1	0	3	3
3. Number of traffic calming projects closed:	1	0	0	2	2
4. Percentage of residential households approving the final traffic calming proposal developed by Town staff (67% approval required):**	84%	<i>Data Not Available</i>	<i>Data Not Available</i>	80%	80%
5. Number of CIP projects completed:	4	8	5	11	4

* *This measure has been moved to Performance Objectives and Measures from Activity and Workload Highlights. The Department is changing the methodology related to item b and will report actuals in next budget cycle.*

** *This measure has been moved to Activity and Workload Highlights from Performance Objectives and Measures.*

Parks & Public Works Department

ENGINEERING DEVELOPMENT SERVICES PROGRAM 5202

PROGRAM PURPOSE

The Engineering Development Services Program, in coordination with the Community Development Department, provides services to ensure private development construction complies with Town standards. Engineering functions include reviewing plans and specifications, and providing inspection services for grading, drainage, and issues of encroachment in the public right-of-way. The program is cost recovery such that staff costs and expenditures related to private development oversight are paid by the applicant.

BUDGET OVERVIEW

There are several major development projects that are expected to start or continue construction in FY 2019/20. These include the North 40, one office projects, and several multi-residential projects. Additionally, a number of utility construction projects will start to install fiber optic cable and small cell sites within the Town, which require staff oversight.

The Engineering Development Services Program's public counter hours will continue to operate from 8:00 a.m. to 1:00 p.m. Monday through Friday. Services continue to be provided in the afternoon by phone and appointment. These hours mirror the public counter hours offered by the Finance and Community Development Departments which allow for back office work to be completed after the counter hours. Additionally, Engineering staff members each have assigned counter days and these schedules are made available to the public to facilitate connecting the public with the Engineer assigned to their project. The program has utilized flex-hour work schedules to reduce overtime pay and to effectively manage the community's service demands.

⌘ PARKS & PUBLIC WORKS DEPARTMENT ⌘
Engineering Development Services

SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
<i>Other Taxes</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Licenses and Permits</i>	428,599	201,449	402,389	226,700	336,760	226,700
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Service Charges</i>	347,059	480,265	1,414,273	471,400	430,400	453,400
<i>Fines & Forfeitures</i>	-	13,462	-	-	-	-
<i>Other Revenues</i>	1,249	1,151	653	160	849	160
TOTAL REVENUES	\$ 776,907	\$ 696,327	\$ 1,817,315	\$ 698,260	\$ 768,009	\$ 680,260
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 548,753	\$ 552,491	\$ 564,918	\$ 636,009	\$ 631,585	\$ 697,951
<i>Operating Expenditures</i>	11,907	37,576	35,725	33,093	33,678	54,749
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Pass Thru Account</i>	-	-	9,234	18,000	-	-
<i>Internal Service Charges</i>	109,587	109,610	111,716	64,881	64,473	42,632
TOTAL EXPENDITURES	\$ 670,247	\$ 699,677	\$ 721,593	\$ 751,983	\$ 729,736	\$ 795,332

∞ PARKS & PUBLIC WORKS DEPARTMENT ∞
Engineering Development Services

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
<i>Good Governance</i> Ensure responsive, accountable and collaborate government	<i>Development Projects</i> The Development Team (Community Development, Parks & Public Works, County Fire, and the Police Departments) will continue to work on several key private development projects in Los Gatos. The North Forty Project is currently in progress and staff continues to work on design and construction aspects of the project. Recently approved projects include Greenridge Terrace, the multi-use project on Union Avenue, and the elderly care facility on Blossom Hill Road. Staff will continue to provide technical support and work collaboratively with residents and private developers through the development process on proposed projects to ensure compliance with Town regulations. There will also be an increased staff role in the monitoring of development projects for their compliance with the new storm water permit. Staff has been and will continue to prepare “Project Information Sheets” on engineering aspects of key development proposals.

KEY PROGRAM SERVICES

Development Projects

- Reviews development applications for compliance with Town grading and engineering standards, and develops project conditions of approval.
- Reviews plans and approves final tract maps and parcel maps as required by state law.
- Conducts inspections of work within public right-of-way through the encroachment permit process and on-site for compliance with the Town’s MRP permit as cross program support of the NPDES program.

Traffic Engineering

- Performs and reviews traffic engineering analysis for proposed development projects and develops project conditions of approval.
- Responds to citizen traffic concerns regarding development projects.

Community Information

- Provides assistance to the public regarding right-of-way issues.
- Develops “Project Information Sheets” to provide summary information on development projects to the public.
- Provides verbal information at Council and Commission meetings.

∞ PARKS & PUBLIC WORKS DEPARTMENT ∞
Engineering Development Services

ENGINEERING DEVELOPMENT SERVICES STAFFING

Full Time Equivalent (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
	Funded	Funded	Funded	Funded	Adopted
Town Staff					
Parks & Public Works Director	0.20	0.20	0.20	0.20	0.20
Asst PPW Dir/Town Engineer	-	-	-	0.20	0.20
Town Engineer	0.20	0.20	0.20	-	-
Construction Project Mgr	0.14	0.14	0.14	0.14	0.14
Senior Civil Engineer	0.80	0.80	0.80	0.80	0.80
Executive Assistant	0.05	0.05	0.05	0.05	0.05
Administrative Assistant	0.10	0.10	0.10	0.10	0.10
Associate Engineer	1.20	1.20	1.20	1.20	1.20
Assistant Engineer	0.20	0.20	0.20	0.20	0.20
Senior Public Works Inspector	0.30	0.30	0.30	0.35	0.35
Public Works Inspector	0.35	0.35	0.35	-	-
TOTAL PROGRAM FTEs	3.54	3.54	3.54	3.24	3.24

	2015/16	2016/17	2017/18	2018/19	2019/20
Performance Objectives and Measures	Actual	Actual	Actual	Estimated	Planned
1. To provide an effective and efficient encroachment and grading/improvement permit approval process:					
a. Percentage of conventional encroachment permits that are processed by Engineering staff within 5 business days:	90%	90%	90%	90%	90%
b. Percentage of conventional grading/improvement permits that are reviewed by Engineering staff within 10 business days:*	90%	90%	90%	90%	90%

	2015/16	2016/17	2017/18	2018/19	2019/20
Activity and Workload Highlights	Actual	Actual	Actual	Estimated	Planned
1. Number of encroachment permits processed:	340	304	311	311	310
2. Number of grading permits processed:	11	22	20	20	20
3. Total encroachment permit revenue:	\$ 399,971	\$ 176,081	\$ 376,262	\$ 310,000	\$ 200,000
4. Total grading permit revenue:	\$ 32,376	\$ 68,060	\$ 392,986	\$ 80,000	\$ 65,000

* Due to multiple variables, the review process can vary.

Parks & Public Works Department

PARK SERVICES PROGRAM 5301

PROGRAM PURPOSE

The Park Services Program provides maintenance of the Town's parks, trails, open spaces, facility grounds, median islands, parking lot landscaping, downtown planters, and the urban forest. In addition, Park Services staff maintains recreational areas for residents and visitors, beautifies the Town's landscape, and takes care of functional public areas throughout the community. Additional services include administering park use fees and reservations, implementing Town regulations in the Town's parks and open space areas, managing vegetation and pest control, and ensuring the safety of parks' playground equipment.

BUDGET OVERVIEW

In FY 2019/20, the use of outside vendors for certain parks maintenance services will continue, including turf mowing, tree trimming, median island maintenance, and weed abatement. The use of external vendors allows the Town's internal resources to focus on higher priority projects and allows for the most effective management of maintenance operations.

Although water conservation targets may be relaxed or eliminated, the impacts from the drought continue to drive activities in this program. Vegetation management and the potential for targeted locations of turf reduction are two areas of operational focus. The Department will continue to enhance irrigations systems in parks, medians islands, and downtown planter boxes to reduce the use of potable water.

The Park Services Program is continuing the cost-saving strategy of limiting the use of program staff overtime. This decrease in overtime involves the reduction of the after-hours "Stand-by Program." Stand-by will only be available during the months of November through March,

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Park Services

instead of year-round.

Park Services Program staff continue to combine resources with Streets and Signals Program staff to complete several large in-house maintenance projects. Because the Parks and Public Works Operations Manager continues to oversee the Park Services Program staff, combined projects are more efficient to manage. Some examples of combined large-scale maintenance projects include brush removal, median maintenance, turf renovation, and graffiti abatement that were previously unachievable by either program independently.

Additionally, staff continues to be involved with the implementation of the Long Term Trash Plan, which is a requirement of the storm water permit. This involves annual inspection and cleaning of storm water catch basins, including the reporting of data to achieve permit compliance.

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Park Services

SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
<i>Other Taxes</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Licenses and Permits</i>	236,444	186,691	162,996	220,000	150,000	165,000
<i>Intergovernmental</i>	-	-	51,204	-	-	-
<i>Service Charges</i>	32,573	44,329	72,497	40,877	45,498	40,877
<i>Fines & Forfeitures</i>	290	240	-	-	6,390	-
<i>Other Revenues</i>	29,101	19,676	32,243	19,393	25,062	19,393
TOTAL REVENUES	\$ 298,408	\$ 250,936	\$ 318,940	\$ 280,270	\$ 226,950	\$ 225,270
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 1,040,746	\$ 1,040,757	\$ 1,055,027	\$ 982,338	\$ 1,077,082	\$ 1,363,845
<i>Operating Expenditures</i>	414,939	500,118	569,909	520,380	538,911	580,759
<i>Fixed Assets</i>	15,358	-	-	-	-	-
<i>Internal Service Charges</i>	206,626	198,086	210,839	138,841	143,741	72,010
TOTAL EXPENDITURES	\$ 1,677,669	\$ 1,738,961	\$ 1,835,775	\$ 1,641,559	\$ 1,759,734	\$ 2,016,614

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
Quality Public Infrastructure Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	<i>Park Upgrades and Improvements</i>
	Complete several park improvement projects in the Capital Improvement Program. These proposed projects include improvements at Oak Meadow, Blossom Hill, and Live Oak Manor Parks to seal asphalt pathways and parking lots.
	<i>Open Space Trail Upgrades</i>
	Begin to rehabilitate Heinz and Santa Rosa Open Space areas to improve the trail infrastructure. These two preserves are under the Town's jurisdiction.

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Park Services

KEY PROGRAM SERVICES

Maintenance Services

- Maintains 62 public sites, including 75.3 acres of landscaped space located in 15 Town parks; 12.09 miles of trails and pathways; 246 acres of open space located in three open space areas; 19.15 acres of landscaping for medians, roadside banks, triangles, and nine community parking lots; 33 Downtown streetscape planters; and grounds maintenance for five Town-owned public buildings with 6.81 acres of landscaped area.
- Maintains trees and plants in all parks, on all median islands, along all streets, and on public property, including State Route 9, per agreement with Caltrans.
- Conducts ongoing maintenance and improvement projects, as needed, to ensure parks and trails equipment and facilities are functional and in safe operating condition.
- Maintains the downtown tree lights on Santa Cruz Avenue and Main Street.
- Coordinates the tree removal permit process to protect trees and manage tree inspection services.
- Oversees contract services for six Landscaping and Lighting Assessment Districts.
- Supervises the state Department of Corrections Work Furlough Program for clean-up projects.

Park Use Fees and Reservation System

- Manages the online park reservation system and user fee process.
- Implements Town regulations in the Town's parks and trails system.

Volunteer Projects

- Manages the Downtown Adopt-a-Planter program.
- Coordinates volunteers (individuals and groups) who maintain or construct park-related projects, including parks and trails system improvements and debris removal.
- Oversees the Adopt A Highway – Highway 9/Highway 17 Circle Ramp Cleanups.

Special Events

- Provides support services for Town events, including but not limited to, 4th of July, Screen on the Green, and the holiday tree lighting ceremony in Town Plaza Park.
- Provides services for other special events on a cost-recovery basis, if requested.

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Park Services

PARK SERVICES PROGRAM STAFFING

Full Time Equivalent (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
	Funded	Funded	Funded	Funded	Adopted
Town Staff					
Parks & Public Works Director	0.20	0.20	0.20	0.20	0.20
Superintendent	0.40	0.40	0.40	0.40	0.40
Construction Project Mgr	0.13	0.13	0.13	0.13	0.13
Facilities & Environmental Services Mgr	0.10	0.10	-	-	-
Park & Public Works Operation Mgr	-	-	0.60	0.60	0.60
Senior Administrative Analyst	-	-	-	0.15	0.15
Administrative Analyst	0.15	0.15	0.15	-	-
Executive Assistant	0.25	0.25	0.25	0.25	0.25
Administrative Assistant	0.40	0.40	0.40	0.45	0.30
Parks Service Officer	1.00	1.00	1.00	1.00	1.00
Tree Trimmer/High Climber	1.00	1.00	1.00	1.00	-
Lead Parks & Maint Worker	1.00	1.00	1.00	1.00	1.00
Parks & Maint Worker	3.00	3.00	2.00	1.00	4.00
TOTAL PROGRAM FTE's	7.63	7.63	7.13	6.18	8.03

	2015/16	2016/17	2017/18	2018/19	2019/20
	Funded	Funded	Funded	Funded	Adopted
Temporary Staff Hours					
Parks Service Officer	1,000	1,000	-	-	-
Maintenance Assistant	5,963	5,963	5,033	5,033	5,033
TOTAL ANNUAL HOURS	6,963	6,963	5,033	5,033	5,033

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Park Services

Performance Objectives and Measures	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1. <i>To ensure the park's playground equipment is functional and in safe operating condition.</i>					
a. Percentage of parks with playground equipment receiving weekly safety inspections:	90%	90%	90%	90%	90%

Activity and Workload Highlights	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1. Total number of acres of Town parks, open space, and median islands maintained:	350.9	350.9	350.9	350.9	350.9
2. Total miles of parks and open space trails maintained:	14.9	14.9	14.9	14.9	14.9
3. Total number of park reservations issued annually:	596	525	509	525	525
4. Total number of special use permits for parks issued annually:	42	48	28	30	30
5. Total number of parks service requests within Town parks received and completed:	60	36	31	35	35

Parks & Public Works Department

ENVIRONMENTAL SERVICES PROGRAM 5302

PROGRAM PURPOSE

The purpose of the Environmental Services Program is to implement initiatives that protect public health, safety, and the environment, and promote programs to encourage a sustainable future. Staff works to encourage:

- 1) Sustainability initiatives
- 2) Water conservation
- 3) Energy reduction
- 4) Recycling and composting of materials

The Environmental Services Program staff ensures the Town is in compliance with environmental regulations, including air quality permits and Statewide policies on solid waste disposal and recycling. Staff also provides management oversight with compliance reports, such as the annual report for the NPDES storm water permit. Additionally, program staff educates and raises awareness about environmental issues through various community education activities and events. Staff continues to work with its partners, such as the West Valley Clean Water Program, Pacific Gas & Electric, and West Valley Collection & Recycling to raise community awareness about environmental sustainability, waste prevention, and resource conservation.

As required by the California Integrated Waste Management Act of 1989 (AB 939), the Town must divert a minimum of 50% of its waste from the landfill. In 2011, the California Integrated Waste Management Act (AB 341) was approved that establishes a statewide diversion goal of 75%, and also requires several solid waste disposal policies. Staff manages compliance with AB 939 and AB 341 requirements, monitors and evaluates existing waste collection and recycling programs, and recommends new programs to meet diversion objectives. Staff also actively

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Environmental Services

participates in the West Valley Solid Waste Management Authority, the local joint powers authority for managing the solid waste vendor contracts.

BUDGET OVERVIEW

Program staff will continue to advance approved energy efficiency projects, such as energy management systems and energy efficiency upgrades in Town-owned facilities. These projects will focus on energy reduction and reduce operational costs over the long term. The program also includes the implementation of water conservation measures.

Town staff will continue to represent the Town with the West Valley Solid Waste Management Authority (WVSWMA) and Household Hazardous Waste Program with a goal of increasing waste diversion and minimization. The Joint Powers Authority approved new solid waste administrative related fees in FY 2019/20. The revenues collected from the Authority are also being used to offset Department expenditures related to the management of the Household Hazardous Waste Program, street sweeping, and contract administration.

The Town continues to add recycling receptacles through the Downtown Recycling Expansion Program. Six receptacles are being added in FY 2018/19 downtown, three in Blossom Hill Park, and one in Belgatos Park. In FY 2019/20, staff will add receptacles in multiple Town parks. This program was created to comply with AB 939 and AB 341 to reduce litter throughout the community and assist with reaching the statewide diversion goal.

The Town's Outside the Box Program is designed to enhance the character of the community by adding artwork to utility boxes that are often targeted by graffiti vandals. Selected artwork harbors environmental sustainability messages that include: alternative transportation, clean energy, clean creeks, community sustainability, and healthy lifestyles. In FY 2018/19 four utility boxes are being added to bring the total to 21, with an additional four following in FY 2019/20.

Town staff is partnering with the West Valley Clean Water Program Authority (WVCWPA) and the City of Campbell in adding ten waste and educational stations (five in Los Gatos) along the Los Gatos Creek Trail. Each station will consist of trash and recycling receptacles, a dog waste station, and environmental outreach signage. The Town is currently in the design phase of the grant with anticipated installation in FY 2019/20.

Spring into Green is an annual sustainability event that provides the opportunity for the Town to conduct education and outreach on environmental topics. This aligns with and supports the Town's Sustainability Plan

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Environmental Services

and obligations under the Regional Stormwater Permit, especially around trash reduction in the storm system. The Spring into Green event requires annual staff and non-staff resources equivalent to approximately \$12,000. A portion of the staff time is funded through the Parks and Public Works Operating Budget, and the remaining budget and responsibility resides with the Town Manager's Office.

SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
<i>Other Taxes</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Licenses and Permits</i>	121,192	114,814	118,867	121,956	121,956	121,956
<i>Intergovernmental</i>	44,561	43,647	29,243	38,200	38,073	38,200
<i>Service Charges</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	500	-	-	-	-
TOTAL REVENUES	\$ 165,753	\$ 158,961	\$ 148,110	\$ 160,156	\$ 160,029	\$ 160,156
Transfers In						
<i>Transfer from General Fund</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
TOTAL REVENUES & TRANSFERS IN	\$ 165,753	\$ 158,961	\$ 148,110	\$ 160,156	\$ 160,029	\$ 160,156
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 189,572	\$ 145,872	\$ 155,532	\$ 186,936	\$ 177,481	\$ 216,729
<i>Operating Expenditures</i>	180,970	146,953	179,993	178,968	172,667	180,887
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	7,854	6,434	6,605	528	528	612
TOTAL EXPENDITURES	\$ 378,396	\$ 299,259	\$ 342,130	\$ 366,432	\$ 350,676	\$ 398,228
Transfers Out						
<i>Transfer to General Fund</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
TOTAL EXPENDITURES & TRANSFERS OUT	\$ 378,396	\$ 299,259	\$ 342,130	\$ 366,432	\$ 350,676	\$ 398,228

∞ PARKS AND PUBLIC WORKS DEPARTMENT ∞
Environmental Services

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
Community Character Preserve and enhance the appearance, character, and environmental quality of the community	<i>Collection Services</i>
	The Town is an active member of the West Valley Solid Waste Management Authority, a joint powers authority (JPA) that contracts for solid waste collection, recycling, and disposal services for residential and commercial customers in Los Gatos, Campbell, Monte Sereno, and Saratoga. During FY 2019/20, staff will continue to work actively with the JPA and West Valley Collection and Recycling as it enters its eleventh year of providing service to West Valley cities.
	<i>Keep Los Gatos Beautiful</i>
	April is “Keep Los Gatos Beautiful” month, and multiple major events are planned during this month. The Keep Los Gatos Beautiful Month Activity Book was created to encourage residents to practice sustainability by providing interactive activities, resources, and a calendar of events for the month. The Keep Los Gatos Beautiful campaign celebrates National Earth Day, National Arbor Day, and National Volunteer Recognition Week, all of which occur during April. Keep Los Gatos Beautiful events are funded in part by state Beverage Container Grant funds. “Spring into Green” is a sustainability focused event that combines National Earth Day, National Arbor Day, and “Keep Los Gatos Beautiful” month into one community celebration.
	<i>Community Outreach and Awareness</i>
	Program staff will coordinate a variety of events and trainings on waste and pollution prevention, and resource conservation through community outreach activities to promote recycling, environmental sustainability, and environmental protection. Staff continues to work with partners, such as the West Valley Clean Water Program, Pacific Gas & Electric, and West Valley Collection & Recycling, to raise community awareness of these issues. Staff also focuses on connecting residents and businesses with sustainability resources through the Town’s Growing Greener Program. Additionally, staff will be completing Phase V of the Utility Box Art Program for FY 19/20, which aims to raise awareness of environmental sustainability issues in Los Gatos.
	<i>Green Business Certification</i>
	Staff will continue to work on and maintain its Green Business Certification through the Santa Clara County Green Business Program. This fiscal year, staff will continue to renew certifications for necessary buildings. As part of this certification process, staff will coordinate green business education programs including the award-winning “Los Gatos: Growing Greener Together” campaign.

∞ PARKS AND PUBLIC WORKS DEPARTMENT ∞
Environmental Services

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
<i>Community Character</i> Preserve and enhance the appearance, character, and environmental quality of the community	<i>Household Hazardous Waste</i> The Town contracts with the County of Santa Clara Household Hazardous Waste Program to provide free and safe disposal of household hazardous wastes. Throughout the year, the program will continue to monitor the work performed under this contract, which allows residents to dispose of potentially hazardous wastes such as used motor oil and filters, pesticides, herbicides, corrosives, flammables, and household medical waste.

KEY PROGRAM SERVICES

- Maintains Town's compliance with California Integrated Waste Management Act of 1989 (AB 939) solid waste diversion requirements, including initiating and implementing programs to increase diversion.
- Participates in West Valley Solid Waste Management Authority JPA activities, including rate and service reviews.
- Provides safe household hazardous waste disposal options.
- Implements the Town's Climate Action Plan, contained within the Los Gatos Sustainability Plan, including strategies to reduce the Town's carbon footprint.
- Promotes sustainability initiatives and educational awareness through partnerships and activities, such as the "Spring into Green" event and the Green Business Certification Program.

ENVIRONMENTAL SERVICES PROGRAM STAFFING

Full Time Equivalent (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
	Funded	Funded	Funded	Funded	Adopted
<i>Town Staff</i>					
Facilities & Environmental Services Mgr	0.40	0.40	-	-	-
Park & Public Works Operation Mgr	-	-	0.40	0.40	0.40
Executive Assistant	1.00	1.00	-	-	-
Environmental Programs Specialist	-	-	1.00	1.00	1.00
Total General Fund FTE	1.40	1.40	1.40	1.40	1.40

☞ PARKS AND PUBLIC WORKS DEPARTMENT ☞
Environmental Services

Performance Objectives and Measures	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1. <i>Maximize diversion from landfills in order to protect public health and safety, and the environment.</i>					
a. Disposal per capita by calendar year (target is ≤ 5.2 lbs./person/day): *	3.7	3.5	2.6	2.6	2.6
	2015	2016	2017	2018	2019
2. <i>Monitor and evaluate existing waste collection and recycling programs.</i>					
a. Percentage of solid waste collection calls received and resolved within 2 days:	100%	100%	100%	100%	100%
b. Diversion Rate:	44%	45%	53%	53%	53%

Activity and Workload Highlights	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1. Number of Los Gatos households participating in the Household Hazardous Waste Disposal Program:	947	1,066	1,141	1,100	1,100
2. Town solar usage (Megawatts generated):	172	N/A	208	210	210
3. Number of Electric Vehicle Charging Stations:	8	8	8	8	8
4. Total kWh used by Electric Vehicle Chargers:	70,471	63,432	67,632	68,000	68,000

* Target is provided by the California Department of resources Recycling and Recovery (CalRecycle).

Parks & Public Works Department

STREETS and SIGNALS PROGRAM PROGRAM 5401

PROGRAM PURPOSE

The Streets and Signals Program provides safe and functional roadways, retaining walls, bridges, and curb and sidewalk systems through the ongoing maintenance of the Town's roadway network. Objectives include small pavement reconstruction, minor street repairs, the filling of potholes, maintenance of roadway signs, traffic pavement markings, signals, streetlights, storm drain maintenance, and debris removal. Program staff collaborates with other Department programs, such as the Park Services Program, and neighboring agencies to perform roadside cleanup projects. Additional project coordination is conducted with the Engineering Program Services for traffic calming device installation and roadway improvements in the Capital Improvement Program.

BUDGET OVERVIEW

In FY 2019/20, the Streets and Signals Program will continue to provide tree maintenance as a contractual service. This has been done for the last five years as a cost savings measure. It allows staff to focus on other day-to-day operational responsibilities. This contract will be increased one-time by \$100,000 for additional maintenance Town-wide. The additional funds will put the Town on a 15-year trimming cycle (the industry standard is seven years). The FY 2019/20 budget also includes a decrease of \$55,000 due to street light energy savings from the LED street light conversion.

The program will implement an Integrated Pest Management Plan (IPM) that provides technical guidance to determine appropriate pesticide use to control the growth of weeds around facilities, parks, and roadsides. The IPM plan will emphasize measures other than use of chemicals to control weeds in the open space through means of mechanical vegetation removal and the application of nontoxic chemicals whenever possible.

∞ PARKS & PUBLIC WORKS DEPARTMENT ∞
Streets & Signals Program

The Town Arborist will continue to manage the Town's urban forest and will retain an active role in managing the contractual services component of this work. Additionally, the Arborist will perform landscape review for small to medium private development proposals. The Arborist also reviews private property tree removal applications and ensures compliance with the Town Code and appropriate mitigation.

Downtown trash can removal service will be performed through contractual services. Additionally, overtime costs will be contained by only operating the "Stand-by Program" during November through March, instead of year-round. Street sweeping services will continue in the Town and be carried out by the Parks and Maintenance Workers.

Streets and Signals staff will continue to be responsible for the maintenance and operations of the trash capture devices, which were installed in FY 2012/13 to meet a requirement of the San Francisco Bay Area Storm Water Municipal Regional Permit. This is an ongoing maintenance responsibility for the Town.

∞ PARKS & PUBLIC WORKS DEPARTMENT ∞
Streets & Signals Program

SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
<i>Other Taxes</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Licenses and Permits</i>	192,097	186,896	197,442	191,543	191,543	191,543
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Service Charges</i>	5,546	4,778	588	4,000	4,000	4,000
<i>Other Revenues</i>	<u>1,326</u>	<u>28,124</u>	<u>-</u>	<u>-</u>	<u>26,060</u>	<u>-</u>
TOTAL REVENUES	\$ 198,969	\$ 219,798	\$ 198,030	\$ 195,543	\$ 221,603	\$ 195,543
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 990,521	\$ 1,105,395	\$ 1,061,139	\$ 1,350,275	\$ 1,171,758	\$ 1,312,099
<i>Operating Expenditures</i>	681,717	749,079	676,378	720,709	668,569	793,047
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	<u>343,174</u>	<u>319,183</u>	<u>349,579</u>	<u>381,926</u>	<u>376,803</u>	<u>107,528</u>
TOTAL EXPENDITURES	\$ 2,015,412	\$ 2,173,657	\$ 2,087,096	\$ 2,452,910	\$ 2,217,130	\$ 2,212,674

∞ PARKS & PUBLIC WORKS DEPARTMENT ∞
Streets & Signals Program

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
<i>Good Governance</i> Ensure responsive, accountable and collaborate government	<i>Ongoing Maintenance</i>
	Ongoing maintenance of the Town's infrastructure ensures year-round functionality for the Town. This work includes roadway repair, storm drain cleaning, street sign replacements, and other routine maintenance activities.
	<i>Inter-Program Work Projects</i>
	Continue to plan and coordinate work projects, such as roadside clean-ups, that use Department-wide resources to increase efficiency and address large scale maintenance issues.
	<i>Partnership with Other Municipalities</i>
	Continue to pursue opportunities with local agencies that have similar service needs in an effort to reduce program expenditures. Successful ongoing coordinated efforts include graffiti removal, paving operations, brush removal activities, and the storm drain catch basin cleaning program.
<i>Quality Public Infrastructure</i> Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	<i>Capital Improvement Program Projects</i>
	Perform minor pavement repairs in advance of contractor work to enhance efficiency and management of Capital Improvement Program projects.

∞ PARKS & PUBLIC WORKS DEPARTMENT ∞
Streets & Signals Program

KEY PROGRAM SERVICES

Street Maintenance/Traffic Signal Program

- Maintains traffic signs and street signs along public streets.
- Maintains visibility of pavement markings, including crosswalks, red curbs, and roadway striping.
- Maintains 30 signalized intersections and 1,580 streetlights in the public right-of-way.
- Maintains downtown tree lights along North Santa Cruz Avenue and Main Street.
- Maintains LED Streetlights.

Tree Maintenance

- Oversees the tree trimming contract.
- Manages private tree removal application process and implementation of mitigation measures.

Street Maintenance/Pavement

- Maintains and repairs over 106 miles of public streets and 22 parking lots.
- Maintains storm drain basins, ditches, and culverts.

Sidewalk Maintenance Program

- Coordinates concrete sidewalk, curb, and gutter replacement program with CIP.

Sidewalk Maintenance Program

- Coordinates concrete sidewalk, curb, and gutter replacement program with CIP.
- Maintains the cleanliness of sidewalks, benches, and waste receptacles in the business districts using pressure washing equipment.

Special Events

- Provides support services to Town events.
- Installs banners and flags, as requested by local organizations and approved by the Town.

