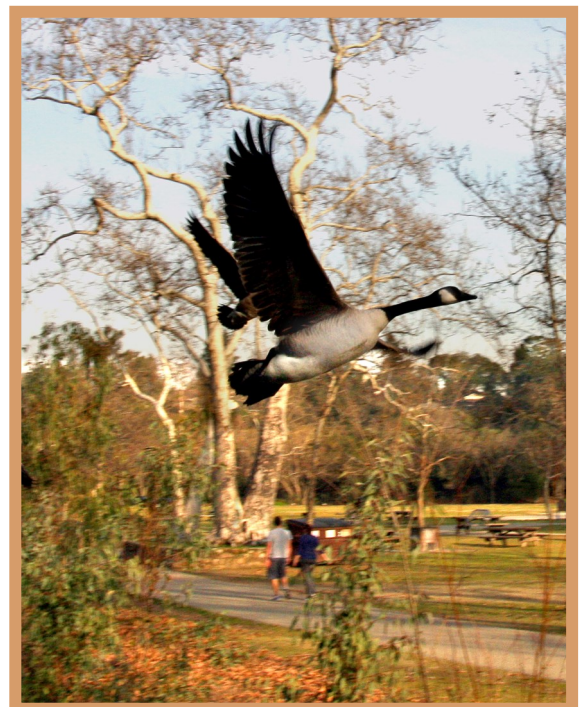




TOWN OF LOS GATOS

CALIFORNIA



Operating and Capital Summary Budget

Fiscal Year 2022/23

Old Town Los Gatos Image—Ricky Pan

TOWN OF LOS GATOS



CALIFORNIA

Operating and Capital Summary Budget

for

Fiscal Year July 1, 2022 to June 30, 2023

Town Council

Rob Rennie Mayor
Maria Ristow.....Vice Mayor
Mary Badame Council Member
Matthew Hudes Council Member
Marico Sayoc 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:

The Town of Los Gatos is a welcoming, family-oriented, and safe community nestled in the beautiful foothills of the Santa Cruz Mountains. The Town is a sustainable community that takes pride in its small-town character and provides a range of housing opportunities, historic neighborhoods, local culture and arts, excellent schools, and a lively and accessible downtown. Los Gatos offers a choice of mobility options, superior public facilities and services, and an open and responsive local government that is fiscally sound. The Town includes a mix of businesses throughout Town that serve all residents, workers, and visitors. Los Gatos has a dynamic and thriving economy that includes a mix of businesses throughout Town that serves all residents, workers, and visitors.

TOWN OF LOS GATOS

OPERATING AND CAPITAL SUMMARY BUDGET

FISCAL YEAR 2022/23

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OPERATING AND CAPITAL SUMMARY BUDGET
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TOWN OF LOS GATOS
OPERATING AND CAPITAL SUMMARY BUDGET
FISCAL YEAR 2022/23

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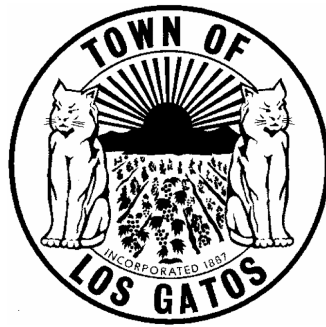
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Introduction

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April 18, 2022

Honorable Mayor and Town Council:

I am pleased to present to you a balanced Fiscal Year (FY) 2022/23 Proposed Operating Budget for the Town of Los Gatos. This past year continued to see a gradual return to economic normalcy from the unprecedented repercussions of shuttering large swaths of the economy to mitigate the public health consequences of COVID-19. While the budget is balanced, it was balanced through the use of one-time American Rescue Plan Act (ARPA) resources from the federal government as well as continued status quo budget direction across Town operations.

On January 25, 2022, the Town Council determined the Strategic Priorities for 2022-2024, providing guidance to Town staff and Commissions on workload prioritization. Even with the budgetary challenges of the last several years associated with the COVID-19 pandemic, many of Council's primary goals and priorities have been programed in the FY 2022/23 Operating and Capital Budgets. Specifically, the Council would like continued progress on wildfire protection safety; emergency preparedness; semi-permanent parklets; diversity, equity, and inclusion; community policing; parking study implementation; and the General Plan and Housing Element updates (see the following page).

The initial economic shock from the pandemic is appearing to be episodic in nature; however, the loss of previously projected future growth in revenues in conjunction with increasing expenses continues to illustrate persistent deficits in future years. The deficits are on the order of approximately \$2.0 to \$3.0 million per year and can currently be resolved through a combination of expenditure controls and the use of one-time funds. The proposed Budget also reflects inflationary pressures and the continued Departmental constraints after multiple years of status quo organizational budgets.

Even with areas of continued uncertainty, this Budget positions the organization well for continued excellence in service delivery to the community. However, in the event pre-pandemic revenue growth projections do not return and/or new revenue sources are not identified, the current projected deficits may need to be addressed through service delivery reductions or service outsourcing. If this occurs, the Council will need significant input from the community to identify acceptable organizational changes and service levels.

The FY 2022/23 General Fund Budget programs total revenues and reserve transfers of \$50.4 million and expenditures and allocations of \$50.4 million. The Budget currently anticipates no significant new programming and does maintain existing service with modest staffing additions. This Budget also provides for limited, continued strategic investments toward important wildfire vegetation management as Federal grant funding allows and other necessary infrastructure improvements, as the pandemic is not the only threat to our community's health and safety.

I would like to take this opportunity to thank the Town Council for your stewardship this past year.



Ongoing Strategic Priorities 2022-2024

SAFETY

- Community Policing
- Emergency Preparedness
 - CERT Recruitment & Training
 - EOC Readiness & Emergency Plan Development
- Fire Protection
 - Vegetation Management
 - Implementation of Ad Hoc Wildfire Mitigation Plan

PRUDENT FINANCIAL MANAGEMENT

- Address Pension & OPEB Obligations
- Explore New Revenue Opportunities
- Sell or Lease Certain Town Properties

QUALITY OF LIFE

- Community Vitality
 - Diversity, Equity & Inclusion Efforts
 - Community Where Older Adults Thrive & Senior Road Map
 - Events & Other Town-Wide Efforts
 - Community Engagement
 - Environmental Sustainability/Climate Resiliency
- Economic Vitality & Pandemic Recovery
 - Policies & Ordinances
 - Semi-Permanent Parklets
- Land Use Planning
 - General Plan 2040
 - Housing Element
 - Affordable Housing
 - Dittos Lane Affordable Housing
 - Objective Standards
 - SB9 Implementation

TRAFFIC/TRANSPORTATION

- Comprehensive Parking Study
 - Short, Medium, and Long-Term Actions
- Transportation Demand Management
 - Measure B Transportation Projects
 - Bicycle & Pedestrian Improvements
 - Community Shuttle
 - Summer/Rush Hour/School Traffic
 - Regional Transportation Issues

BUDGET DEVELOPMENT CONTEXT

An important aspect of the Town's budget development process is taking a multi-year approach to understand revenue and expenditure trends over time. Serving as the foundation of the budget planning process (page A-7), the Town develops a Five-Year Financial Forecast ("Forecast") beginning in the winter of each year. The Forecast enables the Town to evaluate the Town's fiscal condition and to help guide policy, programmatic planning, and budget decisions. Development of a financial forecast as part of the budget development process has been identified as a best practice by the Government Financial Officers Association (GFOA).

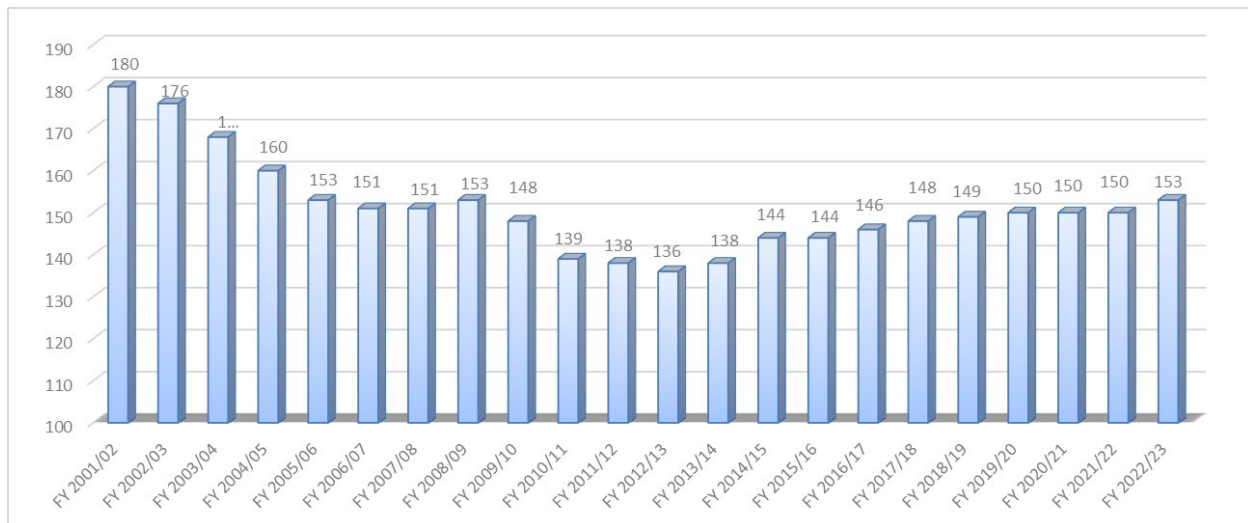
The Forecast takes a forward look at the Town's General Fund revenues and expenditures and is updated regularly. Its purpose is to identify financial trends, potential shortfalls, and other issues so the Town can proactively address them and budget accordingly. It does so by projecting out into the future the fiscal results of continuing the Town's current service levels and policies. This process helps to provide a snapshot of what the future may look like as a result of the decisions made to date.

As we consider the development of the FY 2022/23 Operating Budget and the Five-Year Forecast, it is helpful to provide context from the development and estimated results of the FY 2021/22 Operating Budget. On June 1, 2021, the Town Council, under advisement from the Finance Commission, adopted the use of \$1,912,536 in American Recovery Plan Act (ARPA) funding to balance the FY 2021/22 budget. On February 15, 2022, the Mid-Year Budget reflected a slight reduction in projected deficits into the close of FY 2021/22, with one-time ARPA revenue loss funding having reduced to \$1,444,021 for budget balancing. As information becomes more refined into the close of FY 2021/22, current estimates are for a slight \$600,000 surplus with no revenue loss ARPA funding. To date, no ARPA funding has ultimately been expensed for revenue loss replacement. As discussed in greater detail later, the primary drivers of the reduction in the projected deficit are attributable to increases in Educational Revenue Augmentation Funds (ERAF) property tax distributions, Transient Occupancy Tax (TOT), and continued increases in Sales Taxes.

In addition to the improvements in revenue projections, staff is estimating that there will be year-end operating expenditure savings in FY 2021/22. Savings are attributable to Departmental vacancies and lower cost structures associated with retiree replacements. In addition, vacant positions are often filled with temporary unbenefitted positions, which translate into additional benefit savings. The Town has experienced its share of the "great resignation" and has seen an increase in vacancies throughout the organization. While expenditure savings is welcome news, ultimately vacancies need to be filled to maintain the high level of services provided by the Town.

As with 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. The delivery of Town services is highly dependent on recruiting and retaining talent which comprises 66% of budgeted General Fund expenditures for FY 2022/23.

Given the high dependence on labor for service delivery, the Town has helped manage salary escalation (and benefits) through the maintenance of lower staffing levels. As the table below illustrates, since 2001 the Town has reduced its full-time employees by 15.0% to 153 FTE employees.



Even with the Town reducing its full-time employees by 15.0% to 153 FTE employees since 2001, costs per employee continue to escalate as evidenced by pension benefit costs having increased 37.7% in the last five years.

Mandated pension payments to CalPERS have consistently been one of the major cost drivers for the Town over the past decade with persistent unanticipated increases in pension costs. 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 to date. The outcome of these unfavorable economic and demographic results is the development of unfunded pension and Other Post-Employment Benefit (OPEB) obligations for the Town. According to the 2020 actuarial valuations, the unfunded actuarial liability for pensions was \$61.8 million and \$8.7 million for OPEB as of June 30, 2019.

To address the escalation in pension costs, previous Councils have allocated additional discretionary pension funding totaling \$10.4 million. These additional discretionary payments will ultimately yield an approximate additional \$12.7 million in contribution savings. In addition to the management of the Town's pension obligations, prior Councils have worked to curb cost escalation in Other Post-Employment Benefits (OPEB). In 2009, the Town initiated prefunding of the retiree healthcare benefit and has since established approximately \$27.3 million in OPEB assets from zero in 2009.

The Town has three bargaining units, including the Town Employees' Association (TEA), the American Federation of State, County and Municipal Employees (AFSCME), and the Police Officers' Association (POA). The unrepresented groups are Management and Confidential. The Town and its bargaining groups have also worked to contain benefit costs. The Town closed the

CalPERS retiree Tier 1 benefit for non-safety employees and created a new Tier 2 for non-safety new employees in 2012, implemented the Public Employees' Pension Reform Act (PEPRA) for all new non-classic employees starting in 2013, and participates in the CalPERS discounted prepayment option. The Town's bargaining groups participated in wage freezes and unpaid furloughs for several years to assist in achieving balanced budgets after the 2008 recession. In 2016, the Town's bargaining groups approved the introduction of dependent cost sharing and a reimbursement cap to Medicare eligible employees, and in 2018 the elimination of the Town's existing retiree healthcare benefit prospectively.

While these collective measures have helped to slow the growth in salary and benefit expenses, this budget and forecast anticipates continued increases.

FISCAL YEAR (FY) 2022/23 BUDGET BALANCING STRATEGIES

For FY 2022/23 the Proposed Operating Budget was balanced utilizing two primary budget balancing strategies. The first was direction to all Departments to develop a status quo budget. To that end most Departments programmed existing resources by either maintaining current structures or realigning operations to remain effective while staying within prior year budgets. In addition, Departments were provided guidance to enhance capacity where necessary through limit-dated non-benefited personnel options when possible.

The second strategy is the use of \$1.0 million of the Town's \$5.7 million allocation from the American Rescue Plan Act to replace lost revenue. This is consistent with Council direction in FY 2020/21 (\$1.4 million) and FY 2021/22 (\$1.9 million). To date no ARPA funding has ultimately been expensed for revenue loss replacement.

The FY 2021/22 Budget endeavored to maintain essential public services while controlling operational costs in light of the Five-Year Financial Forecast, which predicts operating shortfalls in subsequent fiscal years. Providing current service levels to the community in future fiscal years will require a strong return to pre-pandemic performance of the Town's economically sensitive revenues and/or revenue enhancements as identified as one of the Town Council's Strategic Priorities.

FIVE-YEAR FINANCIAL FORECAST

Similar to prior years, the Five-Year Forecast serves as the foundation of the budget planning process. The Forecast 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 they ultimately define the expenditure limitations for the upcoming budget year. The 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.

The Five-Year Forecast (FY 2023/24 – 2027/28) is predicated on the estimated ending budget for FY 2021/22 and includes updates to Town revenues and expenditures. Like any forecast, the Forecast's revenue estimates for the first year is the most critical in the process as they ultimately define the expenditure limitations for the upcoming budget year. The Town is highly dependent on three economically sensitive revenues comprising 65% of General Fund forecasted revenues. With that context, updated growth assumptions are provided for each revenue source, and the resultant projected revenues for the new Forecast period. The revenue assumptions provided are informed by the County Tax Assessor, the Town's sales tax consultant, and direct communication with the Town's hospitality industry. These assumptions are described in more detail later in this section.

On the expenditure side, the Forecast budgets positions at the actual rate of pay of employees including benefits as of June 30, 2022. Then, by position, salary costs are updated in accordance with the applicable Memorandum of Understanding (MOU) between the Town and its bargaining units. The Memoranda of Understanding that outline the individual agreements between the Town and each unit related to compensation, health benefits, leave time, and grievance procedures will expire with TEA and AFSCME on June 30, 2022. POA's MOU expired on September 30, 2021. Since all bargaining unit agreements are open for negotiation in 2022, meetings to re-negotiate the agreements in good faith are currently in process. The Management and Confidential groups are unrepresented.

In addition to the economic terms of the MOUs, the Forecast assumes step increases for employees in applicable positions, and merit increases for Management and Confidential employees. In addition, based on prior Council guidance, 2% cost of living wage adjustments (COLA) are included in the Forecast for each year including FY 2022/23. In addition, the Forecast recognizes higher pension costs due to the continued annual payment for prior unfunded actuarial liability (UAL) amortization bases. This information was determined in coordination with the Town's actuarial consultant and CalPERS.

As previously mentioned, the Forecast includes a multitude of primary revenue and expenditure adjustments related to the pandemic, the culmination of which is depicted in the Table on A-7. In addition, a table of the past five years of actual year-end results has been included for comparative purposes to the Proposed Operating Budget and Forecast period on A-8.

Actual results by line item as presented in the Five-Year Forecast are reported in greater detail in the Forecast compared to the Town's Comprehensive Annual Financial Report (ACFR) which uses summary data (an example being Sales & Use Tax and Measure G District Tax are summarized and reported in the ACFR as one line item, Sales Taxes). Similar issues also occur for expenditure line items because they tend to be the primary drivers for forecasting future expense trends. Use of and additions to reserves are presented in the Forecast schedules for tracking and visibility purposes as the use of reserves are not considered actual revenues for ACFR reporting. Changes to reserve balances over the fiscal year are reported in the footnotes accompanying the financial statements in the ACFR.

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

Account	Revenue Category	2021/22 Adjusted Budget	2021/22 Estimates	2022/23 Proposed Budget	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast
4100	Property Tax	\$ 15.4	\$ 15.7	\$ 16.6	\$ 15.7	\$ 16.1	\$ 16.6	\$ 17.1	\$ 17.6
4110	VLF Backfill Property Tax	4.2	4.2	4.4	4.5	4.6	4.8	4.9	5.1
4200	Sales & Use Tax	7.0	7.5	7.9	8.2	8.5	8.8	9.1	9.3
4200	Measure G District Sales Tax	1.2	1.2	1.3	1.4	1.4	1.5	1.5	1.5
4250	Franchise Fees	2.5	2.4	2.5	2.6	2.6	2.7	2.8	2.9
4251	Transient Occupancy Tax	1.4	1.4	1.6	1.7	1.8	1.9	1.9	2.0
4400	Business License Tax	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
4400	Licenses & Permits	3.1	3.1	2.8	2.8	2.9	3.0	3.1	3.2
4500	Intergovernmental	4.0	1.1	1.1	1.0	1.0	1.0	1.2	1.1
4600	Town Services	4.2	4.3	4.2	4.0	4.1	4.1	4.2	4.3
4700	Fines & Forfeitures	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
4800	Interest	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3
4850	Other Sources	2.6	2.4	2.2	2.2	2.2	2.2	2.3	2.2
4900	Fund Transfers In	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5
TOTAL OPERATING REVENUES & TRANSFERS*		\$ 48.1	\$ 45.8	\$ 47.0	\$ 46.4	\$ 47.5	\$ 48.9	\$ 50.4	\$ 51.5
	Use of Capital/Special Project Reserve - Capital	0.6	0.6	2.4	0.8	0.8	0.8	0.8	0.8
	Use of Pension/OPEB Reserve	-	0.3	-	-	-	-	-	-
	Use of Property Surplus Reserve	1.2	1.2	-	-	-	-	-	-
	Use of Measure G Reserve	1.1	1.1	-	-	-	-	-	-
	ARPA Replacement Revenue	-	-	1.0	-	-	-	-	-
TOTAL REVENUES, TRANSFERS, AND USE OF RESERVES		\$ 51.0	\$ 49.0	\$ 50.4	\$ 47.2	\$ 48.3	\$ 49.7	\$ 51.2	\$ 52.3
Account	Expenditure Category	2021/22 Adjusted Budget	2021/22 Estimates	2022/23 Proposed Budget	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast
5110	Salary	20.9	19.2	21.5	21.6	22.2	22.5	23.0	23.5
5120	CalPERS Benefits	7.3	6.2	7.3	7.5	7.8	7.7	8.0	8.1
5200	All Other Benefits	4.2	3.4	4.4	4.6	4.7	4.8	5.0	5.1
6211	OPEB Pay as You Go	1.5	1.5	1.5	1.5	1.6	1.7	1.8	1.9
6000	Operating Expenditures	6.4	7.0	6.9	6.8	7.1	7.1	7.4	7.5
7200	Grants & Awards	1.0	0.8	0.2	0.2	0.2	0.2	0.2	0.3
7400	Utilities	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.7
8060	Internal Service Charges	2.7	2.6	2.7	2.9	3.1	3.4	3.7	3.8
8900	Debt Service	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
TOTAL OPERATING EXPENDITURES		\$ 46.6	\$ 43.3	\$ 47.0	\$ 47.5	\$ 49.3	\$ 50.1	\$ 51.7	\$ 52.9
	GASB 45 Retiree Medical Actuarial	0.1	0.1	-	-	-	-	-	-
	Additional Discretionary Payment - Pension	0.4	0.7	0.4	0.4	0.4	0.4	0.4	0.4
TOTAL OPERATING & DISCRETIONARY EXPENDITURES		\$ 47.1	\$ 44.1	\$ 47.4	\$ 47.9	\$ 49.7	\$ 50.5	\$ 52.1	\$ 53.3
	Capital Transfers Out to GFAR	2.8	2.8	2.3	0.8	0.8	0.8	0.8	0.8
	1/2 of Measure G Proceeds to Capital	0.6	0.6	0.7	0.7	0.7	0.7	0.8	0.8
AMOUNTS AVAILABLE FOR RESERVE ALLOCATIONS									
	Allocate to Budget Stabilization/Catastrophic	-	0.5	-	-	-	-	-	-
	Allocate to Compensated Absences	-	-	-	-	-	-	-	-
	Allocate to Market Fluctuation	-	-	-	-	-	-	-	-
	Allocate to CalPERS/Pension	-	0.3	-	-	-	-	-	-
TOTAL EXPENDITURES & RESERVE ALLOCATIONS		\$ 50.5	\$ 48.3	\$ 50.4	\$ 49.4	\$ 51.2	\$ 52.0	\$ 53.7	\$ 54.9
NET REVENUES RESERVE TRANSFERS LESS EXPENDITURES & RESERVE ALLOCATIONS FOR FINAL ALLOCATION AFTER YEAR END CLOSE		\$ 0.5	\$ 0.6	\$ -	\$ (2.2)	\$ (2.9)	\$ (2.3)	\$ (2.5)	\$ (2.6)
* Due to rounding of individual categories FY 2021/22 Total Expenditures and Reserve Allocations includes \$0.1 million. General Fund (111) Forecast does not include Pension Trusts activities.									

Town of Los Gatos General Fund Historical Year-End Results
(in \$ million)

Account	Revenue Category	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals
4100	Property Tax	\$ 10.8	\$ 11.5	\$ 12.5	\$ 13.6	\$ 14.5	\$ 15.8
4110	VLF Backfill Property Tax	3.0	3.2	3.4	3.7	3.9	4.1
4200	Sales & Use Tax	7.5	9.2	7.6	8.0	6.5	6.8
4200	Measure G District Sales Tax	-	-	-	0.2	1.0	1.1
4250	Franchise Fees	2.3	2.4	2.5	2.5	2.5	2.5
4251	Transient Occupancy Tax	1.9	2.3	2.6	2.7	1.9	1.0
4400	Business License Tax	1.5	1.7	1.7	1.5	1.4	1.4
4400	Licenses & Permits	3.5	3.0	3.0	3.1	2.7	3.1
4500	Intergovernmental	1.0	0.9	1.0	0.9	1.0	1.6
4600	Town Services	4.0	3.3	4.4	4.4	4.4	4.6
4700	Fines & Forfeitures	0.9	0.9	0.7	0.5	0.3	0.1
4800	Interest	0.6	0.2	0.2	1.4	2.2	0.1
4850	Other Sources	2.3	4.3	3.2	4.6	2.7	3.7
4900	Fund Transfers In	2.4	0.3	0.8	1.6	0.6	0.7
TOTAL OPERATING REVENUES & TRANSFERS*		\$ 41.7	\$ 43.2	\$ 43.6	\$ 48.7	\$ 45.6	\$ 46.6
	Capital	-	1.4	3.2	2.8	8.0	3.4
	Use of Pension/OPEB Reserve	-	-	-	-	-	4.5
	Use of Almond Grove Reserve	-	5.9	-	-	-	-
TOTAL REVENUES, TRANSFERS, AND USE OF RESERVES		\$ 41.7	\$ 50.5	\$ 46.8	\$ 51.5	\$ 53.6	\$ 54.5
Account	Expenditure Category	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals
5110	Salary	14.5	14.8	16.0	17.9	19.3	20.2
5120	CalPERS Benefits	3.6	3.9	4.3	5.3	6.1	6.4
5200	All Other Benefits	3.2	3.2	3.3	3.6	3.6	3.7
6211	OPEB Pay as You Go	0.9	1.0	1.1	1.2	1.2	1.3
6000	Operating Expenditures	4.7	4.8	5.0	5.6	5.1	5.7
7200	Grants & Awards	0.7	0.2	0.2	0.3	0.3	0.3
7400	Utilities	0.4	0.6	0.5	0.5	0.5	0.6
8060	Internal Service Charges	3.5	3.6	3.9	2.5	2.2	2.3
8900	Debt Service	1.9	1.9	1.9	1.9	1.9	2.0
TOTAL OPERATING EXPENDITURES		\$ 33.6	\$ 34.0	\$ 36.2	\$ 38.8	\$ 40.2	\$ 42.4
	GASB 45 Retiree Medical Actuarial	1.5	2.6	1.6	1.1	1.1	0.6
	Additional Discretionary Payment - Pension	-	-	-	-	-	5.6
TOTAL OPERATING & DISCRETIONARY EXPENDITURES		\$ 35.1	\$ 36.6	\$ 37.8	\$ 39.9	\$ 41.3	\$ 48.6
	Capital Transfers Out to GFAR	0.5	7.3	2.6	2.3	7.0	3.4
	Operating Transfer Out	0.1	-	0.6	0.5	1.1	-
	Fixed Assets/ Equipment	0.4	-	-	-	0.1	-
	Fund	-	-	1.2	3.6	0.4	-
AMOUNTS AVAILABLE FOR RESERVE ALLOCATIONS		\$ 5.6	\$ 6.6	\$ 4.6	\$ 5.2	\$ 3.7	\$ 2.5
	Allocate to Almond Grove Reserve	2.5	-	-	-	-	-
	Stabilization/Catastrophic	-	-	-	-	-	0.1
	Allocate to Compensated Absences	-	-	-	-	-	0.1
	Allocate to Market Fluctuations Reserve	0.3	0.3	-	-	1.2	-
	Allocate to CalPERS/Pension Reserve	-	1.8	-	-	-	0.3
	Allocate to Measure G Reserve	-	-	-	-	1.2	-
	Allocate to VM & Stores Surplus Reserve	-	-	-	1.0	-	-
	Allocate to Authorized Carryforwards	0.1	-	-	-	-	-
	Sales Tax Prior - Year Adjustments	-	0.4	-	-	-	-
	Allocate to Property Surplus Reserve	-	-	-	1.9	-	1.2
TOTAL EXPENDITURES & RESERVE ALLOCATIONS		\$ 39.0	\$ 46.4	\$ 42.2	\$ 49.2	\$ 52.2	\$ 53.7
NET REVENUES RESERVE TRANSFERS LESS EXPENDITURES & RESERVE ALLOCATIONS FOR FINAL ALLOCATION AFTER YEAR END CLOSE		\$ 2.7	\$ 4.1	\$ 4.6	\$ 2.3	\$ 1.4	\$ 0.8

* Due to rounding of individual categories Total Expenditures and Reserve Allocations may include \$0.1 million.
General Fund (111) Historical presentaion does not include Pension Trusts activities.