☞ PARKS & PUBLIC WORKS DEPARTMENT ☜
Streets & Signals Program

STREETS & SIGNALS PROGRAM STAFFING

Full Time Equivalent (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
	Funded	Funded	Funded	Funded	Adopted
<i>Town Staff</i>					
Parks & Public Works Director	0.20	0.20	0.20	0.20	0.20
Superintendent	0.40	0.40	0.40	0.40	0.40
Construction Project Mgr	0.13	0.13	0.13	0.13	0.13
Park & Public Works Operation Mgr	-	-	0.50	0.50	0.50
Senior Administrative Analyst	-	-	-	0.15	0.15
Administrative Analyst	0.15	0.15	0.15	-	-
Executive Assistant	0.25	0.25	0.25	0.25	0.25
Administrative Assistant	0.30	0.30	0.30	0.53	0.60
Town Arborist	1.00	1.00	1.00	1.00	1.00
Lead Parks & Maint Worker	1.00	1.00	1.00	1.00	1.00
Parks & Maint Worker	4.75	4.75	4.75	5.75	3.75
TOTAL PROGRAM FTEs	8.18	8.18	8.68	9.91	7.98

	2015/16	2016/17	2017/18	2018/19	2019/20
	Funded	Funded	Funded	Funded	Adopted
<i>Temporary Staff Hours</i>					
Maintenance Worker	741	488	488	-	-
TOTAL ANNUAL HOURS	741	488	488	-	-

☞ PARKS & PUBLIC WORKS DEPARTMENT ☜
Streets & Signals Program

Performance Objectives and Measures	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1. <i>To ensure streetlights and traffic signals are working in effective operating order.</i>					
a. Percentage of streetlight malfunctions repaired within 5 days of notification:	100%	100%	100%	100%	100%
2. <i>To provide safe and functional roadway systems throughout Town.</i>					
a. Pavement Condition Index (PCI):	66	67	68	72	73

Activity and Workload Highlights	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1. Number of Town street lights:	1,827	1,797	1,797	1,830	1,830
2. Number of street light malfunctions reported: *	109	104	38	40	40
3. Annual number of Town street lights repaired:	109	137	38	38	38
4. Number of signalized intersections maintained:	30	30	30	30	31
5. Miles of street maintained:	150	150	150	150	150
6. Number of traffic signs repaired/replaced:	443	388	483	500	500
7. Total number of traffic related work orders received and completed:	189	152	120	130	130
8. Total number of tree-related maintenance requests received, requiring inspection by staff:	217	240	221	230	230
9. Total number of staff hours for tree-related work, including, but not limited to, inspections or pruning	739	757	821	820	820
10. Number of public trees pruned or maintained at industry standard:*	503	757	N/A	800	800
11. Square feet of sidewalks removed and replaced:	1,000	2,065	0	1,600	1,600
12. Linear feet of bike lanes:	89,224	98,924	99,659	99,659	99,659

* Town was unable to identify count due to switch in tree maintenance vendor.



Parks & Public Works Department

PROPERTY DAMAGE PROGRAM 5405

PROGRAM PURPOSE

The Property Damage Program is an operating program designed to monitor financial activity related the damage of Town property and public infrastructure, such as sidewalks, streets, Town vehicles, parks, and other public facilities. In particular, this program tracks revenue/reimbursements received by applicable parties and expenses incurred as the result of damage to Town property.

BUDGET OVERVIEW

The FY 2018/19 budget reflects a net zero impact to the General Fund budget, as it is difficult to anticipate potential damage to Town property. A placeholder of \$25,000 in expenditures was budgeted; budget adjustments, if necessary, will be brought forward for Council consideration during the mid-year budget review process. Due to the timing of the receipt of reimbursements, prior year revenue actuals are initially higher than expenditures. As this program includes no staff activity, it does not have Key Projects or Performance Measures.

∞ PARKS & PUBLIC WORKS DEPARTMENT ∞
Property Damage

SUMMARY OF REVENUES AND EXPENDITURES

	<u>2015/16</u> <u>Actuals</u>	<u>2016/17</u> <u>Actuals</u>	<u>2017/18</u> <u>Actuals</u>	<u>2018/19</u> <u>Adopted</u>	<u>2018/19</u> <u>Estimated</u>	<u>2019/20</u> <u>Adopted</u>
REVENUES						
<i>Other Taxes</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Licenses and Permits</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Service Charges</i>	-	-	-	-	-	-
<i>Other Revenues</i>	<u>67,785</u>	<u>26,856</u>	<u>206,630</u>	<u>-</u>	<u>9,008</u>	<u>-</u>
TOTAL REVENUES	\$ 67,785	\$ 26,856	\$ 206,630	\$ -	\$ 9,008	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	63,203	109,072	76,898	25,000	16,636	25,000
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	\$ 63,203	\$ 109,072	\$ 76,898	\$ 25,000	\$ 16,636	\$ 25,000

Parks & Public Works Department

VEHICLE MAINTENANCE MANAGEMENT PROGRAM 5406

PROGRAM PURPOSE

The Vehicle Maintenance Management Program maintains the Town's vehicles and equipment to ensure each piece is safe and functional. Program staff provide preventive maintenance and repair for the Town's fleet and light to heavy duty construction equipment. A combination of in-house personnel and outside contractors provide maintenance and repair services for the Town's vehicles and equipment.

BUDGET OVERVIEW

This program continues to evaluate vehicle maintenance costs and repairs to determine cost saving strategies. This program will continue to evaluate the purchase of hybrid and alternative fuel vehicles, as the budget permits, to reduce fuel consumption over the short and long term. Staff continues to reduce the purchase of diesel-powered vehicles wherever feasible. The purchase of diesel powered equipment has been limited to large equipment and heavy trucks.

Operating expenditures that were previously funded in the Vehicle Maintenance Internal Service Fund are programmed beginning in FY 2019/20 in the General Fund Vehicle Maintenance Management Program.

Fuel prices have trended low this fiscal year, although costs can fluctuate dramatically, making forecasting fuel prices for the fiscal year difficult. Due to market variations, cost projections remain conservative; however, any fuel expenditures over and above the established budget would be brought forth in the mid-year budget report.

⌘ PARKS & PUBLIC WORKS ⌘
Vehicle Maintenance Management

SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
<i>Other Taxes</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Licenses and Permits</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Service Charges</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES						
<i>Salaries and Benefits*</i>	\$ -	\$ -	\$ -	\$ 217,404	\$ 216,897	\$ 234,533
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	703	666
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ 217,404	\$ 217,600	\$ 235,199

* Personnel previously budgeted in the Vehicle Maintenance Internal Service Fund are budgeted in the Vehicle Maintenance General Fund Staffing Program beginning in FY 2018/19.

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
Community Character Preserve and enhance the appearance character and environment quality of the community	Alternate Fuel Vehicles Continue to pursue alternate fuel vehicles as the replacement schedule, Town budget, and functionality requirements allow. The Town has added one additional hybrid vehicle to the Public Works Engineering program, which has reduced fuel consumption and saved in fuel efficiency costs overall.
Good Governance Ensure responsive, accountable and collaborate government	Repair Schedules Continue to actively manage maintenance schedules to maximize vehicle and equipment life cycles. Ongoing efforts at selective in-sourcing and out-sourcing of work ensure the program provides quality and cost-efficient service.

⌘ PARKS & PUBLIC WORKS ⌘
Vehicle Maintenance Management

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
<i>Good Governance</i> Ensure responsive, accountable and collaborate government	<i>Fleet Management</i>
	The program's asset management system tracks a vehicle's total repair, maintenance schedule, and fuel costs. This system provides reliable quantitative information to assist with replacement decisions and conduct operational efficiencies. Continue to analyze fleet usage and repair cost information and adjust the fleet size as appropriate.
	<i>Department Joint Projects</i>
	Continue to participate in Department joint projects on an as needed basis, which provides additional departmental flexibility for major projects. Winter storms require action Department-wide with all program staff participating.

KEY PROGRAM SERVICES

- Provides preventive maintenance and repairs for all Town-owned vehicles and equipment.
- Maintains the Town's fueling system infrastructure for gasoline, and diesel fuel.

VEHICLE MAINTENANCE PROGRAM STAFFING

<i>Full Time Equivalent (FTE)</i>					
	2015/16	2016/17	2017/18	2018/19	2019/20
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Adopted
Superintendent	-	-	-	0.20	0.20
Administrative Assistant	-	-	-	0.35	0.40
Equipment Mechanic	-	-	-	1.00	1.00
Total Vehicle Maint. FTEs	-	-	-	1.55	1.60

⌘ PARKS & PUBLIC WORKS ⌘
Vehicle Maintenance Management

Performance Objectives and Measures	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1. <i>To provide safe and functional vehicles and equipment.</i>					
a. Percentage of fleet in compliance with maintenance schedule:	100%	100%	100%	100%	100%
b. Cost per mile, by class of equipment (<i>Life, cost/replacement cost=annual cost per mile</i>)					
Police:	\$0.44	\$0.29	\$0.37	\$0.33	\$0.33
General Fleet - light:	\$0.63	\$0.57	\$0.83	\$0.70	\$0.70
General Fleet - heavy:	\$0.87	\$1.35	\$1.72	\$1.54	\$1.54
c. Percentage of fleet that is alternate fuel vehicles:*	24%	24%	22%	21%	21%

Activity and Workload Highlights	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1. Number of police vehicles maintained:	49	46	44	46	46
2. Number of heavy-duty vehicles maintained:	4	4	4	4	4
3. Number of light-duty (non-police) vehicles maintained:	41	42	42	42	42
4. Pieces of equipment maintained (light and heavy duty):	45	43	45	45	45
5. Hybrid vehicles:	7	7	12	12	12
6. Electric vehicles:	5	5	2	2	2

* New measure effective FY 2015/16, historical data provided when available.

Parks & Public Works Department

FACILITIES MAINTENANCE STAFFING PROGRAM 5407

PROGRAM PURPOSE

Facilities Maintenance staffing program reflects all salaries and benefits related to facilities maintenance staffing.

BUDGET OVERVIEW

There are no changes to the Facilities Maintenance Staffing budget in FY 2019/20.

⌘ PARKS & PUBLIC WORKS ⌘
Facilities Maintenance Staffing

SUMMARY OF REVENUES AND EXPENDITURES

	<u>2015/16</u> <u>Actuals</u>	<u>2016/17</u> <u>Actuals</u>	<u>2017/18</u> <u>Actuals</u>	<u>2018/19</u> <u>Adopted</u>	<u>2018/19</u> <u>Estimated</u>	<u>2019/20</u> <u>Adopted</u>
REVENUES						
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Service Charges	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES						
Salaries and Benefits*	\$ -	\$ -	\$ -	\$ 368,899	\$ 321,628	\$ 397,872
Operating Expenditures	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	-	-	-	9,393	3,682	10,283
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ 378,292	\$ 325,310	\$ 408,155

* Personnel previously budgeted in the Facilities Maintenance Internal Service Fund are budgeted in the Facilities Maintenance General Fund Staffing Program beginning in FY 2018/19.

FACILITIES MAINTENANCE PROGRAM STAFFING

Full Time Equivalent (FTE)

	<u>2015/16</u> <u>Funded</u>	<u>2016/17</u> <u>Funded</u>	<u>2017/18</u> <u>Funded</u>	<u>2018/19</u> <u>Funded</u>	<u>2019/20</u> <u>Adopted</u>
Town Staff					
Park & Public Works Operation Mgr	-	-	-	0.50	0.50
Lead Parks & Maint Worker	-	-	-	1.00	1.00
Parks & Maint Worker	-	-	-	1.00	1.00
Total Building Maint. FTEs	-	-	-	2.50	2.50

	<u>2015/16</u> <u>Funded</u>	<u>2016/17</u> <u>Funded</u>	<u>2017/18</u> <u>Funded</u>	<u>2018/19</u> <u>Funded</u>	<u>2019/20</u> <u>Adopted</u>
Temporary Staff Hours					
Maintenance Assistant	-	-	-	628	628
TOTAL ANNUAL HOURS	-	-	-	628	628

Parks & Public Works Department

PASS-THROUGH ACCOUNTS PROGRAM 5999

PROGRAM PURPOSE

The Pass-Through Accounts Program provides an accounting structure to separate ongoing Parks and Public Works program activities from applicant funding utilized for external engineering services consultants, such as traffic study engineering and geotechnical reviews. Fees for these external development services are paid for in advance by the applicant, with the funds then applied to a purchase order. All invoices from the consultants are subsequently paid out of the applicant's account until they zero out. Any remaining balance is returned to the applicant. Accounting for these activities in a separate accounting structure allows the true cost of operations to remain intact within a program, eliminating unrelated funding fluctuations from year to year. This pass-through approach is also used in the Community Development Department for similar projects.

BUDGET OVERVIEW

There is no budgetary impact to this program as revenues will equal expenditures. The revenues and expenditures reflect estimates based on prior year trends and known departmental operations. At fiscal year-end, actuals may differ substantially from original budgeted numbers as the quantity and size of engineering fees within the community in any given year is not known or determinable in advance. This budget reflects a reasonable estimate only. As this program includes no staff activity, it does not have Key Projects or Performance Measures.

∞ PARKS & PUBLIC WORKS DEPARTMENT ∞
Pass-Through Accounts

SUMMARY OF REVENUES AND EXPENDITURES

	<u>2015/16</u> <u>Actuals</u>	<u>2016/17</u> <u>Actuals</u>	<u>2017/18</u> <u>Actuals</u>	<u>2018/19</u> <u>Adopted</u>	<u>2018/19</u> <u>Estimated</u>	<u>2019/20</u> <u>Adopted</u>
REVENUES						
<i>Other Taxes</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Licenses and Permits</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Service Charges</i>	66,784	66,558	313,316	120,000	439,619	120,000
<i>Other Revenues</i>	<u>3,902</u>	<u>13,232</u>	<u>5,757</u>	<u>20,000</u>	<u>664,971</u>	<u>20,000</u>
TOTAL REVENUES	\$ 70,686	\$ 79,790	\$ 319,073	\$ 140,000	\$ 1,104,590	\$ 140,000
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Pass Thru Account</i>	70,715	79,790	305,028	140,000	1,704,590	140,000
<i>Internal Service Charges</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	\$ 70,715	\$ 79,790	\$ 305,028	\$ 140,000	\$ 1,704,590	\$ 140,000

Parks & Public Works Department

EQUIPMENT REPLACEMENT FUND FUND 631

PROGRAM PURPOSE

The Equipment Replacement Program provides funding for the replacement of Town vehicles, equipment, and information technology with a value greater than \$10,000. The initial capital costs associated with an asset are charged to the program budget where the asset exists. The program having custody and utilizing the asset pays the replacement cost amortized over the life of the asset through internal service charges. These internal service charges accumulate the needed funding to replace the Town's vehicle and equipment assets at the end of their useful lives. The result of this funding structure is a smoothing of operating expenditures and a more accurate reflection of the actual cost of operations.

Vehicle replacement is based on the vehicle meeting predetermined age and/or mileage criteria as set forth in the Equipment Replacement Policy. Vehicle Maintenance personnel evaluate vehicles scheduled for replacement before a final determination is made and may delay replacement based on the vehicle condition.

BUDGET OVERVIEW

This program's budget includes funding for replacement vehicles and equipment. Program expenditures change significantly each year due to the timing of major purchases of equipment. A combination of deferred replacement, upgrades, replacements, and the refurbishment of vehicles and equipment is proposed, based on the condition of each vehicle or piece of equipment and its cost effectiveness. The FY 2019/20 replacement schedule identifies 23 vehicles for replacement as determined by the Town's Equipment Replacement Policy. The vehicles scheduled for replacement are in the Police and Parks and Public Works fleets.

⌘ PARKS & PUBLIC WORKS DEPARTMENT ⌘
Equipment Replacement Fund

Cost for vehicle replacement continues to escalate 3% to 5% annually based on market increases. New vehicle purchases include the installation of safety equipment and components specific to Department needs, thus increasing the overall cost of replacement.

Additionally, public safety vehicles differ from the general fleet based on emergency response, including traveling at high rates of speed. As a result, special equipment such as warning lights, sirens, and computers continue to increase the overall cost of new vehicles.

Program staff will continue to evaluate the current fleet inventory and evaluate each vehicle's replacement schedule along with the Department's needs and the Equipment Maintenance and Replacement Policy. Vehicles previously removed from the replacement schedule, but still in the inventory will be evaluated as staff explores right-sizing the fleet. Vehicles that are still needed to provide service will be addressed individually through this program as fleet additions.

In FY 2013/14, the Town entered into an equipment cost sharing agreement with the cities of Campbell and Cupertino. The purpose of this agreement is to help generate revenue for the Town by loaning out the use of the sewer truck when Town staff does not need it and to provide access to equipment not available in the Town's inventory. The revenues collected from this agreement are deposited back into the Equipment Replacement Fund for this specific asset. Over time, this will help offset replacement costs for the Town when that vehicle needs to be replaced.

On an ongoing basis, staff will also explore replacement costs versus rental of equipment to reduce ongoing program operating expenditures. Assessments between internal and external diagnostic and repair facility costs will be conducted to determine the most cost-effective approach. As this program includes minimal staff activity, it does not have Performance Measures.

In FY 2015/16, Council approved the establishment of an Almond Grove Reserve. A transfer out of the Equipment Replacement Fund of \$1.5 million was made in FY 2016/17 to fund a portion of the CIP project. This has resulted in a negative projected fund balance in future years, necessitating increased contribution to the Equipment Replacement Fund through increased internal service charges to ensure adequate resources for future Town equipment needs.

☞ PARKS & PUBLIC WORKS DEPARTMENT ☜
Equipment Replacement Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated - Non-Point Assets</i>	\$ 207,831	\$ 207,831	\$ 207,831	\$ 207,831	\$ 207,831	\$ 207,831
<i>Designated - General Fund Assets</i>	3,467,197	1,940,173	1,686,225	2,120,441	2,120,441	2,308,129
Total Beginning Fund Balance	3,675,028	2,148,004	1,894,056	2,328,272	2,328,272	2,515,960
Revenues						
<i>Service Charge</i>	490,826	381,323	622,313	610,000	610,000	199,093
<i>Interest</i>	-	-	-	-	-	-
<i>Other Revenues</i>	10,267	77,366	50,303	10,000	28,399	30,000
Total Revenues	501,093	458,689	672,616	620,000	638,399	229,093
Transfers In						
<i>Transfer from Capital Projects</i>	-	-	98,000	-	-	-
<i>Transfer from General Fund</i>	-	-	300,000	450,000	450,000	-
<i>Transfer from MIS</i>	-	-	-	-	-	-
Total Transfers In	-	-	398,000	450,000	450,000	-
Total Revenues & Transfers In	501,093	458,689	1,070,616	1,070,000	1,088,399	229,093
TOTAL SOURCE OF FUNDS	\$ 4,176,121	\$ 2,606,693	\$ 2,964,672	\$ 3,398,272	\$ 3,416,671	\$ 2,745,053
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits*</i>	\$ 8,931	\$ 9,919	\$ 11,533	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	4,232	3,952	-	-	-
<i>Fixed Assets</i>	530,499	402,806	620,915	1,572,945	900,711	1,661,240
<i>Internal Service Charges</i>	-	-	-	-	-	-
Total Expenditures	539,430	416,957	636,400	1,572,945	900,711	1,661,240
Transfers Out						
<i>Transfer to General Fund</i>	1,488,687	-	-	-	-	-
<i>Transfer to Capital Projects</i>	-	295,680	-	-	-	525,000
Total Transfers Out	1,488,687	295,680	-	-	-	525,000
Total Expenditures & Transfers Out	2,028,117	712,637	636,400	1,572,945	900,711	2,186,240
Ending Fund Balance						
<i>Designated - Gas Tax Assets</i>	-	-	-	-	-	-
<i>Designated - Non-Point Assets</i>	207,831	207,831	207,831	207,831	207,831	207,831
<i>Designated - General Fund Assets</i>	1,940,173	1,686,225	2,120,441	1,617,496	2,308,129	350,982
Total Ending Fund Balance	2,148,004	1,894,056	2,328,272	1,825,327	2,515,960	558,813
TOTAL USE OF FUNDS	\$ 4,176,121	\$ 2,606,693	\$ 2,964,672	\$ 3,398,272	\$ 3,416,671	\$ 2,745,053

* Personnel previously budgeted in the Vehicle Replacement Internal Service Fund are budgeted in the Finance Department General Fund Program beginning in FY 2018/19.

⌘ PARKS & PUBLIC WORKS DEPARTMENT ⌘
Equipment Replacement Fund

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
Quality Public Infrastructure Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	Vehicle Replacements Staff will replace eight PD patrol vehicles, five PPW streets vehicles, five PD investigations vehicles, three PPW parks vehicles, one PD administrative vehicle, and one PD traffic enforcement vehicle.

KEY PROGRAM SERVICES

- Assesses vehicles and equipment for proper replacement timing and for fuel efficiency and functionality.
- Performs cost effectiveness studies for asset cost and replacements.
- Accumulates appropriate internal service charges for asset replacement funding.
- Coordinates with Town Departments for the smooth placement into service of new vehicles and equipment.

EQUIPMENT REPLACEMENT FUND STAFFING

Full Time Equivalent (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
Town Staff	Funded	Funded	Funded	Funded	Adopted
Account Technician	0.10	0.10	-	-	-
Administrative Analyst*	-	-	0.10	-	-
Total Equipment Replacement FTEs	0.10	0.10	0.10	-	-

**Personnel previously budgeted in Equipment Replacement Internal Service fund are budgeted in the General Fund beginning in FY 2018/19.*

Parks & Public Works Department

VEHICLE MAINTENANCE FUND FUND 632

PROGRAM PURPOSE

All items previously funded in the Vehicle Maintenance Fund, an Internal Service Fund, have been transferred to the Vehicle Maintenance Management Fund in the General Fund beginning in FY 2019/20.

Any fund balance will be added to the General Fund Assigned Reserve. Town Council will provide direction on use of funds at the Budget hearing. Actual reserve balance will be determined at the year-end close.

⌘ PARKS & PUBLIC WORKS DEPARTMENT ⌘
Vehicle Maintenance Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2015/16	2016/17	2017/18	2018/19	2018/19	2019/20
	Actuals	Actuals	Actuals	Adopted	Estimated	Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	322,864	409,872	182,368	262,788	262,788	-
Total Beginning Fund Balance	322,864	409,872	182,368	262,788	262,788	-
Revenues						
<i>Service Charge</i>	571,670	573,865	586,654	376,655	376,655	-
<i>Interest</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	3,810	-	-	379,023	-
Total Revenues	571,670	577,675	586,654	376,655	755,678	-
TOTAL SOURCE OF FUNDS	\$ 894,534	\$ 987,547	\$ 769,022	\$ 639,443	\$ 1,018,466	\$ -
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits*</i>	\$ 229,752	\$ 562,635	\$ 269,302	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	254,910	242,544	236,932	376,655	238,188	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
Total Expenditures	484,662	805,179	506,234	376,655	238,188	-
Transfers Out						
<i>Transfer to Genral Fund</i>	-	-	-	-	780,278	-
Total Transfers Out	-	-	-	-	780,278	-
Total Expenditures & Transfers Out	484,662	805,179	506,234	376,655	1,018,466	\$ -
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	409,872	182,368	262,788	262,788	-	-
Total Ending Fund Balance	409,872	182,368	262,788	262,788	-	-
TOTAL USE OF FUNDS	\$ 894,534	\$ 987,547	\$ 769,022	\$ 639,443	\$ 1,018,466	\$ -

* Personnel previously budgeted in the Vehicle Maintenance Internal Service Fund are budgeted in the Vehicle Maintenance General Fund Staffing Program beginning in FY 2018/19.

** FY 2018/19 estimated Ending Fund Balance is anticipated to be restated upon final audit because no material amounts of pension expense were budgeted in the Vehicle Maintenance Fund.

⌘ PARKS & PUBLIC WORKS DEPARTMENT ⌘
Vehicle Maintenance Fund

VEHICLE MAINTENANCE FUND STAFFING

Full Time Equivalent (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Adopted
Superintendent	0.20	0.20	0.20	-	-
Administrative Assistant	0.20	0.20	0.20	-	-
Office Assistant	0.20	0.20	0.20	-	-
Equipment Mechanic	1.00	1.00	1.00	-	-
Total Vehicle Maint. FTEs	1.60	1.60	1.60	-	-



Parks & Public Works Department

FACILITIES MAINTENANCE FUND FUND 633

PROGRAM PURPOSE

The Facilities Maintenance Fund provides services to ensure Town facilities are safe and functional for public and employee use. Services include custodial services, elevator maintenance, cell phone services, heating and ventilation systems, building improvements, facility security, lighting systems, solar energy, and electric vehicle charging stations. Facilities staff also plan, schedule, and manage small and large building facility projects such as building remodeling, public access infrastructure improvements, floor covering, work space reconfigurations, roof repairs, heating and air conditioning system improvements, electrical services, and all other aspects required to keep the Town's facilities functional and safe.

BUDGET OVERVIEW

Revenues for this fund are obtained through assessment chargebacks to Town Departments, based upon a percentage of square footage assigned to each Department. The Facilities Maintenance Program pays for all operating expenditures, including utilities, repairs, and maintenance and the Departments in turn fund the program's expenditures through these chargebacks.

Additionally, this fiscal year staff will continue to assess energy efficiency measures and current CIP upgrades in Town-owned facilities in collaboration with staff from the Environmental Services Program.

This fund will continue the cost-saving strategy by limiting the use of program staff overtime. The decrease in overtime involves the reduction of the after-hours "Stand-by Program." Stand-by will be available during the months of November through March, instead of year-round.

☞ PARKS & PUBLIC WORKS DEPARTMENT ☜
Facilities Maintenance Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	484,030	414,367	(37,871)	981,784	245,437	885,649
Total Beginning Fund Balance	484,030	414,367	(37,871)	981,784	245,437	885,649
Revenues						
<i>Other Taxes</i>	44,453	23,165	31,838	40,000	40,000	40,000
<i>Service Charge</i>	1,019,164	1,124,537	1,142,513	882,707	882,707	847,375
<i>Service Charges</i>	-	-	-	-	-	-
<i>Other Revenues</i>	217,845	275,864	284,685	286,382	860,159	286,382
Total Revenues	1,281,462	1,423,566	1,459,036	1,209,089	1,782,866	1,173,757
Transfers In						
<i>Transfer from General Fund</i>	-	-	300,000	-	-	-
Total Transfers In	-	-	300,000	-	-	-
Total Revenues & Transfers In	1,281,462	1,423,566	1,759,036	1,209,089	1,782,866	1,173,757
TOTAL SOURCE OF FUNDS	\$ 1,765,492	\$ 1,837,933	\$ 1,721,165	\$ 2,190,873	\$ 2,028,303	\$ 2,059,406
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits*</i>	\$ 364,733	\$ 864,361	\$ 382,313	\$ -	\$ -	\$ 15,413
<i>Operating Expenditures</i>	974,246	1,011,443	1,093,415	1,151,086	1,092,654	1,157,586
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	752
Total Expenditures	1,338,979	1,875,804	1,475,728	1,151,086	1,092,654	1,173,751
Transfers Out						
<i>Transfer to General Fund</i>	-	-	-	-	-	-
<i>Transfer to Capital Projects</i>	12,146	-	-	-	50,000	788,000
<i>Transfer to Office Stores</i>	-	-	-	-	-	-
Total Transfers Out	12,146	-	-	-	50,000	788,000
Total Expenditures & Transfers Out	1,351,125	1,875,804	1,475,728	1,151,086	1,142,654	1,961,751
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	414,367	(37,871)	245,437	1,039,787	885,649	** 97,655
Total Ending Fund Balance	414,367	(37,871)	245,437	1,039,787	885,649	97,655
TOTAL USE OF FUNDS	\$ 1,765,492	\$ 1,837,933	\$ 1,721,165	\$ 2,190,873	\$ 2,028,303	\$ 2,059,406

* Personnel previously budgeted in the Facilities Maintenance Internal Service Fund are budgeted in the Facilities Maintenance General Fund Staffing Program beginning in FY 2018/19.

** FY 2018/19 estimated Ending Fund Balance is anticipated to be restated upon final audit because no material amounts of pension expense were budgeted in the Facilities Maintenance Fund.

☞ PARKS & PUBLIC WORKS DEPARTMENT ☜
Facilities Maintenance Fund

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
Quality Public Infrastructure Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	<i>Oversight of Capital Improvement Projects</i>
	Assist in the oversight of all facility improvement projects planned during FY 2019/20, including numerous building improvement projects at the Civic Center and other Town facilities.
	<i>ADA Improvements</i>
	Complete two projects to upgrade the upstairs restrooms at the Adult Recreation Center and the downstairs restrooms at the Civic Center to meet current ADA compliance. Both of these restrooms are in the configuration of the original designs of the facilities.
	<i>Building Modifications</i>
	Complete a project to modify two buildings at the Corporation Yard to combine staff in the Engineering Building, and replace the existing 30+ year old temporary modular buildings with a new storage facility.

KEY PROGRAM SERVICES

- Administers custodial, telephone, heating, ventilating, and air conditioning system maintenance agreements.
- Manages preventive maintenance contracts for elevator, fire, and building alarms.
- Administers facilities capital improvement contracts.
- Administers repairs and improvements to The New Museum of Los Gatos and the Friends of the Library as well as the vacant buildings on Tait and at Forbes Mill.
- Manages inter-Departmental service requests.
- Manages lighting for public parking garages and public parking lots.
- Maintains downtown tree lights along North Santa Cruz Avenue and Main Street.
- Monitors and maintains Forbes Mill Footbridge lights.

⌘ PARKS & PUBLIC WORKS DEPARTMENT ⌘
Facilities Maintenance Fund

FACILITIES MAINTENANCE FUND STAFFING

Full Time Equivalent (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
	Funded	Funded	Funded	Funded	Adopted
Town Staff					
Facilities & Environmental Services Mgr	0.50	0.50	-	-	-
Park & Public Works Operation Mgr	-	-	0.50	-	-
Lead Parks & Maint Worker	1.00	1.00	1.00	-	-
Parks & Maint Worker	1.00	1.00	1.00	-	-
Total Building Maint. FTEs	2.50	2.50	2.50	-	-

	2015/16	2016/17	2017/18	2018/19	2019/20
	Funded	Funded	Funded	Funded	Adopted
Temporary Staff Hours					
Maintenance Assistant	628	628	628	-	-
TOTAL ANNUAL HOURS	628	628	628	-	-

**Personnel previously budgeted in the Facilities Maintenance Internal Service Fund are budgeted in the Facilities Maintenance General Fund Staffing Program beginning in FY 2018/19.*

	2015/16	2016/17	2017/18	2018/19	2019/20
Performance Objectives and Measures	Actual	Actual	Actual	Estimated	Planned
1. To ensure Town facilities are safe and functional for public and employee use.					
a. Percentage of high priority (safety or service interruption) requests completed within 3 days:	83%	85%	N/A	90%	90%
b. Percentage of facilities requests completed within 14 days:	90%	77%	79%	80%	80%

	2015/16	2016/17	2017/18	2018/19	2019/20
Activity and Workload Highlights	Actual	Actual	Actual	Estimated	Planned
1. Total square footage of facilities maintained:	135,824	132,654	132,654	132,654	132,654
2. Total square footage of facilities maintained per FTE:	54,330	53,062	53,062	53,062	53,062
3. Cost per square foot:	\$2.70	\$2.30	\$2.88	\$2.88	\$3.00
4. Total number of facility requests received and completed	292	270	324	320	320

** Staff changing methodology. Data not available for FY 17/18*

Parks & Public Works Department

NON-POINT SOURCE PROGRAM FUND 222

PROGRAM PURPOSE

The principal objective of the Non-Point Source Program is to keep debris and pollution from entering the Town's storm drain system, which drains directly into local creeks and ultimately the San Francisco Bay. This objective is accomplished by providing street sweeping services, maintaining trash capture devices inside storm drains, and inspecting private development projects to ensure compliance with storm water requirements. To meet the National Pollutant Discharge Elimination System (NPDES) Permit requirements, Engineering Development Program staff, in coordination with Community Development Department staff, will continue to review the regulations to evaluate the staff and budget impacts associated with implementation of this permit.