STRATEGIC PRIORITIES AND CORE GOALS

In January 2022, the Town Council determined the Strategic Priorities for 2022-2024, 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. Even with the continuing challenges associated with the COVID-19 pandemic, many of Council's primary goals and priorities are programmed in the FY 2022/23 Operating and Capital Budgets.

Several Strategic Priorities are not one-time projects, but rather are ongoing commitments due to their critical significance to ensure 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; and fostering emergency preparedness and community wildfire resilience.

In terms of capital projects, the Town Council affirmed its interest in investing in bicycle and pedestrian improvements and implementing elements of the Comprehensive Parking Study. In addition to capital projects, the Council identified new policy priorities which include engaging our senior community and implementing diversity, equity, and inclusion efforts.

Other Strategic Priorities will position the Town well for its future. The Council reaffirmed its commitment to explore new revenue opportunities. 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 and address environmental sustainability and climate resiliency. Other Priorities included continuing to enhance economic and community vitality and completing the Housing Element. As the Town emerges from the economic upheaval of the pandemic, the significance of building back stronger will position the Town well for the future.

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.

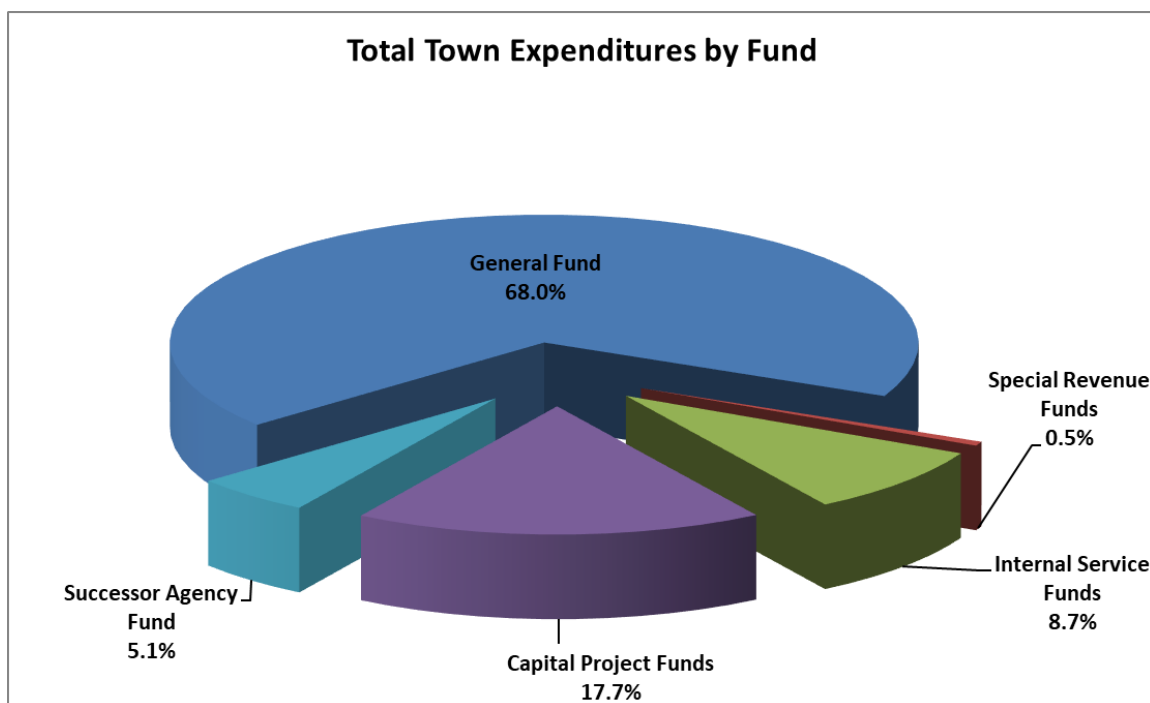
FY 2022/23 FISCAL OUTLOOK

Overview

The workload and budgetary prioritization process took into account the Town's current economic reality 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;
- Position for multi-year return to pre pandemic revenue levels;
- Continue to make progress on Strategic Priorities identified by the Town Council;
- Identify opportunities to enhance service delivery through new revenue sources, technology, and open government; and
- Prepare for addressing future deficits in the event new revenue sources do not materialize.

As shown in the chart below, the Proposed Budget is largely funded by the General Fund (68%).



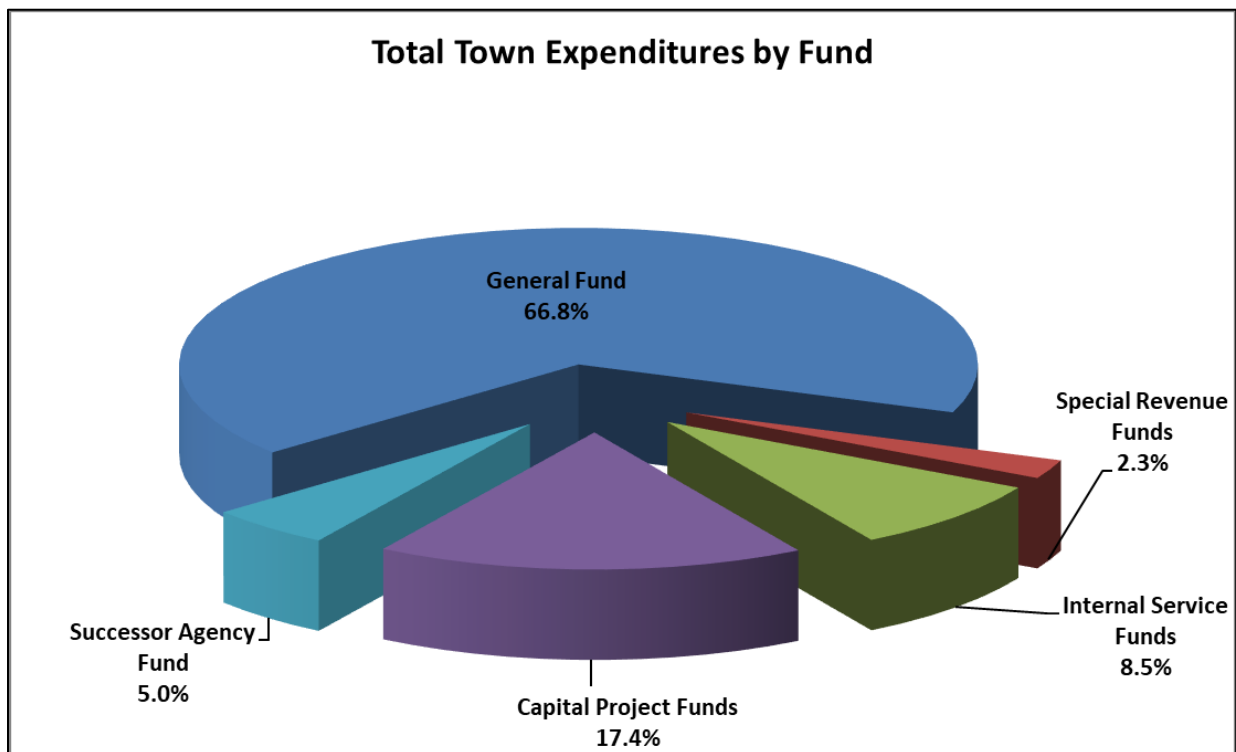
For Council's consideration, staff is recommending the following allocations:

- \$1,304,696 from the American Recovery Act (ARPA) to balance the budget and provide rent forgiveness to certain non-profit organizations who are tenants of Town buildings. The unallocated ARPA funds are placed in the ARPA Reserve.
- \$2,350,000 from the General Fund Capital/Special Projects Reserve to fund to the proposed Capital Improvement Program.

If the Town Council does not agree with these proposed recommendations, the Council should provide specific guidance as to the allocation of these funds.

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 Departments.



General Fund revenue is estimated at \$44.5 million in the FY 2022/23 Proposed Budget, excluding debt service, ARPA receipt, restricted pension trust activity, and fund transfers. This is an increase of \$1.2 million (3%) when compared to the FY 2021/22 estimated revenue and a 0.01% increase when compared to FY 2020/21 actuals. While Property Taxes, Vehicle License Fee (VLF) backfill property tax, Sales Tax, and Transient Occupancy Tax are projected to increase, it is important to note that projected Sales Tax revenue is just now returning to FY 2018/19 levels and TOT revenue projections are still \$1.1 million below FY 2018/19 levels. Anticipated increases in Property Tax are primarily attributable to more favorable projections of Educational Revenue Augmentation Fund (ERAF) distributions. Revenues from Licenses and Permits are expected to decrease.

The Town's General Fund operating budget expenditures for FY 2022/23 are projected to be \$45.4 million which is a slight \$0.2 million increase compared to the prior year's Adjusted Budget (excluding fund transfers, Council Approved ARPA grants and rent forgiveness, Pension Trust Fund activities, and debt service). Compared to the FY 2020/21 actuals, proposed operating expenditures are a 13.8% increase. The increase in FY 2022/23 is primarily attributable to merit step increases, employee promotions, development of three new positions, and increased pension costs. Other components of the expenditures include grants and awards, internal service charges, operating expenses for supplies and services, and debt service. The delivery of Town services is highly dependent on a talented and skilled labor, which makes up 66.1% of budgeted General Fund expenditures for FY 2022/23.

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. The total proposed Budget for Internal Service Funds for FY 2022/23 is \$6,427,499.

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 2022/23 Town-wide expenditures from the Capital Projects Fund is \$13.1 million (excluding transfers out) which is inclusive of \$6.5 million in General Fund Appropriated Reserve for the Town's CIP program.

Special Revenue Funds

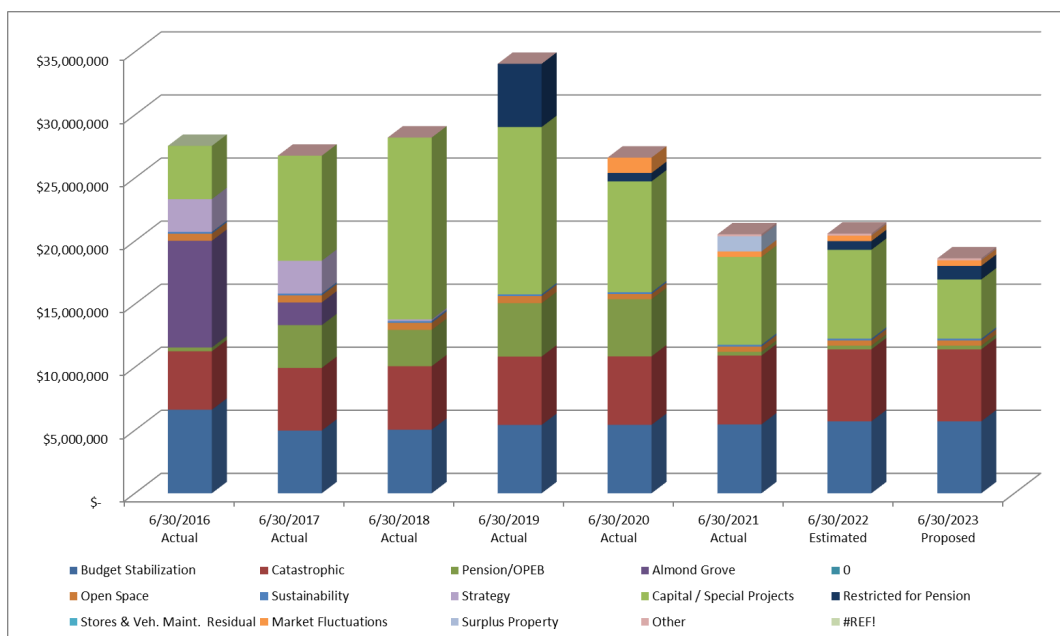
Special Revenue Funds are a fund type used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes including four trusts established to provide for the servicing of donations and bequests to the Town's Library program. Special Revenue Funds account for 0.9% of the Town-wide expenditure budget. The Town's largest Special Revenue Funds are the ARPA and the Urban Run-Off Source Fund. The total proposed Budget for Special Revenue Funds for FY 2022/23 is \$1,705,178.

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 2022/23 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 \$20.9 million as of June 30, 2023. Additional information on the estimated FY 2021/22 and FY 2022/23 year-end General Fund balances can be found in the Financial Summaries section. As indicated in the chart on the next page, the General Fund reserves are decreasing from prior years due primarily to previous programmed payments toward the Town's unfunded pension/OPEB obligations and transfers to the CIP program. Past transfers to the CIP program include \$7.0 million (FY 2016/17), \$2.4 million (FY 2017/18), \$2.4 million (FY 2018/19), \$5.7 million (FY 2019/20), \$3.4 million (FY 2020/21), and \$2.8 million (FY 2021/22). The proposed transfer in FY 2022/23 is \$2.4 million. Pension/OPEB transfers of note include the \$4.5 million California Public Employees Retirement System (CalPERS) side-fund payoff in June 2014 and a \$4.8 million additional discretionary payment (ADP) in FY 2019/20. In FY 2020/21, additional ADPS of \$3.6 million and \$2.1 million were transferred in July and April, respectively.



General Fund Reserve	6/30/2016 Actual	6/30/2017 Actual	6/30/2018 Actual	6/30/2019 Actual	6/30/2020 Actual	6/30/2021 Actual	6/30/2022 Estimated	6/30/2023 Proposed
Restricted for:								
Pension				\$ 5,015,316	\$ 669,978	\$ -	\$ 690,000	\$ 1,080,000
Committed to:								
Budget Stabilization	\$ 6,621,808	\$ 4,969,847	\$ 5,037,243	\$ 5,419,222	\$ 5,427,603	\$ 5,460,485	\$ 5,703,957	\$ 5,703,957
Catastrophic	4,637,406	4,969,847	5,037,243	5,419,222	5,427,603	5,460,485	5,703,957	5,703,957
Pension/OPEB	300,000	3,388,913	2,878,913	4,232,500	4,532,500	300,000	300,000	300,000
Almond Grove	8,459,973	1,801,318	-	-	-	-	-	-
Assigned to:								
Open Space	562,000	562,000	562,000	562,000	410,000	410,000	410,000	410,000
Sustainability	140,553	140,553	140,553	140,553	140,553	140,553	140,553	140,553
Strategy	2,600,000	2,600,000	129,090	-	-	-	-	-
Capital / Special Projects	4,222,405	8,332,953	14,421,203	13,262,303	8,787,958	6,965,356	7,041,938	4,691,938
Authorized Carryforward	99,284	34,852	99,927	413,729	-	-	-	-
Compensated Absences		350,329	2,122,512	1,232,653	1,539,408	1,649,917	1,649,917	1,649,917
To Workers' Compensation				1,232,654				
Measure G District Sales Tax					1,181,162	1,730,490	679,443	679,443
Stores & Veh. Maint. Residual				1,040,375	-	-	-	-
Market Fluctuations					1,218,732	438,333	438,333	438,333
Surplus Property				-		1,200,000	-	-
Other						159,000	159,000	159,000
Total General Fund Reserve	\$ 27,643,429	\$ 27,150,612	\$ 30,428,684	\$ 37,970,527	\$ 29,335,497	\$ 23,914,619	\$ 22,917,098	\$ 20,957,098

Catastrophic and Budget Stabilization Reserves

As per the Town's General Fund 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 due to catastrophic events and mitigating cyclical changes in locally generated revenues from temporary downturns in the local economy. Staff recommends transferring \$486,944 from available prior year-end savings to meet the required 25% funding level, or \$11.4 million total for FY 2022/23.

Pension/OPEB Reserve

Committed fund balance in this reserve is used to fund pension and other post-employment benefits (OPEB) unfunded obligations. This reserve is primarily used to house additional discretionary payments budgeted for future allocation to CalPERS. The Town's Pension/OPEB Oversight Committee has determined that additional discretionary payments will be allocated directly to CalPERS.

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 modified the General Fund Reserve Policy to reduce the amortization period for prior pension 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 prior Council Finance Committee made recommendations for the allocation methodology for 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 or special projects as determined by the Town Council. In FY

2022/23, the amount being allocated to the Capital Improvement Program is \$2.4 million. It is anticipated the Reserve will have approximately \$4.1 million as of June 30, 2023.

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 \$1.6 million as of June 30, 2023.

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 \$0.0 million as of June 30, 2023.

Measure G District Sales Tax Reserve

A reserve established tracking the receipt and the usage of the 1/8 cents District Tax funds collected by the Town. Pending Council direction on current unallocated reserve balance it is anticipated the reserve will have approximately \$0.0 million as of June 30, 2023.

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.

American Rescue Plan Act (ARPA)

The ARPA proceeds are accounted in the special revenue fund and revenues are recognized as eligible expenses occurred.

KEY BUDGET ASSUMPTIONS

Revenues

The FY 2022/23 Budget incorporates the waning impacts of the COVID-19 pandemic and the subsequent economic disruption with the General Fund revenues (excluding debt payments, restricted pension trust activity, and fund transfers in) expected to increase by \$0.9 million to \$46.8 million (not including anticipated ARPA fund receipt) from prior year estimated revenues. 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, patterns, and industry research.

The net increase from FY 2021/22 in overall revenues is mostly due to forecasted increases in some revenues such as property tax, sales tax, and transient occupancy tax. Licenses and permit revenues are expected to decrease in FY 2022/23 and then increase gradually 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 at the end of this section.

Expenditures - Staffing

The proposed Budget includes minor adjustments to staffing.

	FY 2021/22 Authorized/Funded Town Staff Position	FY 2022/23 Authorized/Funded Town Staff Position
Departments		
Town Council	0.50	0.50
Town Attorney	2.13	2.13
Administrative Services	20.18	20.18
Community Development	20.20	20.20
Police Department	60.00	60.00
Parks & Public Works	34.75	36.75
Library	12.50	13.50
Total Position	150.25	153.25
All Hourly Employee Staff Converted to FTE's	11.09	11.46
	161.34	164.71

The FY 2022/23 Operating Budget has 153.25 full time employees and an additional 11.47 full time equivalent (FTE) hourly employees for a total of 164.71 budgeted FTEs, including temporary staff. This reflects an increase of 3 FTE compared to the prior year. Two of the added positions provide important hire ahead capacities in the Parks and Public Works Department. The two positions will help bridge anticipated retirements with staffing returning to prior levels once transitions are completed. The one in the Library is a Senior Library Page as described below. The recommended FY 2022/23 staffing levels also reflect the following changes from the prior year's Adopted Budget:

- *Administrative Services and Town Offices* - The FY 2022/23 Budget reflects the continuation of a limited dated part time position to assist with the Town's emergency preparedness activities and regional emergency management engagement. The FY 2022/23 Budget also includes one-time temporary hours to help with special projects in the Information Technology Program.
- *Community Development Department (CDD)* –The FY 2022/23 Budget includes the part-time Code Compliance Officer position which will be continued for another year.
- *Police* – The FY 2022/23 Budget contains one-time temporary staff hour requests for Community Service Officer Intern, two Police Trainee recruit positions, Background Investigation Staff, and continuation of the Temporary Parking and Project Manager for implementation of the Comprehensive Parking Study.
- *Parks and Public Works (PPW)* – The FY 2022/23 budget includes a one-time (1 FTE) Urban Forest Manager to manage the Town's urban forest and fire safety program a one-time hire ahead Lead Parks and Maintenance worker, and additional 2080 hours for a Temporary Senior Civil Engineer to assist with the grant funded CIP projects. Upon retirement of one of the current Lead Maintenance Worker and the Town Arborist the two positions will be defunded and through a future Council budget action, will be removed from the number of authorized positions. In addition, the proposed budget includes a reclassification of an Executive Assistant position to an Administrative Technician position.

- *Library* – The FY 2022/23 budget includes an additional Senior Library Page position and a reclassification of a Library Technician position to a Library Assistant position. These changes were funded by reduction of temporary hours.

Non-Personnel Operating Expenditures

Non-Personnel expenditure budgets were developed based on actual expenditures in prior years, adjusted for FY 2022/23 funding needs. In light of limited available resources, the FY 2022/23 proposed budgeted non-personnel expenditures are conservative, with additions primarily limited to non-discretionary, contractually obligated, or mandated increases. Additional details regarding the assumptions used in the development of the expenditure estimates can be found in the Forecast Assumptions discussion later in this section.

STATE BUDGET IMPACTS

Preliminary data for the State of California FY 2022/23 Proposed Budget anticipate a \$31 billion surplus. The Legislative Analyst Office (LAO) offers that the \$31 billion surplus is driven by revenue collections coming in over \$10 billion ahead of budget act expectations so far this year. Underlying this growth, the LAO states are significant increases in several measures of economic activity. Retail sales have posted double digit growth during 2021, stock prices have doubled from their pandemic low last spring, and several major firms have posted historically high earnings. As a result, the LAO projects State General Fund revenue will be \$28 billion higher than anticipated in the FY 2022/23 Budget.

Aside from tax payment deferral programs which are largely a question of cash flow, local revenues are well insulated from any State budgetary problem. Unlike in prior recessions, local governments have strong and encompassing constitutional protection from State actions that might affect revenues and mandates. Similarly, it is unlikely that the State will disburse any extra revenue to local governments.

The estimated Gas Tax revenue totals approximately \$1.6 million for FY 2022/23 due to the Road Recovery and Repair Act of 2017 (SB1). These funds can only be used for new construction and reconstruction of Town streets.

ONGOING BUDGET CONSIDERATIONS:

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 2022/23 and remitted to the Santa Clara County Central Fire Protection District for fire protection services is estimated to be approximately \$19.6 million.

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

The Town's pension unfunded actuarial liability (UAL) as of June 30, 2020 (the "date of value" for our most up to date actuarial valuation from the California Public Employees Retirement System (or "PERS")) is approximately \$61.8 million. The Town's unfunded actuarial OPEB liabilities are projected to total approximately \$8.7 million as of June 30, 2019.

On November 3, 2020, voters of Los Gatos approved the Measure A ballot initiative establishing a new Finance Commission and disbanding both the Finance Committee and Sales Tax Oversight Committee. The Commission is comprised of five resident voting members and two non-voting Council Members. Among other things, the Commission is tasked with providing 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 Town and the nation appear to be emerging from the economic turmoil associated with COVID-19 pandemic, its impacts to the current Budget and Five-Year Forecast continue to be felt. For this reason, the FY 2022/23 Budget maintains a conservative posture until greater clarity emerges on the Town's primary revenue sources. To ensure the Town's high service levels are maintained, Council Strategic Priorities are addressed, and essential infrastructure investments are made, the Town's primary revenue sources will need to return to pre-pandemic levels and/or new revenue sources secured.

Considering future anticipated deficits, opportunities to enhance service delivery, while lowering operating costs through resource and workload redeployments and organizational restructuring will continue to be explored, evaluated, and implemented. However, in the event pre pandemic revenue growth projections do not return, and new revenue sources are not identified, the current projected deficits may need to be addressed through service delivery reductions or service outsourcing. If this occurs, the Council will need significant input from the community to identify acceptable organizational changes and service levels.

In the interim, due to the proactive and conservative fiscal policies of the past, the Town is in an enviable position to manage the unprecedented nature of the pandemic. With this Budget, we continue to fund both the Catastrophic and Budget Stabilization Reserves per the Town's General Fund Reserve Policy at a 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%) and currently approximates \$11.4 million in reserves. These contingencies provide ample resources in the event the nascent economic recovery stalls.

I wish to thank all Town Departments, including the 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, Interim Finance Director
Gitta Ungvari, Finance and Budget Manager
Melissa Ynegas, Administrative Analyst
Diane Howard, Administrative Analyst
Mark Gaeta, Accountant
Maurice De Castro, Accountant
Wayne Chen, Administrative Technician
Arn Andrews, Assistant Town Manager

Again, I wish to thank the current Council for your fiscal stewardship which has left the Town on firm footing to navigate the unprecedented nature of the current pandemic crisis.

Respectfully submitted,

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

Laurel Prevetti
Town Manager

SUMMARY OF CHANGES

FROM PROPOSED TO ADOPTED

Per Measure A, the Finance Commission received the Proposed FY 2022/23 Operating and Capital Budgets 21 business days before May 17, 2022, which was the first meeting at which the Proposed Budgets were considered by the Town Council. The Finance Commission held three public meetings at which Commissioners discussed the Proposed Budgets and provided recommendations to the Town Council per Measures A and G. On May 17, 2022, the Town Council conducted a public hearing to discuss the proposed FY 2022/23 Operating and Capital Summary Budget and Proposed FY 2022/23 – 2026/27 Capital Improvement Program. The Town Council considered public testimony, discussed both documents, considered the Finance Commission recommendations to provide \$2.9 million of additional funding for the Capital Improvement Program, and directed staff to bring back the documents for final approval incorporating the Council recommendations.

After the Council's direction on May 17, 2022, the Town successfully completed negotiations with all bargaining units. To meet the financial terms of the agreements, the Council adopted a balanced budget at the June 21, 2022 meeting utilizing additional funding from the OPEB 115 Trust to fund retiree pay-go medical payments directly (\$900,000) and allocating the remaining residual Measure G balance (\$700,000) to the General Fund for FY 2022/23.

The following table represent the changes from the proposed budget to the adopted budget.