BUDGET OVERVIEW

Previously, the West Valley Sanitation District received funding collected through the County of Santa Clara property tax rolls for non-point source functions. These receipts were then distributed to three local agencies that support this function: the Town for operating expenditures incurred through this program's activities; the West Valley Clean Water Program (WVCWP); and the West Valley Sanitation District (WVSD) to reimburse the District for the NPDES permit fee, the Santa Clara Valley Urban Runoff Pollution Prevention Program (SCVURPPP), and WVSD annual storm drain maintenance work. As of July 2018, WVSD is no longer involved with the West Valley cities' Non-Point Source Programs. The West Valley cities have created a JPA, the West Valley Clean Water Program Authority (WVCWPA) to manage this program.

∞ PARKS & PUBLIC WORKS DEPARTMENT ∞
Non-Point Source Program

These programs perform various functions required under the Federal Clean Water Act, Environmental Protection Agency regulations, and respective NPDES permits. The West Valley cities of Saratoga, Monte Sereno, Campbell, and Los Gatos are participants in the WVCWP, which represents these cities at the County and regional level on policy permit issues. Additionally, the WVCWP manages permit and fee administration, collects revenue through tax assessments, and compiles data, and does reporting for the West Valley cities. Each year, the Town and the three other municipalities cooperatively prepare an outline of the annual work plan and the associated budget for approval prior to the establishment of the annual user fees, and prior to the WVSD transmitting those fees to the County for collection on the property tax roll.

The NPDES permit which regulates each of these programs is issued by the San Francisco Regional Water Quality Control Board (RWQCB). An initial permit went into effect in 1990s. A next generation of the NPDES storm water permit, called the Municipal Regional Storm water Permit (MRP), was adopted by the California Regional Water Quality Control Board in October 2009, for an approximate five year cycle. The recently adopted MRP 2.0 permit mandates increased requirements in several key areas, including development projects. Increased inspection mandates will require additional staff time both for the inspection and the associated reporting.

As a result of these new permit regulations, staff will be required to perform more construction inspections on new development projects to ensure permit requirements, such as Low Impact Development (LID) features, are met. Additionally, requirements to meet trash load reduction impacts to creeks will be increased from 70% by 2017 to 100% by 2022. Each of these items has associated costs and workloads, and as the requirements increase, incremental gains become more difficult and more expensive with no direct cost recovery option. Staff from the Parks and Public Works Department continues to implement requirements within the Long Term Trash Plan, as part of the NPDES permit requirements.

The Town's NPDES program will continue to conduct monthly sweeping of streets and parking lots; clear storm drains, ditches, and culverts; and dispose of collected material in a safe manner. The frequency of street sweeping in residential and commercial areas may be increased as a result of increased permit regulations in the long term, budget permitting. Staff is currently evaluating costs and strategies to implement these additional regulations. The Town's NPDES program activities also include volunteer groups that regularly pick up debris along the Los Gatos Creek Trail and through the Town sponsored Adopt a Highway program. Town staff track and report the amount of debris collected by all these activities to WVCWP.

⌘ PARKS & PUBLIC WORKS DEPARTMENT ⌘
Non-Point Source Program

STATEMENT OF SOURCE AND USE OF FUNDS

	2015/16	2016/17	2017/18	2018/19	2018/19	2019/20
	Actuals	Actuals	Actuals	Adopted	Estimated	Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	142,944	109,030	14,895	71,339	71,339	(8,838)
Total Beginning Fund Balance	142,944	109,030	14,895	71,339	71,339	(8,838)
Revenues						
<i>Licenses and Permits</i>	30,000	30,780	231,323	231,323	231,323	231,323
<i>Intergovernmental</i>	-	-	903	-	-	-
<i>Service Charge</i>	-	-	-	-	-	-
<i>Other Revenues</i>	338,813	341,846	345,365	353,071	353,071	353,071
Total Revenues	368,813	372,626	577,591	584,394	584,394	584,394
Transfers In						
<i>Transfer from General Fund</i>	50,000	-	-	-	-	10,000
Total Transfers In	50,000	-	-	-	-	10,000
Total Revenues & Transfers In	418,813	372,626	577,591	584,394	584,394	594,394
TOTAL SOURCE OF FUNDS	\$ 561,757	\$ 481,656	\$ 592,486	\$ 655,733	\$ 655,733	\$ 585,556
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ 111,664	\$ 126,005	\$ 135,347	\$ 163,367	\$ 149,572	\$ 190,474
<i>Operating Expenditures</i>	335,544	334,538	378,905	391,755	510,957	383,657
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	5,519	6,218	6,895	4,359	4,042	5,042
Total Expenditures	452,727	466,761	521,147	559,481	664,571	579,173
Transfers Out						
<i>Transfer to General Fund</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	452,727	466,761	521,147	559,481	664,571	579,173
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	109,030	14,895	71,339	96,252	(8,838)	6,383
Total Ending Fund Balance	109,030	14,895	71,339	96,252	(8,838)	6,383
TOTAL USE OF FUNDS	\$ 561,757	\$ 481,656	\$ 592,486	\$ 655,733	\$ 655,733	\$ 585,556

∞ PARKS & PUBLIC WORKS DEPARTMENT ∞
Non-Point Source Program

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
<i>Community Character</i> Preserve and enhance the appearance, character, and environmental quality of the community	<i>Expanded Trail Volunteerism</i> Continue to increase volunteerism to reduce debris from entering the waterways alongside trails and walkways in Los Gatos. In addition, program staff will continue to partner with the West Valley Clean Water Program to raise awareness about stormwater and pollution prevention to residents in the community. During FY 2019/20 the Town will continue the Adopt-A-Highway Program that involves removing litter from the Highway 17 exit 20B on and off circle ramps. The Town's Parks Services Officer regularly will continue to do volunteer projects with youth organizations in Town Parks and along the Los Gatos Creek Trail. The American Association of University Women continues to provide monthly cleanups along the Los Gatos Creek Trail with assistance from the Town.
<i>Good Governance</i> Ensure responsive, accountable, and collaborative government	<i>Municipal Regional Permit</i> Continue to take on an increased role in implementing regulations related to the San Francisco Bay Area Stormwater Municipal Regional Permit. The new permit requires additional staff involvement in areas such as oversight of new private development stormwater treatment measures, trash load reduction, inspections, and maintenance and operations. Staff will continue to monitor and implement strategies with other Town Departments to ensure permit compliance issues are met.

KEY PROGRAM SERVICES

- Sweeps Town streets and parking lots and steam-cleans business area sidewalks.
- Coordinates Integrated Pest Management with Park Services Program to reduce pesticides from entering waterways due to Town pest management activities.
- Monitors storm water permit issues and implements strategies in collaboration with other Town Departments, to meet permit requirements.
- Coordinates education and awareness programs related to storm water issues with partners and volunteers.

⌘ PARKS & PUBLIC WORKS DEPARTMENT ⌘
Non-Point Source Program

NON-POINT SOURCE PROGRAM STAFFING

Full Time Equivalent (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
	Funded	Funded	Funded	Funded	Adopted
Town Staff					
Parks & Maint Worker	0.25	0.25	0.25	0.25	0.25
Public Works Inspector	0.50	0.50	0.50	-	-
Senior Administrative Analyst	-	-	-	0.25	0.25
Senior Public Work Inspector	-	-	-	0.50	0.50
Administrative Analyst	0.25	0.25	0.25	-	-
Total Non-Point Source FTEs	1.00	1.00	1.00	1.00	1.00
	2015/16	2016/17	2017/18	2018/19	2019/20
	Funded	Funded	Funded	Funded	Adopted
Temporary Staff Hours					
Maintenance Worker	1,234	488	488	-	-
TOTAL ANNUAL HOURS	1,234	488	488	-	-

	2015/16	2016/17	2017/18	2018/19	2019/20
	Actual	Actual	Actual	Estimated	Planned
Performance Objectives and Measures					
1. Prevent street debris from entering the storm drain system.					
a. Number of cubic yards of debris removed annually:	1,375	1,453	530	1,400	1,400
	2015/16	2016/17	2017/18	2018/19	2019/20
	Actual	Actual	Actual	Estimated	Planned
Activity and Workload Highlights					
1. Number of Los Gatos curb and parking lot miles swept annually:	4,800	3,825	1,943	4,800	4,800
2. Number of stormwater inspections:	1,849	854	541	900	900



Parks & Public Works Department

ASSESSMENT DISTRICTS FUNDS 231 – 236

ASSESSMENT DISTRICT PURPOSE

In the early 1990s, the Town formed six Landscape and Lighting District Funds with the written consent of all property owners within the boundaries of the districts. There are two Landscape and Lighting Districts, which cover six neighborhood areas. The districts are funded through tax assessments to reimburse the Town for the payment of water and electricity; district improvements and upgrades; and the regular maintenance of trees, landscaping, trails, irrigation systems, and lighting. There are six program funds that have been established to maintain these neighborhood areas.

The Landscape and Lighting Districts are exempt from Proposition 218 requirements requiring a 2/3 majority approval, unless the assessments are increased. Section 5 of Proposition 218 provides that the measure does not apply to assessments existing on November 1996 if the assessments were “imposed pursuant to a petition signed by the persons owning all of the parcels subject to the assessment at the time the assessment was initially imposed.” As long as the assessments were imposed by request or with the consent of all the property owners, the Town Attorney is of the opinion that this provision has been met, even without a formal petition. Consequently, the Town is not required to conduct an election of the property owners unless the assessment is increased. The fund balances for each of the assessment districts has proven to be adequate to fund routine maintenance needs; however, in previous years when maintenance requirements for large repairs have arisen, the Town has been required to step in to offset these one-time costs. The table on the next page provides an overview of the annual assessments.

∞ PARKS & PUBLIC WORKS DEPARTMENT ∞
Landscape & Lighting Districts

Fiscal Year 2019/20

Annual Special District Assessments

Fund #	Assessment Districts	Number of Parcels	Parcel Assessment	Total Assessment	Rate in effect prior to Prop 218
231	Blackwell Drive	5	\$ 632	\$ 3,160	Yes
232	Kennedy Meadows	15	685	10,275	Yes
233	Gemini Court	18	230	4,140	Yes
234	Santa Rosa	15	300	4,500	Yes
235	Vasona Heights	33	295	9,735	Yes
236	Hillbrook	34	50	5,950	Yes
Total Landscape & Lighting Assessment:				\$ 37,760	

⌘ PARKS & PUBLIC WORKS DEPARTMENT ⌘
Landscape & Lighting Districts

DEPARTMENTAL SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	180,216	185,342	199,655	198,696	198,696	207,010
Total Beginning Fund Balance	180,216	185,342	199,655	198,696	198,696	207,010
REVENUES						
Property Tax Assessments	28,097	38,370	34,400	38,220	38,220	38,220
Interest	1,414	1,570	2,416	1,460	1,820	1,460
Other Revenues	13	-	174	-	-	-
Total Revenues	29,524	39,940	36,990	39,680	40,040	39,680
TOTAL SOURCE OF FUNDS	\$ 209,740	\$ 225,282	\$ 236,645	\$ 238,376	\$ 238,736	\$ 246,690
EXPENDITURES						
Salaries and Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenditures	19,478	20,707	26,159	32,817	26,806	32,817
Fixed Assets	-	-	6,870	75,093	-	52,500
TOTAL EXPENDITURES	\$ 19,478	\$ 20,707	\$ 33,029	\$ 107,910	\$ 26,806	\$ 85,317
Transfers Out						
<i>Transfer to General Fund</i>	4,920	4,920	4,920	4,920	4,920	4,920
Total Transfers Out	4,920	4,920	4,920	4,920	4,920	4,920
Total Expenditures & Transfers Out	24,398	25,627	37,949	112,830	31,726	90,237
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	185,342	199,655	198,696	125,546	207,010	156,453
Total Ending Fund Balance	185,342	199,655	198,696	125,546	207,010	156,453
TOTAL USE OF FUNDS	\$ 209,740	\$ 225,282	\$ 236,645	\$ 238,376	\$ 238,736	\$ 246,690



Parks & Public Works Department

BLACKWELL DRIVE ASSESSMENT DISTRICT FUND 231

FUND PURPOSE

This assessment district incorporates five homes and a median island along Blackwell Drive at National Avenue constructed as part of Tract 8306, Blackwell Development. Assessments to maintain the landscaping and irrigation in the median island and for street light maintenance on National Avenue remain constant for the five parcels at \$632 each annually.

The median island landscaping and irrigation are maintained by contract. The street trees and lighting are also part of the district. The contractor clears trash and weeds from the median island biweekly. Landscaping plants and irrigation are replaced and repaired as necessary.

BUDGET OVERVIEW

A portion of the fund balance surplus will be recommended for use for improvements such as drought tolerant plants, pruning, and renovation of the irrigation system.

⌘ PARKS & PUBLIC WORKS DEPARTMENT ⌘
Blackwell Drive Assessment District

STATEMENT OF SOURCE AND USE OF FUNDS

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	8,648	10,231	11,928	12,703	12,703	13,366
Total Beginning Fund Balance	8,648	10,231	11,928	12,703	12,703	13,366
Revenues						
<i>Property Tax Assessments</i>	3,160	3,160	3,160	3,160	3,160	3,160
<i>Interest</i>	73	92	151	50	100	50
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	3,233	3,252	3,311	3,210	3,260	3,210
TOTAL SOURCE OF FUNDS	\$ 11,881	\$ 13,483	\$ 15,239	\$ 15,913	\$ 15,963	\$ 16,576
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	1,190	1,095	2,076	2,947	2,137	2,947
<i>Fixed Asset</i>	-	-	-	7,500	-	7,500
Total Expenditures	1,190	1,095	2,076	10,447	2,137	10,447
Transfers Out						
<i>Transfer to General Fund</i>	460	460	460	460	460	460
Total Transfers Out	460	460	460	460	460	460
Total Expenditures & Transfers Out	1,650	1,555	2,536	10,907	2,597	10,907
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	10,231	11,928	12,703	5,006	13,366	5,669
Total Ending Fund Balance	10,231	11,928	12,703	5,006	13,366	5,669
TOTAL USE OF FUNDS	\$ 11,421	\$ 13,023	\$ 14,779	\$ 15,453	\$ 15,503	\$ 16,116

Parks & Public Works Department

KENNEDY MEADOWS ASSESSMENT DISTRICT FUND 232

FUND PURPOSE

The Kennedy Meadows Assessment District consists of eight acres of open space area surrounding 15 homes. The open space area contains a paved trail, wetlands area, and a portion of Ross Creek. Streetlights on Forrester Court and Kennedy Court are also maintained by the district. Annual assessments for district upkeep remain constant at \$685 per parcel.

The trees, landscaping, irrigation system, trail, and streetlights within the open space area are maintained by contract. The district, including the paved trail, is cleaned and cleared of trash biweekly. Irrigation repair and tree replacement are completed as necessary.

BUDGET OVERVIEW

During FY 2019/20, maintenance expenditures are anticipated to remain constant. The fund balance surplus is held for current or future repair/replacement costs related to the asphalt pathway, tree trimming, and streetlights.

⌘ PARKS & PUBLIC WORKS DEPARTMENT ⌘
Kennedy Meadows Assessment District

STATEMENT OF SOURCE AND USE OF FUNDS

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	48,151	40,097	42,097	35,233	35,233	38,003
Total Beginning Fund Balance	48,151	40,097	42,097	35,233	35,233	38,003
Revenues						
<i>Property Tax Assessments</i>	-	10,309	7,535	10,275	10,275	10,275
<i>Interest</i>	346	322	447	330	400	330
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	346	10,631	7,982	10,605	10,675	10,605
TOTAL SOURCE OF FUNDS	\$ 48,497	\$ 50,728	\$ 50,079	\$ 45,838	\$ 45,908	\$ 48,608
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	6,890	7,121	6,466	7,403	6,395	7,403
<i>Fixed Assets</i>	-	-	6,870	22,593	-	-
Total Expenditures	6,890	7,121	13,336	29,996	6,395	7,403
Transfers Out						
<i>Transfer to General Fund</i>	1,510	1,510	1,510	1,510	1,510	1,510
Total Transfers Out	1,510	1,510	1,510	1,510	1,510	1,510
Total Expenditures & Transfers Out	8,400	8,631	14,846	31,506	7,905	8,913
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	40,097	42,097	35,233	14,332	38,003	39,695
Total Ending Fund Balance	40,097	42,097	35,233	14,332	38,003	39,695
TOTAL USE OF FUNDS	\$ 46,987	\$ 49,218	\$ 48,569	\$ 44,328	\$ 44,398	\$ 47,098

Parks & Public Works Department

GEMINI COURT ASSESSMENT DISTRICT FUND 233

FUND PURPOSE

This assessment district, located on Blossom Hill Road and Gemini Court, is made up of 18 residences with a public right-of-way within the boundaries of the Gemini subdivision, Tract No. 8439. The assessment district provides for the maintenance of trees, landscaping, irrigation systems, lighting, sound wall, and fences along the walkway.

Landscaping and irrigation are maintained by contract. The contractor clears trash and weeds in the median island biweekly. Landscaping plants and irrigation are replaced and repaired as necessary. Annual assessments remain constant for the 18 parcels at \$230 each.

BUDGET OVERVIEW

A portion of the fund balance surplus will be recommended for improvements such as irrigation, tree work, lighting repair, landscaping, and repainting the sound wall.

⌘ PARKS & PUBLIC WORKS DEPARTMENT ⌘
Gemini Court Assessment District

STATEMENT OF SOURCE AND USE OF FUNDS

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	16,948	20,392	23,787	26,087	26,087	28,265
Total Beginning Fund Balance	16,948	20,392	23,787	26,087	26,087	28,265
Revenues						
<i>Property Tax Assessments</i>	4,704	4,623	4,240	4,600	4,600	4,600
<i>Interest</i>	133	178	304	150	300	150
<i>Other Revenues</i>	13	-	-	-	-	-
Total Revenues	4,850	4,801	4,544	4,750	4,900	4,750
TOTAL SOURCE OF FUNDS	\$ 21,798	\$ 25,193	\$ 28,331	\$ 30,837	\$ 30,987	\$ 33,015
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	796	796	1,634	1,934	2,112	1,934
<i>Fixed Assets</i>	-	-	-	10,000	-	10,000
Total Expenditures	796	796	1,634	11,934	2,112	11,934
Transfers Out						
<i>Transfer to General Fund</i>	610	610	610	610	610	610
Total Transfers Out	610	610	610	610	610	610
Total Expenditures & Transfers Out	1,406	1,406	2,244	12,544	2,722	12,544
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	20,392	23,787	26,087	18,293	28,265	20,471
Total Ending Fund Balance	20,392	23,787	26,087	18,293	28,265	20,471
TOTAL USE OF FUNDS	\$ 21,188	\$ 24,583	\$ 27,721	\$ 30,227	\$ 30,377	\$ 32,405

Parks & Public Works Department

SANTA ROSA HEIGHTS ASSESSMENT DISTRICT FUND 234

FUND PURPOSE

This assessment district provides maintenance and upkeep within designated Open Space Areas A, B, C, and D of Tract No. 8400, Santa Rosa Heights Subdivision. There are 15 residences in this district. The open space area to be maintained by the Town lies north of Shannon Road up to the ridgeline of Blossom Hill Road, adjacent to the subdivision. This area includes a pedestrian/equestrian trail through the subdivision from Shannon Road to Belgatos Park, street trees, and lighting. The trail is pruned and cleared of trash biweekly by the contractor. Annual assessments for the fifteen parcels were decreased from \$540 each, to \$300 each, effective FY 2006/07.

BUDGET OVERVIEW

During FY 2019/20, maintenance expenditures are anticipated to remain constant. A portion of the fund balance surplus will be recommended for improvements such as brushing, tree work, and repairs to the various trails and retaining walls in the district.

⌘ PARKS & PUBLIC WORKS DEPARTMENT ⌘
Santa Rosa Heights Assessment District

STATEMENT OF SOURCE AND USE OF FUNDS

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	58,083	60,128	62,247	58,477	58,477	54,305
Total Beginning Fund Balance	58,083	60,128	62,247	58,477	58,477	54,305
Revenues						
<i>Property Tax Assessments</i>	4,530	4,560	4,650	4,500	4,500	4,500
<i>Interest</i>	470	514	752	500	500	500
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	5,000	5,074	5,402	5,000	5,000	5,000
TOTAL SOURCE OF FUNDS	\$ 63,083	\$ 65,202	\$ 67,649	\$ 63,477	\$ 63,477	\$ 59,305
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	2,295	2,295	8,512	8,812	8,512	8,812
<i>Fixed Assets</i>	-	-	-	10,000	-	10,000
Total Expenditures	2,295	2,295	8,512	18,812	8,512	18,812
Transfers Out						
<i>Transfer to General Fund</i>	660	660	660	660	660	660
Total Transfers Out	660	660	660	660	660	660
Total Expenditures & Transfers Out	2,955	2,955	9,172	19,472	9,172	19,472
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	60,128	62,247	58,477	44,005	54,305	39,833
Total Ending Fund Balance	60,128	62,247	58,477	44,005	54,305	39,833
TOTAL USE OF FUNDS	\$ 62,423	\$ 64,542	\$ 66,989	\$ 62,817	\$ 62,817	\$ 58,645

Parks & Public Works Department

VASONA HEIGHTS ASSESSMENT DISTRICT FUND 235

FUND PURPOSE

This assessment district is adjacent to Blossom Hill and Roberts Roads, with open space running between the subdivision and the Los Gatos Creek Trail. The district was created to provide maintenance and upkeep within the designated Open Space Areas A, B, and C of Tract No. 8280, of the Vasona Heights Subdivision. All 32 residences are assessed an annual charge of \$295 per parcel, continuing the decrease in original property assessments as agreed to by the property owners and the Town Council in FY 2001/02.

The district upkeep includes, trees, landscaping, irrigation systems, trail, emergency access, and a retaining wall along Blossom Hill Road. The open space areas are maintained by contract, with cleanup, trash control, irrigation maintenance, and landscape maintenance completed biweekly.

BUDGET OVERVIEW

During FY 2019/20, maintenance expenditures are anticipated to remain constant. A portion of the fund balance surplus will be recommended for improvements such as landscaping, irrigation, and pathway lighting.

⌘ PARKS & PUBLIC WORKS DEPARTMENT ⌘
Vasona Heights Assessment District

STATEMENT OF SOURCE AND USE OF FUNDS

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	39,560	42,596	45,148	49,175	49,175	53,577
Total Beginning Fund Balance	39,560	42,596	45,148	49,175	49,175	53,577
Revenues						
<i>Property Tax Assessments</i>	9,735	9,750	8,865	9,735	9,735	9,735
<i>Interest</i>	319	357	574	340	340	340
<i>Other Revenues</i>	-	-	174	-	-	-
Total Revenues	10,054	10,107	9,613	10,075	10,075	10,075
TOTAL SOURCE OF FUNDS	\$ 49,614	\$ 52,703	\$ 54,761	\$ 59,250	\$ 59,250	\$ 63,652
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	5,588	6,125	4,156	7,214	4,243	7,214
<i>Fixed Assets</i>	-	-	-	10,000	-	10,000
Total Expenditures	5,588	6,125	4,156	17,214	4,243	17,214
Transfers Out						
<i>Transfer to General Fund</i>	1,430	1,430	1,430	1,430	1,430	1,430
Total Transfers Out	1,430	1,430	1,430	1,430	1,430	1,430
Total Expenditures & Transfers Out	7,018	7,555	5,586	18,644	5,673	18,644
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	42,596	45,148	49,175	40,606	53,577	45,008
Total Ending Fund Balance	42,596	45,148	49,175	40,606	53,577	45,008
TOTAL USE OF FUNDS	\$ 48,184	\$ 51,273	\$ 53,331	\$ 57,820	\$ 57,820	\$ 62,222

Parks & Public Works Department

HILLBROOK DRIVE ASSESSMENT DISTRICT FUND 236

FUND PURPOSE

This assessment district, encompassing the designated open space area within Tract No. 3026 at the corner of Blossom Hill Road and Hillbrook Drive, provides maintenance services for the trees, landscaping, irrigation system, and hardscape for the improved area in parcel #523-11-28 of the Hillbrook Benefit Zone. Annual assessments for the thirty-four parcels were increased from \$50 to \$175 each, effective FY 2010/11.

The district comprises 34 residences and a small park of approximately 0.26 acres. The landscape contract for this assessment district includes maintenance of the lawn, trees, shrubs, and irrigation system. The park is cleared of trash, mowed, and cleaned weekly.

BUDGET OVERVIEW

A portion of the fund balance surplus will be recommended for improvements such as benches, turf replacement, and drought-resistant landscaping.

⌘ PARKS & PUBLIC WORKS DEPARTMENT ⌘
Hillbrook Drive Assessment District

STATEMENT OF SOURCE AND USE OF FUNDS

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	8,816	11,888	14,438	17,011	17,011	19,484
Total Beginning Fund Balance	8,816	11,888	14,438	17,011	17,011	19,484
Revenues						
<i>Property Tax Assessments</i>	5,968	5,968	5,950	5,950	5,950	5,950
<i>Interest</i>	73	107	188	90	180	90
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	6,041	6,075	6,138	6,040	6,130	6,040
TOTAL SOURCE OF FUNDS	\$ 14,857	\$ 17,963	\$ 20,576	\$ 23,051	\$ 23,141	\$ 25,524
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	2,719	3,275	3,315	4,507	3,407	4,507
<i>Fixed Assets</i>	-	-	-	15,000	-	15,000
Total Expenditures	2,719	3,275	3,315	19,507	3,407	19,507
Transfers Out						
<i>Transfer to General Fund</i>	250	250	250	250	250	250
Total Transfers Out	250	250	250	250	250	250
Total Expenditures & Transfers Out	2,969	3,525	3,565	19,757	3,657	19,757
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	11,888	14,438	17,011	3,294	19,484	5,767
Total Ending Fund Balance	11,888	14,438	17,011	3,294	19,484	5,767
TOTAL USE OF FUNDS	\$ 14,607	\$ 17,713	\$ 20,326	\$ 22,801	\$ 22,891	\$ 25,274



Library Department

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Library Department

DEPARTMENT PURPOSE

The Los Gatos Library exists to foster curiosity and community connection and strives to be at the heart of an engaged and vibrant community. The Library accomplishes these outcomes through:

- **Creating Community Connections** by providing a welcoming space, access to library services beyond the building, forming partnerships with local organizations, providing programming for all ages, and providing ample access to library resources.
- **Building the Next Generation Library User** by focusing on early literacy as well as programs, collections, and services for babies, school-age children, teens, and their parents/caregivers.
- **Embracing Local History** by partnering with NUMU and local schools, providing ample access to historical materials, and providing quality volunteer programs and trainings.
- **Enhancing Collections and Technology** by continually assessing library use, trends, and new technologies.
- **Engaging the Library Staff Team** by focusing on staff development, training opportunities, sharing ideas at every level, and collaborating with our local consortiums, state organizations and national organizations.

BUDGET OVERVIEW

The Library Department budget consists of the Library Administration, Adult Services, Youth Services, and Circulation/System Administrative Programs, as well as five Trust Funds: Library Trust Fund, History Project Trust Fund (included in the Library Trust Fund), the Clelles Ness Trust Fund, Susan McClendon Trust Fund, and the Barbara Jones Cassin Trust Fund. Previous Library Department budgets contained a fifth Program, Cataloging and Acquisitions, that has now been rolled into Circulation/ Systems Administration for ease of tracking overlapping functions.

The FY 2019/20 budget includes increases in salaries and benefits costs attributed to negotiated salary raises, and higher benefit and CalPERS pension rates. Other general fund expenditures remain status quo with only minor reallocations between programs and line items. Additional

∞ LIBRARY DEPARTMENT ∞

funding was pulled from trust accounts to bolster collections. These funds are recorded as revenue/expenditure within Program 7201 showing increased overall expenditure without additional resources from the General Fund. Personnel remains unchanged for this budget year. Several items budgeted in the IT replacement schedule will become due this fiscal year including replacement of self-check machines. These replacements are captured in the budget of the IT department. Capital Improvement Program projects include carpet replacement in the Children's room, and installation of sound mitigation material in the Library lobby. During the last fiscal year, the Library, in conjunction with Parks and Public Works, installed sound mitigating doors to the entrance to the teen room.

ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Good Governance</i> Ensure responsive, accountable and collaborate government	• Showcased library resources in multiple formats including print, media and social media. • Continued the coordination of training for all collection development librarians. • Continued adaptive communication, customer service, and other training. • Offered staff development opportunities and cross training to staff at all levels. • Expanded the Student Success Initiative to include Fisher Middle School by integrating 400+ Fisher Student ID's into the Library's patron system. • Applied for multiple grants totaling over \$23,000 in revenue
<i>Civic Enrichment</i> Foster opportunities for citizen involvement, and cultural, recreational and individual enrichment	• Added a hands-on manipulative "Discovery Table" to the Children's room to encourage social interaction and tactile skill development. • Continued "Be a Book Family"—a program focused on building literacy skills and family connections from birth through the teen years. This program acknowledges the importance of parents playing an active role in their child's reading, reading as a family activity, and reading as a social activity. • Continued to incorporate new early learning technologies to enhance storytimes and create multi-media, multi-sensory experiences. • Continued to provide Stay-and-Play time, immediately following storytimes, to facilitate socialization skills and relaxed playtime for our youngest library users and their caregivers. • Conducted monthly outreach events to Seniors residing in the Terraces and the Meadows. • Continued to provide local history volunteer trainings and a volunteer appreciation event for all Library volunteers. • Continued delivering services in the community using our Chartreuse Caboose Library bicycle and trailer. • Increased technology programming targeted toward seniors.

∞ LIBRARY DEPARTMENT ∞

ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Civic Enrichment</i> Foster opportunities for citizen involvement, and cultural, recreational and individual enrichment	• Introduced STEM programming for children and teens including Virtual Reality programs, coding programs and engineering programs. • Added 200 bilingual picture books to Children's collection through a California State Library grant and 120 foreign language titles for adults using a contribution from the Friends of the Library. • Continued Adult Programming offerings, including art nights, visiting authors, and poetry readings. • Introduced Bilingual Spanish/English storytimes weekly during summer and twice a month during the school year. • Launched a new Library app with a more intuitive user interface. • Changed Library hours based on community input and statistical need.
<i>Public Safety</i> Ensure public safety through proactive community policing, affective emergency response, and community-wide emergency preparedness	• Engaged substantially higher number of regular teen patrons, while at the same time minimized the number of teens asked to leave the Library for behavioral concerns. • Collaborated with the Los Gatos Monte Sereno Police Department, local faith community, and the Pacific Library Partnership to provide staff training on working with mentally ill and homeless library patrons. • Collaborated with the Los Gatos Monte Sereno Police Department practice live evacuation drills with the public in the building.