	2022/23 Proposed Budget	Estimated Budget Revision	2022/23 Adopted Budget
REVENUES			
General Fund	\$48,378,548	\$ 1,626,919 (1)	\$ 50,005,467
Special Revenue Funds	1,775,576	-	1,775,576
Internal Service Funds	4,125,957	-	4,125,957
Capital Project Funds (does not include carryforwards)	12,753,575	2,900,000 (2)	15,653,575
Successor Agency Funds	3,799,926	-	3,799,926
TOTAL REVENUES	\$70,833,582	\$ 4,526,919	\$ 75,360,501
OTHER FUNDING SOURCES			
Designated One-Time Use of General Fund Reserves	2,350,000	\$ 679,443	3,029,443 (3)
TOTAL TOWN REVENUES & OTHER FUNDING SOURCES	\$73,183,582	\$ 5,206,362	\$ 78,389,944
TOTAL TOWN EXPENDITURES, TRANSFERS OUT & CARRYFORWARD APPROPRIATION			
General Fund	\$50,338,548	\$ 2,306,362 (4)	\$ 52,644,910
Special Revenue Funds	1,705,178	12,246 (4)	1,717,424
Internal Service Funds	6,427,499	-	6,427,499
Capital Project Funds (does not include carryforwards)	13,081,287	2,900,000 (2)	15,981,287
Successor Agency Funds	3,799,752	125 (4)	3,799,877
TOTAL TOWN EXPENDITURE & OTHER FUNDING USES	\$75,352,264	\$ 5,218,733	\$ 80,570,997
GENERAL FUND SOURCE(USE) OF FUND BALANCES	\$ 390,000		\$ 390,000
OTHER FUNDS SOURCE(USE) OF FUND BALANCES	(2,558,682)		(2,571,053) (5)
TOTAL SOURCE(USE) OF FUND BALANCES	\$ (2,168,682)	\$ (12,371)	\$ (2,181,053)

(1) Additional General Fund Revenues

\$902,579 OPEB Trust Reimbursement for Retiree Medical

\$624,340 Additional ARPA Proceeds for Revenue Replacement

\$100,000 Additional Business License Tax

(2) Additional Transfer to Capital Projects (GFAR)

\$2,900,000 General Fund Reimbursement Revenues (ARPA)

(3) Designated One-Time Use of the General Fund Reserves during FY 2022/23

\$2,350,000 - Transfer to Capital Projects (GFAR)

\$679,443 - Measure G Residual for Operation

(4) General fund Expenditures

\$2,318,733 - Increases to Negotiated Salary Increases

(5) 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.

Numbers may differ between exhibits due to rounding.

While the Adopted Budget document reflects all of the approved changes, the Town Manager Transmittal Letter dated April 18, 2022 represents the proposed FY 2022/23 Operating and Capital Budgets as it was submitted on April 18, 2022. The five-year forecast on the following page has been partially updated to reflect the adjustments to salary and benefit costs included in the June 21, 2022 FY 2022/23 Adopted Budget.

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

Account	Revenue Category	2021/22 Adjusted Budget	2021/22 Estimates	2022/23 Proposed Budget	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast
4100	Property Tax	\$ 15.4	\$ 15.7	\$ 16.6	\$ 15.7	\$ 16.1	\$ 16.6	\$ 17.1	\$ 17.6
4110	VLF Backfill Property Tax	4.2	4.2	4.4	4.5	4.6	4.8	4.9	5.1
4200	Sales & Use Tax	7.0	7.5	7.9	8.2	8.5	8.8	9.1	9.3
4200	Measure G District Sales Tax	1.2	1.2	1.3	1.4	1.4	1.5	1.5	1.5
4250	Franchise Fees	2.5	2.4	2.5	2.6	2.6	2.7	2.8	2.9
4251	Transient Occupancy Tax	1.4	1.4	1.6	1.7	1.8	1.9	1.9	2.0
4400	Business License Tax	1.3	1.3	1.4	1.4	1.4	1.4	1.4	1.4
4400	Licenses & Permits	3.1	3.1	2.8	2.8	2.9	3.0	3.1	3.2
4500	Intergovernmental	4.0	1.1	1.1	1.0	1.0	1.0	1.2	1.1
4600	Town Services	4.2	4.3	4.2	4.0	4.1	4.1	4.2	4.3
4700	Fines & Forfeitures	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
4800	Interest	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3
4850	Other Sources	2.6	2.4	3.1	2.2	2.2	2.2	2.3	2.2
4900	Fund Transfers In	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5
TOTAL OPERATING REVENUES & TRANSFERS*		\$ 48.1	\$ 45.8	\$ 48.0	\$ 46.5	\$ 47.6	\$ 49.0	\$ 50.5	\$ 51.6
	Capital	0.6	0.6	2.4	0.8	0.8	0.8	0.8	0.8
	Use of Pension/OPEB Reserve	-	0.3	-	-	-	-	-	-
	Use of Property Surplus Reserve	1.2	1.2	-	-	-	-	-	-
	Use of Measure G Reserve	1.1	1.1	0.7	-	-	-	-	-
	ARPA Replacement Revenue	-	-	1.6	-	-	-	-	-
TOTAL REVENUES, TRANSFERS, AND USE OF RESERVES		\$ 51.0	\$ 49.0	\$ 52.7	\$ 47.3	\$ 48.4	\$ 49.8	\$ 51.3	\$ 52.4
Account	Expenditure Category	2021/22 Adjusted Budget	2021/22 Estimates	2022/23 Proposed Budget	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast
5110	Salary	20.9	19.2	23.2	23.0	23.5	23.9	24.5	25.0
5120	CalPERS Benefits	7.3	6.2	7.7	7.9	8.3	8.1	8.4	8.5
5200	All Other Benefits	4.2	3.4	4.6	4.4	4.5	4.6	4.7	4.8
6211	OPEB Pay as You Go	1.5	1.5	1.5	1.5	1.6	1.7	1.8	1.9
6000	Operating Expenditures	6.4	7.0	6.9	6.8	7.1	7.1	7.4	7.5
7200	Grants & Awards	1.0	0.8	0.2	0.2	0.2	0.2	0.2	0.3
7400	Utilities	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.7
8060	Internal Service Charges	2.7	2.6	2.7	2.9	3.1	3.4	3.7	3.8
8900	Debt Service	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
TOTAL OPERATING EXPENDITURES		\$ 46.6	\$ 43.3	\$ 49.3	\$ 49.2	\$ 50.8	\$ 51.6	\$ 53.3	\$ 54.4
	GASB 45 Retiree Medical Actuarial	0.1	0.1	-	-	-	-	-	-
	Additional Discretionary Payment - Pension	0.4	0.7	0.4	0.4	0.4	0.4	0.4	0.4
TOTAL OPERATING & DISCRETIONARY EXPENDITURES		\$ 47.1	\$ 44.1	\$ 49.7	\$ 49.6	\$ 51.2	\$ 52.0	\$ 53.7	\$ 54.8
	Capital Transfers Out to GFAR	2.8	2.8	2.3	0.8	0.8	0.8	0.8	0.8
	1/2 of Measure G Proceeds to Capital	0.6	0.6	0.7	0.7	0.7	0.7	0.8	0.8
AMOUNTS AVAILABLE FOR RESERVE ALLOCATIONS									
	Stabilization/Catastrophic	-	0.5	-	-	-	-	-	-
	Allocate to CalPERS/Pension	-	0.3	-	-	-	-	-	-
TOTAL EXPENDITURES & RESERVE ALLOCATIONS		\$ 50.5	\$ 48.3	\$ 52.7	\$ 51.1	\$ 52.7	\$ 53.5	\$ 55.3	\$ 56.4
NET REVENUES RESERVE TRANSFERS LESS EXPENDITURES & RESERVE ALLOCATIONS FOR FINAL ALLOCATION AFTER YEAR END CLOSE		\$ 0.5	\$ 0.6	\$ -	\$ (3.8)	\$ (4.3)	\$ (3.7)	\$ (4.0)	\$ (4.0)
* Due to rounding of individual categories FY 2021/22 Total Expenditures and Reserve Allocations includes \$0.1 million. General Fund (111) Forecast does not include Pension Trusts activities.									

The following table illustrates the previous projected deficits relative to the partially updated Forecast.

Original 5 Year Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast
	(\$M)	(\$M)	(\$M)	(\$M)	(\$M)
Original Surplus/Deficit	(\$2.2)	(\$2.9)	(\$2.3)	(\$2.5)	(\$2.6)
Updated Surplus/Deficit	(\$3.8)	(\$4.3)	(\$3.7)	(\$4.0)	(4.0)

FORECAST ASSUMPTIONS

REVENUE BASELINE AND PROJECTION FACTORS

Type of Revenue Base Line Estimate	FY 2022/23 Budget	FY 2023/24 Forecast	FY 2024/25 Forecast	FY 2025/26 Forecast	FY 2026/27 Forecast	FY 2027/28 Forecast
Property Tax/VLF Backfill SCC Assessor Office January 2022 report.	3%	3%	3%	3%	3%	3%
North 40 Property Sales Starting in FY 2021/22	North 40 Sales	3%	3%	3%	3%	3%
ERAF SCC Assessor Office March 2022 report	SCCA recommend 70% of FY 2021/22 anticipated proceeds	\$400K	\$400K	\$400K	\$400K	\$400K
Sales Tax	MuniServices 3/16/2022 Most Likely Estimates	MuniServices 3/16/2022 Most Likely Estimates	MuniServices 3/16/2022 Most Likely Estimates	MuniServices 3/16/2022 Most Likely Estimates	MuniServices 3/16/2022 Most Likely Estimates	MuniServices 3/16/2022 Most Likely Estimates
Sales Tax - Measure G	MuniServices 3/16/2022 Most Likely Estimates	MuniServices 3/16/2022 Most Likely Estimates	MuniServices 3/16/2022 Most Likely Estimates	MuniServices 3/16/2022 Most Likely Estimates	MuniServices 3/16/2022 Most Likely Estimates	MuniServices 3/16/2022 Most Likely Estimates
Franchise Fee Current baseline set by FY 2021/22 Year End Estimates	Current baseline set by FY 2021/22 Year End Estimates	3%	3%	3%	3%	3%
Transient Occupancy Tax Current baseline set by FY 2021/22 Year End Estimates	Current baseline set by FY 2021/22 Year End Estimates	5%	5%	3%	3%	3%

FORECAST ASSUMPTIONS

REVENUE BASELINE AND PROJECTION FACTORS

Type of Revenue Base Line Estimates	FY 2022/23 Budget	FY 2023/24 Forecast	FY 2024/25 Forecast	FY 2025/26 Forecast	FY 2026/27 Forecast	FY 2027/28 Forecast
Business License Tax Current baseline set by FY 2021/22 Year End Estimates	3%	3%	3%	0%	0%	0%
License & Permits Current baseline set by FY 2021/22 Year End Estimates	3%	3%	3%	3%	3%	3%
Town Services Current baseline set by FY 2021/22 Year End Estimates	3%	3%	0%	3%	3%	3%
Fine & Forfeitures Current baseline set by FY 2021/22 Year End Estimates	3%	Varies	Varies	Varies	Varies	Varies
Interest Current baseline set by FY 2021/22 Year End Estimates	Varies based on portfolio	Varies based on portfolio	Varies based on portfolio	Varies based on portfolio	Varies based on portfolio	Varies based on portfolio
Other Sources Current baseline set by FY 2021/22 Year End Estimates	Varies	Varies	Varies	Varies	Varies	Varies

FORECAST ASSUMPTIONS

EXPENDITURE BASELINE AND PROJECTION FACTORS

Beginning in FY 2020/21, the Town is budgeting salaries at the actual salary plus a one-step increase. 68% of the workforce is already at top step or one step below top step. In the Five-Year Forecast, positions are forecasted at the actual rate of pay including salaries and benefits as of April 1, 2022 and rate is increasing in the actual anniversary date.

**Salary increases are based on actual step increases and approved Memoranda of Understanding with the bargaining units.*

***Benefit increase estimates are provided by CalPERS/Public Employees' Medical and*

Type of Expenditure	FY 2022/23 Budget	FY 2023/24 Forecast	FY 2024/25 Forecast	FY 2025/26 Forecast	FY 2026/27 Forecast	FY 2027/28 Forecast
Salaries*(TEA, Conf, Temp)	3-8%	3%	2%	2%	2%	2%
Salaries *(POA)	7.25%	3%	2%	2%	2%	2%
Salaries*(AFSCME)	7.5%	3%	2%	2%	2%	2%
Salaries * (Management)	3%	3%	2%	2%	2%	2%
Benefit - Medical**	7%	7%	7%	7%	7%	7%
Operating Expenditures***	Varies	3%	3%	3%	3%	3%
Grants & Awards	0%	0%	0%	0%	0%	0%
Utilities***	Varies	3%	3%	3%	3%	3%
Internal Service Charges***	Based on operating cost and scheduled replacement	Based on operating cost and scheduled replacement	Based on operating cost and scheduled replacement	Based on operating cost and scheduled replacement	Based on operating cost and scheduled replacement	Based on operating cost and scheduled replacement
Debt Service	Debt Service Schedules					

Hospital Care Act (PEMHCA).

****Based on historical trends.*

The Town's required employer contribution rate estimates were developed using data provided by each plan's most recent CalPERS actuarial valuation. The employer contribution rates reflect percentages of covered payroll. Rates shown for FY 2022/23 are actual rates as prescribed by CalPERS. Forecasted rates for FY 2023/24 and subsequent years are based on the most recent CalPERS actuarial valuation

FORECAST ASSUMPTIONS

reports and staff assumptions regarding staff's current estimate of returns for FY 2021/22 which are presently expected to below the 6.8% discount rate.

Beginning in FY 2021/22, the estimates of employer contributions were credited with an anticipated reductions associated with the approximate \$4.8 million additional discretionary payment (ADP) toward the 2016 unfunded amortization base paid off in October 2019 and the total of approximately \$5.8 million in ADPs toward unfunded 2013 and 2015 amortization bases that were paid off in FY 2020/21. Employer contribution rate projections also include small percentage increases reflecting the anticipation of CalPERS gradually lowering its discount rate over the Five-Year Forecast period in accordance with the CalPERS adopted risk mitigation strategy, and the lowering of the discount rate to the present rate of 6.8% as of 6/30/2022. Estimates were also informed by recent rate estimates developed by the Town's actuary using the most recent actuarial valuation updated with current year projections of covered payrolls by plan type.

Type of Expenditure	FY 2022/23 Budget	FY 2023/24 Forecast	FY 2024/25 Forecast	FY 2025/26 Forecast	FY 2026/27 Forecast	FY 2027/28 Forecast
Safety POA	69.44%	72.01%	74.61%	75.68%	76.69%	76.66%
Safety Management POA	72.44%	75.01%	77.61%	78.68%	79.69%	79.66%
Safety POA - PEPRA	14.62%	14.65%	13.78%	13.75%	13.76%	13.76%
Miscellaneous TEA/AFSCME/Confidential/Management	29.92%	30.04%	30.64%	28.45%	28.73%	28.42%
Miscellaneous TEA/AFSCME/Confidential/Management PEPRA						
Separate PEPRA rate for Miscellaneous has not been established yet by CalPERS.	29.92%	30.04%	30.64%	28.45%	28.73%	28.42%

**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.*



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Town of Los Gatos
California**

For the Fiscal Year Beginning

July 01, 2021

Christopher P. Morill

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.
- **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 Fund** – established to account for the accounts for a specific bequest subject to an agreement made for its use.

FUND DESCRIPTIONS

- **Susan McClendon Trust Fund** – established to account for the accounts for a specific bequest subject to an agreement made for its use.
- **Barbara Jones Cassin Trust Fund** – established to account for the accounts for a specific bequest subject to an agreement made for its use.

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 discontinued with the Fiscal Year 2019/20 Budget. Any fund balance was added to the General Fund Assigned Vehicle Maintenance and Store Residual Reserve.
- **Information Technology (IT) Fund** – established to budget and account for the cost of maintaining, replacing, and updating existing information technology used by Town Departments.

FUND DESCRIPTIONS

- **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 discontinued with the Fiscal Year 2019/20 Budget. Any fund balance was added to the General Fund Assigned Vehicle Maintenance and Store Residual Reserve.
- **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.

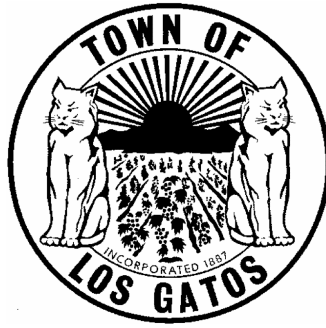
Trust Funds

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

- **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.

Restricted fund balance is either imposed by law or constrained by grantors, contributors, or other governmental.

FINANCIAL PRACTICES

- IRS 115 Trusts are established for management of the Town's unfunded pension and other post employment benefit obligations.
- The specific Fund Balance Reserves include but are not limited to a restricted Reserve for:
 - 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 Reserve 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.

FINANCIAL PRACTICES

- 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. The Council may also allocate funds from this Reserve for other purposes.

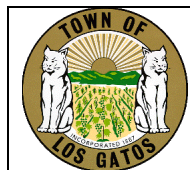
CAPITAL IMPROVEMENT

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: 6

ENABLING ACTIONS:

REVISED DATES: 02/21/2017; 05/15/2018;
06/04/2019; 09/21/2021

APPROVED:

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 America (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

GENERAL FUND RESERVE POLICY

- Changes in political environment
- 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.

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,

GENERAL FUND RESERVE POLICY

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 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;

GENERAL FUND RESERVE POLICY

- 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 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.

GENERAL FUND RESERVE POLICY

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.

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 – \$10,000 or higher unrealized investment gains that have been recorded in the financial statements in accordance with GASB 31.

GENERAL FUND RESERVE POLICY

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

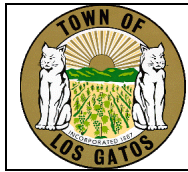
Upon funding any of the above reserve levels pursuant to this General Fund Reserve Policy, any remaining surplus of fiscal year revenues above expenditures shall be placed in the Capital and Special Projects Reserve for appropriation within the Capital Improvement Program budget.

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:

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.

LONG TERM DEBT POLICY

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.

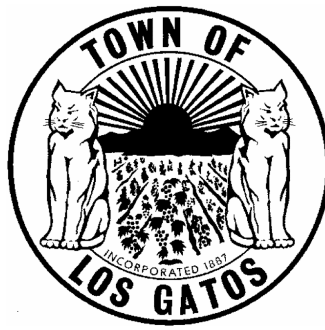
PROCEDURES

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

BOND RATING:

The Town of Los Gatos continues to maintain its Moodys “Aaa” General Obligation bond rating indicative of what Moody’s describes as a “excellent credit position and very healthy financial position” enabling the Town to consistently provide high-quality services to the community. The Town has no outstanding bonded indebtedness, however there are two outstanding Certificates of Participation issued outstanding that are an indebtedness of the Town’s Successor Agency to the Town’s former Redevelopment Agency.



INVESTMENT POLICY

			COUNCIL POLICY MANUAL <i>Small Town Service Community Stewardship Future Focus</i>	
TITLE: Investment Policy			POLICY NUMBER: 4-02	
EFFECTIVE DATE: 11/1/16			PAGES: 8	
ENABLING ACTIONS: 2016-063		REVISED DATES: 5/16/17;5/15/2018; 9/3/2019; 11/03/2020, 09/21/2021		
APPROVED:				

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

INVESTMENT POLICY

Special Revenue Funds

Capital Project Funds
Debt Service Funds
Enterprise Fund
Internal Service Funds
Fiduciary Funds

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.

INVESTMENT POLICY

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.

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.

INVESTMENT POLICY

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.

(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.

INVESTMENT POLICY

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.
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.

INVESTMENT POLICY

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.

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.

INVESTMENT POLICY

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.

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.

INVESTMENT POLICY

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 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.

INVESTMENT POLICY

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."

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

INVESTMENT POLICY

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. The Town of Los Gatos Environmental, Social and Governance (ESG) scores;
7. A statement of compliance with this Investment Policy or an explanation for non-compliance; and
8. 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 Manger shall present this Investment Policy to the Town Council and the Finance Commission 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.

APPROVED AS TO FORM:

Robert Schultz, Town Attorney

IRS SECTION 115 PENSION TRUST AND OPEB TRUST INVESTMENT POLICY



TITLE: Town of Los Gatos IRS Section 115 Pension Trust
and OPEB Trust Investment Policy

POLICY NUMBER: 4-04

EFFECTIVE DATE: 11/7/17

PAGES: 3

ENABLING ACTIONS: 2017-062

REVISED DATES: 12/18/2018; 12/03/2019

APPROVED:

PURPOSE

The Town of Los Gatos (the "Town") has established IRS Section 115 Trusts for both pension and other post-employment benefits (OPEB). The Pension Trust is administered by the CalPERS California Employers' Pension Prefunding Trust (the "CEPPT") and the OPEB trust is administered by the California Employers' Retiree Benefit Trust (the "CERBT"), collectively the "115 Trusts". The 115 Trusts provide for funding of pension, retiree health and other post-employment benefits for the City's eligible retirees. The CEPPT acts as an additional investment vehicle for the overall funding of pension liabilities associated with the Town's Miscellaneous and Safety Pension Plans (the "Pension Plans"). Funds in the 115 Pension Trust may be used for long-term capital accumulation and appreciation, additional discretionary payments (ADPs), and pension contribution management strategies. The CERBT is the single investment vehicle for the Town's OPEB Plan ("OPEB Plan"). The Town has established the 115 Trusts Oversight Committee (the "Oversight Committee") to oversee the assets of the 115 Trusts and to perform the duties and responsibilities set forth in this Investment Policy (IP).

COMPOSITION

The membership of the Oversight Committee is composed of the entire Town Council.

FIDUCIARY DUTIES AND RESPONSIBILITIES

1. The Oversight Committee has exclusive control of the investments of the 115 Trusts. The Oversight Committee will manage the funds under the Trusts:

IRS SECTION 115 PENSION TRUST AND OPEB TRUST INVESTMENT POLICY

- a) solely in the interest of, and for the exclusive purposes of providing for funding of benefits for participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the Trusts;
 - b) with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims; and
 - c) by diversifying the investments of the Trusts so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly prudent not to do so.
2. The work of the Oversight Committee shall be consistent with written statement of Investment Policy (i.e., this Investment Policy for the Trusts). At least once every three years, the Oversight Committee will evaluate the appropriateness of the Investment Policy and, based on such evaluation, either confirm the tenets of the Investment Policy as then in effect, or amend the 115 Trusts Investment Policy as appropriate. The Investment Policy must include the following:
- a) document investment objectives, performance expectations and investment guidelines for assets under the Trusts;
 - b) establish an appropriate investment strategy for managing all assets under the Trusts, including an investment time horizon, risk tolerance ranges and asset allocation to provide sufficient diversification and overall return over the long-term time horizon of the Trusts; and
 - d) establish periodic performance reporting requirements that will effectively monitor investment results and ensure that the investment policy is being followed.

INVESTMENT OBJECTIVES

1. The primary objective of the 115 Trusts investment portfolios is to satisfy the Pension Plans and OPEB Plan obligations to pay benefits to members and their beneficiaries. To do so, the 115 Trusts will seek to achieve long-term net returns in excess of the actuarial investment return assumption while maintaining a reasonable level of investment risk.
2. The funds will be managed as an ongoing concern with a long-term investment horizon, consistent with demographic profile of the members and beneficiaries of the plans.

IRS SECTION 115 PENSION TRUST AND OPEB TRUST INVESTMENT POLICY

3. A range of risks will be managed in connection with the trusts, with an emphasis on the following:
 - a) The impact of the investment decisions on the funded status of the plans and the resulting volatility of contributions.
 - b) Risk of loss of plan assets.
4. In determining the investment strategies of the 115 Trusts, various factors will be considered including, but not limited to:
 - a) The structure and duration of the Pension Plans and OPEB Plan liabilities.
 - b) Modern Portfolio Theory.
 - c) The liquidity needs of Pension Plans and OPEB Plan.

INVESTMENT STRATEGY/ASSET ALLOCATION

The Oversight Committee has delegated the investment management function to third parties. These third parties offer multiple asset allocation options with varying degrees of risk return profiles. The Oversight Committee has the sole discretion to select the asset allocation which best aligns with the aforementioned fiduciary standards and investment objectives.

The Oversight Committee will review the selected asset allocations annually. However, the Oversight Committee can review the current asset allocation selections at any time in light of market conditions.

MONITORING AND REPORTING

1. Monitor the 115 Trusts investment managers on an ongoing basis and may be terminated by Oversight Committee at any time due to performance or other developments that call into question the investment manager's ability to continue to effectively manage assets of the 115 Trusts.
2. Review and assess the performance of any Investment Manager(s) appointed by the Oversight Committee to perform services related to the Trusts quarterly.
3. Measure and evaluate the annual and quarterly performance of investment managers relative to appropriate long-term performance benchmark.
4. Measure and evaluate annual and quarterly fees.

IRS SECTION 115 PENSION TRUST AND OPEB TRUST INVESTMENT POLICY

5. Review quarterly cash flow statements associated with the Trusts.
6. Review the actuarial pension evaluation annually.
7. Review the actuarial OPEB evaluation biennially.
8. Monitor compliance with this Investment Policy for the Trusts.

/S/ Robert Schultz, Town Attorney

BUDGET PROCESS OVERVIEW

The Town Council 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

BUDGET PROCESS OVERVIEW

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. Beginning in 2021, per a recent voter initiative, the draft Budget documents are provided to the Town Finance Commission for its review and comment at least 20 days before the Council's first consideration of the Budgets. The Commission is advisory to the Town Council.

BUDGET PROCESS OVERVIEW

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 this year exclusively on the Town website due to COVID-19 pandemic.

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.

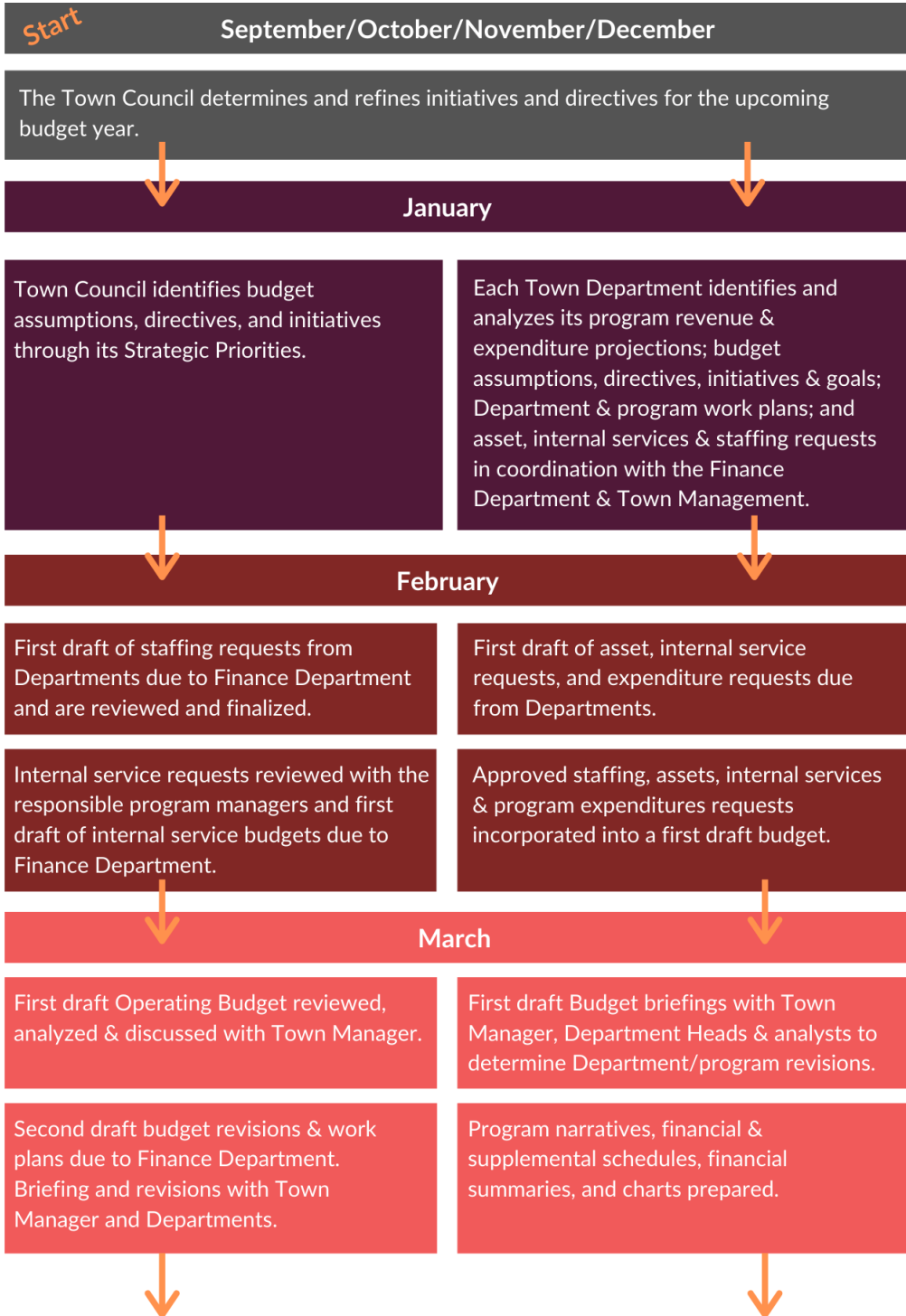
The Town Council considers the status of the revenues and expenditures as of December 31st during a Mid-Year Review. This typically occurs in February and the Council may act on additional budget modifications at that time.

BUDGET CALENDAR



Operating Budget Development Process

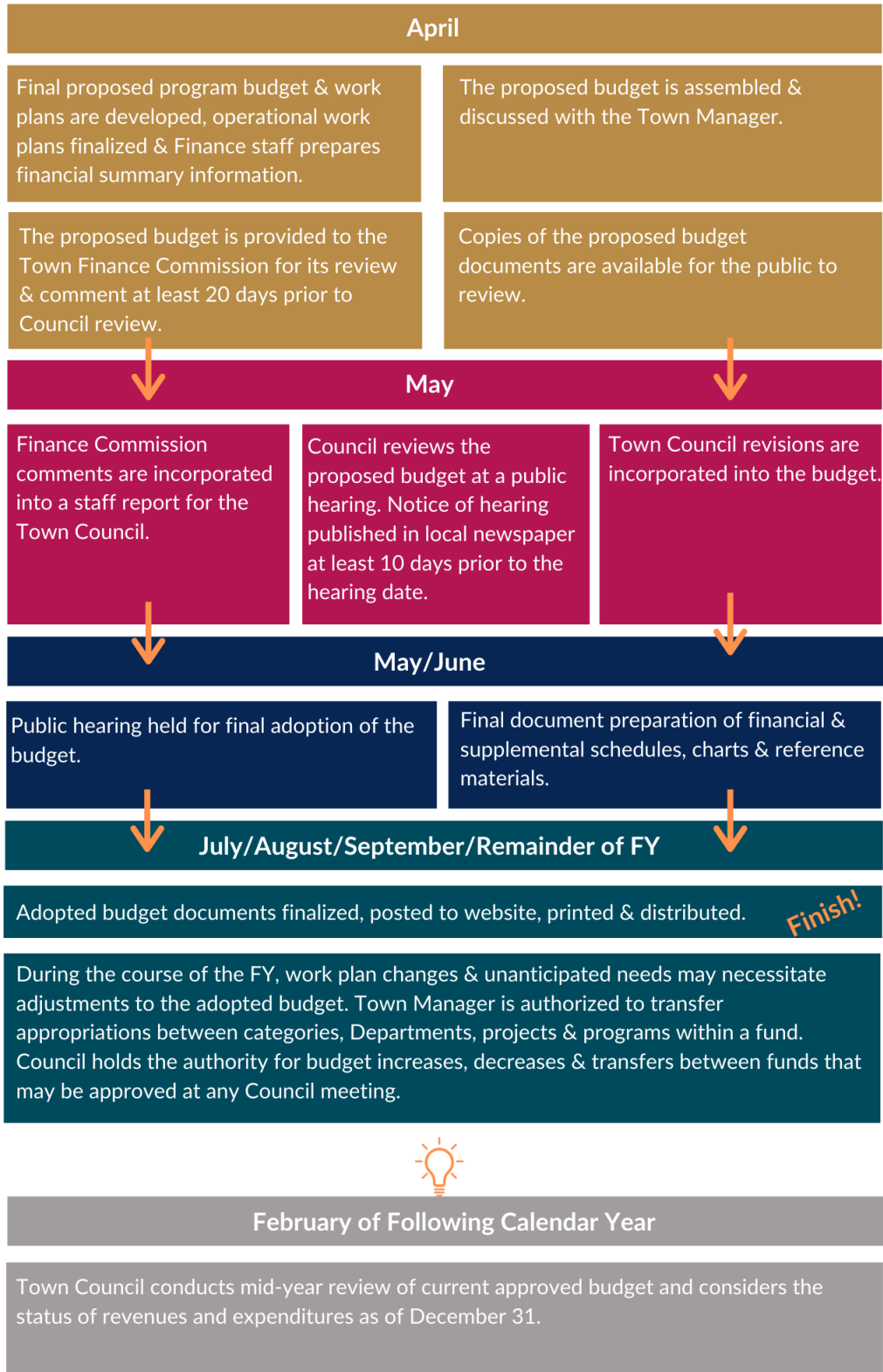
Team-Based Approach: Program budgets & work plans are developed with each Department's Director, Analyst, and Program Manager's oversight and expertise (guided by Town Management & the Finance Department)



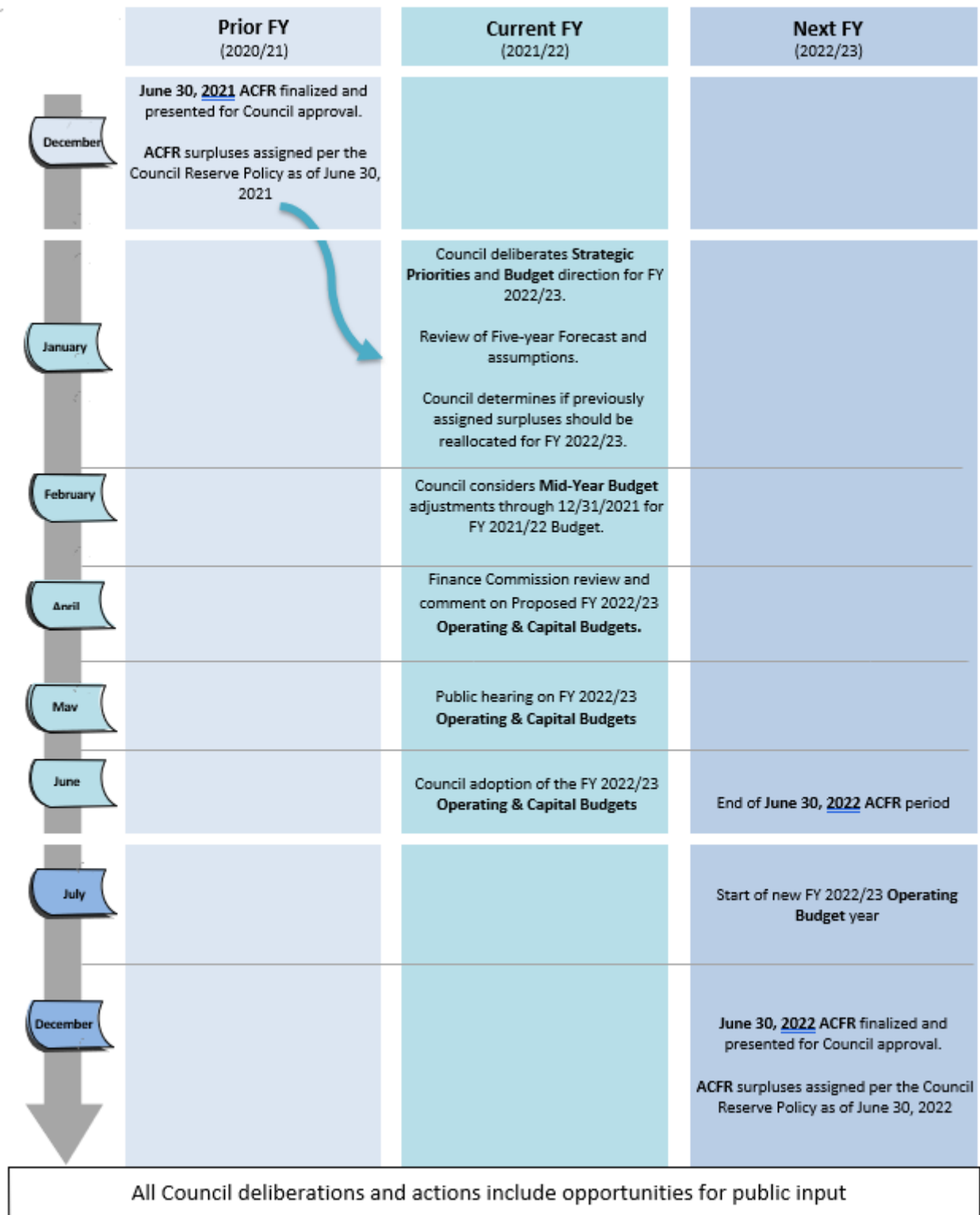
BUDGET CALENDAR

Operating Budget Development Process

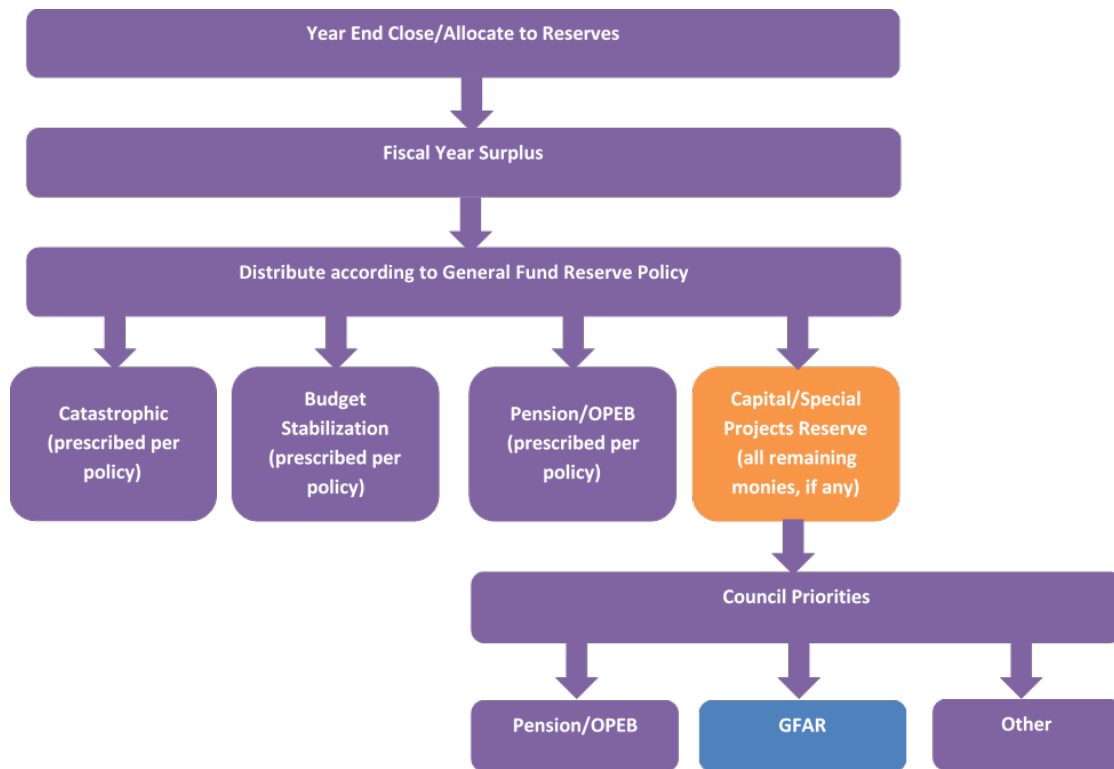
Team-Based Approach: Program budgets & work plans are developed with each Department's Director, Analyst, and Program Manager's oversight and expertise (guided by Town Management & the Finance Department)



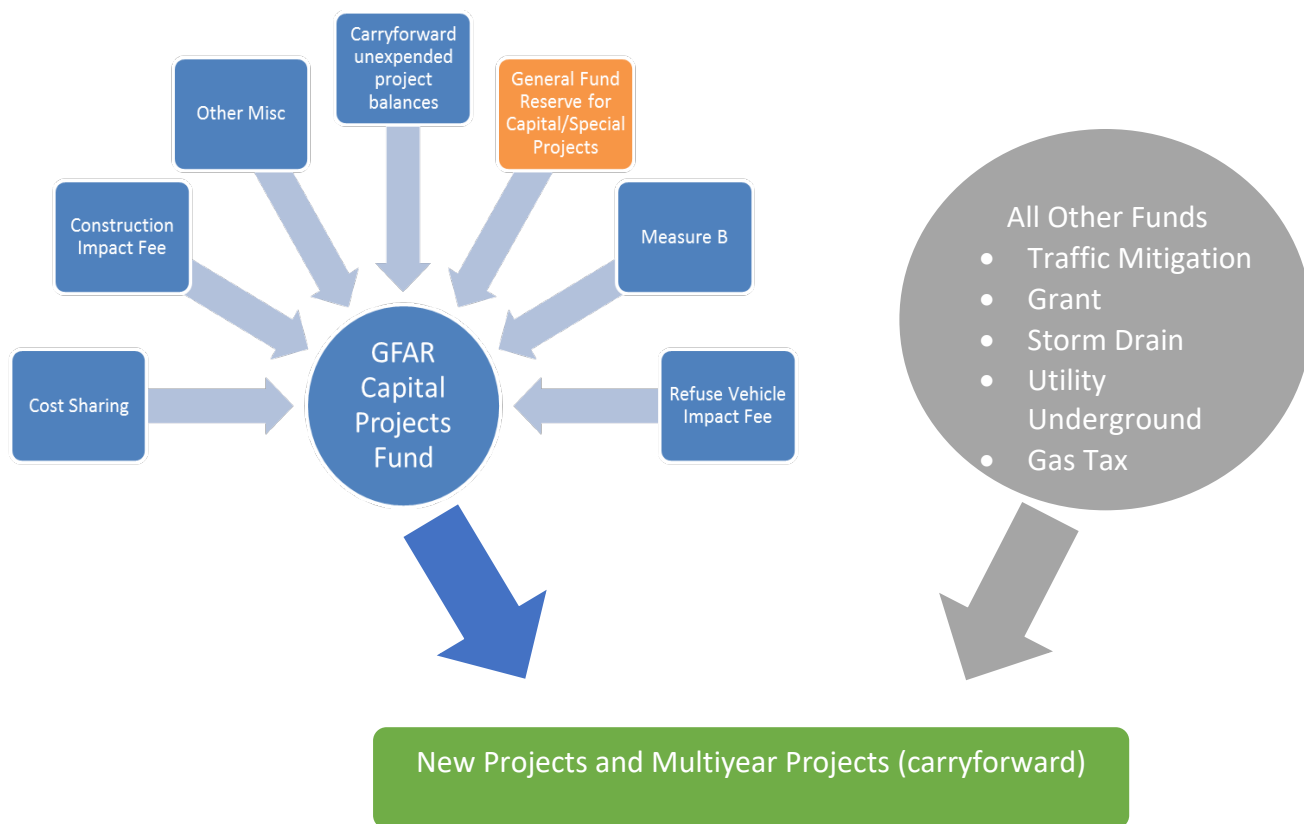
ANNUAL BUDGET/ACFR CYCLE



FISCAL YEAR SURPLUS FLOW OF FUNDS



CAPITAL IMPROVEMENT PROGRAM



GANN APPROPRIATION LIMIT

On November 6, 1979 California voters approved Proposition 4, commonly known as the Gann Spending Limitation Initiative, establishing Article XIII B 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 2022/23:

GANN APPROPRIATION LIMIT

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
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%
2021	43,050,108	1.0037	1.0234	1.0373	45,831,327 *	6.46%
2022	45,831,327	0.9944	0.9919	1.0573	48,186,101	5.14%
2023	48,186,101	0.9931	0.9961	1.0755	51,622,037	7.13%

In addition to the annual inflation and population adjustments, the Appropriations Limit must be adjusted in the event that the financial responsibility for providing services is transferred in whole or in part from one entity of government to another. Whenever financial responsibility for all or some part of a service is transferred between government agencies, the agencies must increase or decrease their limits “by such reasonable amount as the said entities shall mutually agree....” The amounts adjusted should be the same for the two agencies.

The Town of Los Gatos’ appropriation limit for fiscal year 2022/23 is calculated as follows:

FY 2022/23 Calculation

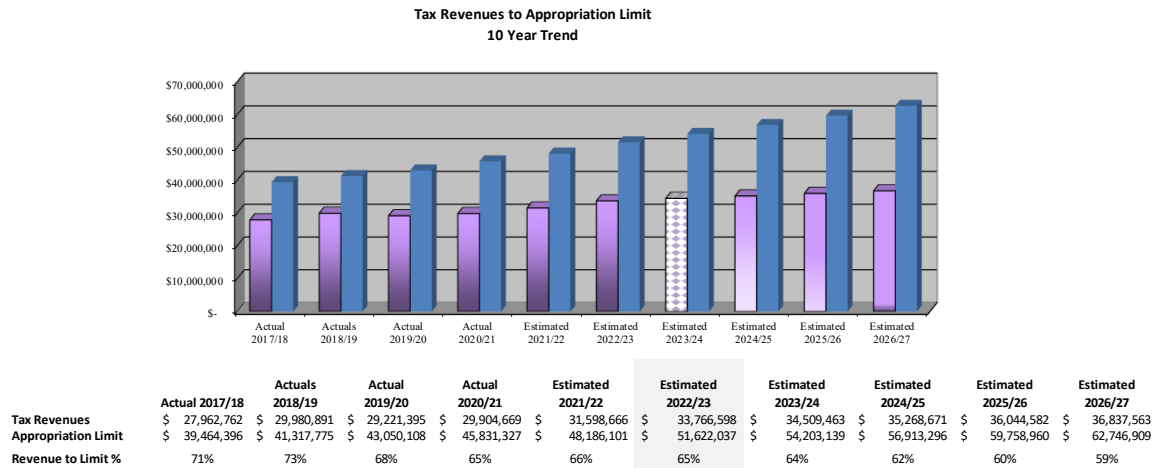
Town Population Factor		Per Capita Income Factor		Appropriation Factor		2021/22 Appropriation Limit		2022/23 Appropriation Limit
0.9961	X	1.0755	=	1.071306	X	\$ 48,186,101	=	\$ 51,622,037

As illustrated above, the total amount of tax revenues appropriated to the Town in FY 2022/23 is not to exceed \$51,622,037. The FY 2022/23 budget anticipates \$33,766,598 in tax revenues. The Town of Los Gatos’ appropriation limit for fiscal year 2022/23 is calculated as follows: which equates to \$17,855,439 less than, or approximately 65% of, the appropriation limit for FY 2022/23. Therefore, the Town’s tax revenues fall substantially below the appropriation limit.

GANN 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.



APPROPRIATION LIMIT ADOPTION

The resolution to adopt the appropriation limit of \$51,622,037 was adopted by Council adoption on June 7, 2022.

GANN APPROPRIATION RESOLUTION

RESOLUTION 2022-034

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS ESTABLISHING THE FY 2022/23 APPROPRIATIONS LIMIT FOR THE TOWN OF LOS GATOS

WHEREAS, Article XIII B 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, in addition to the annual inflation and population adjustments, state law requires the Appropriations Limit to be adjusted in the event that the financial responsibility for providing services is transferred in whole or in part from one entity of government to another; and

THEREFORE, BE IT RESOLVED: that the Annual Appropriations Limit for the Town of Los Gatos for FY 2022/23 is \$51,622,037 as reflected in Exhibit A.

GANN APPROPRIATION RESOLUTION

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California, held on the 7th day of June 2022 by the following vote:

COUNCIL MEMBERS:

AYES: Mary Badame, Matthew Hudes, Maria Ristow, Marico Sayoc, Mayor Rob Rennie
NAYS: None
ABSENT: None
ABSTAIN: None

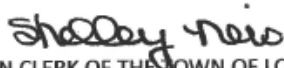
SIGNED:



MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: 6/15/22

ATTEST:



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

DATE: 6/15/2022

GANN APPROPRIATION RESOLUTION

APPROPRIATION LIMIT FACTORS						
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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%
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2023	48,186,101	0.9931	0.9961	1.0755	51,622,037	7.13%

FY 2022/23 Calculation

Town Population Factor		Per Capita Income Factor		Appropriation Factor		2021/23 Appropriation Limit		2022/23 Appropriation Limit
0.9961	X	1.0755	=	1.071306	X	\$48,186,101	=	\$ 51,622,037

Percentage of Appropriation

2022/23 Tax Revenues	2022/23 Appropriation Limit	Percentage of Limit
33,766,598 / \$	51,622,037	= 65%

*FY 2020/21 ending and FY 2021/22 beginning Appropriation Limit includes an adjustment of \$130,503 to address the annexed parcels from Santa Clara County. The Town of Los Gatos increasing its base by \$130,503 while the County of Santa Clara decreasing its base with the same amount.

TOWN OF LOS GATOS

ANNUAL BUDGET RESOLUTION

RESOLUTION 2022-038

**RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS
APPROVING THE FISCAL YEAR (FY) 2022/23 OPERATING BUDGET AND FY 2022/23 –
2026/27 CAPITAL BUDGET; NEW APPROPRIATIONS; OTHER ADJUSTMENTS;
AMERICAN RESCUE PLAN ACT RECOGNITION; EMPLOYEE COMPENSATION ITEMS
CONSIDERED ON JUNE 7, 2022; 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 and Finance Commission a Proposed Operating Budget for FY 2022/23 on April 18, 2022; and

WHEREAS, the Town Manager submitted to the Town Council and Finance Commission a Proposed Five-Year Capital Improvement Program for FY 2022/23 – 2026/27 on April 18, 2022; and

WHEREAS, the Town Council conducted a noticed public hearing on the Proposed Operating Budget and Capital Improvement Program on May 17, 2022; and

WHEREAS, per Measure A, the Town Council has considered and reviewed the Finance Commission written recommendations to the Town Council on the said proposed Budget and Capital Improvement Program during the public hearing on May 17, 2022; and

WHEREAS, per Measures G and A, the Town Council has considered and reviewed the Finance Commission written recommendations to the Town Council regarding the potential allocation of Measure G proceeds during its public hearing on May 17, 2022; and

WHEREAS, the Town Council previously allocated residual unallocated Measure G revenues for budget balancing and \$679,443 will be used to balance the FY 2022/23 budget; and

ANNUAL BUDGET RESOLUTION

WHEREAS, the Town Council has determined the use of Measure G proceeds in the remainder of the forecast (FY 2022/23 - FY 2026/27) to be 50% for operating expenditures and 50% for capital purposes; and

WHEREAS, the estimated FY 2022/23 business license tax revenue increased by \$100,000 based on current trends; and

WHEREAS, the Town Council has determined that to further balance the budget, the Town should reimburse \$902,579 from available Other Post-Employment Benefits (OPEB) 115 Trust assets for retiree pay-as-you go expenses in FY 2022/23.

WHEREAS, the Town Council has determined the use of American Rescue Plan Act (ARPA) for FY 2021/22 and FY 2022/23 as illustrated in Exhibit B entitled "ARPA Worksheet" including the allocation of \$2.9 Million in ARPA proceeds for capital purposes; and

WHEREAS, the Town Council has determined that a portion of the proceeds of the ARPA up to the amount of \$1,645,281 will be used for Revenue Replacement and balancing the FY 2022/23 budget; and

WHEREAS, on June 7, 2022, 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 2022/23 fiscal year as depicted in Exhibit A entitled "Total Town Revenues and Expenditures by Fund" including the first year (FY 2022/23) of the Town's Capital Improvement Program budget as contained in the Town's FY 2022/23 – 2026/27 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, 2022.