LIBRARY DEPARTMENT

DEPARTMENTAL SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
<i>Intergovernmental Revenues</i>	\$ 12,228	\$ -	\$ 22,200	\$ -	\$ 23,103	\$ -
<i>Service Charge</i>	-	3,436	-	-	-	-
<i>Fines & Forfeitures</i>	39,232	36,103	14,496	23,500	8,000	11,000
<i>Other Revenues</i>	6,960	42,207	35,206	35,000	35,000	37,500
TOTAL REVENUES	\$ 58,420	\$ 81,746	\$ 71,902	\$ 58,500	\$ 66,103	\$ 48,500
Transfers In						
<i>Transfers In from Trust(s)</i>	35,000	-	-	-	-	-
<i>Transfers In from General Fund</i>	-	-	-	-	-	-
Total Transfers In	35,000	-	-	-	-	-
TOTAL REVENUES & TRANSFERS IN	\$ 93,420	\$ 81,746	\$ 71,902	\$ 58,500	\$ 66,103	\$ 48,500
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 1,490,743	\$ 1,586,805	\$ 1,585,959	\$ 1,814,629	\$ 1,695,194	\$ 2,056,264
<i>Operating Expenditures</i>	291,703	339,664	335,311	316,100	315,880	348,700
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	549,821	582,209	588,701	425,539	425,623	529,046
TOTAL EXPENDITURES	\$ 2,332,267	\$ 2,508,678	\$ 2,509,971	\$ 2,556,268	\$ 2,436,697	\$ 2,934,010

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
PROGRAM						
<i>Administration</i>	\$ 396,063	\$ 426,637	\$ 439,522	\$ 447,127	\$ 453,851	\$ 466,219
<i>Adult Services</i>	597,085	637,465	576,961	575,859	504,788	689,115
<i>Youth Services</i>	468,379	513,667	533,279	590,772	496,843	606,412
<i>Acquisitions & Cataloging</i>	117,444	121,183	123,873	-	-	-
<i>Circulation Services</i>	753,296	809,726	836,336	942,510	981,215	1,172,264
<i>Operating Grant</i>	-	-	19,045	-	25,257	1,000
TOTAL EXPENDITURES	\$ 2,332,267	\$ 2,508,678	\$ 2,509,971	\$ 2,556,268	\$ 2,436,697	\$ 2,934,010

The above program totals reflect General Fund programs. Additional Library Department programs are reflected in separate Trust Funds following the General Fund portion of this section.

∞ LIBRARY DEPARTMENT ∞

DEPARTMENT STAFFING

Full Time Equivalent (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
	Funded	Funded	Funded	Funded	Adopted
<i>Town Staff</i>					
Library Director	-	1.00	1.00	1.00	1.00
Town Librarian	2.00	-	-	-	-
Division Manager	-	2.00	2.00	2.00	2.00
Librarian	3.75	3.00	3.00	3.00	3.00
Library Technology Specialist	1.00	1.00	1.00	2.00	2.00
Library Assistant	1.00	1.00	1.00	-	-
Library Specialist	0.75	0.75	0.75	1.75	1.75
Customer Service Supervisor	1.00	1.00	1.00	-	-
Customer Service Specialist	1.50	1.50	1.50	1.75	1.75
Sr Library Page	-	1.00	1.00	1.00	1.00
TOTAL PROGRAM FTE's	11.00	12.25	12.25	12.50	12.50

	2015/16	2016/17	2017/18	2018/19	2019/20
	Funded	Funded	Funded	Funded	Adopted
<i>Temporary Staff Hours</i>					
Librarian	556	1,112	1,112	-	-
Librarian Temp	-	-	-	350	350
Library Clerk	1,050	1,050	1,300	1,050	1,050
Library Page	4,627	6,344	6,344	6,344	6,344
Senior Library Page	2,964	-	-	-	-
CSO Intern	1,040	1,040	1,040	-	-
Library Assistant	-	-	-	800	800
Library Teen Services Specialist	-	-	-	750	750
TOTAL ANNUAL HOURS	10,237	9,546	9,796	9,294	9,294



Library Department

LIBRARY ADMINISTRATION PROGRAM 7101

PROGRAM PURPOSE

The Library Administration Program provides staff support to ensure the development of quality and cost-effective library services that are responsive to community needs. Library Administration's core services are to provide administrative and managerial oversight for programs and services, clerical and administrative assistance for day-to-day operations, personnel management, purchasing and physical plant maintenance, fiscal management and budget preparation, and support for the Library Board, Friends of the Los Gatos Library Board, and the Arts and Culture Commission.

BUDGET OVERVIEW

The FY 2019/20 Administration budget reflects continued enhanced services within the Library building to provide the best customer experience and the best value for the community. Included in the budget this year are ongoing expenditures to maintain or replace heavily used Library furniture as the Library moves into its eighth year of being open to the public. The Library Administration Program will continue to focus on maximizing the efficiency of the Library building and researching effective service models to meet the expectations of the community. Customer service and community engagement remain a high priority, as well as ensuring all Library services and programs align with the Library Strategic Plan. Administration staff will continue to work collaboratively with the Friends of Los Gatos Library, a nonprofit organization. In addition, Library staff continues to work to improve partnerships and outreach within our community.

LIBRARY DEPARTMENT
Library Administration

SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
<i>Intergovernmental Revenue</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Service Charges</i>	-	11	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	6,950	7,207	206	-	-	-
TOTAL REVENUES	\$ 6,950	\$ 7,218	\$ 206	\$ -	\$ -	\$ -
Transfers In						
<i>Transfers In from Trust(s)</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
TOTAL REVENUES & TRANSFERS IN	\$ 6,950	\$ 7,218	\$ 206	\$ -	\$ -	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 264,321	\$ 294,200	\$ 297,608	\$ 310,659	\$ 317,533	\$ 336,313
<i>Operating Expenditures</i>	33,242	28,275	41,195	44,650	44,500	44,700
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	98,500	104,162	100,719	91,818	91,818	85,206
TOTAL EXPENDITURES	\$ 396,063	\$ 426,637	\$ 439,522	\$ 447,127	\$ 453,851	\$ 466,219

∞ LIBRARY DEPARTMENT ∞
Library Administration

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
<i>Good Governance</i> Ensure responsive, accountable and collaborate government	<i>Fiscal Responsibility</i> Analyze database and subscription services usage based on statistical information and public input with the goal of updating resources to patron need in the most cost-effective manner. Introduce an online payment option for patrons.
<i>Quality Public Infrastructure</i> Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	<i>Carpet and Furniture Replacement</i> Reupholster or replace furniture in the Library due to wear and tear. Replace carpet in the Children's room.
<i>Community Character</i> Preserve and enhance the appearance character and environment quality of the community	<i>Arts Commission Gateway Project</i> Assist the Arts and Culture Commission in completing the Gateway project.

∞ LIBRARY DEPARTMENT ∞
Library Administration

KEY PROGRAM SERVICES

- Administers and supervises four operating programs in the Department.
- Provides oversight of day-to-day operations and scheduling.
- Prepares and monitors Library Department budget.
- Provides staff support to the Town Library Board, Arts and Culture Commission, and Friends of the Library meetings, programs, and activities.
- Collaborates with area libraries by serving on the Pacific Libraries Partnership Administrative Council.
- Collaborates with libraries nationwide by serving on national committees.
- Increases public awareness of Town Library services and programs through effective public relations, marketing of Library services, and periodically presenting programs at Library conferences.
- Provides oversight of Library staff training and development.
- Provides oversight and direction for information technology and systems administration developments.

∞ LIBRARY DEPARTMENT ∞
Library Administration

ADMINISTRATION PROGRAM STAFFING

Full Time Equivalent (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Adopted
Library Director	-	1.00	1.00	1.00	1.00
Town Librarian	1.00	-	-	-	-
Division Manager	-	0.40	0.40	0.40	0.40
Library Specialist	0.25	0.25	0.25	0.25	0.25
Total Administration FTEs	1.25	1.65	1.65	1.65	1.65

	2015/16	2016/17	2017/18	2018/19	2019/20
<i>Temporary Staff</i>	Funded	Funded	Funded	Funded	Adopted
CSO Intern	1,040	1,040	-	-	-
Library Teen Services Specialist	-	-	1,040	-	-
Total Annual Hours	1,040	1,040	1,040	-	-

∞ LIBRARY DEPARTMENT ∞
Library Administration

Performance Objectives and Measures	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1. <i>Provide the space, opportunity and support for the Library to be at the heart of an engaged community.</i>					
a. Percentage of customers stating the Library is a significant or very significant part of their community experience:	93%	92%	88%	90%	90%

Activity and Workload Highlights	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1. Door Count:	323,979	301,783	276,533	260,800	260,000
2. Volunteer hours contributed:	5,781	5,845	6,990	7,000	7,000
3. Virtual visits to the Library: <i>(Virtual Visits to the Library include number of hits to Library site through Civic Plus and direct hits to the Library Catalog)</i>	967,474	831,798	845,415	685,600	685,000
4. Social media interactions:	9,414	5468*	11,288	11,900	12,000

Library Department

ADULT SERVICES PROGRAM 7201

PROGRAM PURPOSE

The Adult Services Program supports library services for adults 18 years of age and older. Adult Services anticipates and meets community information needs, providing opportunities for lifelong learning. The Adult Services Program's core services are to provide reference services to all clientele, reader's advisory services, instruction in the use of computer and electronic resources, outreach services in the community, and management of collections, including the local history collection.

BUDGET OVERVIEW

The FY 2019/20 Adult Services Program budget increased expenditure expenditure in collection budget for print and electronic materials as compared to previous years, with increases being covered by funds and interest from appropriate trust accounts rather than the General Fund; expenditures for databases were moved to the Circulation and Systems Administration program for ease of accounting in FY18/19. The Library continues to focus on creating community connections through partnerships with local speakers and business owners, and through outreach services offered from the Chartreuse Caboose, the Library's bike mobile. The Library will enhance collections and technology with services that are available online 24/7, including streaming content. The Library will continue to evaluate and curate a meaningful print collection using data from collection management software, in response to changing community needs.

∞ LIBRARY DEPARTMENT ∞
Adult Services

SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
<i>Intergovernmental Revenue</i>	\$ 4,520	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	9,836	9,836	35,000	35,000	35,000
TOTAL REVENUES	\$ 4,520	\$ 9,836	\$ 9,836	\$ 35,000	\$ 35,000	\$ 35,000
Transfers In						
<i>Transfers In from Trust(s)</i>	9,836	-	-	-	-	-
Total Transfers In	9,836	-	-	-	-	-
TOTAL REVENUES & TRANSFERS IN	\$ 14,356	\$ 9,836	\$ 9,836	\$ 35,000	\$ 35,000	\$ 35,000
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 354,079	\$ 365,112	\$ 323,458	\$ 353,359	\$ 282,355	\$ 439,535
<i>Operating Expenditures</i>	139,543	165,326	145,931	130,500	130,500	164,100
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	103,463	107,027	107,572	92,000	91,933	85,480
TOTAL EXPENDITURES	\$ 597,085	\$ 637,465	\$ 576,961	\$ 575,859	\$ 504,788	\$ 689,115

∞ LIBRARY DEPARTMENT ∞

Adult Services

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
<i>Civic Enrichment</i> Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	<i>Outreach Programming</i>
	Continue to refine and develop best practices for outreach programming. Continue offering monthly visits to The Meadows and The Terraces, delivering books and technology training. Work to introduce new outreach partners.
	<i>Alternate Collection Services</i>
	Introduce State-sponsored Zipbook services to the general public, increasing number of titles requested by the public which are filled.
	<i>Digitizing Services</i>
	Introduce Pacific Library Partnership funded equipment and trained staff to allow the public to transfer old media formats including personal photos, slides, VHS, cassette tapes, CD's and 8mm film reels to digital files for preservation.

KEY PROGRAM SERVICES

Meeting Information Needs

- Provides ready reference, reader's advisory, information literacy, and roaming reference services in person and virtually through chat or online resources.
- Maintains vibrant collections in-house and online.
- Responds to patrons' suggestions for materials to be included in the collection.
- Enriches the local community by being a premier repository for local history materials.

Information Technologies and Training

- Continues to use online and social media counterparts (e.g., Facebook, Instagram) to offer services traditionally available only within the Library's walls.
- Provides access to the Internet and training for the public in basic searching and navigational skills, and more specialized skills such as genealogy searches.
- Maintains a Library mobile application for use with smartphones and mobile devices.

∞ LIBRARY DEPARTMENT ∞
Adult Services

ADULT SERVICES PROGRAM STAFFING

Full Time Equivalent (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Adopted
Town Librarian	0.50	-	-	-	-
Division Manager	-	0.30	0.30	0.30	0.30
Librarian	1.50	1.50	1.50	1.50	1.50
Library Technology Specialist	0.10	0.10	0.10	0.70	0.70
Library Assistant	0.60	0.60	0.60	-	-
Library Specialist	0.15	0.15	0.15	-	-
Sr Library Page	-	0.60	0.60	0.60	0.60
Total Adult Services FTEs	2.85	3.25	3.25	3.10	3.10

	2015/16	2016/17	2017/18	2018/19	2019/20
<i>Temporary Staff</i>	Funded	Funded	Funded	Funded	Adopted
Librarian	556	556	556	-	-
Librarian Temp	-	-	125	175	175
Library Assistant	-	-	-	400	400
Library Teen Specialist	-	-	-	-	750
Total Annual Hours	556	556	681	575	1,325

LIBRARY DEPARTMENT

Adult Services

Performance Objectives and Measures		2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1.	<i>Manage adult library collections to anticipate and meet community information needs.</i>					
a.	Percentage of collection that requires evaluation:	50%	18%	13%	10%	10%
2.	<i>Provide a variety of programs throughout the year that foster curiosity and community connection.</i>					
a.	Percentage of customers rating Library programs as good/excellent:	92%	90%	87%	90%	90%
3.	<i>Assure delivery of quality service to customers.</i>					
a.	Percentage of customers rating staff interactions as good/excellent:	96%	92%	94%	95%	95%
b.	Percentage of public contacts received by library that are online vs. through the doors:	70%	38%	70%	60%	60%
Activity and Workload Highlights		2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1.	Number of adult reference questions received:	13,163	14,915	11,148	12,000	12,000
2.	Reference questions per capita:	<i>Data Not Available</i>	0.48	0.40	0.40	0.40
3.	Hours of service per week at adult services desk:	54	54	54	54	54
4.	Number of adult programs offered:	86	128	99	100	100
5.	Total attendance at adult programs:	1,032	1,576	835	987	1,000
6.	Total number of adult outreach programs:	16	13	8	10	24
7.	Total attendance at adult outreach programs:	1,195	544	207	200	300



Library Department

YOUTH SERVICES PROGRAM 7202

PROGRAM PURPOSE

Youth Services supports youth of all ages (newborn babies through high school students) and their families by providing age-appropriate programs, services, materials in support of education and current high-demand, high-interest materials in a variety of formats. Youth Services also creates welcoming environments for children, tweens, and teens that encourage their curiosity, imagination, creativity, and a permanent love of reading. Specialized programming encourages families and communities to read with the children in their lives to demonstrate a commitment to learning and an appreciation of youth. Distinctive programs are provided for children 0 to 14 years of age and teens from 13 to 17 years of age. The purpose of the Youth Services Program is to provide reference, reader's advisory services, computer and electronic resources, youth collections management, a welcoming space, and a variety of programs throughout the year in the Library, at local schools, and in the community.

BUDGET OVERVIEW

The FY 2019/20 Youth Services budget shows slight decrease reflecting the purchasing power of consortium ebooks. Staff will continue to target new and innovative concepts in program development with a focus on family reading. The Youth Services team will engage in outreach activities, serving the community in the schools and in partnership with local businesses. Families will continue to enjoy early learning technology in the Children's room with Osmo tablets as well as a manipulative play area centered around the children's Discovery Table. Collection funding will to be used strategically, eliminating the materials of least use to ensure a well-rounded youth collection. Multiple formats, focusing on educational support as well as current high-demand, high-interest materials for children of all ability levels, will continue to be purchased.

LIBRARY DEPARTMENT
Youth Services

SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
<i>Intergovernmental Revenue</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	14,066	14,066	-	-	2,500
TOTAL REVENUES	\$ -	\$ 14,066	\$ 14,066	\$ -	\$ -	\$ 2,500
Transfers In						
<i>Transfers In from Trust(s)</i>	14,064	-	-	-	-	-
Total Transfers In	14,064	-	-	-	-	-
TOTAL REVENUES & TRANSFERS IN	\$ 14,064	\$ 14,066	\$ 14,066	\$ -	\$ -	\$ 2,500
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 316,777	\$ 345,897	\$ 366,914	\$ 439,722	\$ 345,814	\$ 466,172
<i>Operating Expenditures</i>	50,060	61,629	56,761	58,800	58,800	54,700
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	101,542	106,141	109,604	92,250	92,229	85,540
TOTAL EXPENDITURES	\$ 468,379	\$ 513,667	\$ 533,279	\$ 590,772	\$ 496,843	\$ 606,412

∞ LIBRARY DEPARTMENT ∞

Youth Services

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
<i>Civic Enrichment</i> Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment.	<i>Family Reading</i>
	Continue to offer family programming that focuses on building literacy skills and family connections from birth through the teen years. Be a Book Family, the centerpiece of this effort, acknowledges the importance of parents playing an active role in their child's reading, reading as a family activity, and reading as a social activity.
	<i>Storytimes</i>
	Regular storytimes will continue to incorporate new early learning technologies including multi-media and multi-sensory experiences.
	Stay-and-Play time, immediately following storytimes, will continue to be provided to facilitate socialization skills and relaxed playtime learning for our youngest library users.
	Bilingual storytime will continue to be offered twice a month.
	<i>STEAM Programming</i>
	Provide early literacy technology to stimulate learning and creativity in the Children's Room by offering Osmo tablets and manipulative stations. Encourage families to integrate technology into their learning while establishing healthy digital habits.
	Continue STEAM programming for school-aged visitors, utilizing tools such as the Ozobots, 3D printers, Lego Mindstorms, and other technology platforms.

∞ LIBRARY DEPARTMENT ∞

Youth Services

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
<i>Civic Enrichment</i> Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment.	<i>Teen Services</i> Continue to build relationships with regular teen room patrons, in partnership with other Town Departments and high school staff, fostering developmental assets and strengthening community. Continue partnership with Los Gatos High and Fisher Middle School by making new student ID cards useable as Library cards.

KEY PROGRAM SERVICES

Meeting information needs for children 0 to 17 years of age and their parents

- Provides reference and reader's advisory services.
- Manages children's and teens' web pages.
- Maintains vibrant and diverse collections for children, teens, teachers, and parents/caregivers.
- Responds to patron suggestions for materials to be included in the collection.

Providing programs to youth

- Provides year-round programming for infants, toddlers, preschoolers, school-age children, teens, and families.
- Plans and promotes year-round reading and engagement program "Be a Book Family" to listeners from ages 0 to 5, readers from ages 5 to 12, and teen readers from ages 13 to 17.

∞ LIBRARY DEPARTMENT ∞

Youth Services

KEY PROGRAM SERVICES

Outreach to youth

- Raises awareness of youth about collections, services, and programs available at the Library.
- Responds to requests for field trips to the Library and Librarian visits to schools and community events.
- Provides Library access via student ID cards for LGHS students and Fisher Middle School students as part of the Student Success Initiative.

LIBRARY DEPARTMENT
Youth Services

YOUTH SERVICES PROGRAM STAFFING

Full Time Equivalent (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Adopted
Town Librarian	0.50	-	-	-	-
Division Manager	-	0.50	0.50	0.50	0.50
Librarian	2.25	1.50	1.50	1.50	1.50
Library Assistant	0.40	0.40	0.40	-	-
Library Technology Specialist	-	-	-	0.40	0.40
Library Specialist	0.10	0.10	0.10	-	-
Sr Library Page	-	0.40	0.40	0.40	0.40
Total Youth Services FTEs	3.25	2.90	2.90	2.80	2.80

	2015/16	2016/17	2017/18	2018/19	2019/20
<i>Temporary Staff</i>	Funded	Funded	Funded	Funded	Adopted
Librarian	-	556	556	-	-
Librarian Temp	-	-	125	175	175
Library Assistant	-	-	-	400	400
Library Teen Specialist	-	-	-	750	-
Total Annual Hours	-	556	681	1,325	575

LIBRARY DEPARTMENT

Youth Services

Performance Objectives and Measures	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1. <i>Provide a variety of programs throughout the year that foster curiosity and community connection.</i>					
a. Percentage of customers rating youth programs as good/excellent:	96%	94%	95%	95%	95%
2. <i>Assure the delivery of quality service to youth</i>					
a. Percentage of customers rating interactions as good/excellent:	96%	93%	95%	95%	95%
3. <i>Manage youth library collections to anticipate and meet community information needs.</i>					
a. Percentage of collection that requires evaluation:	15%	7%	9%	10%	10%

Activity and Workload Highlights	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1. Number of youth programs per year:	361	341	423	450	420
2. Total attendance at youth programs:	20,489	22,679	21,934	22,000	22,000
3. Annual number of youth reference questions received:	18,806	17,470	15,243	16,000	16,000
4. Hours of public service per week at youth services desk:	74	79	74	74	74
5. Number of teens using library resources per year:	18,537	20,556	20,653	21,000	21,000
6. Number of youth outreach programs:	Data Not Available	7	5	5	5
7. Total attendance at youth outreach programs:	Data Not Available	1,020	783	750	750



Library Department

ACQUISITIONS AND CATALOGING PROGRAM 7203

PROGRAM PURPOSE

The Acquisitions and Cataloging Program was combined with the Circulation and Systems Administration Program (7204) in FY2018/19 to simplify accounting for largely similar programs.

BUDGET OVERVIEW

All funds previously budgeted to this Program have been incorporated into Program 7204 Circulation and System Administration.

∞ LIBRARY DEPARTMENT ∞
Acquisitions and Cataloging

SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
<i>Intergovernmental Revenue</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	5,596	3,559	1,762	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ 5,596	\$ 3,559	\$ 1,762	\$ -	\$ -	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 28,141	\$ 28,381	\$ 28,626	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	89,303	92,802	95,247	-	-	-
TOTAL EXPENDITURES	\$ 117,444	\$ 121,183	\$ 123,873	\$ -	\$ -	\$ -

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
	See Program 7204 Circulation and Systems Administration.

KEY PROGRAM SERVICES

See Program 7204 Circulation and Systems Administration

∞ LIBRARY DEPARTMENT ∞
Acquisitions and Cataloging

ACQUISITIONS & CATALOGING PROGRAM STAFFING

Full Time Equivalent (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Adopted
Library Specialist	0.25	0.25	0.25	-	-
Total Technical Services FTEs	0.25	0.25	0.25	-	-



Library Department

CIRCULATION AND SYSTEMS ADMINISTRATION PROGRAM 7204

PROGRAM PURPOSE

The Circulation and Systems Administration Program provides customers with access to a broad range of up-to-date library materials and technology as well as enables customers to access library materials for use outside the Library. This Program additionally manages all automated services and technology systems. Circulation/System Administration's core services are to manage the circulation process, acquisition of new materials, maintain circulation records, and implement and support the Library's computer network, the integrated library automation system, and public Internet access.

BUDGET OVERVIEW

The FY 2019/20 Circulation/Systems Administration budget shows a slight increase for general expenditures due to increasing costs of service agreements. The Library continues to introduce new technologies that meet patrons' expectations for fast, reliable access to information and Library resources as well as continues to implement system enhancements, provide support, and expand print resources and eBooks collections. With an increasing number of people utilizing the Library's online resources, technology upgrades are essential. Additionally, the Library will continue to budget funds for developments to improve the integrated library system for both patrons and staff.

∞ LIBRARY DEPARTMENT ∞
Circulation and Systems Administration

SUMMARY OF REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
<i>Intergovernmental Revenue</i>	\$ 7,708	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Service Charges</i>	-	3,425	-	-	-	-
<i>Fines & Forfeitures</i>	33,636	32,544	12,734	23,500	8,000	11,000
<i>Other Revenues</i>	10	11,098	11,098	-	-	-
TOTAL REVENUES	\$ 41,354	\$ 47,067	\$ 23,832	\$ 23,500	\$ 8,000	\$ 11,000
Transfers In						
<i>Transfers In from Trust(s)</i>	11,100	-	-	-	-	-
Total Transfers In	\$ 11,100	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES & TRANSFERS IN	\$ 52,454	\$ 47,067	\$ 23,832	\$ 23,500	\$ 8,000	\$ 11,000
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 527,425	\$ 553,215	\$ 569,353	\$ 710,889	\$ 749,492	\$ 814,244
<i>Operating Expenditures</i>	68,858	84,434	91,424	82,150	82,080	85,200
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	157,013	172,077	175,559	149,471	149,643	272,820
TOTAL EXPENDITURES	\$ 753,296	\$ 809,726	\$ 836,336	\$ 942,510	\$ 981,215	\$ 1,172,264

FY 2019/20 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative government	IT Replacement The Library will replace self check stations and other equipment per the IT replacement schedule.
	Online Payments An online payment system will be implemented to allow Library users to pay their fines remotely. This online payment system will work securely with the Library ILS and the Town's Finance system to streamline this process for both Library users and staff.
	Training Databases The Library plans to acquire Niche Academy database for staff development. This software will allow real time updates to training modules that interface with library digital resources.

∞ LIBRARY DEPARTMENT ∞
Circulation and Systems Administration

Core Goals	Key Projects
<i>Good Governance</i> Ensure responsive, accountable, and collaborative government	Library Operations The operations, collections, equipment, and staffing of the Department will continue to be evaluated to make the best use of staff and resources to best meet the needs of the community. The Library will be integrating the use of Electronic Data Interchange (EDI) to the Library ILS to streamline ordering, receiving materials, and processing invoices.

KEY PROGRAM SERVICES

- Manages circulation process.
- Manages all Library automated systems, including the Library's network.
- Manages remote authentication server.
- Manages public computer terminals and printers.
- Maintains online catalog to assure customer access to Library materials.
- Acquires Library materials.
- Maintains Library collections, including shelving of materials.

∞ LIBRARY DEPARTMENT ∞
Circulation and Systems Administration

CIRCULATION / SYSTEMS ADMINISTRATION PROGRAM STAFFING

Full Time Equivalent (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Adopted
Division Manager	-	0.80	0.80	0.80	0.80
Library Specialist	-	-	-	1.50	1.50
Library Technology Specialist	0.90	0.90	0.90	0.90	0.90
Customer Service Supervisor	1.00	1.00	1.00	-	-
Customer Service Specialist	1.50	1.50	1.50	1.75	1.75
Total Circulation/System FTEs	3.40	4.20	4.20	4.95	4.95

	2015/16	2016/17	2017/18	2018/19	2019/20
<i>Temporary Staff</i>	Funded	Funded	Funded	Funded	Adopted
Library Clerk	1,050	1,050	1,050	1,050	1,050
Library Page	4,627	6,344	6,344	6,344	6,344
Senior Library Page	2,964	-	-	-	-
Total Annual Hours	8,641	7,394	7,394	7,394	7,394

∞ LIBRARY DEPARTMENT ∞
Circulation and Systems Administration

Performance Objectives and Measures	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1. <i>Percentage of customers stating the Library has a good/excellent collection:</i>	92%	86%	88%	90%	90%
2. <i>Assure access to library online services.</i>					
a. Number of databases available online:	39	57	38	38	35
b. Number of electronic materials available for loan:*	210,244	816,460	818,000	818,000	820,000
c. Number of items in-house for loan:	157,431	137,872	160,880	160,000	160,000

Activity and Workload Highlights	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Estimated	2019/20 Planned
1. Total Circulation:	553,340	503,561	487,321	485,000	485,000
2. Number of new patrons registered:	3,900	3,801	4,865	4,880	4,500
3. Number of holds processed:	34,456	20,957	30,257	27,500	27,500
4. Hours of public service per week at circulation:	54	54	54	54	54
5. Number of Library Card holders:	31,987	31,235	32,888	33,000	33,000
6. Number of periodical subscriptions received and processed:	133	141	143	140	130
7. Total hours of public computer use:*	30,199	25,357	25,616	26,600	27,000
8. Number of items ordered and received:	14,465****	6,523	19,831	17,000	17,500
9. Number of Suggestions for Purchase processed:**	1265	656	955	1000	1000

* Changed from "e-Books" to "electronic materials" in FY16/17,
to represent the growth of the electronic offerings to include audio, music, movies and other types of content.



Library Trust Fund

FUND 711

FUND PURPOSE

The Library Trust Fund was established to provide for the servicing of donations and bequests to the Los Gatos Library. The *Los Gatos Friends of the Library*, a nonprofit 501(c)(3) organization exists for the benefit of the Library, and this fund allows the Town to plan for and recognize the numerous donations this non-profit group makes to the Library. In addition, numerous local service organizations and individuals make generous donations and memorial bequests to the Library, sometimes for specific purposes. This fund provides for retaining these donations until they can be used as designated. This fund includes the proceeds from the History Project Trust Fund, which was established to provide for the servicing of donations, bequests, grant monies, and expenditures to the history project partnership of Los Gatos Library and the Museums of Los Gatos.

BUDGET OVERVIEW

The Los Gatos Friends of the Library contributed more than \$80,000 to the Library during the past fiscal year. This funding has provided support for community programs, family programs, teen programs, Summer Reading events and prizes, and a growing collection of new bestselling books and movies. In addition, lease payments to the Town from the Friends of the Library Bookstore help to support ongoing Library operations.

This fund also captures small donations made by Library supporters to purchase books or materials, often in memory of someone's passing.

A portion of this fund will be budgeted for FY 2019/20 in support of Library programming and specialized collections.

The History Project Trust Fund tracked monies received by History Services, a Library service that originally began as a project funded by grants and donations. These Trust Funds are mostly royalties, digitization and licensing fees for proprietary images, and donations received. The

LIBRARY DEPARTMENT
Library Trust Fund

money received from donated royalties has been decreasing to almost zero over the past years, and the FY 2019/20 budget anticipates limited to no contributions. Money received from the licensing of digital images is not a stable funding source and is not be relied upon to offset the support and hosting fees for the history website. All future revenues are tracked in the Library Trust Fund.