ANNUAL BUDGET RESOLUTION

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California, held on the 21st day of June, 2022 by the following vote:

COUNCIL MEMBERS:

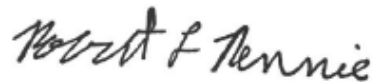
AYES: Mary Badame, Matthew Hudes, Maria Ristow, Marico Sayoc, Mayor Rob Rennie

NAYS: None

ABSENT: None

ABSTAIN: None

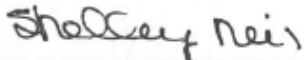
SIGNED:



MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: 6/27/2022

ATTEST:



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

DATE: 6/27/2022

ANNUAL BUDGET RESOLUTION

TOTAL TOWN REVENUES AND EXPENDITURES BY FUND

	2022/23 Proposed Budget	Estimated Budget Revision	2022/23 Recommended Budget
REVENUES			
General Fund	\$48,378,548	\$ 1,626,919 (1)	\$ 50,005,467
Special Revenue Funds	1,775,576	-	1,775,576
Internal Service Funds	4,125,957	-	4,125,957
Capital Project Funds (does not include carryforwards)	12,753,575	2,900,000 (2)	15,653,575
Successor Agency Funds	3,799,926	-	3,799,926
TOTAL REVENUES	\$70,833,582	\$ 4,526,919	\$ 75,360,501
OTHER FUNDING SOURCES			
Designated One-Time Use of General Fund Reserves	2,350,000	\$ 679,443	3,029,443 (3)
TOTAL TOWN REVENUES & OTHER FUNDING SOURCES	\$73,183,582	\$ 5,206,362	\$ 78,389,944
TOTAL TOWN EXPENDITURES, TRANSFERS OUT & CARRYFORWARD APPROPRIATION			
General Fund	\$50,338,548	\$ 2,306,362 (4)	\$ 52,644,910
Special Revenue Funds	1,705,178	12,246 (4)	1,717,424
Internal Service Funds	6,427,499	-	6,427,499
Capital Project Funds (does not include carryforwards)	13,081,287	2,900,000 (2)	15,981,287
Successor Agency Funds	3,799,752	125 (4)	3,799,877
TOTAL TOWN EXPENDITURE & OTHER FUNDING USES	\$75,352,264	\$ 5,218,733	\$ 80,570,997
GENERAL FUND SOURCE(USE) OF FUND BALANCES	\$ 390,000		\$ 390,000
OTHER FUNDS SOURCE(USE) OF FUND BALANCES	(2,558,682)		(2,571,053) (5)
TOTAL SOURCE(USE) OF FUND BALANCES	\$ (2,168,682)	\$ (12,371)	\$ (2,181,053)

(1) Additional General Fund Revenues

*\$902,579 OPEB Trust Reimbursement for Retiree Medical
\$624,340 Additional ARPA Proceeds for Revenue Replacement
\$100,000 Additional Business License Tax*

(2) Additional Transfer to Capital Projects (GFAR)

\$2,900,000 General Fund Reimbursement Revenues (ARPA)

(3) Designated One-Time Use of the General Fund Reserves during FY 2022/23

\$2,350,000 - Transfer to Capital Projects (GFAR)

\$679,443 - Measure G Residual for Operation

(4) General fund Expenditures

\$2,318,733 - Increases to Negotiated Salary Increases

(5) 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.

Numbers may differ between exhibits due to rounding.

EXHIBIT A

ANNUAL BUDGET RESOLUTION

AMERICAN RESCUE PLAN ACT (ARPA) SUMMARY WORKSHEET					
	FY 2020/21	FY 2021/22	FY 2022/23	GRAND	
	BUDGET ADJ.				
	ACTUALS	ACTUAL/ESTIMATED	ESTIMATED	TOTAL	
ARPA FUNDS REVENUE RECOGNIZED	\$ 200,911	\$ 3,413,961	\$ 3,614,872	\$ 7,229,744	
GOV SERVICES (WAIVERS,CUP&ADA,DIRECT GRANTS)	200,911	3,413,961	3,614,872	200,911	
REVENUE LOSS -GOV SERVICES (PUBLIC SAFETY)	\$ 200,911	\$ 3,413,961	\$ 3,614,872	\$ 7,028,833	
GENERAL FUND ARPA REPLACEMENT REVENUES AVAILABLE	200,911	3,413,961	3,614,872	7,229,744	
LESS APPROVED USES TO BE BUDGETED:					
PARKLETS (DOWNTOWN IMPVTS PROJECT)		680,000	250,000	930,000	
RENT WAIVERS	121,255	341,452	283,756	746,463	
CUP/ADA FEE WAIVERS	19,656	27,672	27,672	75,000	
DESTINATION MARKETING		55,000		55,000	
K-RAILS (DOWNTOWN IMPVTS PROJECT)		68,000		68,000	
PROMENADES		80,000	120,000	200,000	
DIRECT GRANTS	60,000	50,000		110,000	
ENHANCED SENIOR SERVICES		500,000		500,000	
CAPITAL IMPROVEMENT PROGRAM SUPPORT TRANSFERS			2,900,000	2,900,000	
REQUIRED FOR GF BALANCING OF OPERATING REV_EXP	-		1,645,281	1,645,281	
TOTAL ALLOCATIONS OF GENERAL FUND ARPA REPLACEMENT REVENUES	\$ 200,911	\$ 1,802,124	\$ 5,226,709	\$ 7,229,744	
GENERAL FUND ARPA REPLACEMENT REVENUE UNCOMMITTED	\$ -	\$ 1,611,837	\$ (1,611,837)	\$ -	

EXHIBIT B

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

Historically innovation-based economies like Silicon Valley have benefited from the constant change of technological advances and globalization. Silicon Valley's unique mix of talent, technology, and capital have often translated into a genuine comparative advantage nationally. These factors propelled the region out of previous recessions with patterns of growth typically outperforming the nation. However, the unprecedented challenges associated with the COVID-19 pandemic have forced communities across the nation to address public health driven economic impacts never witnessed in our lifetimes.



Los Gatos has a diverse economic base of office, high tech, light industry, retail, and restaurants. As online demand for retail and services has increased, the Town continues to offer commercial office space, high quality dining, experiential retail, and service-based businesses. The Town's historic downtown is a draw for residents and visitors alike.

Unlike other economic barometers, Silicon Valley home sales and valuations remained strong during the pandemic, trending well above the national average. Los Gatos property values reflected that strength and are among some of the highest in the State, confirming that the Town continues to be a highly desired location.

The FY 2022/23 Budget currently anticipates no significant new programming and does maintain existing service with modest staffing additions. This Budget also provides for limited, continued strategic investments toward important wildfire vegetation management as Federal grant funding allows and other necessary infrastructure improvements, as the pandemic is not the only threat to our community's health and safety.

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 a dynamic 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

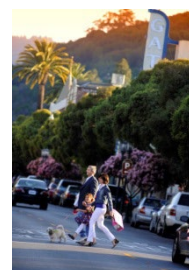


The Town of Los Gatos is a welcoming, family-oriented, and safe community nestled in the beautiful foothills of the Santa Cruz Mountains. The Town is a sustainable community that takes pride in its small-town character and provides a range of housing opportunities, historic neighborhoods, local culture and arts, excellent schools, and a lively and accessible downtown. Los Gatos offers a choice of mobility options, superior public facilities and services, and an open and responsive local government that is fiscally sound. Los Gatos has a dynamic and thriving economy that includes a mix of businesses throughout Town that serves all residents, workers and visitors.

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 appreciation for Los Gatos. 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 and bicycle friendly 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	22,051
Form of Government	Council Manager
Town Employee/Resident Ratio	1:196

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

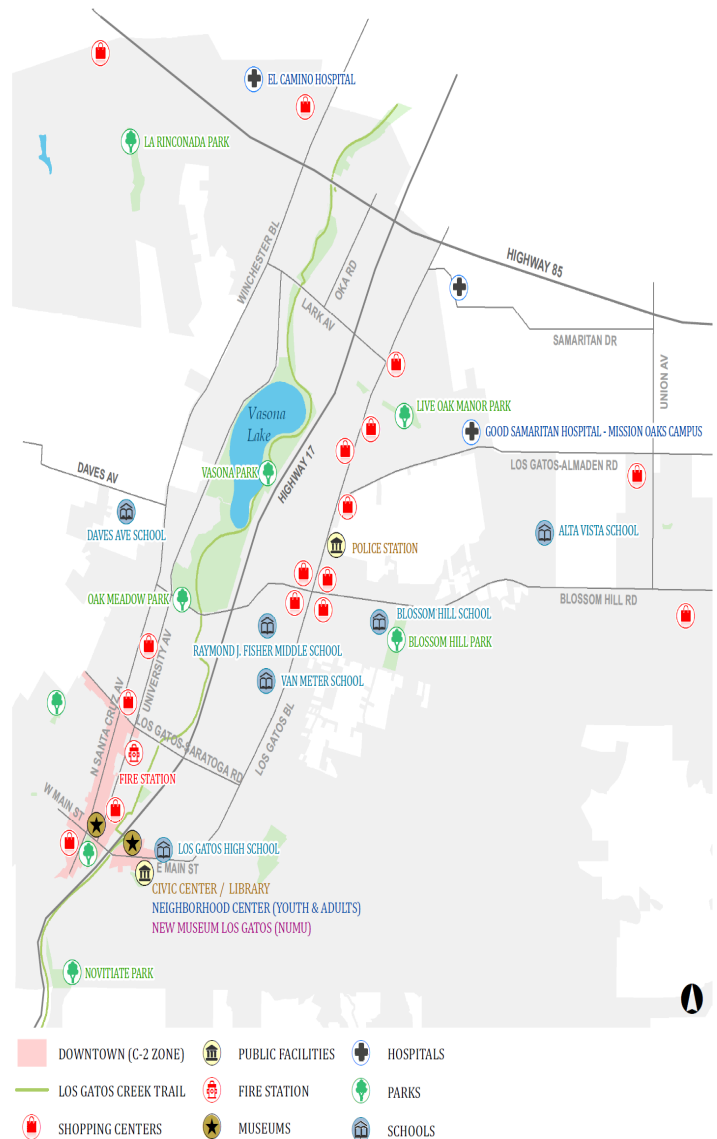
Good Samaritan Hospital - Mission Oaks Campus
 El Camino Hospital

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

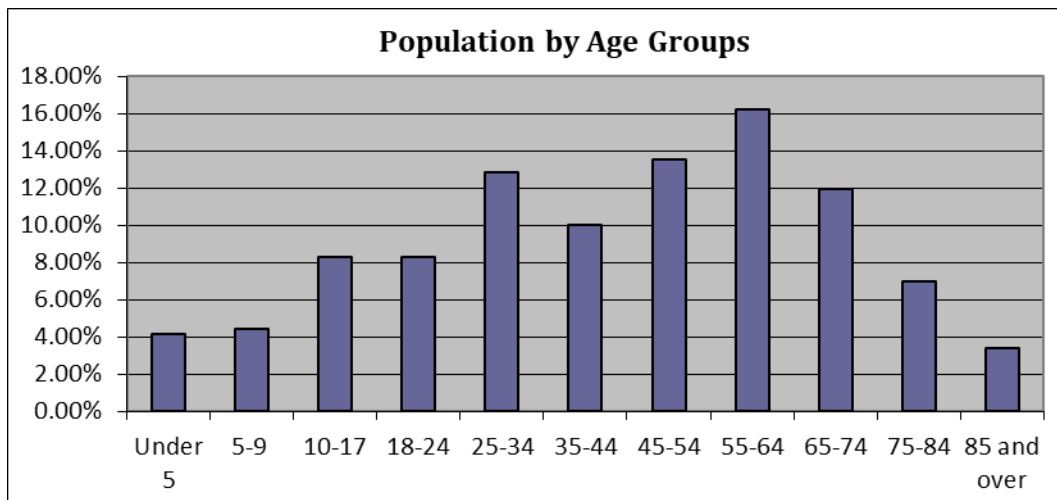
Average Sunny Days 330 per year

Average precipitation 23.08 inches

Annual snowfall 0.00 inches

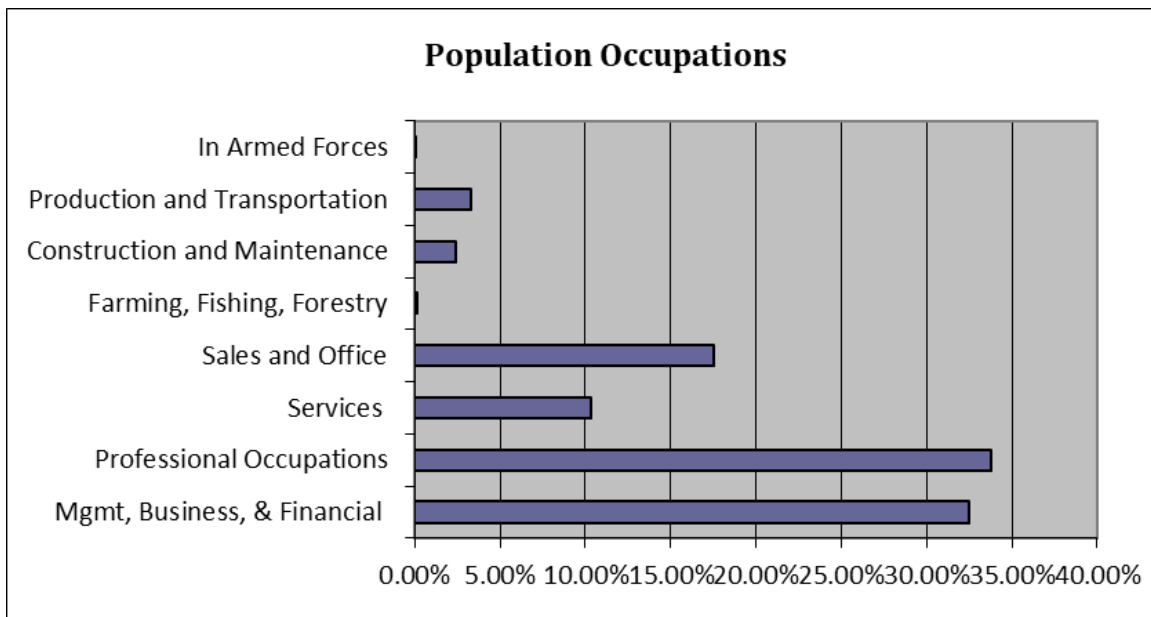
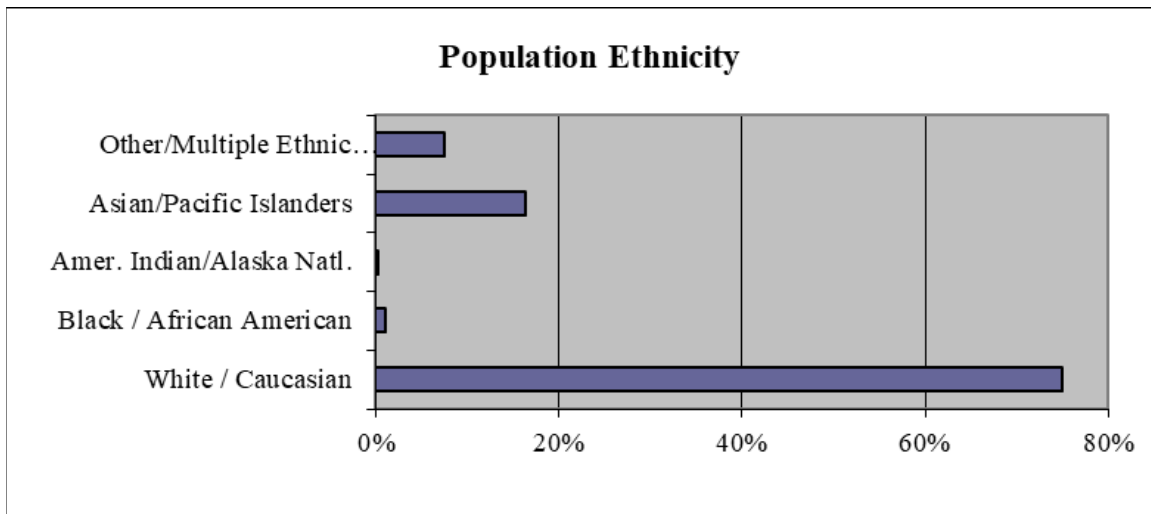
POPULATION:

1990 Census	28,013
2000 Census	28,523
2010 Census	29,413
2022 Estimates	30,062
State Ranking in Population	226 of 482



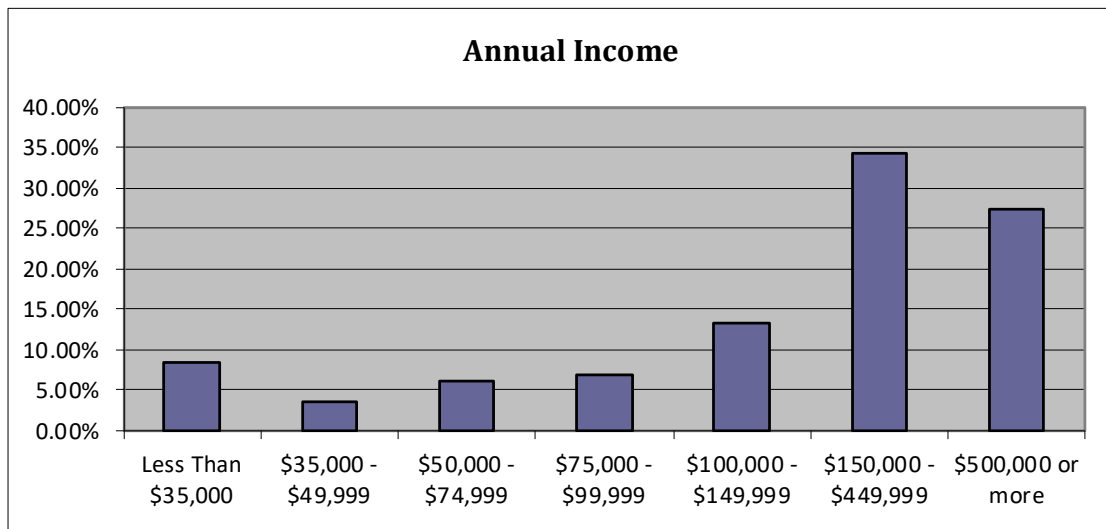
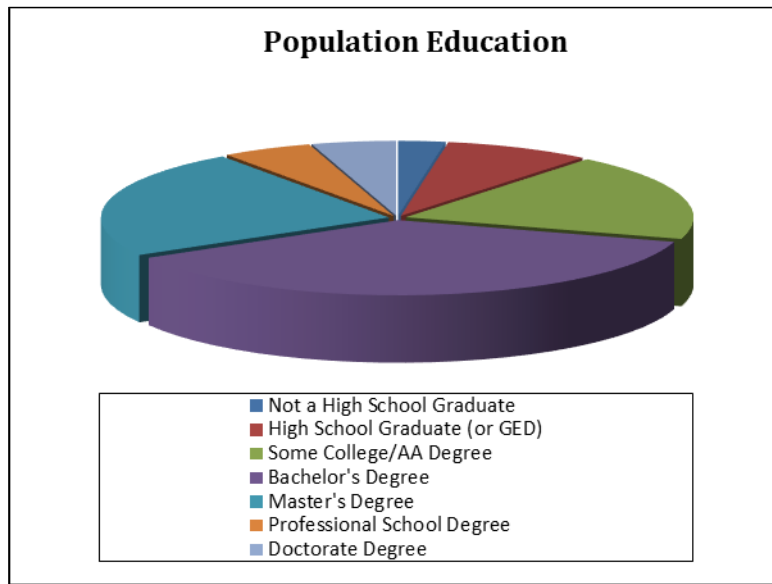
Note: Demographic figures obtained from State of California and Claritas LLC

Town of Los Gatos Statistics



Note: Demographic figures obtained from State of California and Claritas LLC

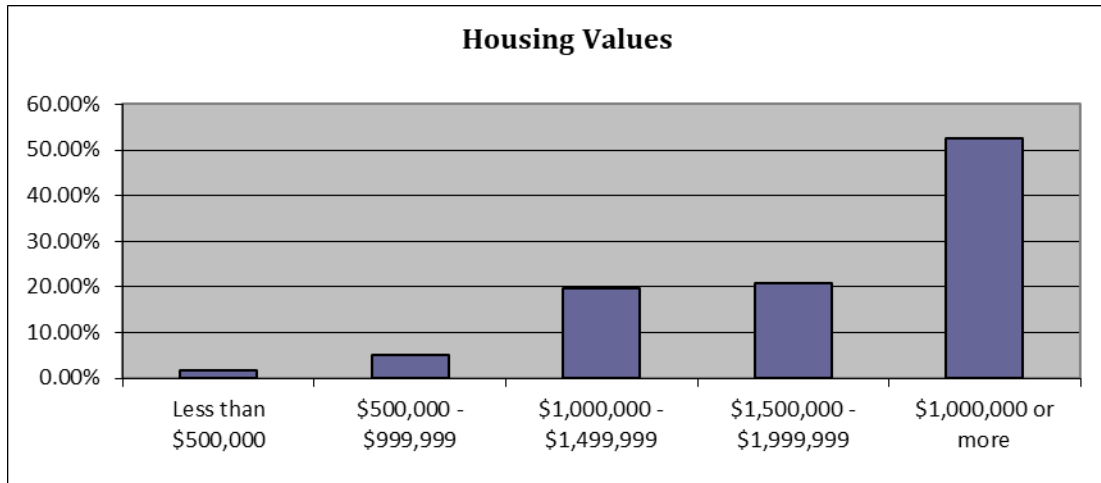
Town of Los Gatos Statistics



Note: Demographic figures obtained from State of California and Claritas LLC

Town of Los Gatos Statistics

Housing Units	Units	Percentage
Owner Occupied	8,393	64.0%
Renter Occupied	4,730	36.1%
Total Housing Units	13,123	100%



Note: Demographic figures obtained from State of California and Claritas LLC

Economic Factors

FY 2021/22 Twenty Local Secured Taxpayers

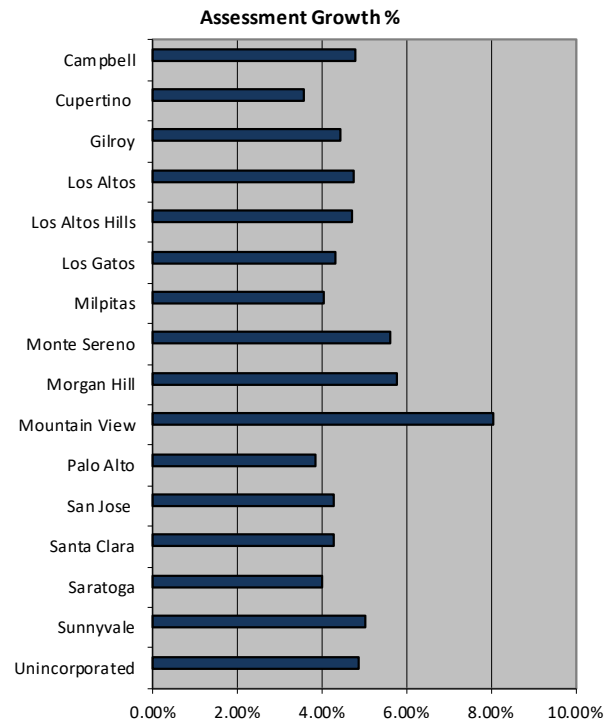
Property Owner	Land Use	Assessed Value	% of Total (1)
Serramonte Corporate Center LLC	Business Park	\$ 211,123,540	1.38%
SI 32 LLC	Apartments	158,132,236	1.04%
Wealthcap Los Gatos 121	Business Park	119,316,793	0.78%
Preylock Los Gatos LLC	Business Park	96,873,316	0.64%
Summerhill N40 LLC	Residential Development	59,462,462	0.39%
Donahue Schriber Realty Group LP	Shopping Center	59,255,121	0.39%
Knowles Los Gatos LLC	Industrial	54,592,229	0.36%
San Jose Water Works	Water Company	53,320,614	0.35%
El Camino Hospital	Medical Buildings	50,456,560	0.33%
Sobrato Interests IV LLC	Apartments	46,155,127	0.30%
140 Toll House IV LLC	Hotel	35,499,104	0.23%
SRI Old Town LLC	Shopping Center	35,246,406	0.23%
SF Los Gatos LLC	Hotel	33,214,527	0.22%
KSL Capital Partners	Athletic Club	33,037,818	0.22%
International Hotel	Hotel	27,471,495	0.18%
Kay K. & Go Sasaki Sr., Trustee	Apartments	27,231,335	0.18%
750 University LLC	Office Building	27,064,374	0.18%
Equestrian 3 Investments LLC	Office Building	26,306,130	0.17%
Alberto Way Holdings LLC	Office Building	24,896,799	0.16%
Good Samaritan Hospital LP	Hospital	24,111,608	0.16%
		<u>\$ 1,202,767,594</u>	<u>7.89%</u>

Economic Factors

Santa Clara County Assessment Roll Growth by City			
(Values in \$Billions*)			
Santa Clara County Cities	Total Roll 2021	Total Roll 2020	Percent Growth**
Campbell	\$ 12.37	\$ 11.81	4.78%
Cupertino	28.81	27.82	3.55%
Gilroy	10.27	9.83	4.45%
Los Altos	18.83	17.97	4.73%
Los Altos Hills	9.33	8.91	4.71%
Los Gatos	15.55	14.91	4.33%
Milpitas	22.35	21.48	4.04%
Monte Sereno	2.57	2.43	5.63%
Morgan Hill	11.48	10.85	5.75%
Mountain View	37.58	34.78	8.06%
Palo Alto	44.03	42.39	3.85%
San Jose	215.86	206.99	4.28%
Santa Clara	52.26	50.12	4.28%
Saratoga	17.54	16.87	4.00%
Sunnyvale	57.58	54.83	5.02%
Unincorporated	20.50	19.55	4.88%
TOTALS	\$ 576.91	\$ 551.54	4.60%

*Net of nonreimbursable exemptions

**Percentage based on non-rounded values



Source: Santa Clara County's Office of the County Assessor 2021/22 Annual Report

Major Employers

Organization	Product/Services	Employees
Netflix	Internet Services	2278
El Camino Hospital, Los Gatos	Health Industry	517
Courtside Tennis Club*	Leisure/Recreation	542
Los Gatos -Saratoga Union High School District*	Education	320
Safeway (3 locations)	Food Industry	314
Los Gatos Elementary School District	Education	281
Vasona Creek Health Care Ctr*	Health Industry	250
Terraces of Los Gatos	Health Industry	200
Good Samaritan Regional Cancer Center	Health Industry	200
Whole Foods Market*	Food Industry	180
Town of Los Gatos*	Town Government	165

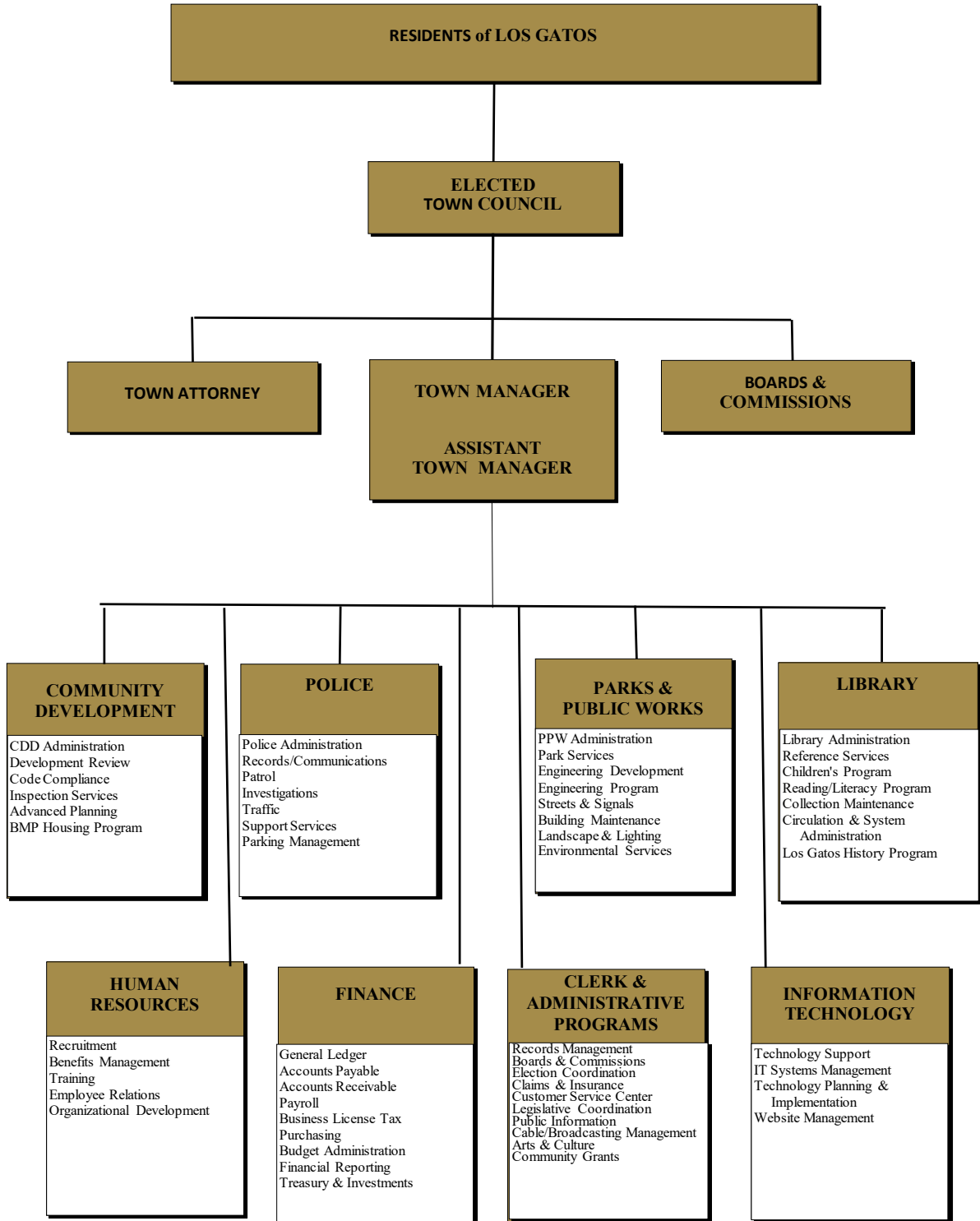
*Includes full and part time employees

Source: MuniServices, LLC and Staff direct correspondence with Town's local businesses.
Latest data available at the time of publication.