STATEMENT OF SOURCE AND USE OF FUNDS

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	39,320	46,145	50,997	54,772	54,772	55,592
Total Beginning Fund Balance	39,320	46,145	50,997	54,772	54,772	55,592
Revenues						
<i>Interest</i>	549	590	725	550	550	550
<i>Other Revenues</i>	71,171	79,760	74,315	74,500	83,270	75,000
Total Revenues	71,720	80,350	75,040	75,050	83,820	75,550
TOTAL SOURCE OF FUNDS	\$ 111,040	\$ 126,495	\$ 126,037	\$ 129,822	\$ 138,592	\$ 131,142
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	28,515	75,498	71,265	73,500	83,000	100,000
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
Total Expenditures	28,515	75,498	71,265	73,500	83,000	100,000
Transfers Out						
<i>Transfer to General Fund</i>	35,000	-	-	-	-	-
<i>Transfer to History Trust Fund</i>	1,380	-	-	-	-	-
Total Transfers Out	36,380	-	-	-	-	-
TOTAL EXPENDITURES & TRANSFERS OUT	64,895	75,498	71,265	73,500	83,000	100,000
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	46,145	50,997	54,772	56,322	55,592	31,142
Total Ending Fund Balance	46,145	50,997	54,772	56,322	55,592	31,142
TOTAL USE OF FUNDS	\$ 74,660	\$ 126,495	\$ 126,037	\$ 129,822	\$ 138,592	\$ 131,142

Clelles Ness Trust Fund

FUND 713

FUND PURPOSE

The Clelles Ness Trust Fund was established in January 1961 by Ansten R. Ness, M.D. and the Board of Library Trustees for the Town of Los Gatos, as a memorial to his wife, Clelles Ness. Mrs. Ness was a long-time Los Gatos resident who was active in civic life, winning the 1947 Citizen of the Year award. Among her many contributions to the Town, she was heavily involved with the arts. She helped to bring the Los Gatos Pageants and numerous other play productions to the Town, was an avid reader, and wrote for the *Los Gatos Times* (the local newspaper). She was also involved with bringing a hospital to Town, and with her husband started the “Holiday Circle” social club which required at least one spouse to be active in civic planning to join.

The intention of the memorial fund was to use the income and principal of the trust estate to provide materials and services not ordinarily available from public funds. An amendment to the trust agreement in 1983 relinquished control over the management and investment of the trust to the Town Council.

BUDGET OVERVIEW

In the past, the Library has used money from the trust to purchase art books for Los Gatos Public Library. In July of 1999 an agreement with the daughter of Clelles Ness stipulated that the use of the trust fund included a new Library facility, should one be built in the future. Per the agreement, the trust fund principal and interest was used for the new library building plan documents and studies, such as but not limited to, a building program and architectural drawings. The remaining trust funds were held in a Library Building Fund to be used for the purchase of items for the current Library building, such as furniture, shelving, and equipment. A large portion of this trust was expended in FY 15/16 for the purchase of the automated materials handling system, and roughly \$21,000 was expended in FY 2018/19 to fund the installation of sound mitigating doors to the teen room. The remaining balance of the account will be directed in FY 2019/20 to the installation of additional sound-mitigation enhancements inside the current Library building for the benefit of all Library users.

∞ LIBRARY DEPARTMENT ∞
Clelles Ness Trust Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	171,591	40,742	41,087	88,679	41,603	20,755
Total Beginning Fund Balance	171,591	40,742	41,087	88,679	41,603	20,755
Revenues						
<i>Interest</i>	845	345	516	-	200	-
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	\$ 845	\$ 345	\$ 516	\$ -	\$ 200	\$ -
TOTAL SOURCE OF FUNDS	\$ 172,436	\$ 41,087	\$ 41,603	\$ 88,679	\$ 41,803	\$ 20,755
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	131,694	-	-	-	21,048	-
<i>Fixed Assets</i>	-	-	-	-	-	20,755
<i>Internal Service Charges</i>	-	-	-	-	-	-
Total Expenditures	131,694	-	-	-	21,048	20,755
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	40,742	41,087	41,603	88,679	20,755	-
Total Ending Fund Balance	40,742	41,087	41,603	88,679	20,755	-
TOTAL USE OF FUNDS	\$ 172,436	\$ 41,087	\$ 41,603	\$ 88,679	\$ 41,803	\$ 20,755

Susan McClendon Trust Fund

FUND 714

FUND PURPOSE

A bequest to the Los Gatos Public Library from the estate of the late Susan E. (Betty) McClendon was established in support of children's services. Betty McClendon was a long-time resident and dance instructor. She is especially remembered as the choreographer of the Town's 1940 pageant, "Trail Days," which celebrated the completion of the final section of the new four-lane highway from Santa Cruz into Los Gatos. Betty McClendon's mother, Mrs. Hilda McClendon, served as Children's Librarian at Los Gatos Memorial Library from 1923 to 1929. Ms. McClendon left this gift in memory of her mother and her mother's husband, Gorman Burtner.

Keeping with the wishes of the Ms. McClendon, these funds are restricted for use for children's services at the Library, and will be directed toward support of reading clubs, book discussion groups, evening family programs, and equipment and furniture needs of children's services that are not met by other funding. This funding will also be used for enhancement of children's collections.

BUDGET OVERVIEW

A small portion of the fund has been budgeted in FY 2019/20 for the enhancement of children's specialty collections.

LIBRARY DEPARTMENT
Susan McClendon Trust Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	87,957	88,662	89,412	98,020	84,505	85,205
Total Beginning Fund Balance	87,957	88,662	89,412	98,020	84,505	85,205
Revenues						
<i>Interest</i>	705	750	1,079	700	700	700
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	\$ 705	\$ 750	\$ 1,079	\$ 700	\$ 700	\$ 700
TOTAL SOURCE OF FUNDS	\$ 88,662	\$ 89,412	\$ 90,491	\$ 98,720	\$ 85,205	\$ 85,905
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	5,986	-	-	2,500
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
Total Expenditures	\$ -	\$ -	\$ 5,986	\$ -	\$ -	\$ 2,500
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	88,662	89,412	84,505	98,720	85,205	83,405
Total Ending Fund Balance	88,662	89,412	84,505	98,720	85,205	83,405
TOTAL USE OF FUNDS	\$ 88,662	\$ 89,412	\$ 90,491	\$ 98,720	\$ 85,205	\$ 85,905

Barbara Jones Cassin Trust Fund

FUND 716

FUND PURPOSE

The Barbara Jones Cassin Trust Fund was established by endowment upon the death of Ms. Cassin on May 10, 2010. Ms. Cassin was a graduate of Los Gatos High (class of 1937) and San Jose State, where she majored in biological and physical sciences. After a successful career in hospital laboratories, she turned to watercolors, and donated 25 lovely views of Los Gatos to the library. A exhibit showing these works was sponsored by the Library in August 2008 and again in 2018. Ms. Cassin's art has been widely exhibited and is held in public and private collections. In response to Hurricane Katrina, Ms. Cassin hosted a workshop to encourage children to draw and write their responses to the disaster, including its effects on animals.

The initial project funded by the Barbara Jones Cassin Trust was the purchase of opening day collections for the new Los Gatos Public Library. In following years, the interest earned by the trust is budgeted annually to enhance collections and informational programming, per Ms. Cassin's wishes.

BUDGET OVERVIEW

No funds, including interest, have been drawn from this trust in the past four fiscal years. The FY 2019/20 budget will utilize the accumulated interest from the past three years to enhance collections per the trust agreements.

LIBRARY DEPARTMENT
Barbara Jones Cassin Trust Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	344,758	347,522	350,461	521,252	354,865	357,765
Total Beginning Fund Balance	344,758	347,522	350,461	521,252	354,865	357,765
Revenues						
<i>Interest</i>	2,764	2,939	4,404	2,900	2,900	2,900
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	<u>\$ 2,764</u>	<u>\$ 2,939</u>	<u>\$ 4,404</u>	<u>\$ 2,900</u>	<u>\$ 2,900</u>	<u>\$ 2,900</u>
TOTAL SOURCE OF FUNDS	<u>\$ 347,522</u>	<u>\$ 350,461</u>	<u>\$ 354,865</u>	<u>\$ 524,152</u>	<u>\$ 357,765</u>	<u>\$ 360,665</u>
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	-	10,000
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	10,000
Transfers Out						
<i>Transfer to General Fund</i>	-	-	-	-	-	-
<i>Transfer to Capital Projects</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,000</u>
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	347,522	350,461	354,865	524,152	357,765	350,665
Total Ending Fund Balance	347,522	350,461	354,865	524,152	357,765	350,665
TOTAL USE OF FUNDS	<u>\$ 347,522</u>	<u>\$ 350,461</u>	<u>\$ 354,865</u>	<u>\$ 524,152</u>	<u>\$ 357,765</u>	<u>\$ 360,665</u>



Capital Improvement Program

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Capital Improvement Program

PROGRAM PURPOSE

The Fiscal Year (FY) 2019/20-2023/24 Capital Improvement Program (CIP) is a comprehensive five-year capital improvement plan designed to identify projects which develop and maintain the Town's infrastructure. The CIP is developed consistent with the Town Council Core Goals of maintaining the condition and availability of public facilities and transportation systems. Guidance for developing priorities for capital improvement projects is also derived from key plans, including the General Plan and the Council's Strategic Priorities. Input from Town Boards and Commissions also contributed to the development of the CIP.

In January 2019, the Town Council established the 2019-21 Strategic Priorities. The Core Goals and Strategic Priorities guide the preparation of both the Capital and Operating Budgets. In terms of capital projects, the Town Council affirmed its interest improving the condition of the Town's streets, enhancing community vitality, and recognizing its commitment to traffic/transportation, public safety, quality of life, and prosperity. All proposed capital projects are described or listed in this document.

The Town's capital projects are categorized into three program areas as described below:

The Streets Program was established to develop a functional street system that is consistent with the General Plan. Objectives include providing safe and efficient traffic flow through intersections while minimizing unnecessary traffic movement and noise through residential neighborhoods and providing proper street lighting for traffic safety at intersections and public streets. The primary source of financing for this program comes from General Fund savings and Gas Tax Fund revenues. Street projects may also receive funding from federal, state, and local grants.

Within the Streets Program, Storm Drain Fund monies are used for the construction of drainage facilities that occur in conjunction with other street improvements. Storm Drain funding is derived from a Town charge of 75 cents per square foot of impervious surface created by development. Depending on the level of development activity, these fees produce around \$100,000 annually.

The Utility Undergrounding Fund is another funding source utilized in the Streets Program. This fund accrues construction tax revenue of 18 cents charged for each

∞ CAPITAL IMPROVEMENT PROGRAM ∞

square foot of building addition or alteration within the Town. This revenue is used for projects to relocate overhead utility lines underground in an effort to improve power reliability, reduce utility maintenance costs, and remove unsightly poles and lines. Utility Underground projects may also be funded by Pacific Gas and Electric Company's (PG&E) Rule 20A funds. Projects which will eliminate a heavy concentration of overhead electric lines in areas used extensively by the general public are nominated by the Town to PG&E. Approved projects are then funded through the Town's allocation of Rule 20A funds, which are tariffs accumulated by PG&E as a percentage of electric bills. The Town's allocation typically is in the range of \$60,000 to \$100,000 annually.

As part of a voter-approved measure from 2010, the Santa Clara Valley Transportation Agency (VTA) assesses a \$10 per vehicle registration surcharge to repair and rehabilitate streets. This funding source is expected to generate approximately \$180,000 annually for Los Gatos, which will be used for street rehabilitation Town-wide.

In 2016, Santa Clara County voters approved Measure B a transportation focused sales tax measure. After several years of legal challenges, the funding from Measure B has begun to flow. The most important element of this measure is ongoing road maintenance funding to the Town of \$580,633. Additional funds may be distributed to local projects on a competitive basis.

Another revenue source used in the Street program are impact fees. The construction impact fee is assessed on construction projects based on the square foot size of the project at a rate of \$1.14 per square foot. These fees are intended to recover the damage caused to Town streets by construction traffic. Construction Impact fees generate approximately \$110,000 annually. In addition, the Refuse Vehicle Road Impact Fee is estimated to generate \$610,000 for FY 2019/20.

The Public Facilities Program includes projects for purchasing, constructing, or making capital repairs to public buildings, structures, and equipment. Town buildings include the Civic Center, Library Facility, Police Operation Building, Tait Avenue, and Forbes Mill. The program also provides partial service to the Adult and Youth Recreation Center, which are Town-owned buildings leased to Los Gatos-Saratoga Community Education and Recreation. There is no designated funding for this program, and any allocations generally come from General Fund prior year savings or grant funds applied to qualified improvements.

The Parks Program includes projects for parks, trails, park buildings, urban forestry, and beautification. This capital plan also does not have a designated revenue source, and funding is currently dependent on budgeted allocations from General Fund savings,

∞ CAPITAL IMPROVEMENT PROGRAM ∞

grants, and other sources. Park projects may on occasion include community volunteer services for minor construction and clean-up projects.

PROGRAM PROCESS

A CIP project includes design, construction, acquisition, rehabilitation, or non-routine maintenance that generally costs \$25,000 or more with a minimum useful life of 5 years at a fixed location. The CIP identifies priority capital maintenance, facilities, and improvements needed within the next five years, with cost estimates based on current year dollars. Estimates for carry-forward projects are updated as necessary to a recent engineer's estimate based on current design specifications. Equipment, operating, and maintenance costs incurred as an outcome of CIP projects are identified and included in the Operating Budget.

Under direction from the Town Manager's Office, the Parks and Public Works Department led the preparation of project proposals for consideration in the current Capital Improvement Program (reflected in detail in a separate document). In coordination with other Town Departments, capital improvement projects and funding sources were reviewed and prioritized to ensure the Town's priorities were addressed and in conjunction with the preparation of the Operating Budget. The proposed CIP Budget is then presented to the Planning Commission for review to ensure that the projects are consistent with the Town's General Plan and to the Town Council for final approval.

This Operating and Capital Summary Budget document limits the Town's CIP financial information to the first year of the plan as it relates to the Town's Operating Budget. The full five-year project outlook is available in the separate Capital Improvement Program Budget document.

CAPITAL IMPROVEMENT PROGRAM

SUMMARY OF CIP REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
REVENUES						
<i>Other Taxes</i>	\$ 12,147	\$ 23,165	\$ 31,838	\$ 30,000	\$ 30,000	\$ 30,000
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	1,035,991	798,015	1,306,153	2,657,703	1,540,596	3,122,607
<i>Town Services</i>	-	7,500	-	-	20,880	46,500
<i>Licenses & Permits</i>	504,658	658,660	1,381,591	842,934	506,567	822,053
<i>Interest</i>	209,684	66,951	93,199	44,130	24,130	35,740
<i>Other Revenues</i>	718,613	741,160	181,505	339,119	947,129	1,411,279
TOTAL REVENUES	2,481,093	2,295,451	2,994,286	3,913,886	3,069,302	5,468,179
Transfers In						
<i>Operating Transfers</i>	504,006	7,593,867	2,638,224	2,635,220	2,685,220	7,994,884
Total Transfers In	504,006	7,593,867	2,638,224	2,635,220	2,685,220	7,994,884
Total Revenues & Transfers In	\$ 2,985,099	\$ 9,889,318	\$ 5,632,510	\$ 6,549,106	\$ 5,754,522	\$ 13,463,063
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	6,091	3,654	892	-	-	-
<i>Charges for Services</i>	-	-	-	-	-	-
<i>Interest Expense</i>	-	-	-	-	-	-
<i>Capital Projects - Carryfwd</i>	-	-	-	-	-	-
<i>Capital Projects - New</i>	2,293,246	6,863,376	10,041,533	8,598,140	8,209,275	13,164,778
TOTAL EXPENDITURES	2,299,337	6,867,030	10,042,425	8,598,140	8,209,275	13,164,778
Transfers Out						
<i>Operating Transfers</i>	698,579	308,905	631,616	533,616	533,616	533,616
Total Transfers Out	698,579	308,905	631,616	533,616	533,616	533,616
Total Expenditures & Transfers Out	\$ 2,997,916	\$ 7,175,935	\$ 10,674,041	\$ 9,131,756	\$ 8,742,891	\$ 13,698,394

⌘ CAPITAL IMPROVEMENT PROGRAM ⌘

The following schedule summarizes the Capital Improvement projects completed or withdrawn in FY 2018/19:

COMPLETED OR WITHDRAWN CIP PROJECTS FY 2018/19

	Est Exp Prior To FY 2018/19	Expenditures During FY 2018/19	Total Budgeted
GFAR Projects			
Belgatos Park Restroom Improvements	\$ -	\$ 23,538	\$ 23,538
Park Rehabilitation - Bachman Park	15,470	152,922	168,392
Library Teen Door Installation	-	21,048	21,048
Civic Center Fountain Modification	12,168	8,503	20,671
Police & PPW Interoperability Radio Project	546,314	49,366	595,680
Fuel System Enhancements	40,739	-	40,739
HVAC - Chiller Repair	31,480	-	31,480 *
Mechanic Bay Heater	-	-	- *
Civic Center Building Energy Efficiency Measures	-	-	- *
Youth Recreation Center HVAC Replacement	-	-	- *
Exterior Lighting Replacement - Civic Center	7,766	1,310	9,076 *
Crosswalk Improvements at Santa Cruz/Blossom Hill	2,144	12,782	14,926
Monument Control Network Update	-	-	-
Stonybrook & Kennedy Sidewalk Improvements	68,882	66,411	135,293
LED Streetlights	343,324	-	343,324
Crosswalk Lighting Upgrade	7,565	44,005	51,569
Traffic Mitigation Projects			
Crosswalk Improvements at Santa Cruz/Blossom Hill	\$ 35,869	\$ 14,131	\$ 50,000
Monument Control Network Update	-	-	-
Crosswalk Lighting Upgrade	20,808	29,192	50,000
Blossom Hill/Cherry Blossom Intersection Improve	-	-	-
Hwy 9/University Intersection	66,963	-	66,963
Grants and Awards Projects			
Park Rehabilitation - Bachman Park	\$ 7,825	\$ 213,815	\$ 221,640
Hwy 9/University Intersection	902,827	-	902,827
Storm Drain Projects			
Jones Road Storm Drain Improvements	\$ 18,700	\$ -	\$ 18,700
Underground Utility Projects			
	\$ -	\$ -	\$ -
Gas Tax Projects			
	\$ -	\$ -	\$ -
Total of Completed and Withdrawn Projects	\$ 2,128,844	\$ 637,022	\$ 2,765,866

* Moved to Energy Efficient Upgrade project

CAPITAL IMPROVEMENT PROGRAM

The following schedule summarizes the Capital Improvement projects continuing into FY 2019/20 continuing projects are defined further in following fund sections.

CARRYFORWARD CIP PROJECTS FY 2019/20

	Est Exp Prior To FY 2018/19	Expenditures During FY 2018/19	Estimated Carryforward	New Funding FY 2019/20	Total Budgeted
GFAR Carryforward Projects					
Open Space Trail Upgrades	\$ -	\$ -	\$ 152,000	\$ -	\$ 152,000
Parks Playground Fibar Project	42,500	-	36,540	-	79,040
Charter Oaks Trail Repair Project	-	109	14,891	350,000	365,000
Forbes Mill Footbridge Improvements	17,119	2,227	71,502	-	90,848
Town Plaza Turf Repairs	-	-	28,000	-	28,000
Creek Trail & Parks Path & Parking Lot Seal & Striping	-	-	225,000	-	225,000
Outdoor Fitness Equipment	-	-	60,000	-	60,000
Trailhead Connector	-	-	44,440	-	44,440
Audio/Video System Upgrade	15,608	-	42,552	-	58,160
Information System Upgrade	2,590	7,794	172,785	-	183,169
Town-wide Document Imaging Project	78,752	-	16,990	-	95,741
Building Replacement at Corporation Yard	16,692	149,000	108	975,000	1,140,800
Library Carpet Replacement	-	-	56,500	-	56,500
Engineering Document Archiving	8,284	40,000	11,716	-	60,000
Neighborhood Emergency Preparedness (CERT)	-	5,910	44,090	-	50,000
Facilities Assessment	-	-	80,000	-	80,000
Town Beautification	-	8,114	6,886	10,000	25,000
Silicon Valley Regional Interoperability Project (SVRIP) Service	393,139	1,888	63,601	-	458,628
Energy Efficiency Upgrade - Town-wide	-	1,000,000	697,039	-	1,697,039
IT Disaster Recovery Improvements	-	-	200,000	-	200,000
EOC Communications Upgrade	-	20,411	29,589	-	50,000
Police Headquarters Roof Repair	-	-	50,000	-	50,000
Street Repair & Resurfacing	2,826,708	750,760	1,731,529	3,027,716	8,336,713
Annual Street Restriping	61,106	-	119,772	25,000	205,878
Almond Grove Street Rehabilitation	8,491,003	3,069,386	2,501,701	-	14,062,090
Traffic Calming Projects	57,866	38,787	9,499	10,000	116,152
Curb, Gutter & Sidewalk Maintenance	1,090,848	172,040	337,113	900,000	2,500,001
Retaining Wall Repairs	777,984	56,216	337,124	100,000	1,271,324
Quito Road - Bridge Replacement	64,594	-	235,087	-	299,681
Guardrail Replacement Projects	130,583	-	93,043	-	223,625
224 W. Main Street Property Acquisition (Parking Lot 6)	3,813	-	1,231,100	-	1,234,913
Downtown Parking Lots Seal Coat & Restriping	24,915	-	75,085	-	100,000
Sidewalk Improvements Shannon/LGB/Cherry Bl	104	-	129,896	-	130,000
Downtown Parking Study	-	-	200,000	-	200,000
Sidewalk Improvements - Multiple Locations	-	-	60,000	-	60,000
Pilot School Busing Program	-	350,216	63,964	-	414,180
One-Way Downtown Street Pilot	-	13,000	225,686	-	238,686
Bicycle & Pedestrian Improvements	61,450	22,728	515,822	300,000	900,000
Cut-Through Traffic/Wood Road Roundabout	206,324	57,380	86,296	-	350,000
Stormwater Master Plan	-	-	200,000	-	200,000
Stormwater System - Pollution Prevention Compliance	-	1,422	298,578	-	300,000
Public Art Gateway	-	-	25,000	-	25,000
Total GFAR Carryforward Projects	\$ 14,371,979	\$ 5,767,388	\$ 10,580,524	\$ 5,697,716	\$ 36,417,608

CAPITAL IMPROVEMENT PROGRAM

CARRYFORWARD CIP PROJECTS FY 2019/20

	Est Exp Prior To FY 2018/19	Expenditures During FY 2018/19	Estimated Carryforward	New Funding FY 2019/20	Total Budgeted
<i>Traffic Mitigation Carryforward Projects</i>					
Los Gatos Blvd/Shannon Improvements	\$ -	\$ -	\$ 20,000	\$ -	\$ 20,000
Hwy 17 Bicycle & Pedestrian Bridge-Prelim Design	-	-	147,005	-	147,005
Traffic Signal Modernization	4,200	120,800	230,738	332,524	688,262
Bicycle & Pedestrian Improvements	40,972	31,628	2,400	-	75,000
Cut-Through Traffic/Wood Road Roundabout	175,417	36,356	228,136	-	439,908
Total Traffic Mitigation Carryforward Projects	\$ 220,589	\$ 188,784	\$ 628,279	\$ 332,524	\$ 1,370,175
<i>Grants and Awards Carryforward Projects</i>					
Charter Oaks Trail Repair Project	\$ -	\$ 72,833	\$ 75,218	\$ -	\$ 148,051
Trailhead Connector	-	-	343,000	-	343,000
ADA Upgrade for Public Restrooms - Rec Building	-	-	-	67,000	67,000
Guardrail Replacement Projects	-	-	-	980,100	980,100
Sidewalk Improvements Shannon/LGB/Cherry Bl	-	-	-	-	-
Hwy 17 Bicycle & Pedestrian Bridge-Prelim Design	-	-	52,995	-	52,995
Traffic Signal Modernization	10,799	40,033	1,775,568	-	1,826,400
Bicycle & Pedestrian Improvements	-	-	281,500	-	281,500
Total Grants and Awards Carryforward Projects	\$ 10,799	\$ 112,866	\$ 2,528,281	\$ 1,047,100	\$ 1,591,146
<i>Storm Drain Carryforward Projects</i>					
Hernandez Avenue Storm Drain Improvements	\$ 17,180	\$ -	\$ -	\$ -	\$ 17,180
Bicknell Road Storm Drain Improvements	120,742	-	50,758	-	171,500
Annual Storm Drain Improvement Prj	-	-	150,000	150,000	300,000
Total Storm Drain Carryforward Projects	\$ 137,922	\$ -	\$ 200,758	\$ 150,000	\$ 488,680
<i>Underground Utility Projects</i>					
Utility Undergrounding Improvements	\$ -	\$ -	\$ 2,330,000	\$ -	\$ 2,330,000
Sidewalk Improvements Shannon/LGB/Cherry Bl	-	-	-	-	-
Total Underground Utility Carryforward Projects	\$ -	\$ -	\$ 2,330,000	\$ -	\$ 2,330,000
<i>Gas Tax Carryforward Projects</i>					
Street Repair & Resurfacing	\$ 4,729,430	\$ 1,503,215	\$ -	\$ 1,210,054	\$ 7,442,699
Total Gas Tax Carryforward Projects	\$ 4,729,430	\$ 1,503,215	\$ -	\$ 1,210,054	\$ 7,442,699
Total of Carryforward Projects	\$ 19,470,720	\$ 7,572,253	\$ 16,267,842	\$ 8,437,394	\$ 49,640,308

CAPITAL IMPROVEMENT PROGRAM

The following schedule summarizes the new Capital Improvement projects and total of new funding for FY 2019/20. New projects are defined further in following fund sections.

NEW CIP PROJECTS FY 2019/20						
	Est Exp Prior To FY 2018/19	Expenditures During FY 2018/19	Estimated Carryforward	New Funding FY 2019/20	Total Budgeted	
GFAR Projects						
Vegetation Management - Town-wide	\$ -	\$ -	\$ -	200,000	\$ 200,000	
Fence Replacement - Shire Court	-	-	-	60,000	60,000	
ADA Upgrade for Public Restrooms - Rec Building	-	-	-	183,000	183,000	
Fire Suppression (Halon) for Server Rooms	-	-	-	200,000	200,000	
Plaza Level Railings - Code Upgrade	-	-	-	30,000	30,000	
Waterproofing Town-wide	-	-	-	75,000	75,000	
ADA Upgrade Staff Restroom - Civic Center	-	-	-	300,000	300,000	
Sound Mitigation in Library Lobby	-	-	-	22,000	22,000	
Computer-Aided Dispatch and Records Management System	-	-	-	525,000	525,000	
Downtown Revitalization	-	-	-	1,972,384	1,972,384	
Massol Intersection Improvements	-	-	-	450,000	450,000	
ADA Transition Plan	-	-	-	110,000	110,000	
Traffic Mitigation Projects						
Highway 17/9 Interchange and Capacity Improvements	\$ -	\$ -	\$ -	\$ 600,000	\$ 600,000	
Grants and Awards Projects						
	\$ -	\$ -	\$ -	\$ -	\$ -	
Storm Drain Projects						
	\$ -	\$ -	\$ -	\$ -	\$ -	
Underground Utilities Projects						
	\$ -	\$ -	\$ -	\$ -	\$ -	
Gas Tax Projects						
	\$ -	\$ -	\$ -	\$ -	\$ -	
Total of New CIP Projects	\$ -	\$ -	\$ -	\$ 4,727,384	\$ 4,727,384	
TOTAL OF CARRYFORWARD AND NEW CIP PROJECTS						
	\$ 19,470,720	\$ 7,572,253	\$ 16,267,842	\$ 13,164,778	\$ 54,367,692	

Capital Improvement Program

GENERAL FUND APPROPRIATED RESERVE FUND 411

FUND PURPOSE

The General Fund Appropriated Reserve (GFAR) accounts for funds designated for use in the Town's ongoing program for the development of facilities and general infrastructure improvements. This includes basic needs such as street and parking lot repair and resurfacing; repair or replacement of curbs, gutters, and retaining walls; and maintenance of other Town facilities. GFAR also provides for community improvements, such as Town beautification projects and traffic calming, and for foundational aspects of Town government such as technology projects and master planning work.

Revenues which support GFAR projects are derived from General Fund operational savings, from state revenues designated for transportation purposes, from intergovernmental cost sharing agreements on joint projects, and from construction impact fees. Designated revenues are accounted for in other CIP funds, and may be used in conjunction with GFAR funds in the development of capital projects.

BUDGET OVERVIEW

A significant source of funding to the Town's capital plan is General Fund operational savings. As in past years, the Town continues to be challenged by the lack of a reliable dedicated revenue stream for capital improvements. Because of the availability of General Fund "one-time" funding sources in recent years, the Council approved "one-time" General Fund transfers to the GFAR fund in the amount of \$2.7 million for FY 2013/14, \$6.6 million for FY 2014/15, \$6.9 million for the Almond Grove Street Rehabilitation project in FY 2016/17, \$2.8 million funding in FY 2017/18, \$2.4 million transfer in FY 2018/19, and \$6.7 million transfer in FY 2019/20. After these allocations, sufficient balances are anticipated for the remaining years of the plan to accommodate allocating approximately \$550,000 from the General Fund Reserve

⌘ CAPITAL IMPROVEMENT PROGRAM ⌘
General Fund Appropriated Reserve

for Capital and Special Projects from FY 2019/20 through FY 2023/24. Establishing a reliable, dedicated source of funding for basic capital improvements beyond the use of accumulated reserves remains a long-term need and important goal for the Town.

Other sources are primarily one-time funds from the state or federal government or from special revenue funds that have often fluctuated in tandem with the economy and the state budget.

Pursuant to Article III of Chapter 15 of the Town Code, the Town collects construction impact fees in support of road construction and maintenance projects throughout the Town. Article IX of Chapter 15 authorized the establishment of three special fund accounts known as Construction Impact #1, Construction Impact #2, and Construction Impact #3. Beginning in FY 1998/99, these fees were deposited directly into GFAR for use in the Street Resurfacing Program. Total construction impact fees of \$110,000 are budgeted for FY 2019/20 consistent with prior year revenues and projected building trends.

As part of a voter-approved measure from 2010, the Santa Clara Valley Transportation Agency (VTA) assesses a \$10 per vehicle registration surcharge to repair and rehabilitate streets. This funding source is expected to generate approximately \$180,000 annually for Los Gatos, which is used for street rehabilitation Town-wide.

In 2016, Santa Clara County voters approved Measure B a transportation focused sales tax measure. After several years of legal challenges, the funding from Measure B has begun to flow. The most important element of this measure is ongoing road maintenance funding to the Town of \$580,633. Additional funds may be distributed to local projects on a competitive basis.

CAPITAL IMPROVEMENT PROGRAM
General Fund Appropriated Reserve

STATEMENT OF SOURCE AND USE OF FUNDS

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated for Parking</i>	\$ 1,460,210	\$ 1,460,210	\$ 1,460,210	\$ 1,460,210	\$ 1,460,210	\$ 1,460,210
<i>Undesignated</i>	14,053,310	13,310,490	16,775,448	10,714,850	10,714,850	8,142,186
Total Beginning Fund Balance	15,513,520	14,770,700	18,235,658	12,175,060	12,175,060	9,602,396
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	185,049	189,947	210,405	790,663	188,475	760,663
<i>Town Services</i>	-	7,500	-	-	20,880	46,500
<i>Licenses & Permits</i>	504,658	523,192	577,820	603,429	392,627	729,553
<i>Interest</i>	6,892	-	7,438	-	-	-
<i>Other Revenues</i>	121,864	599,369	61,998	151,250	705,023	468,755
Total Revenues	818,463	1,320,008	857,661	1,545,342	1,307,005	2,005,471
Transfers In						
<i>Transfer from General Fund</i>	400,000	7,298,187	2,638,224	2,335,220	2,335,220	6,681,884
<i>Transfer from Grant</i>	-	-	-	-	-	-
<i>Transfers from Bulding Maint</i>	64,366	-	-	-	50,000	788,000
<i>Transfer from MIS Fund</i>	-	-	-	300,000	300,000	-
<i>Transfer from Equip Replacement</i>	-	295,680	-	-	-	525,000
<i>Transfer from SA Housing</i>	-	-	-	-	-	-
Total Transfers In	464,366	7,593,867	2,638,224	2,635,220	2,685,220	7,994,884
Total Revenues & Transfers In	1,282,829	8,913,875	3,495,885	4,180,562	3,992,225	10,000,355
TOTAL SOURCE OF FUNDS	\$ 16,796,349	\$ 23,684,575	\$ 21,731,543	\$ 16,355,622	\$ 16,167,285	\$ 19,602,751
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	6,091	3,654	892	-	-	-
<i>Charges for Services</i>	-	-	-	-	-	-
<i>Interest Expense</i>	-	-	-	-	-	-
<i>Capital Projects - Carryfwd</i>	-	-	-	-	-	-
<i>Capital Projects - New</i>	1,478,766	5,245,455	9,039,975	3,736,686	6,147,273	9,825,100
Total Expenditures	1,484,857	5,249,109	9,040,867	3,736,686	6,147,273	9,825,100
Transfers Out						
<i>Transfers to General Fund</i>	540,792	199,808	417,616	417,616	417,616	417,616
<i>Transfer to SA Trust</i>	-	-	-	-	-	-
Total Transfers Out	540,792	199,808	515,616	417,616	417,616	417,616
Total Expenditures & Transfers Out	2,025,649	5,448,917	9,556,483	4,154,302	6,564,889	10,242,716
Ending Fund Balance						
<i>Designated for Parking</i>	1,460,210	1,460,210	1,460,210	1,460,210	1,460,210	1,460,210
<i>Undesignated</i>	13,310,490	16,775,448	10,714,850	10,741,110	8,142,186	7,899,825
Total Ending Fund Balance	14,770,700	18,235,658	12,175,060	12,201,320	9,602,396	9,360,035
TOTAL USE OF FUNDS	\$ 16,796,349	\$ 23,684,575	\$ 21,731,543	\$ 16,355,622	\$ 16,167,285	\$ 19,602,751

⌘ CAPITAL IMPROVEMENT PROGRAM ⌘
General Fund Appropriated Reserve

The following GFAR schedules identify projects completed in FY 2018/19, projects carried forward into FY 2019/20, and new FY 2019/20 projects, as part of the FY 2019/20-2023/24 Capital Improvement Program:

	Est Exp Prior To FY 2018/19	Expenditures During FY 2018/19	Estimated Carryforward	New Funding FY 2019/20	Total Budgeted
Completed Projects					
Belgatos Park Restroom Improvements	\$ -	\$ 23,538	\$ -	\$ -	\$ 23,538
Park Rehabilitation - Bachman Park	15,470	152,922	-	-	168,392
Library Teen Door Installation	-	21,048	-	-	21,048
Civic Center Fountain Modification	12,168	8,503	-	-	20,671
Police & PPW Interoperability Radio Project	546,314	49,366	-	-	595,680
Fuel System Enhancements	40,739	-	-	-	40,739
HVAC - Chiller Repair	31,480	-	-	-	31,480
Mechanic Bay Heater	-	-	-	-	-
Civic Center Building Energy Efficiency Measures	-	-	-	-	-
Youth Recreation Center HVAC Replacement	-	-	-	-	-
Exterior Lighting Replacement - Civic Center	7,766	1,310	-	-	9,076
Crosswalk Improvements at Santa Cruz/Blossom Hill	2,144	12,782	-	-	14,926
Monument Control Network Update	-	-	-	-	-
Stonybrook & Kennedy Sidewalk Improvements	68,882	66,411	-	-	135,293
LED Streetlights	343,324	-	-	-	343,324
Crosswalk Lighting Upgrade	7,565	44,005	-	-	51,569
Total of Completed Projects	\$ 1,075,851	\$ 379,885	\$ -	\$ -	\$ 1,455,736
Carryforward Projects					
Open Space Trail Upgrades	\$ -	\$ -	\$ 152,000	\$ -	\$ 152,000
Parks Playground Fibar Project	42,500	-	36,540	-	79,040
Charter Oaks Trail Repair Project	-	109	14,891	350,000	365,000
Forbes Mill Footbridge Improvements	17,119	2,227	71,502	-	90,848
Town Plaza Turf Repairs	-	-	28,000	-	28,000
Creek Trail & Parks Path & Parking Lot Seal & Striping	-	-	225,000	-	225,000
Outdoor Fitness Equipment	-	-	60,000	-	60,000
Trailhead Connector	-	-	44,440	-	44,440
Audio/Video System Upgrade	15,608	-	42,552	-	58,160
Information System Upgrade	2,590	7,794	172,785	-	183,169
Town-wide Document Imaging Project	78,752	-	16,990	-	95,741
Building Replacement at Corporation Yard	16,692	149,000	108	975,000	1,140,800
Library Carpet Replacement	-	-	56,500	-	56,500
Engineering Document Archiving	8,284	40,000	11,716	-	60,000
Neighborhood Emergency Preparedness (CERT)	-	5,910	44,090	-	50,000
Facilities Assessment	-	-	80,000	-	80,000
Town Beautification	-	8,114	6,886	10,000	25,000
Silicon Valley Regional Interoperability Project (SVRIP) Servi	393,139	1,888	63,601	-	458,628
Energy Efficiency Upgrade - Town-wide	-	1,000,000	697,039	-	1,697,039
IT Disaster Recovery Improvements	-	-	200,000	-	200,000
EOC Communications Upgrade	-	20,411	29,589	-	50,000
Police Headquarters Roof Repair	-	-	50,000	-	50,000
Street Repair & Resurfacing	2,826,708	750,760	1,731,529	3,027,716	8,336,713
Annual Street Restriping	61,106	-	119,772	25,000	205,878
Almond Grove Street Rehabilitation	8,491,003	3,069,386	2,501,701	-	14,062,090
Traffic Calming Projects	57,866	38,787	9,499	10,000	116,152
Curb, Gutter & Sidewalk Maintenance	1,090,848	172,040	337,113	900,000	2,500,001
Retaining Wall Repairs	777,984	56,216	337,124	100,000	1,271,324
Quito Road - Bridge Replacement	64,594	-	235,087	-	299,681
Guardrail Replacement Projects	130,583	-	93,043	-	223,625
224 W. Main Street Property Acquisition (Parking Lot 6)	3,813	-	1,231,100	-	1,234,913
Downtown Parking Lots Seal Coat & Restriping	24,915	-	75,085	-	100,000
Sidewalk Improvements Shannon/LGB/Cherry Bl	104	-	129,896	-	130,000
Downtown Parking Study	-	-	200,000	-	200,000
Sidewalk Improvements - Multiple Locations	-	-	60,000	-	60,000
Pilot School Busing Program	-	350,216	63,964	-	414,180
One-Way Downtown Street Pilot	-	13,000	225,686	-	238,686
Bicycle & Pedestrian Improvements	61,450	22,728	515,822	300,000	900,000
Cut-Through Traffic/Wood Road Roundabout	206,324	57,380	86,296	-	350,000
Stormwater Master Plan	-	-	200,000	-	200,000
Stormwater System - Pollution Prevention Compliance	-	1,422	298,578	-	300,000
Public Art Gateway	-	-	25,000	-	25,000
Total of Carryforward Projects	\$ 14,371,979	\$ 5,767,388	\$ 10,580,524	\$ 5,697,716	\$ 36,417,608

∞ CAPITAL IMPROVEMENT PROGRAM ∞
General Fund Appropriated Reserve

	Est Exp Prior To FY 2018/19	Expenditures During FY 2018/19	Estimated Carryforward	New Funding FY 2019/20	Total Budgeted
New Projects					
Vegetation Management - Town-wide	\$ -	\$ -	\$ -	\$ 200,000	\$ 200,000
Fence Replacement - Shire Court	-	-	-	60,000	60,000
ADA Upgrade for Public Restrooms - Rec Building	-	-	-	183,000	183,000
Fire Suppression (Halon) for Server Rooms	-	-	-	200,000	200,000
Plaza Level Railings - Code Upgrade	-	-	-	30,000	30,000
Waterproofing Town-wide	-	-	-	75,000	75,000
ADA Upgrade Staff Restroom - Civic Center	-	-	-	300,000	300,000
Sound Mitigation in Library Lobby	-	-	-	22,000	22,000
Computer-Aided Dispatch and Records Management System	-	-	-	525,000	525,000
Downtown Revitalization	-	-	-	1,972,384	1,972,384
Massol Intersection Improvements	-	-	-	450,000	450,000
ADA Transition Plan	-	-	-	110,000	110,000
Total of New Projects	\$ -	\$ -	\$ -	\$ 4,127,384	\$ 4,127,384
GFAR Funding Project Totals	\$ 15,447,831	\$ 6,147,273	\$ 10,580,524	\$ 9,825,100	\$ 42,000,728

FY 2019/20 KEY PROJECTS

The following Capital Improvement Program projects funded with GFAR funding and/or donations which flow through the GFAR are expected to be key projects in FY 2019/20.

- **Street Repair and Resurfacing** – The Town’s Street Resurfacing Program of preventive and deferred maintenance includes both carryforward funds and new appropriations. The work to be performed consists of a balanced program of surface seals, street reconstructions, and pavement overlays, with supplemental ongoing maintenance activities performed by the Town’s Parks and Public Works Department staff. Approximately 81% of the proposed FY 2019/20-2023/24 CIP funding is allocated to street reconstruction, street improvements, and maintenance projects. This emphasis reflects the Town Council’s priority to address street maintenance needs. The goal is for Town streets to achieve an average Pavement Condition Index (PCI) of above 70 (100 being the highest rating possible). The Town’s cumulative investment in its streets resulted in raising the PCI from a low of 64 in 2001 to the level of 74 in 2008. Since that time, given the small amount of asphalt overlay work performed, the Town’s PCI dropped from 74 to 69 as recently as 2010. To mitigate this decline, the Town focused its resources on arterials and collector streets, and used a chip and slurry approach to enhance the PCI rating. This approach was the most economical and prudent treatment to resurface several residential neighborhoods. The current PCI for Town streets is 69, with a rating of 70 expected in 2020. Additional funding for this program has allowed for this increase in PCI. Ongoing sustained funding is necessary to avoid future drops in the PCI.

Operating Budget Impacts: Project design and oversight by the Engineering staff has been incorporated into the Engineering Program Services FY 2019/20 budget.

⌘ CAPITAL IMPROVEMENT PROGRAM ⌘
General Fund Appropriated Reserve

- ***Almond Grove Street Rehabilitation Project*** – The streets in the Almond Grove area deteriorated over the years and due to funding and maintenance constraints, no repairs or resurfacing activities had been performed. In FY 2015/16, the Town Council funded the improvement of all ten streets. Phase 1 of this project included Bachman Avenue and Broadway Avenue. Construction started in Summer 2016 and was substantially complete in the fall of 2016 with minor project close out work continuing into the spring of 2017. The Almond Grove Phase 2 project addressed the eight additional streets, with project bidding completed in April 2017 and construction beginning in the summer of 2017. The Council awarded the bid in April 2017 allowing for approximately \$2.9M in savings within the project. The project construction finished in early summer of 2019, with project closeout continuing into the fall.

Operating Budget Impacts: Engineering staff time for oversight of this project is addressed in the FY 2019/20 Operating Budget with additional temporary staff resources for project delivery included in the project costs.

- ***Curb, Gutter, and Sidewalk*** – This project funds the annual repair and replacement of deficient curbs, gutters, and sidewalks throughout the Town. Locations for repair and replacement work are identified throughout the year by Parks and Public Works Department staff and are prioritized in coordination with the annual Street Resurfacing Program, as applicable. This program is essential for maintaining American with Disabilities Act (ADA) compliance and to address uneven sidewalk surfaces. The funding for this project increased for FY 2019/20, yet remains well below the program needs. The allocation for this ongoing project is be \$900,000 for FY 2019/20 and \$300,000 every year thereafter.

Operating Budget Impacts: Project oversight by the Engineering staff has been incorporated into the engineering Program Services FY 2019/20 budget on an ongoing basis.

Annual Street Restriping – This project is an annual program to restripe the highest priority streets with thermo-plastic striping to keep streets in safe condition for use by the public. Thermo-plastic striping is thicker, more durable, and has higher visibility than roadway paint, and, in turn, improves roadway safety. Restriping work is typically done in conjunction with street paving projects and these funds may be used to support a paving project or to meet the needs outside a paving project. The ongoing annual GFAR appropriation is planned at \$25,000 for this project.

Operating Budget Impacts: Street maintenance staff time for project oversight has been incorporated into the FY 2019/20 Parks and Public Works departmental budget.

Quito Bridge Replacement – This project funds the replacement of two functionally obsolete bridges that span San Tomas Aquino Creek along Quito Road. The project is a joint effort between the Town, the City of Saratoga, and the Santa Clara Valley Water District, with the City of Saratoga serving as the lead agency for the project. Eighty percent of the funding for

∞ CAPITAL IMPROVEMENT PROGRAM ∞
General Fund Appropriated Reserve

the project is provided through the Federal Highway Bridge Replacement and Rehabilitation (HBRR) program, with the remaining 20% shared equally between the three participating local agencies. After further evaluation of the bridges, it was determined that Quito Road would require reconstruction at each end of the bridge, which in turn requires additional right-of-way acquisitions and environmental reviews under both the State of California (Caltrans) and federal regulations. These changes have made it necessary to redesign this project significantly increasing the estimated costs. The City of Saratoga has applied for additional funding from Caltrans due to the redesign. As a result of the additional project costs, the local match from the City of Saratoga, the Town of Los Gatos, and the SCVWD has increased from \$155,000 to \$300,000 for each agency. Based on the April 2019 schedule from the City of Saratoga, the construction of these bridges is anticipated to be completed by 2021.

Operating Budget Impacts: Engineering staff time for coordination of this project with the City of Saratoga has been incorporated into the Operating Budget. Completion of this project will mitigate the potential cost of lawsuits from bridge failure and pre-empt the cost of replacing the bridge in an emergency situation.



Capital Improvement Program

TRAFFIC MITIGATION FUND FUND 471

FUND PURPOSE

Pursuant to Article VII of Chapter 15 of the Town Code, the Town collects traffic impact mitigation fees to finance transportation and traffic improvements throughout the Town. Article IV of Chapter 15 authorizes the establishment of a fund into which all such fees and interest on those fees is deposited. The first traffic mitigation fees were collected on October 24, 1991. Money collected from such fees is to be used solely for construction of identified traffic and transportation projects to mitigate the traffic impacts of new development, and are not used for routine repairs and maintenance.

BUDGET OVERVIEW

Funds collected as traffic mitigation fees are recorded as deferred revenue until the time of use for appropriated projects. The administration fees collected as a percentage of this revenue are realized at the time of receipt to recognize the Town's ongoing administrative functions in providing program oversight. Appropriations of traffic mitigation funds are controlled through Town Council action, after evaluating the benefits gained by proposed projects for their positive impacts on traffic.

For several years, the Town has allowed fund balances to accrue to accumulate funding for future traffic mitigation projects. Several projects, planned for upcoming years, are now in the preliminary planning stage. This planning includes the redesign and construction of the following roadways and intersections to correct the heavily travelled and congested roadway junctions in order to improve safety features and accommodate proper vehicular movement:

- Los Gatos Blvd/Shannon Rd
- Townwide Traffic Signal Upgrades
- Highway 17 Bicycle and Pedestrian Bridge Preliminary Design

∞ CAPITAL IMPROVEMENT PROGRAM ∞
Traffic Mitigation Fund

FY 2019/20 KEY PROJECTS

The following key projects are budgeted in FY 2019/20:

- ***Los Gatos Boulevard/Shannon Rd Intersection*** - This project will create a new pedestrian signalized crossing and restripe Shannon Road to provide longer turn lanes and improve the overall safety for pedestrians and bicyclists. A substantial part of this project is expected to be completed by a recently approved development at this intersection. Additional elements of the project along Shannon Road will emphasize Bicycle and Pedestrian improvements in alignment with the Town's Bicycle and Pedestrian Master Plan.
- ***Traffic Signal Modernization*** – This project will modernize the Town's traffic signal controllers to allow for greater control by staff, ensure that the current system meets current safety standards, and increase the traffic flow. The Town was awarded several grants through the VTA and the NTS for \$1,200,000 of the project budget to complement the Town's investment of traffic Impact Mitigation Funds.
- ***Bicycle and Pedestrian Improvements*** – This project will enhance bicycle and pedestrian safety and mobility Town-wide in the form of multiple projects. Early projects include work along Blossom Hill Road. Future projects will include improvements to Shannon Road and Kennedy Road. These funds will often be utilized as matching funds for grant funding.
- ***Highway 17 Bicycle and Pedestrian Bridge Preliminary Design*** – Acknowledging the challenge for bicycles and pedestrians to cross Highway 17, this project will begin work on identifying alignment options for a new crossing. Early design work will position the project to be competitive for grant funds for the project construction.

Operating Budget Impacts: Engineering staff time for project management is addressed in the FY 2019/20 Operating Budget with temporary staffing funded through the specific project allocated budget.

⌘ CAPITAL IMPROVEMENT PROGRAM ⌘
Traffic Mitigation Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Deferred Revenue</i>	\$ 2,273,514	\$ 2,273,514	\$ 2,742,762	\$ 2,954,774	\$ 2,954,774	\$ 2,977,322
<i>Undesignated</i>	184,941	169,918	191,253	223,198	223,198	223,198
Total Beginning Fund Balance	2,458,455	2,443,432	2,934,015	3,177,972	3,177,972	3,200,520
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses & Permits</i>	-	-	-	147,005	-	-
<i>Interest</i>	-	21,335	31,945	20,000	-	-
<i>Other Revenues</i>	572,672	141,791	119,507	187,869	242,106	942,524
Total Revenues	572,672	163,126	151,452	354,874	242,106	942,524
Transfers In						
<i>Transfer from General Fund</i>	-	-	-	-	-	-
<i>Transfer from CBDG</i>	-	-	-	-	-	-
<i>Transfers from Bulding Maint</i>	-	-	-	-	-	-
<i>Transfer from MIS Fund</i>	-	-	-	-	-	-
<i>Transfer from Equip Replacement</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
Total Revenues & Transfers In	572,672	163,126	151,452	354,874	242,106	942,524
TOTAL SOURCE OF FUNDS	\$ 3,031,127	\$ 2,606,558	\$ 3,085,467	\$ 3,532,846	\$ 3,420,078	\$ 4,143,044
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Charges for Services</i>	-	-	-	-	-	-
<i>Interest Expense</i>	-	-	-	-	-	-
<i>Capital Projects - Carryfwd</i>	-	-	-	-	-	-
<i>Capital Projects - New</i>	575,548	138,694	109,507	324,874	232,106	932,524
Total Expenditures	575,548	138,694	109,507	324,874	232,106	932,524
Transfers Out						
<i>Transfers to General Fund</i>	12,147	3,097	10,000	10,000	10,000	10,000
<i>Transfers to Equip Repalcement</i>	-	-	-	-	-	-
	-	-	-	-	-	-
Total Transfers Out	12,147	3,097	10,000	10,000	10,000	10,000
Total Expenditures & Transfers Out	587,695	141,791	119,507	334,874	242,106	942,524
Ending Fund Balance						
<i>Deferred Revenue</i>	2,273,514	2,742,762	2,954,774	2,977,322	2,977,322	2,977,322
<i>Undesignated</i>	169,918	191,253	223,198	243,198	223,198	223,198
Total Ending Fund Balance	2,443,432	2,934,015	3,177,972	3,220,520	3,200,520	3,200,520
TOTAL USE OF FUNDS	\$ 3,031,127	\$ 3,075,806	\$ 3,297,479	\$ 3,555,394	\$ 3,442,626	\$ 4,143,044

CAPITAL IMPROVEMENT PROGRAM **Traffic Mitigation Fund**

TRAFFIC MITIGATION CIP PROJECTS FY 2019/20

	Est Exp Prior To FY 2018/19	Expenditures During FY 2018/19	Estimated Carryforward	New Funding FY 2019/20	Total Budgeted
Completed Projects					
Crosswalk Improvements at Santa Cruz/Blossom Hill	\$ 35,869	\$ 14,131	\$ -	\$ -	\$ 50,000
Monument Control Network Update	-	-	-	-	-
Crosswalk Lighting Upgrade	20,808	29,192	-	-	50,000
Blossom Hill/Cherry Blossom Intersection Improve	-	-	-	-	-
Hwy 9/University Intersection	66,963	-	-	-	66,963
Total of Completed Projects	\$ 123,640	\$ 43,322	\$ -	\$ -	\$ 166,963
Carryforward Projects					
Los Gatos Blvd/Shannon Improvements	\$ -	\$ -	\$ 20,000	\$ -	\$ 20,000
Hwy 17 Bicycle & Pedestrian Bridge-Prelim Design	-	-	147,005	-	147,005
Traffic Signal Modernization	4,200	120,800	230,738	332,524	688,262
Bicycle & Pedestrian Improvements	40,972	31,628	2,400	-	75,000
Cut-Through Traffic/Wood Road Roundabout	175,417	36,356	228,136	-	439,908
Total of Carryforward Projects	\$ 220,589	\$ 188,784	\$ 628,279	\$ 332,524	\$ 1,370,175
New Projects					
Highway 17/9 Interchange and Capacity Improvements	\$ -	\$ -	\$ -	\$ 600,000	\$ 600,000
Total of New Projects	\$ -	\$ -	\$ -	\$ 600,000	\$ 600,000
Traffic Mitigation Funding Project Totals	\$ 344,229	\$ 232,106	\$ 628,279	\$ 932,524	\$2,137,138

Capital Improvement Program

GRANTS AND AWARDS PROJECT FUND FUND 421

FUND PURPOSE

The Grants and Awards Project Fund is typically composed of projects funded by the federal Department of Housing and Urban Development's Community Development Block Grant (CDBG) Program, the Department of Transportation Seismic Safety Retrofit Program, Transportation Development Act (TDA) Article 3 Funds, Proposition 12 Funding (Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act), and One Bay Area (OBAG) grants. Additional grants and awards may also be a funding source utilized in this fund. The expenditures in this fund are restricted to identified projects solely funded by grants.

BUDGET OVERVIEW

For FY 2019/20, there are seven grant funded carryforward and one new project. Grant and Award CIP projects receive funding from a variety of sources.

CAPITAL IMPROVEMENT PROGRAM
Grants and Awards Project Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	(369,987)	(354,803)	(355,110)	(127,056)	(127,056)	(245,834)
Total Beginning Fund Balance	(369,987)	(354,803)	(355,110)	(127,056)	(127,056)	(245,834)
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	156,987	3,093	243,448	544,046	207,903	1,047,100
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses & Permits</i>	-	-	-	-	-	-
<i>Interest</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	156,987	3,093	243,448	544,046	207,903	1,047,100
Transfers In						
<i>Transfer from General Fund</i>	-	-	-	-	-	-
<i>Transfer from CDBG</i>	39,640	-	-	-	-	-
<i>Transfer from Bulding Maint</i>	-	-	-	-	-	-
<i>Transfer from MIS Fund</i>	-	-	-	-	-	-
<i>Transfer from Equip Replacement</i>	-	-	-	-	-	-
Total Transfers In	39,640	-	-	-	-	-
Total Revenues & Transfers In	196,627	3,093	243,448	544,046	207,903	1,047,100
TOTAL SOURCE OF FUNDS	\$ (173,360)	\$ (351,710)	\$ (111,662)	\$ 416,990	\$ 80,847	\$ 801,266
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Charges for Services</i>	-	-	-	-	-	-
<i>Interest Expense</i>	-	-	-	-	-	-
<i>Capital Projects - Carryfwd</i>	-	-	-	-	-	-
<i>Capital Projects - New</i>	141,803	3,400	15,394	950,446	326,681	1,047,100
Total Expenditures	141,803	3,400	15,394	950,446	326,681	1,047,100
Transfers Out						
<i>Transfers to General Fund</i>	39,640	-	-	-	-	-
<i>Transfers to Grant Fund</i>	-	-	-	-	-	-
<i>Transfers to Equip Repalcement</i>	-	-	-	-	-	-
Total Transfers Out	39,640	-	-	-	-	-
Total Expenditures & Transfers Out	181,443	3,400	15,394	950,446	326,681	1,047,100
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	(354,803)	(355,110)	(127,056)	(533,456)	(245,834)	(245,834)
Total Ending Fund Balance	(354,803)	(355,110)	(127,056)	(533,456)	(245,834)	(245,834)
TOTAL USE OF FUNDS	\$ (173,360)	\$ (351,710)	\$ (111,662)	\$ 416,990	\$ 80,847	\$ 801,266

⌘ CAPITAL IMPROVEMENT PROGRAM ⌘
Grants and Awards Project Fund

The following schedule summarizes completed, carryforward, and new Grants and Awards Project Fund CIP Projects:

GRANTS & AWARDS CIP PROJECTS FY 2019/20					
	Est Exp Prior To FY 2018/19	Expenditures During FY 2018/19	Estimated Carryforward	New Funding FY 2019/20	Total Budgeted
Completed Projects					
Park Rehabilitation - Bachman Park	\$ 7,825	\$ 213,815	\$ -	\$ -	\$ 221,640
Hwy 9/University Intersection	902,827	-	-	-	902,827
Total of Completed Projects	\$ 910,652	\$ 213,815	\$ -	\$ -	\$ 1,124,467
Carryforward Projects					
Charter Oaks Trail Repair Project	\$ -	\$ 72,833	\$ 75,218	\$ -	\$ 148,051
Trailhead Connector	-	-	343,000	-	343,000
Guardrail Replacement Projects	-	-	-	980,100	980,100
Sidewalk Improvements Shannon/LGB/Cherry Bl	-	-	-	-	-
Hwy 17 Bicycle & Pedestrian Bridge-Prelim Design	-	-	52,995	-	52,995
Traffic Signal Modernization	10,799	40,033	1,775,568	-	1,826,400
Bicycle & Pedestrian Improvements	-	-	281,500	-	281,500
Total of Carryforward Projects	\$ 10,799	\$ 112,866	\$ 2,528,281	\$ 980,100	\$ 3,632,046
New Projects					
ADA Upgrade for Public Restrooms - Rec Building	\$ -	\$ -	\$ -	\$ 67,000	\$ 67,000
Total of New Projects	\$ -	\$ -	\$ -	\$ 67,000	\$ 67,000
Grant and Awards Project Totals:	\$ 921,451	\$ 326,681	\$ 2,528,281	\$ 1,047,100	\$ 4,823,513

FY 2019/20 KEY PROJECTS

The following Capital Improvement Plan projects are funded with grant funding and are expected to be Key Projects in FY 2019/20:

- **Traffic Signal Modernization** –This project will modernize the Town’s traffic signal controllers to allow for greater control by staff, ensure that the current system meets current safety standards, and increase the traffic flow. The Town was awarded a grant through the VTA for \$500,000 of the project budget. Full completion of this project relies on increases Traffic Impact Fees related to development projects

Operating Budget Impacts: Engineering staff time for project management is addressed in the FY 2019/20 Operating Budget.

∞ CAPITAL IMPROVEMENT PROGRAM ∞
Grants and Awards Project Fund

- ***Guardrail Replacement Project*** – This project will bring guardrails throughout the Town up to current safety standards by replacing outdated guardrails.

Operating Budget Impacts: Engineering staff time for project management is addressed in the FY 2019/20 Operating Budget with additional temporary staffing required to deliver the project included in the project budget.

- ***Trailhead Connector Project*** –This project will fund the design of a trailhead connection for Los Gatos Creek Trail to Highway 9. The project will become a ‘shovel ready’ project which allows the Town to be in a better position to obtain grant funding to fund project construction. The project is an identified priority within Measure B and the Town’s adopted Bicycle and Pedestrian Master Plan.

Operating Budget Impacts: Engineering staff time for project management is addressed in the FY 2019/20 Operating Budget with additional temporary staffing required to deliver the project included in the project budget.

- ***Pilot School Busing Program*** – This project explores congestion relief through piloting school bus service. The pilot school bus service provides morning and afternoon routes to and from school, with neighborhood-based stops.

Operating Budget Impacts: Engineering staff time for project management is addressed in the FY 2019/20 Operating Budget with additional temporary staffing required to deliver the project included in the project budget.

- ***Highway 17 Bicycle & Pedestrian Bridge*** – This project will fund the conceptual engineering for a potential bicycle and pedestrian bridge. Crossing Highway 17 in the project vicinity is a barrier for bicyclists and pedestrians. This is a suggested path included in the Safe Routes to School Phase 1 Study.

Operating Budget Impacts: Engineering staff time for project management is addressed in the FY 2019/20 Operating Budget.

Capital Improvement Program

STORM DRAIN FUNDS FUNDS 461, 462, 463

FUND PURPOSE

The Town's three Storm Drain Funds are designated for support of the storm drain systems that carry surface runoff water off the Town's streets and route it into curbside catch basins. From there, runoff enters an underground pipe system that ultimately flows to San Francisco Bay. These Storm Drain Funds construct and maintain the Town's facilities, which collect and transport the surface runoff water.