Town Management

Town Manager Laurel Prevetti
Assistant Town Manager Arn Andrews
Town Attorney Gabriella Wheelan
Chief of Police Jamie Field
Community Development Director Joel Paulson
Interim Parks and Public Works Director Timm Borden
Library Director Ryan Baker
Finance Director Stephen Conway
Human Resources Director Salina Flores

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.

Building Board of Appeals

Hears appeals of Building regulations.

Community Health 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.

Complete Streets and Transportation Commission

Provides input and suggestions into the development of safe and effective transportation and mobility options for all modes throughout the Town of Los Gatos.

Conceptual Development Advisory Committee

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

Finance Commission

The Finance Commission is advisory to the Town Council on financial, budgetary, and investment matters. The Commission reviews and makes recommendations to the Town Council regarding the Town's Operating and Capital Budgets, Annual Financial Report, financial policies, use of the Town's dedicated Sales tax revenue, new revenue opportunities, cost recovery fee structure, and other topics.

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.

Senior Services Committee

Advises the Town Council on the needs of Seniors through the preparation of a roadmap and recommendations for implementation.

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.

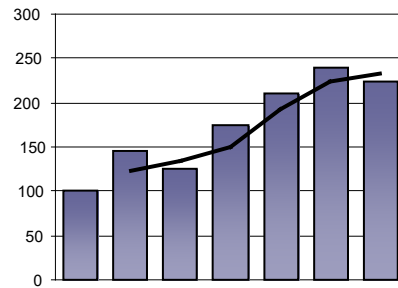
Youth Commission

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 – 8
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 – 20

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 – 22
General Fund Expenditures – by Department.....	C – 23
General Fund Revenues – by Category.....	C – 24
General Fund Expenditures – by Category	C – 26
General Fund Tax Revenues per Capita – Cities of Santa Clara County	C – 28
General Fund Tax Revenues – 10 Year History of Key Tax Revenues	C – 29
General Fund – Fund Balance Activity.....	C – 30

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 – 32

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 – 33
5 Year Comparative Fund Balance – by Fund	C – 35

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 – 37
Department Expenditures – by Program	C – 39

In-Kind Donations

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

In-Kind Donations	C – 41

Fee-Related Projects List

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

Fee-Related Projects List	C – 42

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 – 44
Summary of FTEs by Department	C – 45
5 Year History of Funded Positions by Department	C – 46
Summary of Personnel Changes	C – 47
Positions by Home Department	C – 51

TOTAL BUDGETED FUND ACTIVITY SUMMARY FY 2022/23

	Estimated Fund Balance 7/1/2022	Revenues, Prior Year Carryfwd & Transfers	Expenditures, Prior Year Carryfwd & Transfers	Estimated Fund Balance 6/30/2023	Fund Balance Change From Prior Year
Operating Funds					
Governmental Funds					
General Fund*	\$ 22,132,830	\$ 50,005,467	\$ 52,644,910	\$ 19,493,387	-11.9% (1)
Housing Conservation Program Fund	177,241	-	-	177,241	0.0%
Community Dev Block Grant Fund	(10,587)	-	-	(10,587)	0.0%
Urban Run-Off Source Fund	416,611	359,950	190,911	585,650	40.6% (2)
Blackwell Assessment District Fund	13,657	3,210	11,138	5,729	-58.1% (3)
Kennedy Assessment District Fund	22,101	10,605	18,920	13,786	-37.6%
Gemini Assessment District Fund	36,407	4,750	12,758	28,399	-22.0% (3)
Santa Rosa Assessment District Fund	35,352	-	20,617	14,735	-58.3% (3)
Vasona Assessment District Fund	37,652	10,075	17,150	30,577	-18.8% (3)
Hillbrook Assessment District Fund	23,804	6,040	19,979	9,865	-58.6% (3)
ARPA	-	1,304,696	1,304,696	-	0.0%
Library Trust Fund	82,598	70,500	95,000	58,098	-29.7% (3)
Ness Bequest Trust Fund	22,189	250	20,755	1,684	-92.4% (3)
Betty McClendon Trust Fund	88,005	1,000	1,000	88,005	0.0%
Barbara J Cassin Trust Fund	361,735	4,500	4,500	361,735	0.0%
Proprietary Funds - Internal Service Funds					
Liability Self-Insurance Fund	638,860	429,249	846,940	221,169	-65.4% (4)
Worker's Comp Self-Insurance Fund	818,420	1,033,315	1,840,000	11,735	-98.6% (4)
Information Technology Fund	2,793,817	714,309	1,683,975	1,824,151	-34.7% (5)
Equipment Replacement Fund	1,657,006	686,837	816,240	1,527,603	-7.8% (5)
Facilities Maintenance Fund	102,962	1,262,247	1,240,344	124,865	21.3% (3)
Total Operating Funds	\$ 29,450,660	\$ 55,907,000	\$ 60,789,833	\$ 24,567,827	-16.6%
Capital Funds					
GFAR*	\$ 14,273,601	\$ 8,455,275	\$ 9,400,555	\$ 13,328,321	-6.6%
Grant Funded CIP Projects Fund	(3,689,292)	5,437,041	4,967,041	(3,219,292)	12.7%
Storm Drain #1 Fund	1,135,466	49,680	-	1,185,146	4.4%
Storm Drain #2 Fund	2,090,579	54,520	-	2,145,099	2.6%
Storm Drain #3 Fund	(155,453)	880	-	(154,573)	0.6% (3)
Traffic Mitigation Fund	381,319	-	10,000	371,319	-2.6%
Construction Tax-Undergrounding Fund	3,257,936	52,490	-	3,310,426	1.6% (3)
Gas Tax Fund	1,898,590	1,603,689	1,603,689	1,898,590	0.0% (3)
Total Capital Projects Funds	\$ 19,192,746	\$ 15,653,575	\$ 15,981,285	\$ 18,865,036	-1.7%
Successor Agency to the Los Gatos RDA Fund					
SA- Trust Fund (Budgetary Fund Balance)	\$ 4,080,130	\$ 3,799,926	\$ 3,799,877	\$ 4,080,179	0.0%
Total Successor Agency of the Los Gatos RDA Fund	\$ 4,080,130	\$ 3,799,926	\$ 3,799,877	\$ 4,080,179	0.0%
TOTAL ALL FUNDS	\$ 52,723,536	\$ 75,360,501	\$ 80,570,995	\$ 47,513,042	-9.9%

* Major Funds

(1) One-time use of General Fund Capital Reserve for authorized capital projects and other priorities and anticipated ARPA funding

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

(3) One-time Capital Project budgeted for FY 2022/23

(4) Based on estimated claims and insurance premium activity

(5) Equipment Replacement and Information Technology Fund reflects acquisition activities for FY 2022/23

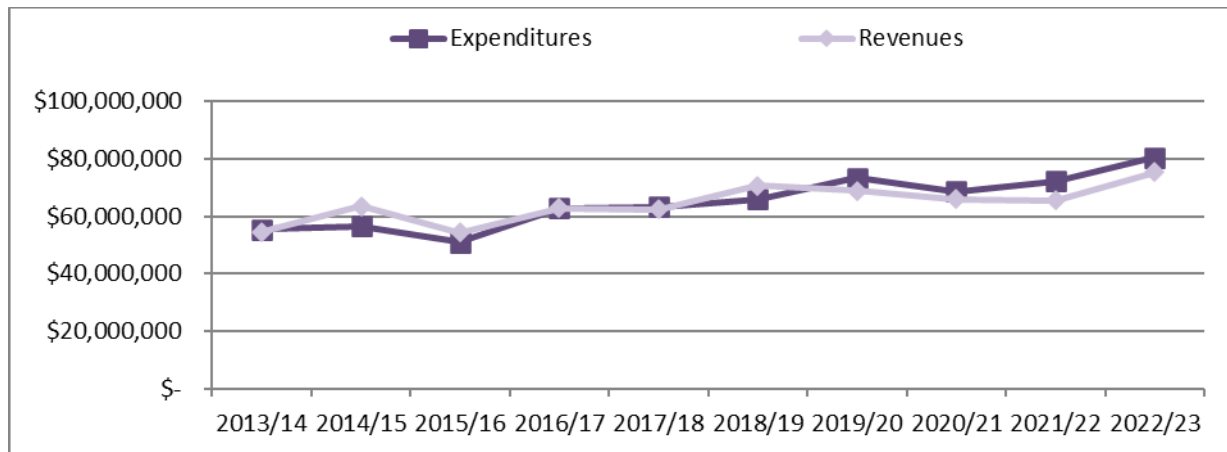
This Total Budgeted Fund Activity Summary schedule groups the Town's funds into three categories based on fund purpose:

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. The Library Trusts are held for special uses for the Library.

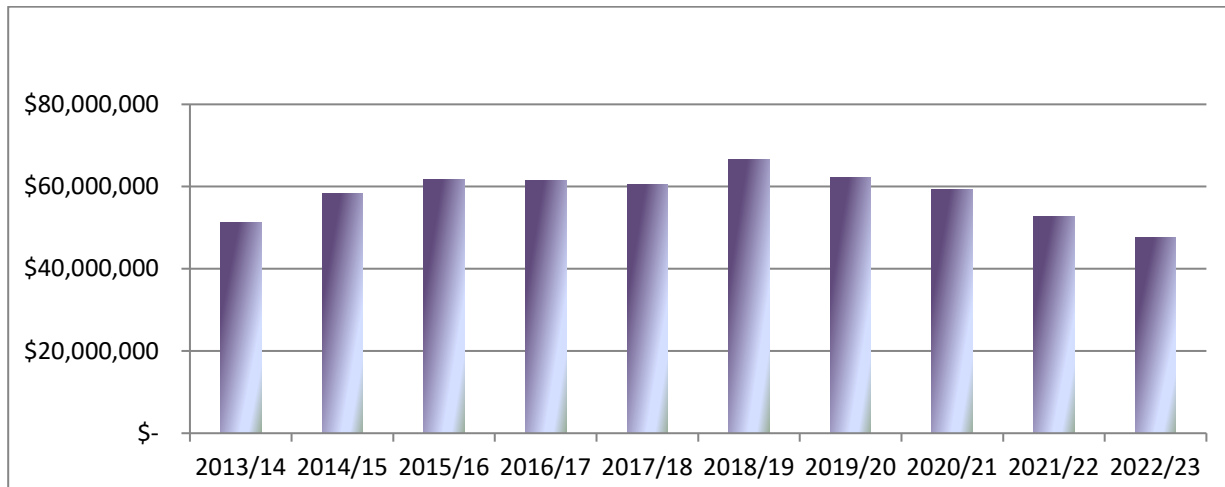
Fiduciary Funds - These funds include Trust funds and are held in a fiduciary capacity, with little variation in activity. RDA Successor Agency Private Purpose Trust Fund is established to account for the assets and liabilities transferred from the dissolution of the Town's former Redevelopment Agency (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



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/OPEB Trust Funds.

<u>Year End</u>	<u>Reference</u>	<u>Revenues & Transfers In</u>	<u>Expenditures & Transfers Out</u>	<u>Designated Fund Balance</u>
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	\$ 62,873,000	\$ 62,912,316	\$ 61,562,435
2017/18	Actuals	\$ 62,358,798	\$ 63,386,198	\$ 60,535,055
2018/19	Actuals	\$ 70,675,272	\$ 65,949,701	\$ 66,467,476
2019/20	Actuals	\$ 68,958,311	\$ 73,327,492	\$ 62,098,295
2020/21	Actuals	\$ 65,930,887	\$ 68,699,265	\$ 59,329,917
2021/22	Estimated	\$ 65,521,492	\$ 72,127,873	\$ 52,723,536
2022/23	Proposed	\$ 75,360,501	\$ 80,570,997	\$ 47,513,040

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. In addition, the Town has addressed the myriad issues associated with the pandemic since March 2020. Fortunately, the Town's pattern of proactive and prudent fiscal management of slowing operating expenditures, identifying incremental revenue enhancements, and implementing operating efficiencies over the years has helped the Town weather the multi-year impacts of the pandemic driven economic dislocation.

The FY 2022/23 operating budget is a balanced budget primarily through the use of one-time resources, including residual Measure G balance, Other Post Employment (OPEB) 115 Trust reimbursement funds retiree pay-go medical payments directly, and proceeds from the federal government (specifically from American Rescue Plan Act or ARPA) also contributed to a balanced budget. While this federal relief is welcome news, going forward maintaining balanced budgets and investing in our infrastructure will require a return to pre-pandemic revenue levels and/or identifying new revenue sources to maintain the high level of services Los Gatos residents, businesses, and visitors expect.

The adopted Budget addresses the Council identified Strategic Priorities and considers other areas of importance to our community, the Council, and the Town organization. The adopted Budget also acknowledges the economic realities associated with the global COVID-19 pandemic and other unforeseen budgetary impacts. 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; and fostering emergency preparedness and community wildfire resilience.

In terms of capital projects, the Town Council affirmed its interest in investing in bicycle and pedestrian improvements and implementing elements of the Comprehensive Parking Study. In addition to capital projects, the Council identified new policy priorities which include engaging our senior community and implementing diversity, equity and inclusion efforts.

Other Strategic Priorities will position the Town well for its future. The Council reaffirmed its commit to exploring new revenue opportunities. 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 and address environmental sustainability and climate resiliency. Other Priorities included continuing to enhance economic and community vitality and completing the Housing Element. As the Town emerges from the economic upheaval of the pandemic, the significance of building back stronger will position the Town well for the future.

Specific trends affecting the fund balance forecast include:

REVENUES

The FY 2022/23 Budget incorporates the waning impacts of the COVID-19 pandemic and the subsequent economic disruption with the General Fund revenues (excluding debt payments, restricted pension trust activity, anticipated ARPA proceeds, OPEB 115 Trust reimbursement, and fund transfers in) expected to increase by \$0.9 million to \$41.5 million from prior adjusted budgeted revenues. 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, patterns, and industry research. The net increase in overall revenues is mostly due to forecasted increases in some revenues such as property tax, sales tax, and transient occupancy tax (TOT). It is important to note that projected Sales Tax revenue is just now returning to FY 2018/19 levels and TOT revenue projections are still \$1.0 million below FY 2018/19 levels. Licenses and permit revenues are expected to decrease. 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.

TOTAL TOWN

REVENUE, EXPENDITURE, AND FUND BALANCE TREND INFORMATION

EXPENDITURES

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 44.2% of the Town's total expenditures in FY 2022/23 (and 67.5% 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 a regional Consumer Price Index (CPI) of 3.2%, 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 in 2018; a 3% increase in 2019 for all non-sworn employees and a 4% increase for sworn; 1% across the board salary increase and 2% non-PERSable cash bonus for all three bargaining units, management, and confidential in 2020; and a 2% across the board salary increase for two bargaining units, management, and confidential in 2021. Town and its employee bargaining groups renewed agreements until 6/30/2024. The first year of the agreements includes one-time non-PERSable bonuses, a combined market adjustments and cost of living adjustments for sworn (7.25%), TEA (8%), AFSCME (7.5%), and the non-represented confidential (8%) and temporary (8%) classifications, while non-represented management group incorporated 3% salary increases. The second year of the agreement includes a 3% across the board salary increase for all three bargaining units, management, and confidential and temporary classifications. It should be noted that the Town's bargaining agreements have tended to trail inflation as measured by the Bureau of Labor Statistics CPI for the Consolidated Metropolitan Statistical Area covering the bay area.

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 IRS 115 Pension Trust is administered by the Town Pension and OPEB Trusts Oversight Committee.

The Town also provides a retiree 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. Retiree 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 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.

TOTAL TOWN

REVENUE, EXPENDITURE, AND FUND BALANCE TREND INFORMATION

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 is 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. According to the 2020 actuarial valuations, the unfunded actuarial liability for pensions was \$61.8 million and \$5.5 million for OPEB as of June 30, 2021.

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 to date. As such, the Town's employer pension contributions are expected to continue to increase. The Town's employer contribution rate will increase from 62.94% in FY 2021/22 to 69.44% in FY 2022/23 for classic sworn employees. For all other employees, the rate will decrease from 33.543% in FY 2021/22 to 29.92% in FY 2022/23. 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 decrease from 15.74% in FY 2021/22 to 14.62% in FY 2022/23 for PEPRA sworn employees.

To address the escalation in pension costs, previous Councils have allocated additional discretionary pension funding totaling \$10.4 million. These additional discretionary payments will ultimately yield an approximate additional \$12.7 million in contribution savings. In addition to the management of the Town's pension obligations, prior Councils have worked to curb cost escalation in Other Post-Employment Benefits (OPEB). In 2009, the Town initiated prefunding of the retiree healthcare benefit and has since established approximately \$26.2 million in OPEB assets from zero in 2009.

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.

TOTAL TOWN
REVENUES AND EXPENDITURES

GENERAL FUND

	GENERAL FUND				
	2018/19	2019/20	2020/21	2021/22	2022/23
	Actuals	Actuals	Actuals	Estimated	Adopted
REVENUES					
Property Tax	\$ 13,636,099	\$ 14,454,513	\$ 15,826,162	\$ 15,908,858	\$ 16,551,544
VLF Backfill	3,685,247	3,875,914	4,052,672	4,229,462	4,356,350
Sales & Use Tax	7,930,021	6,535,034	6,794,218	7,497,873	7,934,189
Measure G - District Sales Tax	228,131	996,391	1,139,386	1,173,733	1,240,755
Franchise Fees	2,475,916	2,495,792	2,499,463	2,435,800	2,493,870
Transient Occupancy Tax	2,692,043	1,869,685	1,044,820	1,475,000	1,642,460
Other Taxes	1,526,894	1,357,080	1,386,943	1,425,000	1,387,500
Licenses & Permits	3,059,894	2,696,457	2,999,711	3,065,997	2,757,029
Intergovernmental	945,191	1,104,075	1,573,697	1,130,125	1,051,814
Town Services	4,648,904	4,447,213	4,835,962	4,295,407	4,235,261
Internal Svc Reimbursement	-	-	-	-	-
Fines & Forfeitures	510,266	271,117	103,467	218,120	201,750
Interest	1,682,347	2,266,134	96,061	441,233	432,947
Other Sources	6,093,211	1,381,187	2,217,072	1,140,853	3,287,749
Debt Service Reimbursement	1,909,073	1,905,024	1,908,494	1,899,850	1,893,713
Transfers In	1,578,911	599,669	1,833,218	633,352	538,536
TOTAL REVENUES	\$ 52,602,148	\$ 46,255,285	\$ 48,311,346	\$ 46,970,663	\$ 50,005,467
EXPENDITURES					
Salaries & Benefits	\$ 26,803,225	\$ 28,933,568	\$ 30,297,504	\$ 30,160,568	\$ 35,472,825
Operating Expenditures	11,955,327	13,397,031	14,276,602	9,849,151	9,318,742
Grants & Awards	248,533	274,249	298,303	800,000	241,000
Fixed Assets	38,307	138,384	2,365	-	-
Interest	-	-	52,011	-	-
Internal Service Charges	2,527,470	2,188,211	2,314,305	2,619,672	2,711,652
Capital Projects	-	-	-	-	-
Capital Acquisitions	-	-	-	-	-
Debt Service	1,909,073	1,905,024	1,908,494	1,899,850	1,893,713
Transfers Out	2,785,220	8,053,847	4,582,641	3,423,211	3,006,978
TOTAL EXPENDITURES	\$ 46,267,155	\$ 54,890,314	\$ 53,732,225	\$ 48,752,452	\$ 52,644,910
Net Increase (Decrease)	6,334,993	(8,635,029)	(5,420,879)	(1,781,789)	(2,639,443)
Beginning Fund Balance	31,635,533	37,970,526	29,335,497	23,914,618	22,132,829
Ending Fund Balance	\$ 37,970,526	\$ 29,335,497	\$ 23,914,618	\$ 22,132,829	\$ 19,493,386

* Year End Fund Balance represents General Fund 111 (Long Term Compensated Absences were accounted in Fund 961 prior to FY 2018/19, Pension Trust Fund 731 was incorporated in FY 2018/19).

TOTAL TOWN
REVENUES AND EXPENDITURES

SPECIAL REVENUE FUNDS

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Estimated	2022/23 Adopted
REVENUES					
Property Tax	\$ -	\$ 29	\$ 28	\$ -	\$ -
VLF Backfill	-	-	-	-	-
Sales & Use Tax	-	-	-	-	-
Measure G - District Sales Tax					
Franchise Fees	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	-
Other Taxes	38,088	38,012	38,566	33,720	33,720
Licenses & Permits	236,451	231,323	231,323	231,323	359,950
Intergovernmental	-	-	200,911	1,220,000	1,304,696
Town Services	345,280	-	-	-	-
Internal Svc Reimbursement	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-
Interest	13,685	13,180	9,174	5,310	7,210
Other Sources	216,834	61,809	106,547	70,500	70,000
Debt Service Reimbursement	-	-	-	-	-
Transfers In	-	10,000	-	-	-
TOTAL REVENUES	\$ 850,338	\$ 354,353	\$ 586,549	\$ 1,560,853	\$ 1,775,576
EXPENDITURES					
Salaries & Benefits	\$ 143,545	\$ 134,311	\$ 135,625	\$ 151,804	\$ 164,161
Operating Expenditures	578,580	137,628	301,302	1,356,997	1,461,088
Grants & Awards	-	-	-	-	-
Fixed Assets	21,048	25,079	-	-	83,255
Interest	-	-	-	-	-
Internal Service Charges	2,410	3,019	3,229	3,494	4,001
Capital Projects	-	-	-	-	-
Capital Acquisitions	-	-	-	-	-
Debt Service	-	-	-	-	-
Transfers Out	4,920	4,920	4,920	4,920	4,920
TOTAL EXPENDITURES	\$ 750,503	\$ 304,957	\$ 445,076	\$ 1,517,215	\$ 1,717,425
Net Increase (Decrease)	99,835	49,396	141,473	43,638	58,151
Beginning Fund Balance	972,423	1,072,258	1,121,654	1,263,127	1,306,765
Ending Fund Balance	\$ 1,072,258	\$ 1,121,654	\$ 1,263,127	\$ 1,306,765	\$ 1,364,916

TOTAL TOWN
REVENUES AND EXPENDITURES

INTERNAL SERVICE FUNDS

	2018/19	2019/20	2020/21	2021/22	2022/23
	Actuals	Actuals	Actuals	Estimated	Adopted
REVENUES					
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -
VLF Backfill	-	-	-	-	-
Sales & Use Tax	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	-
Other Taxes	28,390	34,437	67,146	40,000	40,000
Licenses & Permits	-	-	-	-	-
Intergovernmental	-	-	-	261,382	283,755
Town Services	148,284	115,314	147,121	115,000	85,000
Internal Srvc Reimbursement	3,529,840	3,094,669	3,235,094	3,480,926	3,687,202
Fines & Forfeitures	-	-	-	-	-
Interest	8	7	5	-	-
Other Sources	2,993,443	762,404	654,601	166,965	30,000
CIP Proj Reimbursement	-	-	-	-	-
Transfers In	450,000	1,061,256	33,000	1,787	-
TOTAL REVENUES	\$ 7,149,965	\$ 5,068,087	\$ 4,136,967	\$ 4,066,060	\$ 4,125,957
EXPENDITURES					
Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenditures	3,544,783	3,779,285	3,803,452	4,841,564	4,915,264
Grants & Awards	-	-	-	-	-
Fixed Assets	601,961	644,366	307,272	729,416	812,235
Interest	-	-	-	-	-
Internal Service Charges	-	-	-	-	-
Capital Projects	-	-	-	-	-
Capital Acquisitions	-	-	-	-	-
Debt Service	-	-	-	-	-
Transfers Out	1,390,375	1,367,797	146,520	94,816	700,000
TOTAL EXPENDITURES	\$ 5,537,119	\$ 5,791,448	\$ 4,257,244	\$ 5,665,796	\$ 6,427,499
Net Increase (Decrease)	1,612,846	(723,361)	(120,277)	(1,599,736)	(2,301,542)
Beginning Fund Balance	6,841,594	8,454,440	7,731,079	7,610,802	6,011,066
Ending Fund Balance	\$ 8,454,440	\$ 7,731,079	\$ 7,610,802	\$ 6,011,066	\$ 3,709,524

TOTAL TOWN
REVENUES AND EXPENDITURES

CAPITAL PROJECT FUNDS

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Estimated	2022/23 Adopted
REVENUES					
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -
VLF Backfill	-	-	-	-	-
Sales & Use Tax	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	-
Other Taxes	28,390	34,437	67,146	34,562	30,000
Licenses & Permits	844,064	1,153,364	1,340,530	764,465	1,074,300
Intergovernmental	1,641,511	3,161,010	1,818,494	3,153,295	7,789,892
Town Services	52,094	223,318	34,417	306,210	-
Internal Srvs Reimbursement	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-
Interest	127,251	158,756	122,705	35,801	36,405
Other Sources	784,085	325,607	2,239,342	1,198,207	3,016,000
CIP Proj Reimbursement	-	-	-	-	-
SCC RPTTF Reimbursement	-	-	-	-	-
Transfers In	2,685,220	8,325,591	3,401,479	3,421,424	3,706,978
TOTAL REVENUES	\$ 6,162,615	\$ 13,382,083	\$ 9,024,113	\$ 8,913,964	\$ 15,653,575
EXPENDITURES					
Salaries & Benefits	\$ -	\$ -	\$ 31,085	\$ -	\$ -
Operating Expenditures	-	-	496	-	-
Grants & Awards	-	-	-	-	-
Fixed Assets	-	-	-	-	-
Interest	-	-	-	-	-
Internal Service Charges	-	-	-	-	-
Capital Projects	8,987,510	7,907,339	5,833,758	11,847,615	15,447,668
Capital Acquisitions	-	-	-	-	-
Debt Service	-	-	-	-	-
Transfers Out	533,616	569,952	533,616	533,616	533,616
TOTAL EXPENDITURES	\$ 9,521,126	\$ 8,477,291	\$ 6,398,955	\$ 12,381,231	\$ 15,981,284
Net Increase (Decrease)	(3,358,511)	4,904,792	2,625,158	(3,467,267)	(327,709)
Beginning Fund Balance	18,488,574	15,130,063	20,034,855	22,660,013	19,192,746
Ending Fund Balance	\$ 15,130,063	\$ 20,034,855	\$ 22,660,013	\$ 19,192,746	\$ 18,865,037

TOTAL TOWN
REVENUES AND EXPENDITURES

SUCCESSOR AGENCY TO THE TOWN OF LOS GATOS RDA

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Estimated	2022/23 Adopted
REVENUES					
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -
VLF Backfill	-	-	-	-	-
Sales & Use Tax	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	-
Other Taxes	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Intergovernmental	1,945,763	1,949,284	1,946,787	2,006,602	1,902,713
Town Services	-	-	-	-	-
Internal Svc Reimbursement	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-
Interest	43,706	32,531	4,967	3,500	3,500
Other Sources	11,664	11,664	11,664	-	-
CIP Proj Reimbursement	1,909,073	1,905,024	1,908,494	1,999,850	1,893,713
SCC RPTTF Reimbursement	-	-	-	-	-
Transfers In	-	-	-	-	-
TOTAL REVENUES	\$ 3,910,206	\$ 3,898,503	\$ 3,871,912	\$ 4,009,952	\$ 3,799,926
EXPENDITURES					
Salaries & Benefits	\$ 1,555	\$ 1,654	\$ 1,674	\$ 1,654	\$ 1,825
Operating Expenditures	111,712	110,337	106,788	9,820	10,020
Grants & Awards	-	-	-	-	-
Fixed Assets	-	-	-	-	-
Interest	823,734	888,703	964,610	1,300,000	1,355,000
Internal Service Charges	9	5	5	5	6
Capital Projects	-	-	-	-	-
Capital Acquisitions	-	-	-	-	-
Debt Service	2,936,788	2,862,783	2,792,688	2,499,700	2,433,026
Transfers Out	-	-	-	-	-
TOTAL EXPENDITURES	\$ 3,873,798	\$ 3,863,482	\$ 3,865,765	\$ 3,811,179	\$ 3,799,877
Net Increase (Decrease)	36,408	35,021	6,147	198,773	49
Beginning Fund Balance	3,803,779	3,840,187	3,875,208	3,881,355	4,080,128
Ending Fund Balance	\$ 3,840,187	\$ 3,875,208	\$ 3,881,355	\$ 4,080,128	\$ 4,080,177

TOTAL TOWN
REVENUES AND EXPENDITURES

TOTAL ALL FUNDS

	2018/19	2019/20	2020/21	2021/22	2022/23
	Actuals	Actuals	Actuals	Estimated	Adopted
REVENUES					
Property Tax	\$ 13,636,099	\$ 14,454,542	\$ 15,826,190	\$ 15,908,858	\$ 16,551,544
VLF Backfill	3,685,247	3,875,914	4,052,672	4,229,462	4,356,350
Sales & Use Tax	7,930,021	6,535,034	6,794,218	7,497,873	7,934,189
Measure G - District Sales Tax	228,131	996,391	1,139,386	1,173,733	1,240,755
Franchise Fees	2,475,916	2,495,792	2,499,463	2,435,800	2,493,870
Transient Occupancy Tax	2,692,043	1,869,685	1,044,820	1,475,000	1,642,460
Other Taxes	1,621,762	1,463,966	1,559,801	1,533,282	1,491,220
Licenses & Permits	4,140,409	4,081,144	4,571,564	4,061,785	4,191,279
Intergovernmental	4,532,465	6,214,369	5,539,889	7,771,404	12,332,870
Town Services	5,194,562	4,785,845	5,017,500	4,716,617	4,320,261
Internal Svc Reimbursement	3,529,840	3,094,669	3,235,094	3,480,926	3,687,202
Fines & Forfeitures	510,266	271,117	103,467	218,120	201,750
Interest	1,866,997	2,470,608	232,912	485,844	480,062
Other Sources	10,099,237	2,542,671	5,229,226	2,576,525	6,403,749
CIP Proj Reimbursement	3,818,146	3,810,048	3,816,988	3,899,700	3,787,426
SCC RPTTF Reimbursement	-	-	-	-	-
Transfers In	4,714,131	9,996,516	5,267,697	4,056,563	4,245,514
TOTAL REVENUES	\$ 70,675,272	\$ 68,958,311	\$ 65,930,887	\$ 65,521,492	\$ 75,360,501
EXPENDITURES					
Salaries & Benefits	\$ 26,948,325	\$ 29,069,533	\$ 30,465,888	\$ 30,314,026	\$ 35,638,811
Operating Expenditures	16,190,402	17,424,281	18,488,640	16,057,532	15,705,114
Grants & Awards	248,533	274,249	298,303	800,000	241,000
Fixed Assets	661,316	807,829	309,637	729,416	895,490
Interest	823,734	888,703	1,016,621	1,300,000	1,355,000
Internal Service Charges	2,529,889	2,191,235	2,317,539	2,623,171	2,715,659
Capital Projects	8,987,510	7,907,339	5,833,758	11,847,615	15,447,668
Capital Acquisitions	-	-	-	-	-
Debt Service	4,845,861	4,767,807	4,701,182	4,399,550	4,326,739
Transfers Out	4,714,131	9,996,516	5,267,697	4,056,563	4,245,514
TOTAL EXPENDITURES	\$ 65,949,701	\$ 73,327,492	\$ 68,699,265	\$ 72,127,873	\$ 80,570,995
Net Increase (Decrease)	4,725,571	(4,369,181)	(2,768,378)	(6,606,381)	(5,210,494)
Beginning Fund Balance	61,741,905	66,467,476	62,098,295	59,329,917	52,723,536
Ending Fund Balance	\$ 66,467,476	\$ 62,098,295	\$ 59,329,917	\$ 52,723,536	\$ 47,513,042

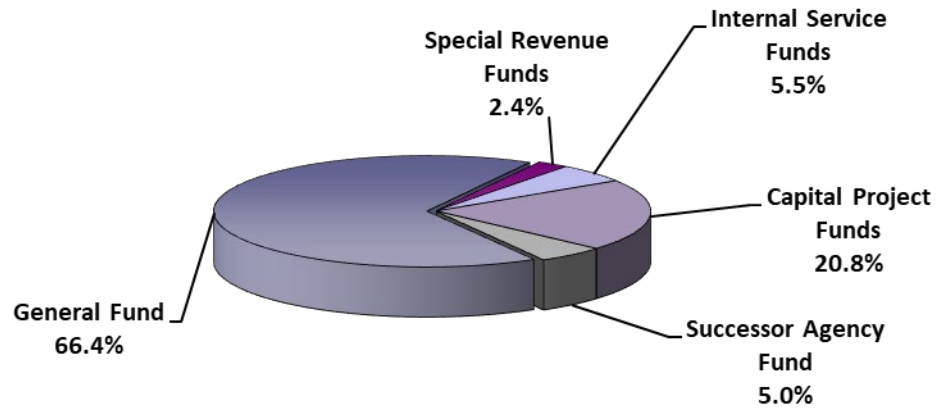
Note: Expenditures and Transfers Out may exceed Revenues due to the inclusion of planned and carry-forward capital projects and payments from General Fund reserves to the Town Pension and OPEB Trusts.

TOTAL TOWN REVENUES

BY FUND (Includes Transfers In)

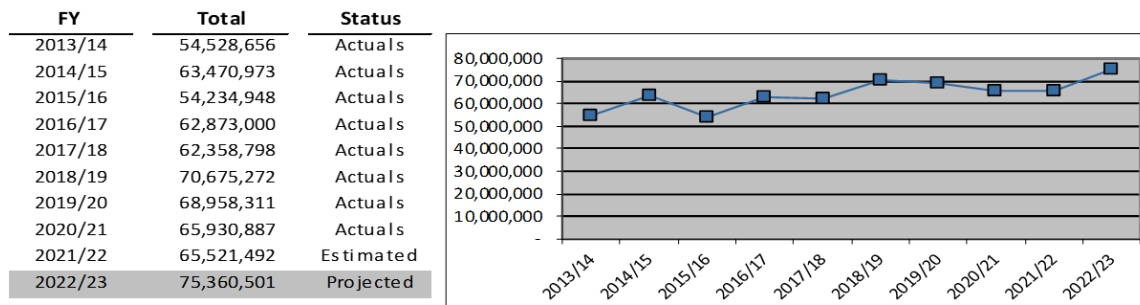
Fund	Fund Name	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted	Change from PY
General Fund								
111	General Fund	\$ 52,602,148	\$ 46,255,285	\$ 48,311,347	\$ 48,711,416	\$ 46,970,663	\$ 50,005,467	2.7%
Special Revenue Funds								
211	Housing Conservation Program	-	-	-	-	-	-	0.0%
212	Community Dev Block Grant	-	-	-	-	-	-	0.0%
222	Urban Run-Off Source Fund	716,352	241,323	299,478	231,323	231,323	359,950	55.6%
231	Blackwell Assessment District	3,389	3,389	3,336	3,210	3,210	3,210	0.0%
232	Kennedy Assessment District	10,912	10,926	10,768	10,605	10,605	10,605	0.0%
233	Gemini Assessment District	5,077	5,109	5,051	4,750	4,750	4,750	0.0%
234	Santa Rosa Assessment District	5,354	5,299	5,313	5,000	-	-	-100.0%
235	Vasona Assessment District	10,634	10,693	10,205	10,075	10,075	10,075	0.0%
236	Hillbrook Assessment District	6,272	6,187	6,310	6,040	6,040	6,040	0.0%
241	ARPA	-	-	200,911	1,220,000	1,220,000	1,304,696	6.9%
711	Library Trust	83,840	63,388	39,159	70,500	71,000	70,500	0.0%
713	Ness Bequest Trust	736	368	279	-	250	250	0.0%
714	Betty McClendon Trust	1,495	1,487	1,128	700	700	1,000	42.9%
716	Barbara J Cassin Trust	6,277	6,182	4,610	2,900	2,900	4,500	55.2%
Internal Service Funds								
611	Liability Self-Insurance	657,152	378,133	376,963	423,332	377,923	429,249	1.4%
612	Worker's Comp Self-Insurance	1,492,981	2,491,249	1,245,328	1,007,620	969,970	1,033,315	2.6%
621	Information Technology	1,223,741	881,936	973,254	914,018	940,839	714,309	-21.8%
622	Office Stores Fund	141,938	-	-	-	-	-	0.0%
631	Equipment Replacement	1,082,492	236,083	327,398	570,957	595,707	686,837	20.3%
632	Facilities Maintenance	764,407	-	-	-	-	-	0.0%
633	Vehicle Maintenance	1,787,255	1,080,686	1,214,024	1,181,297	1,181,621	1,262,247	6.9%
Capital Projects Funds								
411	GFAR	4,314,346	11,326,970	6,734,293	7,393,484	5,529,379	8,455,275	14.4%
421	Grant Funded CIP Projects	257,968	396,335	342,973	7,922,549	1,136,360	5,437,041	-31.4%
461	Storm Drain #1	123,039	112,105	43,765	49,670	57,180	49,680	0.0%
462	Storm Drain #2	47,774	62,569	115,127	53,930	135,734	54,520	1.1%
463	Storm Drain #3	1,447	(1,955)	(868)	940	(765)	880	-6.4%
471	Traffic Mitigation	118,787	136,639	397,094	1,441,246	551,315	-	-100.0%
472	Construction Tax-Undergrounding	81,701	87,489	107,763	52,490	57,052	52,490	0.0%
481	Gas Tax	1,217,552	1,261,933	1,283,966	1,401,865	1,447,709	1,603,689	14.4%
Successor Agency to the Los Gatos RDA Fund								
942	SA - Recognized Obligation Retirement	3,910,206	3,898,503	3,871,912	3,912,200	4,009,952	3,799,926	-2.9%
TOTAL Fund Rev & Transfers In		\$ 70,675,272	\$ 68,958,311	\$ 65,930,887	\$ 76,602,117	\$ 65,521,492	\$ 75,360,501	-1.6%

TOTAL TOWN REVENUES BY FUND



	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted	% of Total
General Fund	\$ 52,602,148	\$ 46,255,285	\$ 48,311,347	\$ 48,711,416	\$ 46,970,663	\$ 50,005,467	66.4%
Special Revenue Funds	850,338	354,351	586,548	1,565,103	1,560,853	1,775,576	2.4%
Internal Service Funds	7,149,966	5,068,087	4,136,967	4,097,224	4,066,060	4,125,957	5.5%
Capital Project Funds	6,162,614	13,382,085	9,024,113	18,316,174	8,913,964	15,653,575	20.8%
Successor Agency Fund	3,910,206	3,898,503	3,871,912	3,912,200	4,009,952	3,799,926	5.0%
Total Rev & Transfers In	\$ 70,675,272	\$ 68,958,311	\$ 65,930,887	\$ 76,602,117	\$ 65,521,492	\$ 75,360,501	100.0%

TOWN REVENUE HISTORICAL TREND (Includes Transfers In)

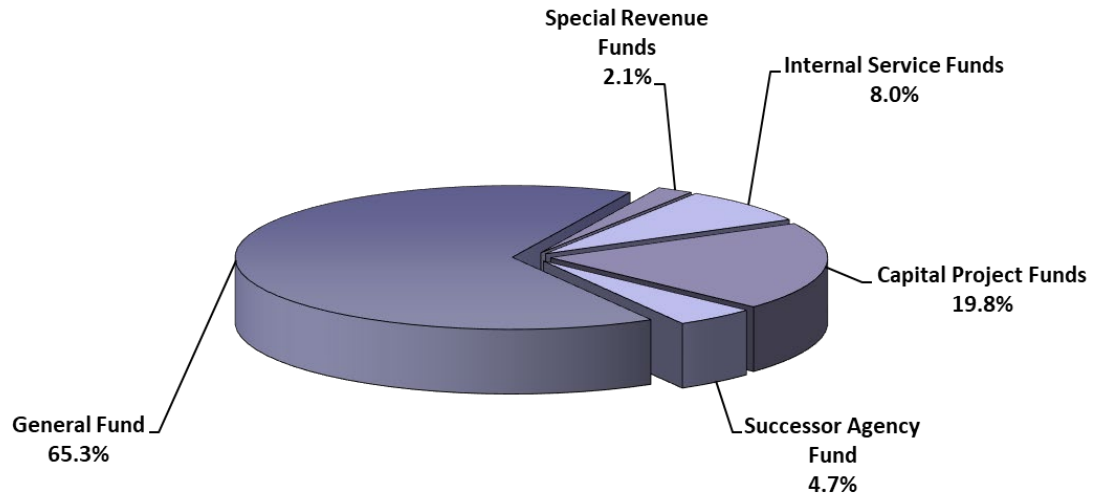


TOTAL TOWN EXPENDITURES

BY FUND (Includes Transfers Out)

Fund	Fund Name	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted	Change from PY
General Fund								
111	General Fund	\$ 46,267,156	\$ 54,890,314	\$ 53,732,226	\$ 49,919,818	\$ 48,752,452	\$ 52,644,910	5.5%
Special Revenue Funds								
211	Housing Conservation Program	-	-	-	-	-	-	0.0%
212	Community Dev Block Grant	-	-	-	-	-	-	0.0%
222	Urban Run-Off Source Fund	628,240	162,838	166,173	221,044	185,952	190,911	-13.6%
231	Blackwell Assessment District	2,604	3,101	3,027	11,100	3,638	11,138	0.3%
232	Kennedy Assessment District	8,220	8,457	30,748	18,913	8,920	18,920	0.0%
233	Gemini Assessment District	2,244	2,244	2,423	12,723	2,758	12,758	0.3%
234	Santa Rosa Assessment District	9,172	9,172	10,129	20,429	10,618	20,617	0.9%
235	Vasona Assessment District	5,576	32,746	7,657	17,091	7,150	17,150	0.3%
236	Hillbrook Assessment District	4,370	3,772	4,894	19,943	4,979	19,979	0.2%
241	ARPA	-	-	200,911	1,220,000	1,220,000	1,304,696	6.9%
711	Library Trust	69,029	72,637	17,895	70,000	70,000	95,000	35.7%
713	Ness Trust Bequest	21,048	-	-	20,755	-	20,755	0.0%
714	Betty McClendon Trust	-	-	609	700	700	1,000	42.9%
716	Barbara J Cassin Trust	-	9,989	611	2,500	2,500	4,500	80.0%
Internal Service Funds								
611	Liability Self-Insurance	338,617	400,823	646,495	850,716	760,146	846,940	-0.4%
612	Worker's Comp Self-Insurance	1,270,628	1,525,589	1,381,049	1,824,569	1,824,569	1,840,000	0.8%
621	Information Technology	867,082	796,201	706,634	1,064,959	1,017,845	1,683,975	58.1%
622	Office Stores Fund	369,729	-	-	-	-	-	0.0%
631	Equipment Replacement	601,961	1,119,833	362,915	808,083	828,237	816,240	1.0%
632	Facilities Maintenance	1,027,197	-	-	-	-	-	0.0%
633	Vehicle Maintenance	1,061,905	1,949,003	1,160,152	1,223,193	1,234,999	1,240,344	1.4%
Capital Projects Funds								
411	GFAR	7,970,424	5,984,879	5,161,527	20,925,517	6,689,619	9,400,555	-55.1%
421	Grant Funded CIP Projects	379,494	484,403	698,512	7,869,300	4,126,407	4,967,041	-36.9%
461	Storm Drain #1	-	10,000	-	200,000	-	-	-100.0%
462	Storm Drain #2	-	10,000	-	200,000	13,400	-	-100.0%
463	Storm Drain #3	29,700	21,000	611	259,447	25,848	-	-100.0%
471	Traffic Mitigation	74,626	92,626	364,435	1,441,246	551,315	10,000	-99.3%
472	Construction Tax-Undergrounding	-	49,000	24,626	348,003	427	-	-100.0%
481	Gas Tax	1,066,881	1,825,384	149,241	2,650,576	974,215	1,603,689	-39.5%
Successor Agency to the Los Gatos RDA Fund								
942	SA- Trust Fund	3,873,798	3,863,481	3,865,765	3,811,463	3,811,179	3,799,877	
TOTAL Fund Exp & Transfers Out		\$ 65,949,701	\$ 73,327,492	\$ 68,699,265	\$ 95,032,088	\$ 72,127,873	\$ 80,570,995	-15.2%

TOTAL TOWN EXPENDITURES BY FUND

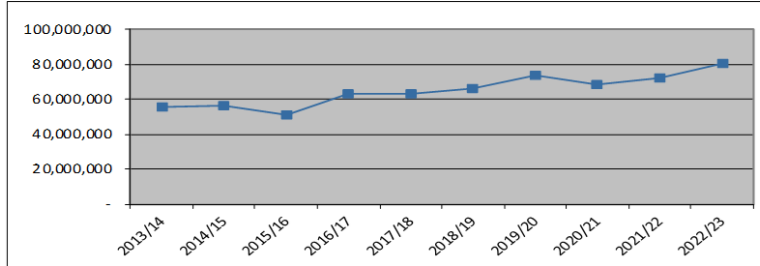


	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted	% of Total
General Fund	\$ 46,267,156	\$ 54,890,314	\$ 53,732,226	\$ 49,919,818	\$ 48,752,452	\$ 52,644,910	65.3%
Special Revenue Funds	750,503	304,956	445,077	1,635,198	1,517,215	1,717,424	2.1%
Internal Service Funds	5,537,119	5,791,449	4,257,245	5,771,520	5,665,796	6,427,499	8.0%
Capital Project Funds	9,521,125	8,477,292	6,398,952	33,894,089	12,381,231	15,981,285	19.8%
Successor Agency Fund	3,873,798	3,863,481	3,865,765	3,811,463	3,811,179	3,799,877	4.7%
Total Exp & Transfers Out	\$ 65,949,701	\$ 73,327,492	\$ 68,699,265	\$ 95,032,088	\$ 72,127,873	\$ 80,570,995	100.0%

TOWN EXPENDITURE HISTORICAL TREND

(Includes Transfers Out)

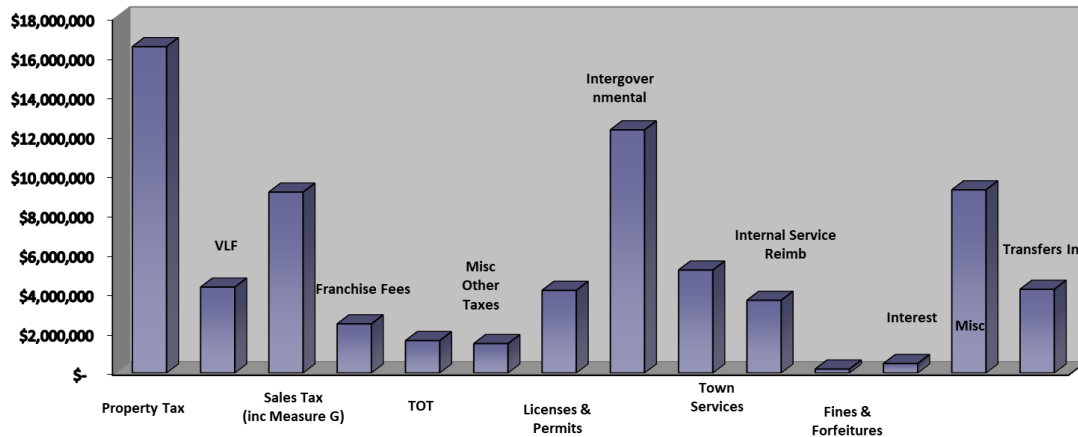
FY	Total	Status
2013/14	\$ 55,545,002	Actuals
2014/15	\$ 56,593,416	Actuals
2015/16	\$ 50,881,063	Actuals
2016/17	\$ 62,912,316	Actuals
2017/18	\$ 63,386,198	Actuals
2018/19	\$ 65,949,701	Actuals
2019/20	\$ 73,327,492	Actuals
2020/21	\$ 68,699,265	Actuals
2021/22	\$ 72,127,873	Estimated
2022/23	\$ 80,570,995	Projected



TOTAL TOWN REVENUES

BY CATEGORY

FY 2022/23 Revenues



Revenues	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted	% of Total
Property Tax	\$ 13,636,099	\$ 14,454,542	\$ 15,826,190	\$ 15,401,391	\$ 15,908,858	\$ 16,551,544	22.0%
VLF Backfill Property Tax	3,685,247	3,875,914	4,052,672	4,154,320	4,229,462	4,356,350	5.8%
Sales & Use Tax	7,930,021	6,535,034	6,794,218	7,069,045	7,430,851	7,860,988	10.4%
Measure G - District Sales Tax	228,131	996,391	1,139,386	1,173,733	1,240,755	1,313,956	1.7%
Franchise Fees	2,475,916	2,495,792	2,499,463	2,514,020	2,435,800	2,493,870	3.3%
Transient Occupancy Tax	2,692,043	1,869,685	1,044,820	1,400,000	1,475,000	1,642,460	2.2%
Miscellaneous Other Taxes	1,621,762	1,463,966	1,559,800	1,358,220	1,533,282	1,491,220	2.0%
Licenses & Permits	4,140,409	4,081,143	4,571,564	4,304,406	4,061,785	4,191,279	5.6%
Intergovernmental Revenues	4,532,466	6,214,369	5,539,889	18,756,098	7,771,404	12,332,870	16.4%
Town Services	5,194,562	4,785,845	5,017,499	4,883,900	4,716,617	4,320,261	5.7%
Internal Service Reimbursements	3,529,840	3,094,669	3,235,094	3,679,055	3,480,926	3,687,202	4.9%
Fines & Forfeitures	510,266	271,117	103,467	213,450	218,120	201,750	0.3%
Interest	1,866,996	2,470,608	232,912	486,094	485,844	480,062	0.6%
Miscellaneous Other Sources	13,917,383	6,352,720	9,046,216	7,737,199	6,476,225	10,191,175	13.5%
Total Revenues	\$ 65,961,141	\$ 58,961,795	\$ 60,663,190	\$ 73,130,931	\$ 61,464,929	\$ 71,114,987	
Plus Transfers In	4,714,131	9,996,516	5,267,697	3,471,185	4,056,563	4,245,514	5.6%
Total Revenues & Other Sources	\$ 70,675,272	\$ 68,958,311	\$ 65,930,887	\$ 76,602,116	\$ 65,521,492	\$ 75,360,501	100%

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

Key revenue highlights include:

Property Tax – Property Tax revenues are still projected to increase by 4.0% compared to the prior year estimated revenues as property tax collection is based on the January 2022 assessment roll for FY 2022/23.