Storm Drain revenues are a designated portion of the fees collected from private development building permit fees. Town Code Section 24.60.010 *et seq.* requires fees to be paid in conjunction with development in specified local drainage areas. Fees collected are placed in one of these three funds, known as Storm Drain Basin #1 (Fund 461), which encompasses the eastern portion of Los Gatos Town limits; Storm Drain Basin #2 (Fund 462), which encompasses a central corridor through the Town; and Storm Drain Basin #3 (Fund 463), which encompasses the Town's west side. The use of these funds is restricted to the construction of drainage facilities located in the designated areas.

BUDGET OVERVIEW

The use of these fees is controlled through Town Council action, and the benefit of each project is evaluated for impacts on a designated local drainage area. Expenditures from storm drain fees are limited to new construction only, not repair or maintenance work

FY 2019/20 KEY PROJECTS

Bicknell Road and Annual Storm Drain Improvements are scheduled for 2019, and Hernandez Avenue Storm Drain Improvements is scheduled for FY 2023/24.

⌘ CAPITAL IMPROVEMENT PROGRAM ⌘
Storm Drain Fund - 461

STATEMENT OF SOURCE AND USE OF FUNDS

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	669,661	721,199	795,382	809,379	809,379	879,829
Total Beginning Fund Balance	669,661	721,199	795,382	809,379	809,379	879,829
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses & Permits</i>	-	67,807	12,885	45,000	66,440	45,000
<i>Interest</i>	46,026	6,376	1,112	4,010	4,010	4,150
<i>Other Revenues</i>	5,512	-	-	-	-	-
Total Revenues	51,538	74,183	13,997	49,010	70,450	49,150
Transfers In						
<i>Transfer from General Fund</i>	-	-	-	-	-	-
<i>Transfer from CDBG</i>	-	-	-	-	-	-
<i>Transfers from Bulding Maint</i>	-	-	-	-	-	-
<i>Transfer from MIS Fund</i>	-	-	-	-	-	-
<i>Transfer from Equip Replacement</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
Total Revenues & Transfers In	51,538	74,183	13,997	49,010	70,450	49,150
TOTAL SOURCE OF FUNDS	\$ 721,199	\$ 795,382	\$ 809,379	\$ 858,389	\$ 879,829	\$ 928,979
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Charges for Services</i>	-	-	-	-	-	-
<i>Interest Expense</i>	-	-	-	-	-	-
<i>Capital Projects - Carryfwd</i>	-	-	-	-	-	-
<i>Capital Projects - New</i>	-	-	-	50,000	-	50,000
Total Expenditures	-	-	-	50,000	-	50,000
Transfers Out						
<i>Transfers to General Fund</i>	-	-	-	-	-	-
<i>Transfers to Equip Repalcement</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	-	-	-	50,000	-	50,000
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	721,199	795,382	809,379	808,389	879,829	878,979
Total Ending Fund Balance	721,199	795,382	809,379	808,389	879,829	878,979
TOTAL USE OF FUNDS	\$ 721,199	\$ 795,382	\$ 809,379	\$ 858,389	\$ 879,829	\$ 928,979

⌘ CAPITAL IMPROVEMENT PROGRAM ⌘
Storm Drain Fund - 462

STATEMENT OF SOURCE AND USE OF FUNDS

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	972,866	949,644	1,018,786	1,752,775	1,752,775	1,803,015
Total Beginning Fund Balance	972,866	949,644	1,018,786	1,752,775	1,752,775	1,803,015
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses & Permits</i>	-	60,830	750,277	45,000	45,000	45,000
<i>Interest</i>	65,038	8,312	2,412	5,240	5,240	8,770
<i>Other Revenues</i>	7,560	-	-	-	-	-
Total Revenues	72,598	69,142	752,689	50,240	50,240	53,770
Transfers In						
<i>Transfer from General Fund</i>	-	-	-	-	-	-
<i>Transfer from CDBG</i>	-	-	-	-	-	-
<i>Transfers from Bulding Maint</i>	-	-	-	-	-	-
<i>Transfer from MIS Fund</i>	-	-	-	-	-	-
<i>Transfer from Equip Replacement</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
Total Revenues & Transfers In	72,598	69,142	752,689	50,240	50,240	53,770
TOTAL SOURCE OF FUNDS	\$ 1,045,464	\$ 1,018,786	\$ 1,771,475	\$ 1,803,015	\$ 1,803,015	\$ 1,856,785
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Charges for Services</i>	-	-	-	-	-	-
<i>Interest Expense</i>	-	-	-	-	-	-
<i>Capital Projects - Carryfwd</i>	-	-	-	-	-	-
<i>Capital Projects - New</i>	95,820	-	18,700	50,000	-	50,000
Total Expenditures	95,820	-	18,700	50,000	-	50,000
Transfers Out						
<i>Transfers to General Fund</i>	-	-	-	-	-	-
<i>Transfers to Equip Repalcement</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	95,820	-	18,700	50,000	-	50,000
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	949,644	1,018,786	1,752,775	1,753,015	1,803,015	1,806,785
Total Ending Fund Balance	949,644	1,018,786	1,752,775	1,753,015	1,803,015	1,806,785
TOTAL USE OF FUNDS	\$ 1,045,464	\$ 1,018,786	\$ 1,771,475	\$ 1,803,015	\$ 1,803,015	\$ 1,856,785

⌘ CAPITAL IMPROVEMENT PROGRAM ⌘
Storm Drain Fund - 463

STATEMENT OF SOURCE AND USE OF FUNDS

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	(49,732)	(2,788)	(8,725)	31,839	(76,153)	(74,293)
Total Beginning Fund Balance	(49,732)	(2,788)	(8,725)	31,839	(76,153)	(74,293)
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses & Permits</i>	-	6,831	40,609	2,500	2,500	2,500
<i>Interest</i>	47,275	(18)	(45)	(640)	(640)	(880)
<i>Other Revenues</i>	(331)	-	-	-	-	-
Total Revenues	46,944	6,813	40,564	1,860	1,860	1,620
Transfers In						
<i>Transfer from General Fund</i>	-	-	-	-	-	-
<i>Transfer from CDBG</i>	-	-	-	-	-	-
<i>Transfers from Bulding Maint</i>	-	-	-	-	-	-
<i>Transfer from MIS Fund</i>	-	-	-	-	-	-
<i>Transfer from Equip Replacement</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
Total Revenues & Transfers In	46,944	6,813	40,564	1,860	1,860	1,620
TOTAL SOURCE OF FUNDS	\$ (2,788)	\$ 4,025	\$ 31,839	\$ 33,699	\$ (74,293)	\$ (72,673)
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Charges for Services</i>	-	-	-	-	-	-
<i>Interest Expense</i>	-	-	-	-	-	-
<i>Capital Projects - Carryfwd</i>	-	-	-	-	-	-
<i>Capital Projects - New</i>	-	12,750	107,992	50,000	-	50,000
Total Expenditures	-	12,750	107,992	50,000	-	50,000
Transfers Out						
<i>Transfers to General Fund</i>	-	-	-	-	-	-
<i>Transfers to Equip Repalcement</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	-	12,750	107,992	50,000	-	50,000
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	(2,788)	(8,725)	(76,153)	(16,301)	(74,293)	(122,673)
Total Ending Fund Balance	(2,788)	(8,725)	(76,153)	(16,301)	(74,293)	(122,673)
TOTAL USE OF FUNDS	\$ (2,788)	\$ 4,025	\$ 31,839	\$ 33,699	\$ (74,293)	\$ (72,673)

⌘ CAPITAL IMPROVEMENT PROGRAM ⌘
Storm Drain Funds

STORM DRAIN CIP PROJECTS
FY 2019/20

	Est Exp Prior To FY 2018/19	Expenditures During FY 2018/19	Estimated Carryforward	New Funding FY 2019/20	Total Budgeted
Completed Projects					
Jones Road Storm Drain Improvements	\$ 18,700	\$ -	\$ -	\$ -	\$ 18,700
Total of Completed Projects	\$ 18,700	\$ -	\$ -	\$ -	\$ 18,700
Carryforward Projects					
Hernandez Avenue Storm Drain Improvements	\$ 17,180	\$ -	\$ -	\$ -	\$ 17,180
Bicknell Road Storm Drain Improvements	120,742	-	50,758	-	171,500
Annual Storm Drain Improvement Prj	-	-	150,000	150,000	300,000
Total of Carryforward Projects	\$ 137,922	\$ -	\$ 200,758	\$ 150,000	\$ 488,680
New Projects					
Total of New Projects	\$ -	\$ -	\$ -	\$ -	\$ -
Storm Drain Project Totals:	\$ 156,622	\$ -	\$ 200,758	\$ 150,000	\$ 507,380



Capital Improvement Program

UTILITY UNDERGROUND FUND 472

FUND PURPOSE

This fund accounts for the resources generated and utilized for placing overhead utility lines underground in the effort to improve power reliability, reduce utility maintenance costs, and remove unsightly poles and lines.

The Utility Underground Fund generates revenue through a construction fee placed on building permits. The fee is imposed on the construction of any building, portion of a building, or mobile home lot. Construction by definition includes both new construction and improvements. The underground utility fee imposed is a fixed rate per square foot, currently set at \$0.18 for each square foot of building addition or alteration. The use of the proceeds of the fee is limited to the conversion of existing overhead utility lines to underground lines.

Utility Underground-funded projects may also be funded by Pacific Gas and Electric Company's (PG&E) Rule 20A funds. Projects that eliminate a heavy concentration of overhead electric lines in areas used extensively by the general public are nominated by the Town to PG&E. Approved projects are then funded through the Town's allocation of Rule 20A funds, which are electric tariffs accumulated by PG&E as a percentage of electric bills. The Town's allocation typically is in the range of \$60,000 to \$110,000 annually.

BUDGET OVERVIEW

The use of Utility Underground Fund fees is controlled through Town Council action, after the benefit of each project is evaluated to ensure appropriate application of the fees to eligible projects. Total cash balances currently on hand from the utility undergrounding construction tax are approximately \$2.9 million at FY 2018/19 year-end. In addition, the Town may have access to over \$3.8 million in Rule 20A funds allocated from a percentage of electric bills. PG&E retains and tracks those funds.

The Town Council approved a project to underground along Los Gatos Boulevard south of Lark Avenue, which is estimated to cost \$6.8 million. Undergrounding projects have long lead times

⌘ CAPITAL IMPROVEMENT PROGRAM ⌘
Utility Underground Fund

and rely on PG&E for scheduling and project delivery, often taking six years or longer from project initiation through design and construction. The current undergrounding project has been in design for several years. PG&E recently redeployed staffing to address wildfire concerns, creating uncertainty in the schedule. Staff is anticipating project construction to begin in FY 2020/21.

STATEMENT OF SOURCE AND USE OF FUNDS

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	2,814,352	2,893,649	2,941,264	3,010,132	3,010,132	3,054,442
Total Beginning Fund Balance	2,814,352	2,893,649	2,941,264	3,010,132	3,010,132	3,054,442
Revenues						
<i>Other Taxes</i>	12,147	23,165	31,838	30,000	30,000	30,000
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	22,697	-	-	-	-	-
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses & Permits</i>	-	-	-	-	-	-
<i>Interest</i>	44,453	24,450	37,030	14,310	14,310	22,490
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	79,297	47,615	68,868	44,310	44,310	52,490
Transfers In						
<i>Transfer from General Fund</i>	-	-	-	-	-	-
<i>Transfer from CDBG</i>	-	-	-	-	-	-
<i>Transfers from Bulding Maint</i>	-	-	-	-	-	-
<i>Transfer from MIS Fund</i>	-	-	-	-	-	-
<i>Transfer from Equip Replacement</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
Total Revenues & Transfers In	79,297	47,615	68,868	44,310	44,310	52,490
TOTAL SOURCE OF FUNDS	\$ 2,893,649	\$ 2,941,264	\$ 3,010,132	\$ 3,054,442	\$ 3,054,442	\$ 3,106,932
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Charges for Services</i>	-	-	-	-	-	-
<i>Interest Expense</i>	-	-	-	-	-	-
<i>Capital Projects - Carryfwd</i>	-	-	-	-	-	-
<i>Capital Projects - New</i>	-	-	-	2,218,000	-	-
Total Expenditures	-	-	-	2,218,000	-	-
Transfers Out						
<i>Transfers to General Fund</i>	-	-	-	-	-	-
<i>Transfers to Equip Replcement</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	-	-	-	2,218,000	-	-
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	2,893,649	2,941,264	3,010,132	836,442	3,054,442	3,106,932
Total Ending Fund Balance	2,893,649	2,941,264	3,010,132	836,442	3,054,442	3,106,932
TOTAL USE OF FUNDS	\$ 2,893,649	\$ 2,941,264	\$ 3,010,132	\$ 3,054,442	\$ 3,054,442	\$ 3,106,932

⌘ CAPITAL IMPROVEMENT PROGRAM ⌘
Utility Underground Fund

UTILITY UNDERGROUND CIP PROJECTS
FY 2019/20

	Est Exp Prior To FY 2018/19	Expenditures During FY 2018/19	Estimated Carryforward	New Funding FY 2019/20	Total Budgeted
<i>Completed Projects</i>					
	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Total of Completed Projects</i>	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Carryforward Projects</i>					
Utility Undergrounding Improvements	\$ -	\$ -	\$ 2,330,000	\$ -	\$ 2,330,000
Sidewalk Improve Shannon/LGB/Cherry Bl	-	-	-	-	-
<i>Total of Carryforward Projects</i>	\$ -	\$ -	\$ 2,330,000	\$ -	\$ 2,330,000
<i>New Projects</i>					
	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Total of New Projects</i>	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Total of Utility Underground Projects</i>	# \$ -	\$ -	\$ 2,330,000	\$ -	\$ 2,330,000



Capital Improvement Program

GAS TAX FUND FUND 481

FUND PURPOSE

Gas Tax Fund revenue is a State-provided funding source for the purpose of street and highway maintenance and reconstruction. Street and Highway Code Sections 2103 (originally Prop 42), 2105, 2106, 2107, and 2107.5 govern the Gas Tax Fund. Expenditures from this fund are restricted to new construction and reconstruction of Town streets. The general classification of street and road working activities consist of construction, maintenance, and overhead, as follow:

Construction is the building or rebuilding of streets, roads, and bridges; and the acquisition of rights of way or their component parts, to a degree that improved traffic service is provided and geometric or structural improvements are affected. The following types of work are examples of street and road construction:

- Removal of old streets and roadbeds, and detour costs connected with a construction project
- Modification of alignment, profile, and cross-section
- Addition of a frontage street or road
- Installation of original traffic signs and markers on routes
- Complete reconstruction or an addition to a culvert
- Reconstruction of an existing bridge or installation of a new bridge
- Installations or extensions of curb, gutter, sidewalks, and under drain
- Installation or expansion of street or road lighting system

Maintenance is the preservation and upkeep of a street or road condition and the operation of a street or road facility to provide safe, convenient, and economical highway transportation. Maintenance categories include:

⌘ CAPITAL IMPROVEMENT PROGRAM ⌘
Gas Tax Fund

- Patching, repairing, surface treating, and joint filling on bituminous or concrete surfaces
- Resealing street or road shoulders and side street and road approaches
- Removing slides and restoring facilities damaged by slides
- Mowing, tree trimming, and watering within the street right-of-way
- Repairing curb, gutter, rip-rap, under drain, culverts, and drains
- Repainting of pavements, and striping and marking to the same standards
- Furnishing of power for street and road lighting and traffic control

Overhead includes those elements of cost necessary in the production of an article or performance of a service. Usually overhead relates to expenditures which do not become an integral part of the finished product or service. Overhead costs are only allowed under an approved cost allocation plan, or an equitable and auditable distribution of overhead to all departments. Components of overhead expenses include:

- Management
- Procurement
- Advertising
- Legal Costs
- Payroll
- General Accounting/Finance
- Facilities

Ineligible Activities

Although many types of work may be classified as “construction,” this does not make them automatically eligible. To be eligible the work must be for street or road purposes. The following is a list of the types of expenditures that are not eligible:

- Costs of rearranging non-highway facilities, including utility relocation, when not a legal road or street obligation
- New installation of utilities, including water mains, sanitary sewers, and other non-street facilities
- Decorative lighting
- Work outside the right-of-way that is not a specific right-of-way obligation
- Maintenance or construction on alleys that have not been formally designated as part of the jurisdiction’s street and road system
- Improvements and maintenance to “Park and Ride” designated lots

The estimated Gas Tax revenue totals approximately \$1.2 million for FY 2019/20 reflecting the recently enacted Road Recovery and Repair Act of 2017 (SB1). The ongoing Street Repair and Resurfacing project was carried forward from FY 2018/19, as is typical. There are no new Gas

⌘ CAPITAL IMPROVEMENT PROGRAM ⌘
Gas Tax Fund

BUDGET OVERVIEW

Tax funded projects scheduled for FY 2019/20.

STATEMENT OF SOURCE AND USE OF FUNDS

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	1,075,827	1,651,112	693,506	703,148	703,148	239,361
Total Beginning Fund Balance	1,075,827	1,651,112	693,506	703,148	703,148	239,361
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	671,258	604,975	852,300	1,322,994	1,144,218	1,314,844
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses & Permits</i>	-	-	-	-	-	-
<i>Interest</i>	-	6,496	13,307	1,210	1,210	1,210
<i>Other Revenues</i>	11,336	-	-	-	-	-
Total Revenues	682,594	611,471	865,607	1,324,204	1,145,428	1,316,054
Transfers In						
<i>Transfer from General Fund</i>	-	-	-	-	-	-
<i>Transfer from CDBG</i>	-	-	-	-	-	-
<i>Transfers from Bulding Maint</i>	-	-	-	-	-	-
<i>Transfer from MIS Fund</i>	-	-	-	-	-	-
<i>Transfer from Equip Replacement</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
Total Revenues & Transfers In	682,594	611,471	865,607	1,324,204	1,145,428	1,316,054
TOTAL SOURCE OF FUNDS	\$ 1,758,421	\$ 2,262,583	\$ 1,559,113	\$ 2,027,352	\$ 1,848,576	\$ 1,555,415
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Charges for Services</i>	-	-	-	-	-	-
<i>Interest Expense</i>	-	-	-	-	-	-
<i>Capital Projects - Carryfwd</i>	-	-	-	-	-	-
<i>Capital Projects - New</i>	1,309	1,463,077	749,965	1,218,134	1,503,215	1,210,054
Total Expenditures	1,309	1,463,077	749,965	1,218,134	1,503,215	1,210,054
Transfers Out						
<i>Transfers to General Fund</i>	106,000	106,000	106,000	106,000	106,000	106,000
<i>Transfers to Equip Repalcement</i>	-	-	-	-	-	-
Total Transfers Out	106,000	106,000	106,000	106,000	106,000	106,000
Total Expenditures & Transfers Out	107,309	1,569,077	855,965	1,324,134	1,609,215	1,316,054
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	1,651,112	693,506	703,148	703,218	239,361	239,361
Total Ending Fund Balance	1,651,112	693,506	703,148	703,218	239,361	239,361
TOTAL USE OF FUNDS	\$ 1,758,421	\$ 2,262,583	\$ 1,559,113	\$ 2,027,352	\$ 1,848,576	\$ 1,555,415

∞ CAPITAL IMPROVEMENT PROGRAM ∞
Gas Tax Fund

GAS TAX CIP PROJECTS

FY 2019/20

	Est Exp Prior To FY 2018/19	Expenditures During FY 2018/19	Estimated Carryforward	New Funding FY 2019/20	Total Budgeted
Completed Projects					
	\$ -	\$ -	\$ -	\$ -	\$ -
Total of Completed Projects	\$ -	\$ -	\$ -	\$ -	\$ -
Carryforward Projects					
Street Repair & Resurfacing	\$ 4,729,430	\$ 1,503,215	\$ -	\$ 1,210,054	\$ 7,442,699
Total of Carryforward Projects	\$4,729,430	\$1,503,215	\$ -	\$1,210,054	\$7,442,699
New Projects					
	\$ -	\$ -	\$ -	\$ -	\$ -
Total of New Projects	\$ -	\$ -	\$ -	\$ -	\$ -
Total of Gas Tax Projects	\$4,729,430	\$1,503,215	\$ -	\$1,210,054	\$7,442,699

FY 2019/20 KEY PROJECTS

The Gas Tax Fund has one carryforward project with remaining funding and additional appropriations:

- **Street Repair and Resurfacing** – The Town's Street Resurfacing Program of preventive and deferred maintenance includes new appropriations, using Gas Tax monies and 2016 Measure B. The work to be performed consists of a balanced program of surface seals, street reconstructions and pavement overlays, with supplemental ongoing maintenance activities performed by the Town's Parks and Public Works department staff.

Operating Budget Impacts - Engineering staff time for project design and oversight is incorporated into the operating budget workplan.



Successor Agency

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Successor Agency to the Town of Los Gatos Redevelopment Agency

FUND 942

AGENCY OVERVIEW

The Los Gatos Town Council established the Los Gatos Redevelopment Agency on January 22, 1990, pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code, Section 33000 et seq.) and declared itself to constitute the Agency by Ordinance No. 1806 adopted on December 4, 1989. The Redevelopment Plan was pursued as a result of the Loma Prieta Earthquake in 1989 and the need to rebuild existing infrastructure. The Redevelopment Agency area encompassed approximately 440 acres in and around downtown Los Gatos, which included retail and residential areas, lodging, schools, and transportation thoroughfares.

Projects completed in the Plan area, including street and utility reconstruction, parking, streetscape, and civic improvements, were funded through property “tax increment” revenue collected by the Redevelopment Agency. When the Redevelopment Agency was initially formed, the tax base for all properties within the redevelopment area was “frozen” to form a “base year.” When properties were reassessed, the tax base grew and the Agency received the majority of the difference in property taxes paid between the base year and the new level (known as “tax increment” revenue).

BUDGET OVERVIEW

On June 15, 2011, the California State Legislature adopted two budget “trailer” bills concerning redevelopment, ABx1 26 and ABx1 27 (hereafter AB 26 and AB 27). AB 26 (the “Dissolution Act”) eliminated redevelopment agencies as of October 1, 2011, and essentially restricted redevelopment agencies from entering into agreements, borrowing or lending funds, or acquiring or disposing of real property prior to dissolution. Whereas, AB 27 (the “Voluntary Program Act”) allowed redevelopment agencies to remain in existence and be exempt from AB

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26 if certain “voluntary” payments were made to the State in FY 2012 and in each fiscal year thereafter. These bills were signed into law by the governor on July 28, 2011.

The League of California Cities and the California Redevelopment Association (CRA) filed a petition with the California Supreme Court, challenging the constitutionality of AB 26 and AB 27. The California Supreme Court, in its decision in *California Redevelopment Association v. Matosantos* issued December 29, 2011 (the “Supreme Court Decision”), declared the Dissolution Act alone to be constitutional. Under the Dissolution Act, all California redevelopment agencies were dissolved effective February 1, 2012.

Following the provisions of the Dissolution Act, the Town Council of the Town of Los Gatos (the “Town Council”) adopted a resolution accepting for the Town the role of Successor Agency (the “Successor Agency”) to the Redevelopment Agency of the Town of Los Gatos (the “Redevelopment Agency”). An oversight board (the “Oversight Board”), consisting of members representing Santa Clara County, the Town, and various education and special districts was formed to approve and direct certain actions of the Town as Successor Agency.

Prior to the dissolution of redevelopment agencies, redevelopment law required that 20 percent of tax increment revenue received by an agency must be set aside for affordable housing activities. Under the Dissolution Act, tax increment revenue received by the Successor Agency did not include funding for affordable housing. However, tax-sharing agreements negotiated with affected public educational entities, the Mid-Peninsula Open Space District, and Santa Clara County continue to be recognized. Nearly half of all Redevelopment Agency tax increment had been passed through to these taxing entities.

Successor Agencies may also receive tax increment revenue to pay for enforceable obligations that were incurred prior to the passage of the Dissolution Act. Under the Dissolution Act, Successor Agencies must approve and submit a Recognized Obligation Payment Schedule (ROPS) that reflects enforceable obligations over a six month period. Prior to the payment of any enforceable obligation, the ROPS must be certified by the County and subsequently approved by the Oversight Board. Successor Agencies must also approve and submit an administrative budget for operational expenses to the Oversight Board for approval. Successor Agencies may receive a minimum of up to \$250,000 or up to 3 percent of tax increment revenues received by the Successor Agency per fiscal year for administrative expenses, which is significantly lower than the Successor Agency’s current administrative expenses.

The Town has several existing enforceable obligations that must be paid over the remaining life of the debt service, or until the Successor Agency reaches the tax increment cap, which is the gross tax increment collected over the life of the Agency. The Town’s tax increment cap, which is anticipated to be reached by FY 2027/28, is approximately \$250 million.

⌘ SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY ⌘

The Successor Agency currently pays debt service on two Certificates of Participation (COPs):

- **2002 COPs Payments for Redevelopment Agency Capital Projects:** In 2002, the Town issued debt for approximately \$10.7 million to fund RDA infrastructure projects in the project area. Annual debt service payments of approximately \$680,000 will continue through FY 2031/32.
- **2010 COPs Payments for Town Library:** In 2010, the Town issued debt for approximately \$15.7 million to fund the construction of the new library building. Annual debt service payments of approximately \$1.2 million will continue through FY 2027/28.
- **Agency Administration:** This pays for the day-to-day operations of the Successor Agency, including staff salary and benefits, supplies and materials, and consultant assistance. Annual budgeted expenditures are estimated to be approximately \$13,000.

The Town submitted the Last & Final ROPS to the State and it was approved by the State on April 6, 2016. The Town no longer needs to submit ROPS every six months and has scheduled the ROPS budget through FY 2031/32. At the end of FY 2031/32, the Town and the County will resolve any remaining balances.

SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY

STATEMENT OF SOURCE AND USE OF FUNDS (BUDGETARY FUND BALANCE)

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
SOURCES OF FUNDS						
Beginning Budgetary Fund Balance						
<i>Designated</i>	\$ 2,001,533	\$ 1,963,657	\$ 1,963,660	\$ 1,967,496	\$ 1,967,496	\$ 1,963,327
<i>Undesignated</i>	1,612,194	1,629,915	1,726,851	1,836,283	1,836,283	1,840,352
Total Beginning Fund Balance	3,613,727	3,593,572	3,690,511	3,803,779	3,803,779	3,803,679
Revenues						
<i>Property Tax</i>	-	-	-	-	-	-
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Lease Income - COP's</i>	1,922,398	1,923,303	1,914,739	1,909,073	1,909,073	1,905,024
<i>County RPTTF Reimbursement</i>	1,989,524	1,964,636	1,958,325	1,919,073	1,919,073	1,915,024
<i>Interest</i>	2,393	6,310	22,788	150	3,079	3,154
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	3,914,315	3,894,249	3,895,852	3,828,296	3,831,225	3,823,202
Transfers In						
<i>Transfer from SA Administration</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
Total Revenues and Transfer Ins	\$ 3,914,315	\$ 3,894,249	\$ 3,895,852	\$ 3,828,296	\$ 3,831,225	\$ 3,823,202
TOTAL SOURCE OF FUNDS	\$ 7,528,042	\$ 7,487,821	\$ 7,586,363	\$ 7,632,075	\$ 7,635,004	\$ 7,626,881
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	14,102	(10,004)	1,385	1,509	1,605	1,748
<i>Operating Expenditures</i>	5,357	16,770	5,270	5,270	11,570	11,670
<i>Grants</i>	-	-	-	-	-	-
<i>Debt Service</i>	3,844,796	3,790,469	3,769,571	3,818,146	3,818,145	3,809,779
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	561	75	58	4	5	5
Total Expenditures	3,864,816	3,797,310	3,776,284	3,824,929	3,831,325	3,823,202
Transfers Out						
<i>Transfer to Capital Projects</i>	-	-	-	-	-	-
<i>Transfer to General Funds</i>	69,654	-	6,300	6,300	-	-
Total Transfers Out	69,654	-	6,300	6,300	-	-
Total Expenditures & Transfers Out	3,934,470	3,797,310	3,782,584	3,831,229	3,831,325	3,823,202
Ending Fund Balance						
<i>Designated</i>	1,963,657	1,963,660	1,967,496	1,963,327	1,963,327	1,963,327
<i>Undesignated</i>	1,629,915	1,726,851	1,836,283	1,837,519	1,840,352	1,840,352
Total Ending Fund Balance	3,593,572	3,690,511	3,803,779	3,800,846	3,803,679	3,803,679
TOTAL USE OF FUNDS	\$ 7,458,388	\$ 7,487,821	\$ 7,586,363	\$ 7,632,075	\$ 7,635,004	\$ 7,626,881

SUCCESSION AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY

SUCCESSION AGENCY TO THE LOS GATOS RDA PROGRAM STAFFING

Full Time Equivalent (FTE)

	2015/16	2016/17	2017/18	2018/19	2019/20
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Adopted
Administrative Analyst	0.10	0.01	-	-	-
Accountant/Finance Analyst	-	-	0.01	0.01	0.01
Total SA FTEs	0.10	0.01	0.01	0.01	0.01



Successor Agency to the Town of Los Gatos Redevelopment Agency

ADMINISTRATION PROGRAM 9403

PROGRAM PURPOSE

The Successor Agency's Administration Fund encompasses administrative functions related to operational and fiscal matters of the Successor Agency, in conjunction with the Finance Department. Prior to the dissolution of the Redevelopment Agency, this fund also supported capital project development, management, and construction oversight; and economic vitality activities to enhance revenues through business promotion and retention. While there will be no future capital projects, with the exception of Almond Grove reconstruction project in the former Redevelopment Area, economic vitality efforts continue and are now supported by the General Fund.

BUDGET OVERVIEW

The FY 2019/20 Administration Fund budget reflects approximately \$13,000 of tax increment revenue to cover the operational and fiscal reporting expenses of the Successor Agency. The Town's last and final ROPS has now been approved by the State. The Town will no longer have to submit ROPS every six months.



Successor Agency to the Town of Los Gatos Redevelopment Agency

DEBT SERVICE PROGRAMS 9404 and 9405

FUND PURPOSE

Prior to the Dissolution Act, the Los Gatos Redevelopment Agency assumed the obligation of paying the debt service on the Town's 2002 and 2010 Certificates of Participation (COPs) in return for the lease of Town property. The purpose of the COPs was to fund key capital infrastructure projects located in the former Redevelopment Area. Payments for this indebtedness were and will continue to be made from the Debt Service Fund.

BUDGET OVERVIEW

PROGRAM 9404 – 2002 CERTIFICATE OF PARTICIPATION

The Town bears an obligation for the 30-year Certificates of Participation issued in the original amount of \$10,725,000, dated August 1, 2002. The COPs were issued to finance infrastructure improvements in the downtown Redevelopment Area, including plaza reconstruction, streetscape improvements, street reconstruction, storm drainage, and alley improvements, as well as partially funding the reconstruction of the pool at Los Gatos High School. The COPs principal payments are due annually on August 1, with interest payments payable semi-annually on February 1 and August 1.

The financing structure of the COPs includes two lease agreements between the Town of Los Gatos and the Successor Agency for the Town of Los Gatos Redevelopment Agency dated July 1, 2002. The first agreement leases five Town-owned parcels, commonly known as the Miles Avenue Corporation Yard, to the Successor Agency through August 1, 2031 for a one-time fee of

∞ SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY ∞
Debt Service

\$1. In the second lease, the Successor Agency subleases the same land back to the Town, effective the date of the original lease. The annual sub-lease payments are equal to the annual debt service for the COPs.

A reimbursement agreement between the Town and the Successor Agency, also dated July 1, 2002, obligates the Agency to reimburse the Town in an amount equal to the annual lease payment the Town pays to the Agency for the sub-lease of the Corporation Yard. This reimbursement is in consideration of the Town's cost of the acquisition and construction of the yard facilities.

While the annual impact of these agreements nets to zero, the lease and reimbursement payments are included in both the Town's and Successor Agency's budgets each year to accurately reflect the terms of these agreements. The Agency remains responsible for making the principal and interest payments.

The maturity schedule for the Successor Agency's current Debt Service obligation under the 2002 COPs is as follows:

⌘ SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY ⌘

Debt Service

2002 COP DEBT SERVICE

Fiscal Year	Principal Maturing August 1st	Interest Due August 1st	Interest Due February 1st	Total Debt Service	Principal Balance
<i>Issue Date: August 1, 2002</i>					\$ 10,725,000
2002/03	-	-	\$ 237,164	\$ 237,164	10,725,000
2003/04	\$ 210,000	\$ 235,854	233,229	679,083	10,515,000
2004/05	215,000	233,229	230,541	678,770	10,300,000
2005/06	225,000	230,541	227,729	683,270	10,075,000
2006/07	230,000	227,729	224,854	682,583	9,845,000
2007/08	235,000	224,854	221,681	681,535	9,610,000
2008/09	240,000	221,681	218,081	679,763	9,370,000
2009/10	250,000	218,081	214,019	682,100	9,120,000
2010/11	255,000	214,019	209,556	678,575	8,865,000
2011/12	265,000	209,556	204,720	679,276	8,600,000
2012/13	275,000	204,720	199,426	679,146	8,325,000
2013/14	285,000	199,426	193,726	678,153	8,040,000
2014/15	295,000	193,726	187,679	676,405	7,745,000
2015/16	310,000	187,679	181,169	678,848	7,435,000
2016/17	320,000	181,169	174,209	675,378	7,115,000
2017/18	335,000	174,209	166,755	675,964	6,780,000
2018/19	350,000	166,755	158,793	675,548	6,430,000
2019/20	365,000	158,793	150,306	674,099	6,065,000
2020/21	385,000	150,306	141,163	676,469	5,680,000
2021/22	400,000	141,163	131,463	672,625	5,280,000
2022/23	420,000	131,463	121,225	672,688	4,860,000
2023/24	440,000	121,225	110,500	671,725	4,420,000
2024/25	465,000	110,500	98,875	674,375	3,955,000
2025/26	485,000	98,875	86,750	670,625	3,470,000
2026/27	510,000	86,750	74,000	670,750	2,960,000
2027/28	535,000	74,000	60,625	669,625	2,425,000
2028/29	565,000	60,625	46,500	672,125	1,860,000
2029/30	590,000	46,500	31,750	668,250	1,270,000
2030/31	620,000	31,750	16,250	668,000	650,000
2031/32	650,000	16,250	-	666,250	-
TOTALS:	\$ 10,725,000	+ \$ 4,551,426	+ \$ 4,552,737	= \$ 19,829,163	

⌘ SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY ⌘
Debt Service

PROGRAM 9405 – 2010 CERTIFICATES OF PARTICIPATION

The 2010 Certificates of Participation financing structure parallels the 1992 and 2002 issues. The Town bears an obligation for the 18-year Certificates of Participation issued in the original amount of \$15,675,000, dated June 1, 2010. The COPs were issued to finance the construction of the new Town library. The COPs principal payments are due annually on August 1, with interest payments payable semi-annually on February 1 and August 1.

The financing structure of the COPs includes two lease agreements between the Town of Los Gatos and the Successor Agency for the Town of Los Gatos Redevelopment Agency dated June 1, 2010. The first agreement leases Town-owned parcels, including the existing library, police administration building, and related property located at the Civic Center, to the Successor Agency through August 1, 2028 for a one-time fee of \$1. In the second lease, the Successor Agency subleases the properties back to the Town, effective the date of the original lease. The annual sub-lease payments are equal to the annual debt service for the COPs.

A reimbursement agreement between the Town and Agency, also dated June 1, 2010, obligates the Agency to reimburse the Town in an amount equal to the annual lease payment the Town pays to the Agency for the sub-lease of the existing library, police administration building, and related properties. This reimbursement is in consideration of the Town's cost of the acquisition and construction of the library and police facilities.

While the annual impact of these agreements nets to zero, the lease and reimbursement payments are included in both the Town's and Successor Agency's budgets each year to accurately reflect the terms of these agreements. The Agency remains responsible for making the principal and interest payments.

The maturity schedule for the Successor Agency's current Debt Service obligation under the 2010 COPs is as follows:

⌘ SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY ⌘
Debt Service

2010 COP DEBT SERVICE

Fiscal Year	Interest Due August 1st	Principal Maturing August 1st	Interest Due February 1st	Total Debt Service	Principal Balance
<i>Issue Date: June 1, 2010</i>					\$ 15,675,000
2010/11			423,161	423,161	15,675,000
2011/12	320,038	530,000	313,413	1,163,450	15,145,000
2012/13	313,413	650,000	300,413	1,263,825	14,495,000
2013/14	300,413	670,000	287,013	1,257,425	13,825,000
2014/15	287,013	695,000	269,638	1,251,650	13,130,000
2015/16	269,638	715,000	258,913	1,243,550	12,415,000
2016/17	258,913	745,000	244,013	1,247,925	11,670,000
2017/18	244,013	770,000	224,763	1,238,775	10,900,000
2018/19	224,763	800,000	208,763	1,233,525	10,100,000
2019/20	208,763	830,000	192,163	1,230,925	9,270,000
2020/21	192,163	865,000	174,863	1,232,025	8,405,000
2021/22	174,863	900,000	152,363	1,227,225	7,505,000
2022/23	152,363	935,000	133,663	1,221,025	6,570,000
2023/24	133,663	975,000	114,163	1,222,825	5,595,000
2024/25	114,163	1,020,000	93,763	1,227,925	4,575,000
2025/26	93,763	1,065,000	72,463	1,231,225	3,510,000
2026/27	72,463	1,115,000	50,163	1,237,625	2,395,000
2027/28	50,163	1,170,000	26,031	1,246,194	1,225,000
2028/29	26,031	1,225,000		1,251,031	-
TOTALS:	\$ 3,436,594	+ \$ 15,675,000	+ \$ 3,539,717	= \$ 22,651,311	

⌘ SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY ⌘
Debt Service

California Government Code Section 43605 states: *“A city shall not incur an indebtedness for public improvements which exceeds in the aggregate 15 percent of the assessed value of all real and personal property of the city. Within the meaning of this section indebtedness means bonded indebtedness of the city payable from the proceeds of taxes levied upon taxable property in the city.”*

This schedule calculates the Town’s legal debt margin by determining the 15% debt limit and comparing this limit to the Town’s outstanding debt at the end of the fiscal year to determine the difference between the two. Only certain types of outstanding debt are subject to the legal debt limit; therefore, while this schedule recognizes all debt, the total debt is reduced by that debt not subject to the legal debt limit, as well as amounts held in sinking funds for debt repayment.

The Town’s debt structure currently includes only Certificates of Participation, which are not subject to the legal debt limit, and are therefore removed from the calculation.

LEGAL DEBT MARGIN COMPUTATION
FY 2019/20

Assessed Secured Property Valuation for FY 2018/19		\$	12,793,751,423
Debt Limitation (15% of assessed value)			15%
Bonded Debt Limit		\$	1,919,062,713
Outstanding Bonded Debt at 6/30/2019			
2002 Certificates of Participation	6,430,000		
2010 Certificates of Participation	10,100,000		
TOTAL Outstanding Debt	\$ 16,530,000		
LESS Debt not subject to limit:			
Special Assessment Bonds	-		
Special Revenue Bonds	-		
Certificate of Participation Debt	16,530,000		
Amounts held in Sinking Funds	-		
TOTAL Debt not subject to limit:	\$ 16,530,000		
Amount of Debt Subject to Limit:	\$ -	\$	-
LEGAL DEBT MARGIN		\$	1,919,062,713



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GLOSSARY

Accounting System - The set of records and procedures that are used to record, classify, and report information on the financial status and operations of the Town.

Accrual Basis Accounting - Under this accounting method, transactions are recognized when they occur, regardless of the timing of related cash receipts and disbursements.

Ad Valorem - Latin for “in proportion to the value”. This refers to property taxes levied on value and includes the General Obligation (G.O.) Bond rates added to the 1% rate allowed by Prop. 13. These rates are applied to the secured, unsecured, supplemental, and other miscellaneous tax rolls.

Adoption - Formal action by the Town Council, which sets the spending limits for the fiscal year. The town's budget is adopted by Council resolution.

Agency Fund - A fund used to account for assets held by the Town in the capacity of an agent for individuals, organizations, or other governmental entities.

Annual Budget - A budget applicable to a single fiscal year.

Appropriation - An authorization made by the Town Council, which permits officials to incur obligations against and to make expenditures of government resources. Appropriations are typically granted for a one-year period.

Assessed Valuation - A value established for real property for use as a basis in levying property taxes. For all agencies in the State of California, the County for the secured and unsecured property tax rolls establishes assessed value; the utility property tax roll is valued by the State Board of Equalization. Under Article XIII of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978), properties are assessed at 100% of full value. Proposition 13 also modified the value of real taxable property for fiscal 1979 by rolling back values to fiscal 1976 levels. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property improvements or upon change of ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

Assessment Fund - A fund used to account for special levies made against certain properties to defray part or all of the costs of a specific improvement or service deemed to primarily benefit those parties.

Audit - Prepared by an independent Certified Public Accountant (CPA), the primary objective of an audit is to determine if the Town's Financial Statements present fairly the Town's financial position and results of operations in conformity with generally accepted accounting principles. In conjunction with their performance of an audit, it is customary for an independent auditor to issue a Management Letter stating the adequacy of the Town's internal controls as well as recommending improvements to the Town's financial management practices.

Balanced Budget – Balanced budget is a budget with operating revenues equal to operating expenditures and neither a budget deficit nor a budget surplus. More generally, it refers to a budget with no deficit, but possible with surplus.

∞ GLOSSARY ∞

Bonds - A bond is a written promise to pay a specified sum of money (called the face value or principle amount) at a specified date or dates in the future (called the maturity date) together with period interest at a specified rate. Bonds are typically used to finance capital facilities.

Budget - As the Town's financial operating plan for the fiscal year, the budget displays the estimated expenditures (costs) for providing services and the estimated sources of revenue (income) to pay for them. Once the Town Council adopts the budget, the total becomes the maximum spending limit. Los Gatos' budget encompasses fiscal year (July 1, through June 30).

Budget Amendment - The Council has the sole responsibility for adopting the Town's budget, and may amend or supplement the budget at any time after adoption. The Town Manager has the authority to approve administrative adjustments to the budget as outlined in the Financial and Administrative Policies set by Council.

Budget Calendar - The schedule of key dates which the Town follows in the preparation and adoption of the budget.

Budget Document - The official financial spending and resource plan submitted by the Town Manager and adopted by the Town Council explaining the approved budget to the public and Town Council.

Budget Message - Included in the opening section of the budget, the Budget Message provides the Council and the Public with a general summary of the most important aspects of the budget, comparative data from previous fiscal years, goals and objectives, and the views and recommendations of the Town Manager.

Budget Overview - This section provides an overview of the changes adopted in the budget. Additionally, the significant impacts of budgetary changes are outlined along with dollar amounts (increase/decrease).

Budget Policies - General and specific guidelines adopted by the Council that governs the financial plan's preparation and administration.

Building Permit - Fee required for new construction or for any alteration or addition to a residence or commercial building. The fee is based on square footage and valuation. Electrical or plumbing/mechanical work will require a similar permit.

Business License Tax - A tax imposed on those conducting business within the Town limits. Business License Tax is a non-regulatory tax implemented for the purpose of raising revenue to support General Fund activities.

Capital Acquisitions/Assets – See “Fixed Assets.”

Capital Expenditures - Funds spent for the construction, improvement, or rehabilitation of Town infrastructure.

Capital Improvement Program (CIP) - The plan or schedule of expenditures for major construction of roads, sidewalks, Town facilities and/or park improvements and for the purchase of equipment. The Town of Los Gatos' CIP follows a five-year schedule. Although the Town adopts the CIP budget in a

∞ GLOSSARY ∞

process that is separate from the adoption of the budget, the budget incorporates the first-year of the five-year CIP.

Capital Projects - Expenditures that have a value of \$25,000 or more which result in the acquisition of, construction of, rehabilitation of or additions to, infrastructure and fixed assets with a useful life of at least 5 years at a fixed location.

Depreciation – The process of allocating the total cost of fixed assets over each period of their usefulness to the government.

Capital Projects Fund - In governmental accounting, a fund that accounts for financial resources to be used for the acquisition or construction of capital facilities. The total cost of a capital project is accumulated in a single expenditure account which accumulates until the project is completed, at which time the fund ceases to exist.

Cash Basis Accounting - A basis of accounting under which transactions are recognized only when cash is received or disbursed.

Certificate of Participation (COP) - A type of financing in which investors purchase a share of the lease revenues of a program rather than the bond being secured by those revenues. The authority usually uses the proceeds to construct a facility that is leased to the municipality, releasing the municipality from restrictions on the amount of debt that they can incur.

Community Development Block Grant (CDBG) - Federal grant funds distributed from the U.S. Department of Housing and Urban Development that are passed through to the Town. The Town primarily uses these funds for housing rehabilitation, public improvements and local social programs.

Comprehensive Annual Financial Report (CAFR) - The official financial report of the Town. It includes an audit opinion as well as basic financial statements and supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions.

Contingency - A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Contingent Liabilities - Items which may become liabilities of the Town but are undetermined at a given date, such as pending lawsuits, unsettled disputed claims, unfilled purchase orders and uncompleted contracts.

Contract Services - Services provided to the Town from the private sector or other public agencies.

Debt Service - Payment of the principal and interest on an obligation resulting from the issuance of bonds, notes, or Certificates of Participation (COPs).

Debt Service Fund - A fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Deficit - The excess of liabilities over assets.

☞ GLOSSARY ☞

Department - A major organizational unit of the Town, which has been assigned overall management responsibility for an operation, or a group of related operations within a functional area. In Los Gatos, Department Heads are the chief administrators within a department.

Encumbrances - Commitments against an approved budget for unperformed (executory) contracts for goods or services. They cease to be encumbrances when the obligations are paid or otherwise terminated.

Enterprise Funds - Established to account for the financing of self-supporting activities of governmental units, which render services on a user charge basis to the general public.

Equipment Replacement Fund - This fund is used to account for the replacement of existing fixed assets as equipment, machinery or building improvements become unserviceable or obsolete.

Expenditure - The outflow of funds paid or to be paid for an asset obtained or goods and services obtained. Note: An encumbrance is not expenditure; an encumbrance reserves funds to be expended. (See encumbrances.)

Fiduciary Funds - Used to account for assets held by the Town acting in a fiduciary capacity for other entities and individuals. Such funds are operated to carry out the specific actions of trust agreements, ordinances and other governing regulations. There are two categories of fiduciary funds: Trust and Agency.

Fiscal Year - A 12-month period to which the annual operating budget applies and at the end of which the Town determines its financial position and results of its operations. The Town's fiscal year runs from July 1st to June 30th.

Fixed Assets - Non-consumable assets of long-term nature such as land, buildings, machinery, furniture, and the other equipment. The Town has defined such assets as those with an expected life in excess of one year and value in excess of \$10,000.

Franchise Fees - Imposed on utility companies for the privilege of doing business in the Town. Fees are usually based upon a percentage of gross revenue derived from business conducted in the Town.

Full-time Equivalents (FTE) - The amount of time a position has been budgeted for in terms of the amount of time a regular, full-time employee normally works in a year. Full-time employees are paid for 2,080 hours in a year equating 1.0 FTE. Correspondingly, a part-time employee who worked 1,040 hours would equate to 0.5 FTE.

Fund - An independent fiscal and accounting entity with a self-balancing set of accounts in which cities record financial transactions relating to revenues, expenditures, assets and liabilities. Each fund type typically has a unique funding source and purpose. Establishing funds enables the town to account for the use of restricted revenue sources and carry on specific activities or pursue specific objectives.

Fund Accounting - System used by non-profit organizations, particularly governments. Since there is no profit motive, accountability is measured instead of profitability. The main purpose is stewardship of financial resources received and expended in compliance with legal requirements.

∞ GLOSSARY ∞

Fund Balance - Also known as financial position, fund balance is the excess of current assets over current liabilities, and represents the cumulative effect of revenues and other financing sources over expenditure and other financing uses.

GAAP (Generally Accepted Accounting Principles) - Uniform minimum standards for financial accounting and reporting. They govern the form and content of the basic financial statements of the Town.

Gann Appropriation Limit - This is the common name of Proposition 4, approved by voters on November 6, 1979 which mandated an appropriation limit on the amount of tax revenues that government jurisdictions may appropriate within a fiscal year. This bill was named after Paul Gann, who was a co-sponsor of the famous Proposition 13 initiative enacted by the voters of California on June 6, 1978 which resulted in a cap on property tax rates in the state, and a prominent author and advocate of this subsequent spending limitation bill.

Gas Tax Fund - The Gas Tax Fund is used to account for revenues and expenditures apportioned under the Streets and Highways Code of the State of California. Expenditures may be made for any street related purpose in the Town's system of streets.

General Fund - In governmental accounting, fund used to account for all assets and liabilities of a non-profit entity, except those particularly assigned for other purposes in another more specialized fund. It is the primary operating fund of the Town.

General Government - Town Council, Town Manager, Town Clerk's Office, Town Attorney, Town Treasurer, Personnel, Finance, Planning, Police, Parks and Public Works, and Library.

General Liability Self Insurance Fund - The General Liability Self Insurance Fund is used to provide the Town with liability and property insurance. Coverage is provided through the Town's participation in a joint powers agreement through (ABAG) Associations of Bay Area Governments.

General Obligation Bond - A municipal bond backed by the credit and "taxing power" of the issuing jurisdiction rather than the revenue from a given project. General obligation bonds are issued with the belief that a municipality will be able to repay its debt obligation through taxation or revenue from projects. No assets are used as collateral.

Government Finance Officers Association (GFOA) - GFOA is the professional association of state/provincial and local finance officers in the United States and Canada, and has served the public finance profession since 1906. Approximately 16,000 GFOA members are dedicated to the sound management of government financial resources.

Governmental Funds - the fund used to account for all assets and liabilities of a government agency, except those particularly assigned for other purposes in another more specialized fund. There are five different types of governmental funds: the general fund (which is the primary operating fund), special revenue funds, debt service funds, capital project funds, and permanent funds.

Grant - External contributions, and/or gifts of cash, or other assets typically from another governmental entity to be used or expended for a specific purpose, activity, or facility. An example is Community Development Block grant funding from the Federal Government.

∞ GLOSSARY ∞

Housing Fund (RDA) - Fund is used to account for the 20% set aside property tax increment revenues and the associated expenditures to be used for increasing or improving low and moderate-income housing.

Information Technology Fund - The Information technology Fund is used to account for the costs associated with the Town's centralized computer system and to distribute these costs to departments using the system on a pro rata basis. Included are costs for hardware and software maintenance and development, and computer training.

Infrastructure - The basic facilities, services, and installations needed for the functioning of a community or society, such as streets and roads, sidewalks, bridges, communications systems, water and power lines, and public institutions including schools, police stations, libraries, and post offices.

Interest Income - The prudent investment of idle funds. The types of investments that can be made are limited by the Government Code to protect the safety of taxpayers' money.

Intergovernmental Revenue - Revenue received from other governmental agencies and municipalities, such as grants from the State or Federal government.

Internal Services Fund - The Internal Service Funds are used to finance and account for special activities and services performed by a designated Town department for other departments on a cost reimbursement basis.

Inter-Fund Transfers - When the Town moves money between its various funds, it makes an inter-fund transfer, referred to as transfers-in and transfers-out. In aggregate, transfers in and out offset each other for the fiscal year.

Landscape and Lighting Fund - The Town has formed six landscape and lighting district funds established by written consent of the property owners owning all of the property within the boundaries of the district.

Levy - To impose taxes, special assessments or service charges for the support of governmental activities. The total amount of taxes, special assessments or service charges imposed by Santa Clara County levying property taxes.

Licenses and Permits - Revenues earned by the issuance of licenses or permits levied in accordance with the benefits conferred by the license or permit.

Limited Obligation Bond - A bond sold by a municipality to finance projects which are secured by the revenue generated by those projects.

Line-Item Budget - A budget that lists detailed expenditure categories (salaries & benefits, office supplies, travel, dues, rents, etc.) separately, along with the amount budgeted for each specified category. The Summary Budget reflects the program rather than line item budgets. The Detail Budget reflects the line-item detail.

Major Fund – Major funds are funds whose revenues, expenditures/expenses, assets, or liabilities are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds for the same item The General Fund

∞ GLOSSARY ∞

is always a major fund. The Town may also select other funds it believes should be presented as major funds.

Modified Accrual Basis - Under this accounting method, revenues are recognized when they become both measurable and available to finance expenditures of the current period. Expenditures for the most part are recognized when the related fund liability is incurred except for prepayments, accumulated employee leave and long-term debt. All governmental funds and expendable trust funds are accounted for using the modified accrual basis of accounting.

Motor Vehicle in Lieu Fee - A State fee charged for the privilege of operating a vehicle on public streets. A VLF is levied annually against the market value of a motor vehicle and is imposed by the State "in lieu" of local property taxes.

Non-Departmental - This program has the sole purpose of accounting for all expenditures that the Town cannot specifically designate to any operating department within the General Fund.

Non-major Fund – Non-major funds are all governmental and enterprises funds that are not classified as major funds.

Objective - A statement of specific direction, purpose, or intent based on the needs of the community and the goals established for a specific program or service level.

Ordinance - A formal legislative enactment by the Town Council. It has the full force and effect of law within Town boundaries unless pre-empted by a higher form of law. An Ordinance has a higher legal standing than a Resolution and is typically codified in a Town's municipal code.

Operating Budget - The operating budget is the primary means by which most of the financing of acquisition, spending and service delivery activities of a government are controlled. The use of annual operating budgets is required by law.

Other Revenues - Revenues from sources other than those specifically identified that are too immaterial in amount to justify the creation of new revenue account line items

Performance Measure - Sets forth a performance objective and a goal for achieving the objective.

Personnel Benefits - Those benefits paid by the Town as conditions of employment.

Personnel - Town employees.

Present Value - The amount that a future sum of money is worth today given a specified rate of return.

Proposition 218 - A statewide initiative passed by the voters of California on November 5, 1996. The initiative provided voters with the right to vote on new taxes.

Program - As subdivisions of departments, programs are budgetary or organizational units of government with limited sets of work responsibilities within their respective departments. Programs also serve to increase budgetary accountability. Los Gatos' budget is compiled on a program basis.

∞ GLOSSARY ∞

Property Tax - Imposed on real property (land and permanently attached improvements). The tax is based upon the assessed value of such property. The tax rate may not exceed 1% of assessed value.

Proprietary Funds - Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

Public Employees' Retirement System (PERS) - Provided for the Town's employees, by the State of California.

RDA - Redevelopment Agency, while a component unit, the Agency is a legal entity separate from the Town.

Redevelopment Agency Fund - Fund is used to account for the proceeds of notes, advances and other forms of indebtedness, and the expenditure of these funds for improvement, reconstruction and redevelopment projects within the specified boundaries of the Town of Los Gatos Redevelopment Agency.

Reserve - An account used to indicate that a portion of fund equity is legally restricted for a specific purpose.

Resolution - A special order of the Town Council which has a lower legal standing than an ordinance.

Resources - Total amounts available for appropriation including estimated revenues, inter-fund transfers, and beginning fund balances.

Revenue - Sources of income, which the Town receives during a fiscal year. Examples of revenue include taxes, intergovernmental grants, charges for services, resources forward from the prior year, operating transfers for other funds, and other financing sources such as the proceeds derived from the sales of fixed assets.

Road Impact Fees - Pursuant to Article III of Chapter 15 of the Town Code, the Town collects road impact fees in order to finance road construction and maintenance projects throughout the Town. Article IX of Chapter 15 authorizes the establishment of special fund accounts known as Road Impact #1, Road Impact #2, and Road Impact #3, into which all such fees are deposited. Because the road systems generally follow drainage patterns, the existing drainage basin map boundaries are used to track and expend funds for road construction and maintenance. The amount of each fee collected is based on an estimate of the weight of the loads to be hauled to or from the project and the weight of heavy vehicles to be used in connection with the project. The fee is collected for: Building Permits, Grading and Landscape Permits, Improvement Contracts, and Encroachment permits. Money collected from such fees is to be used solely for design, construction, and repair of town streets and installation of sidewalk curb cut ramps when the level of work as triggers such a requirement provided by the Americans with Disabilities Act, within the prescribed area. Projects will be brought forward on an as needed basis.

Sales Tax - 1% is returned to the Town by the State Board of Equalization on a monthly direct deposit basis.

∞ GLOSSARY ∞

Self-Insurance Fund - The Self-Insurance Fund (General Liability) is used to finance and account for the Town's general liability self-insurance program.

Special Assessment Bonds - Bonds payable from the proceeds of special assessment.

Special Revenue Fund - In governmental accounting, fund used to account for the proceeds of special revenue sources (other than special assessments, expandable trusts, or for major capital projects) that are legally restricted to expenditure for specified purpose.

Service Charge - Charges for specific services rendered.

Services and Supplies - Expenditures for services and supplies which are directly related to a department's primary service activities.

Sewer Service Charge - Sanitary Sewer Taxes are collected by the West Valley Sanitation District to maintain the Sanitary Sewer Collection System in District's Service Area. The Parks, Forestry and Maintenance Department provide sanitary Sewer collection maintenance within the Town limits. These operating costs are reimbursed to the Town from Sanitary Sewer fees.

Successor Agency to the Town of Los Gatos RDA – Effective February 1, 2012, all redevelopment agencies in the State of California were dissolved pursuant to AB 1X 26. Following the provisions of the Dissolution Act, the Town Council of the Town of Los Gatos adopted a resolution accepting for the Town role of Successor Agency to the Redevelopment Agency of the Town of Los Gatos.

Supplies - An expenditure classification for articles and commodities purchased for consumption or resale.

Taxes - Compulsory charges levied by the Town, County and State for the purpose of financing services performed for the common benefit.

Town Code - A book that contains the Town Council approved ordinances currently in effect. The code defines Town policy with respect to areas such as planning, etc.

Transient Occupancy Tax - Imposed on hotels, motels, inns or other lodging facilities. The rate in Los Gatos is 12%.

Transfers In/Out - Money transferred from one Town fund to another. Differs from revenues and expenses - see definition of these terms.

Workers' Compensation Fund - The Worker's Compensation Fund accounts for the cost to provide worker's compensation insurance coverage to all Town employees in compliance with State of California requirements.

LIST OF ACRONYMS

Following is a list of acronyms common to local government terminology:

AB	Assembly Bill
ADA	Americans with Disabilities Act
AFIS	Automated Fingerprint Identification System
AFSCME	American Federation of State, County, and Municipal Employees Union
ARS	Automated Reporting System
BMP	Below Market Price (Housing)
CAFR	Comprehensive Annual Financial Report
CDBG	Community Development Block Grant
CEQA	California Environmental Quality Act
CERT	Community Emergency Response Team
CLEEP	California Law Enforcement Equipment Program
CIP	Capital Improvement Program
COP	Certificates of Participation
COPS	Community Oriented Policing Services
CPUC	California Public Utilities Commission
CSMFO	California Society of Municipal Finance Officers
CSO	Community Services Officer
CY	Current Year
DARE	Drug Awareness Resistance Education
DART	Disaster Aid Response Team
DOJ	Department of Justice
DUI	Driving Under the Influence
EOC	Emergency Operations Center
ERAF	Educational Revenue Augmentation Fund
FEMA	Federal Emergency Management Agency
FTE	Full-Time Equivalent (2080 annual work hours)
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GFAR	General Fund Appropriated Reserve
GFOA	Government Finance Officers Association
GIS	Geographical Information System
GO	General Obligation (Bond)
HCD	Housing and Community Development

✂ ACRONYMS ✂

HHW	Household Hazardous Waste
HUD	Housing & Urban Development
HVAC	Heating / Ventilation & Air Conditioning
IT	Information Technology
JPA	Joint Powers Authority
LAIF	Local Agency Investment Fund
LAWCX	Local Agency Workers Compensation Excess (JPA)
LLD	Landscaping & Lighting District
LT	Long-Term (as in Long-Term Notes Receivable)
MIS	Management Information Systems
MOU	Memorandum of Understanding
MVLF	Motor Vehicle in Lieu Fee (see also VLF)
NPDES	National Pollutant Discharge Elimination System
OCJP	Office of Criminal Justice Planning
OES	Office of Emergency Services
OPEB	Other Post-Employment Benefits
PARS	Public Agency Retirement Services
PCI	Pavement Condition Index
PERS	Public Employees' Retirement System
PLAN JPA	Pooled Liability Assurance Network Joint Powers Authority
POA	Police Officers Association
POST	Peace Officers Standard Training
PPW	Parks & Public Works Department
PSAP	Public Safety Answering Point
PY	Prior Year
RATTF	Regional Auto Theft Task Force
RDA	Redevelopment Agency
SB	Senate Bill
SA	Successor Agency
SCC	Santa Clara County
SCCET	Santa Clara County Enforcement Team
SLESF	Supplemental Law Enforcement Services Fund Grant
SWAT	Special Weapons and Tactics
TDA	Transportation Development Act
TEA	Town Employees Association
TFCA	Transportation Fund for Clean Air
TOT	Transient Occupancy Tax
VLF	Motor Vehicles In Lieu Fee (see also MVLF)
VIP	Volunteers in Policing
VTA	Valley Transportation Agency
WVSD	West Valley Sanitation District

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