Sales and Use Tax – The Town receives 1.0 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. In addition, the Town collects an additional 0.125 cent in dedicated sales tax as a result of a voter approved ballot initiative in 2018. The FY 2022/23 budget reflects \$7.9 million in sales tax revenue and \$1.3 million in dedicated sales tax revenue. Combined this represents 5.8% increase from prior year estimated revenues.

Licenses and Permits – FY 2022/23 Licenses and Permits reflect a 3.2% increase compared to prior year estimated revenues.

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

TOTAL TOWN REVENUES

BY CATEGORY

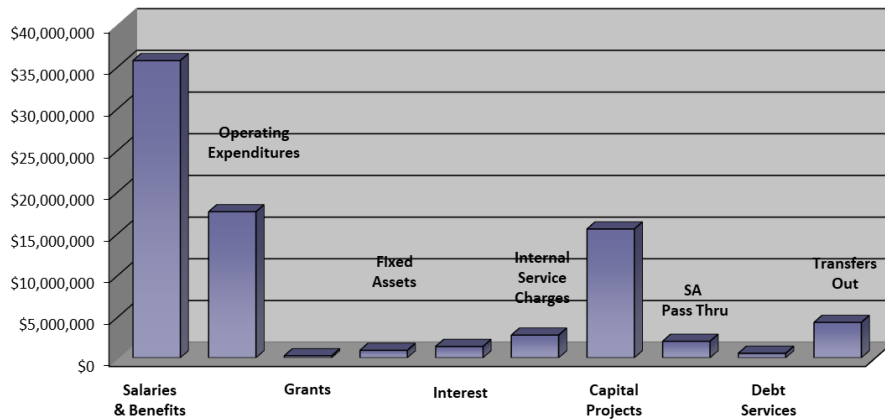
Transient Occupancy Tax – Transient Occupancy Tax (TOT) is expected to increase by 17.3% from FY 2021/22 adjusted budget. The Town’s TOT revenue has historically been primarily driven by business travel. During the pandemic, TOT experienced the most significant percentage decline relative to historical adopted budgets. Due to a significant rebound in leisure “staycation” travel and modest improvements in business travel, current TOT collections are trending higher than anticipated and average occupancy rates are rebounding as well. Given the uncertainty around physical business travel resuming at prior levels with the continuation of remote work and online meeting forums, staff is recommending modest growth for the TOT.

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 2022/23
Expenditures**



Expenditures	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted	% of Total
Salaries and Benefits	\$ 26,948,324	\$ 29,069,532	\$ 30,465,889	\$ 32,649,777	\$ 30,314,026	\$ 35,638,810	44.2%
Operating Expenditures	18,844,565	20,372,090	20,517,152	17,274,178	17,958,075	17,511,943	21.7%
Grants	248,533	274,249	298,303	2,540,158	800,000	241,000	0.3%
Fixed Assets	661,315	807,829	309,637	796,522	729,416	895,490	1.1%
Interest	823,734	888,703	1,016,621	1,300,000	1,300,000	1,355,000	1.7%
Internal Service Charges	2,529,890	2,191,235	2,317,539	2,677,221	2,623,171	2,715,659	3.4%
Capital Projects	8,987,510	7,907,341	5,833,756	31,861,698	11,847,615	15,447,671	19.2%
Pass Thru	1,163,984	862,238	1,788,477	1,896,500	1,899,158	1,981,196	2.5%
Debt Services	1,027,715	957,759	884,194	599,850	599,850	538,713	0.7%
Total Expenditures	\$ 61,235,570	\$ 63,330,976	\$ 63,431,568	\$ 91,595,904	\$ 68,071,311	\$ 76,325,482	
Transfers Out	4,714,131	9,996,516	5,267,697	3,436,185	4,056,563	4,245,514	5.3%
Total Uses of Funds	\$ 65,949,701	\$ 73,327,492	\$ 68,699,265	\$ 95,032,089	\$ 72,127,874	\$ 80,570,996	100%

Total Budgeted Expenditures (exclusive of Transfers Out) include budgeted Capital Improvements, which can vary significantly from year to year. Net of Capital Projects and payment to CalPERS, and pass through activities, total expenditures reflect a 1.9% increase for FY 2022/23 compared to the prior adjusted budget numbers. Prior year adjusted budget numbers includes capital project carryforwards. Expenditures of note include:

Salaries and Benefits – The FY 2022/23 budget reflects an anticipated 9.2% increase in salaries compared to prior year adjusted budget and a 17.6% increase from the FY 2021/22 estimated numbers. These increases are attributed to the newly renewed labor agreements, anticipated increases in CalPERS and medical benefits rates and anticipated merit step increases. Staffing modifications include the one-time addition of an Urban Forest Manager and a Lead Parks and Maintenance Worker to provide hire ahead capacities, reclassification of an Executive Assistant position to an Administrative Technician position, reclassification a Library Technician position to a Library Assistant position, and conversion of Library Temporary Page hours to Senior Library Page position to better align current service delivery within the existing budget. Staff also proposes one-time temporary hours within the Town Manager's Office, Information Technology, Community Development, Police, and Parks and Public Works Departments.

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.

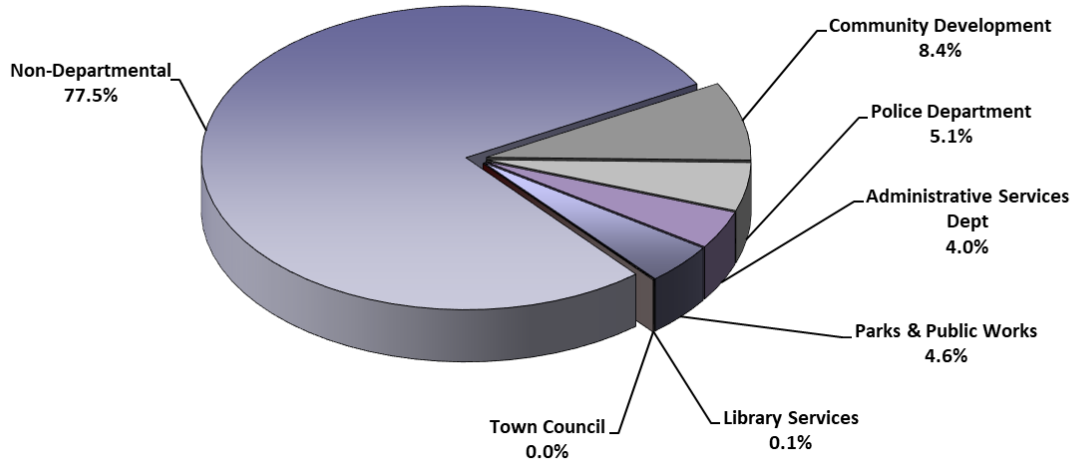
Internal Service Charges – These expenditures represent the service program costs charged back to the operational programs for Liability Insurance, Information Technology, Vehicle Replacement, and Building Maintenance services. The FY 2022/23 budget reflects a slight decrease in the Internal Service Charges reflecting scheduled replacements.

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



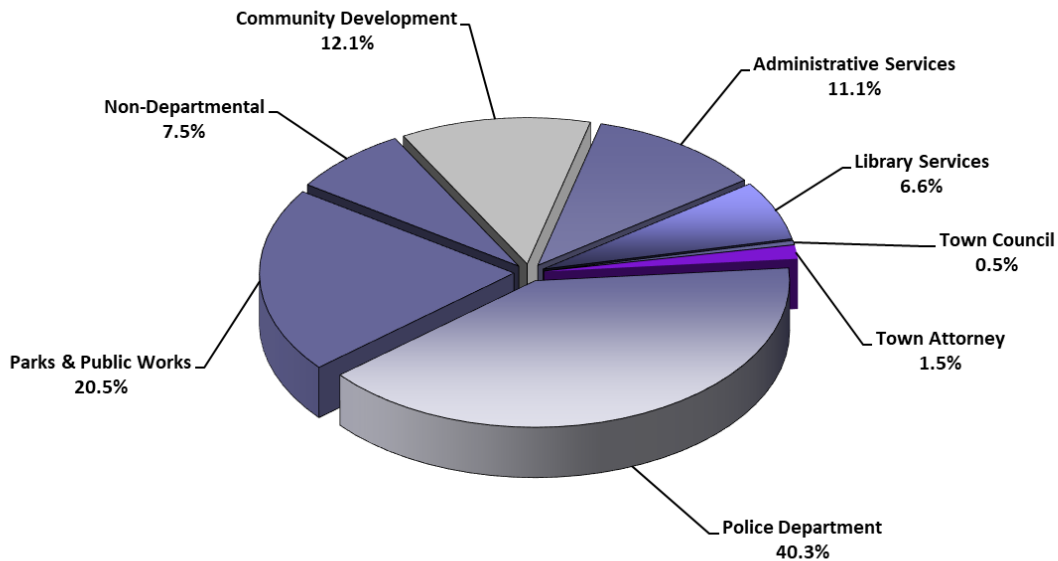
FY 2022/23 Departmental Revenues

Departments	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted	% of Total
Town Council	\$ 1,527	\$ 2,509	\$ 33,646	\$ -	\$ 165	\$ -	0.0%
Non-Departmental	34,476,024	30,578,565	32,989,617	34,581,273	32,735,722	36,823,340	78.0%
Administrative Services*	3,172,019	3,714,199	1,601,417	2,277,233	2,002,473	1,909,497	4.0%
Community Development	4,203,611	3,345,105	4,020,060	3,961,899	3,965,149	3,943,199	8.4%
Police Department	2,556,445	2,543,720	2,989,902	2,438,996	2,467,196	2,427,342	5.1%
Parks & Public Works	2,760,825	2,814,634	2,881,159	2,482,813	2,532,256	2,044,340	4.3%
Library Services	56,958	62,428	16,022	46,000	44,500	35,500	0.1%
Total General Fund Revenues	\$ 47,227,409	\$ 43,061,160	\$ 44,531,823	\$ 45,788,214	\$ 43,747,461	\$ 47,183,218	100%
Town Debt Payments	\$ 1,909,073	\$ 1,905,024	\$ 1,908,494	\$ 1,899,850	\$ 1,899,850	\$ 1,893,713	
Pension Trust**	3,815,620	689,432	37,811	390,000	690,000	390,000	
Compensated Absences**	(1,928,865)	-	-	-	-	-	
Transfers In	1,578,911	599,669	1,833,218	633,352	633,352	538,536	
Net Operating Revenues	\$ 52,602,148	\$ 46,255,285	\$ 48,311,346	\$ 48,711,416	\$ 46,970,663	\$ 50,005,467	

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

** Pension Trust and Compensated Absences are incorporated in the General Fund.

GENERAL FUND EXPENDITURES BY DEPARTMENT



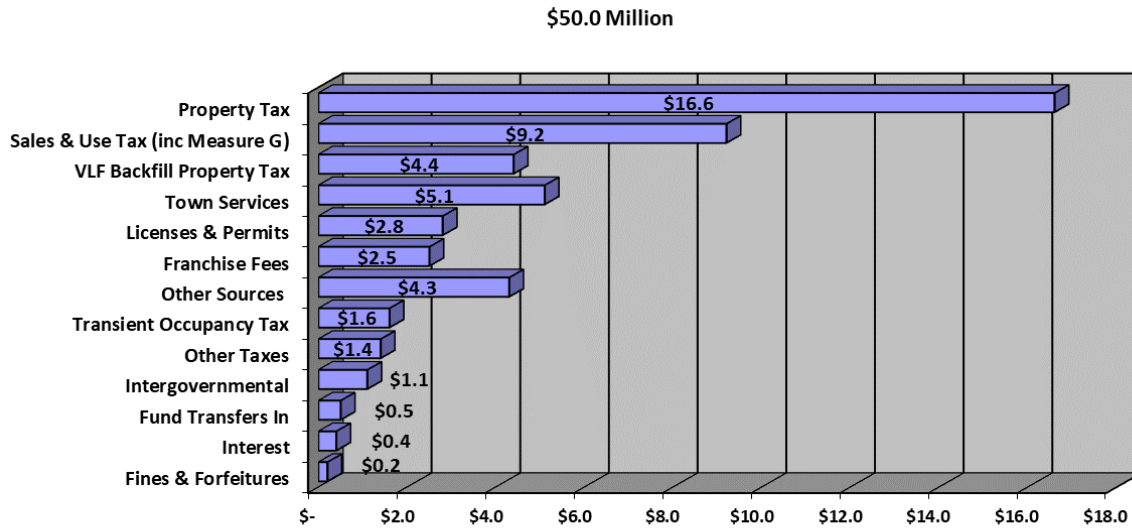
FY 2022/23 Departmental Expenditures

Departments	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted	% of Total
Police Department	\$ 14,948,952	\$ 15,895,008	\$ 16,570,836	\$ 17,390,969	\$ 16,776,653	\$ 19,225,986	40.3%
Parks & Public Works	7,969,631	8,168,040	8,179,757	8,777,354	8,412,345	9,798,606	20.5%
Non-Departmental	6,875,760	3,505,097	8,432,090	3,921,980	3,865,245	3,584,887	7.5%
Community Development	4,577,495	4,473,790	5,009,798	5,461,716	5,197,691	5,772,005	12.1%
Administrative Services*	3,931,807	4,388,762	4,730,360	5,729,785	5,687,837	5,298,493	11.1%
Library Services	2,493,617	2,700,802	2,828,873	3,062,708	2,745,127	3,139,450	6.6%
Town Council	205,903	206,163	192,280	202,891	191,216	217,238	0.5%
Town Attorney	562,542	559,010	537,296	669,733	553,277	707,554	1.5%
Total General Fund Exp	\$ 41,565,707	\$ 39,896,672	\$ 46,481,290	\$ 45,217,136	\$ 43,429,391	\$ 47,744,219	100%
Town Debt Payments	\$ 1,909,073	\$ 1,905,024	\$ 1,960,505	\$ 1,899,850	\$ 1,899,850	\$ 1,893,713	
Pension Trust**	7,155	5,034,771	707,789	-	-	-	
Compensated Absences**	-	-	-	-	-	-	
Transfers Out	2,785,220	8,053,847	4,582,641	2,802,833	3,423,211	3,006,978	
Net Operating Expenditures	\$ 46,267,155	\$ 54,890,314	\$ 53,732,225	\$ 49,919,819	\$ 48,752,452	\$ 52,644,910	

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

** Pension Trust and Compensated Absences are incorporated in the General Fund.

GENERAL FUND REVENUES BY CATEGORY



Revenue Category	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted	% of Total
Property Tax	\$ 13,636,099	\$ 14,454,513	\$ 15,826,162	\$ 15,401,391	\$ 15,908,858	\$ 16,551,544	33.1%
VLF Backfill Property Tax	3,685,247	3,875,914	4,052,672	4,154,320	4,229,462	4,356,350	8.7%
Sales & Use Tax	7,930,021	6,535,034	6,794,218	7,069,045	7,430,851	7,860,988	15.7%
Measure G - District Sales Tax	228,131	996,391	1,139,386	1,173,733	1,240,755	1,313,956	2.6%
Franchise Fees	2,475,916	2,495,792	2,499,463	2,514,020	2,435,800	2,493,870	5.0%
Transient Occupancy Tax	2,692,043	1,869,685	1,044,820	1,400,000	1,475,000	1,642,460	3.3%
Other Taxes	1,526,894	1,357,080	1,386,943	1,250,000	1,425,000	1,387,500	2.8%
Licenses & Permits	3,059,894	2,696,457	2,999,711	3,074,907	3,065,997	2,757,029	5.5%
Intergovernmental	945,191	1,104,075	1,573,697	4,038,378	1,130,125	1,051,814	2.1%
Town Services	4,648,904	4,447,213	4,835,962	4,227,239	4,295,407	4,235,261	8.5%
Fines & Forfeitures	510,266	271,117	103,467	213,450	218,120	201,750	0.4%
Interest	1,682,347	2,266,134	96,061	441,233	441,233	432,947	0.9%
Other Sources	8,002,284	3,286,211	4,125,566	3,120,348	3,040,703	5,181,462	10.4%
Total Revenues	\$ 51,023,237	\$ 45,655,616	\$ 46,478,128	\$ 48,078,064	\$ 46,337,311	\$ 49,466,931	
Transfers In:	\$ 1,578,911	\$ 599,669	\$ 1,833,218	\$ 633,352	\$ 633,352	\$ 538,536	1.1%
Total Revenues & Transfers In	\$ 52,602,148	\$ 46,255,285	\$ 48,311,346	\$ 48,711,416	\$ 46,970,663	\$ 50,005,467	100%

FY 2022/23, General Fund revenues and fund transfers (not including the \$.6 million ARPA revenue replacement programmed revenues) are estimated to increase by 2.2% from the FY 2021/22 estimated revenues. 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 and Use Tax – The Town receives 1.0 cent 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. In addition, the Town collects an additional 0.125 cent in dedicated sales tax as a result of a voter approved ballot initiative in 2018. The FY 2022/23 budget reflects \$7.9 million in sales tax revenue and \$1.3 million in dedicated sales tax revenue. Combined, this represents 5.8% increase from the prior year adjusted budget. Prior year estimates reflect the continued effect of the pandemic and the County shelter-in-place (SIP) orders in response to the COVID-19 emergency.

GENERAL FUND REVENUES

BY CATEGORY

Property Tax – Property Tax revenues are still projected to increase by 4% compared to the prior year estimated revenues as property tax collection is based on the January 2022 assessment roll for FY 2022/23 projected by the Santa Clara County Assessor’s Office. 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, 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 0.2% compared to prior estimated revenues reflecting the anticipated land use development and construction projects.

Licenses & Permits – Licenses and Permits decreased by 10.1% compared to prior estimated revenues.

Intergovernmental Revenues – Intergovernmental revenues reflect a decrease in anticipated grant proceeds.

Franchise Fees – Compared to the prior fiscal year, Franchise Fees, including cable television, electric utility and solid waste, have increased by 2.4%. The increase is based on an analysis of current year collection trends.

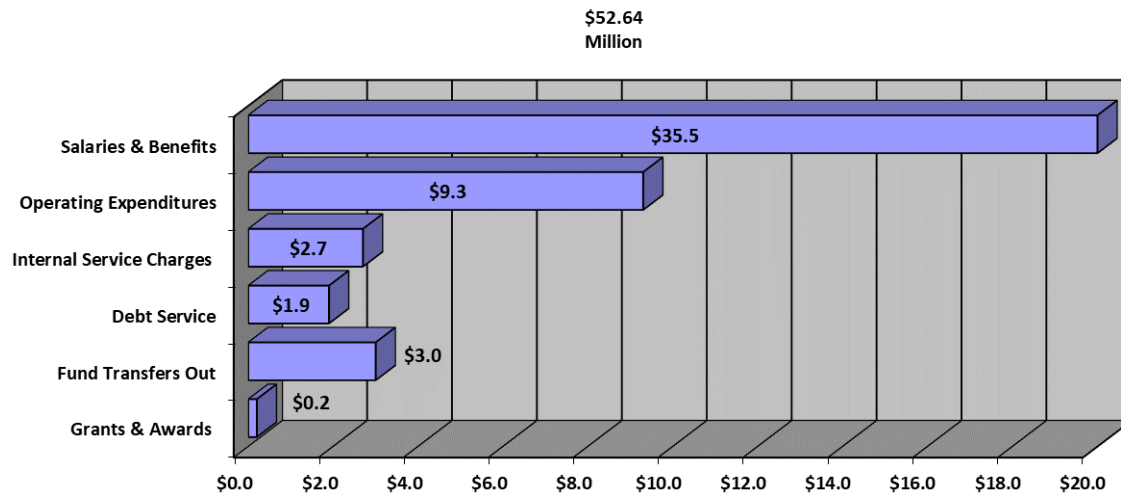
Transient Occupancy Tax – Transient Occupancy Tax (TOT) is expected to increase by 17.3% from FY 2021/22 adjusted budget. The Town’s TOT revenue has historically been primarily driven by business travel. During the pandemic, TOT experienced the most significant percentage decline relative to historical adopted budgets. Due to a significant rebound in leisure “staycation” travel and modest improvements in business travel, current TOT collections are trending higher than anticipated and average occupancy rates are rebounding as well. Given the uncertainty around physical business travel resuming at prior levels with the continuation of remote work and online meeting forums, staff is recommending modest growth for the TOT.

Fines and Forfeitures – Fines and Forfeitures include traffic fines and administrative citations which are expected to decrease by 7.5% compared to prior year estimated revenues.

Transfers In – Transfers in decreased by 15% compared to the prior year budgeted number. The prior year utilized a previously saved equipment replacement collection in FY 2021/22.

Other Sources – Other sources includes the Town “Pass Through” programs, OPEB 115 Trust reimbursement, ARPA income replacement revenue, and restricted pension trust fund activities.

GENERAL FUND EXPENDITURES BY CATEGORY



Expenditure Category	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted	% of Total
Salaries & Benefits	\$ 26,803,225	\$ 28,933,568	\$ 30,297,504	\$ 32,462,048	\$ 30,160,568	\$ 35,472,825	67.5%
Operating Expenditures	11,955,327	13,397,031	14,276,602	9,041,111	9,849,151	9,318,742	17.7%
Fixed Assets	38,307	138,384	2,365	-	-	-	0.0%
Grants & Awards	248,533	274,249	298,303	1,041,382	800,000	241,000	0.5%
Debt Service	1,909,073	1,905,024	1,960,505	1,899,850	1,899,850	1,893,713	3.6%
Internal Service Charges	2,527,470	2,188,211	2,314,305	2,672,593	2,619,672	2,711,652	5.2%
Total Expenditures	\$ 43,481,935	\$ 46,836,467	\$ 49,149,584	\$ 47,116,984	\$ 45,329,241	\$ 49,637,932	
Transfers Out	\$ 2,785,220	\$ 8,053,847	\$ 4,582,641	\$ 2,802,833	\$ 3,423,211	\$ 3,006,978	5.7%
Total Exp & Transfers Out	\$ 46,267,155	\$ 54,890,314	\$ 53,732,225	\$ 49,919,817	\$ 48,752,452	\$ 52,644,910	100.2%

The FY 2022/23 General Fund Operating Budget (net of transfers out) represents a 5.4% increase compared to the net FY 2021/22 adjusted operating expenditures budget (net of transfers out).

Salaries & Benefits – The delivery of Town services is highly dependent on talented staff which comprises 67.5% of budgeted General Fund expenditures for FY 2022/23. The FY 2022/23 budget reflects the newly renewed labor agreements, an increase in salaries related to merit increases, employee promotions, three additional positions, and benefits costs attributed to increased CalPERS and medical benefits rates. Staffing modifications include the one-time addition of an Urban Forest Manager and a Lead Parks and Maintenance Worker to provide hire ahead capacities, reclassification of an Executive Assistant position to an Administrative Technician position, reclassification a Library Technician position to a Library Assistant position, and conversion of Library Temporary Page hours to Senior Library Page position to better align current service delivery within the existing budget. Staff also proposes one-time temporary hours within the Town Manager’s Office, Information Technology, Community Development, Police, and Parks and Public Works Departments.

Operating Expenditures – The FY 2022/23 operating expenditures increased by 3.1% when compared to the FY 2022/23 adjusted budget reflecting escalating energy costs and general cost increases.

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.

GENERAL FUND EXPENDITURES

BY CATEGORY

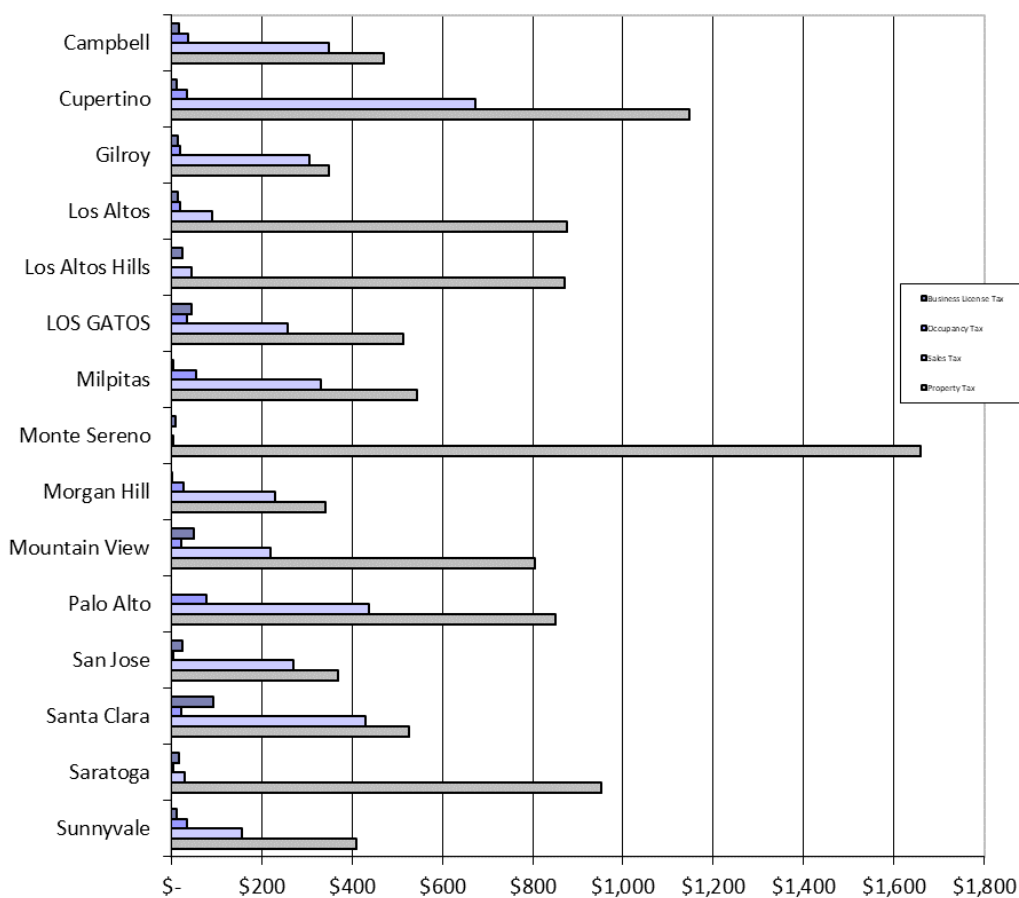
Internal Service Charges – These expenditures represent the service program costs charged back to the operational programs for Liability Insurance, Information Technology, Vehicle Replacement, and Building Maintenance services.

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 \$3,006,978 to the Capital Projects Fund.

GENERAL FUND TAX REVENUES

CITIES OF SANTA CLARA COUNTY – TAX REVENUES PER CAPITA (JUNE 30, 2021 DATA AVAILABLE AT THE TIME OF PUBLICATION)



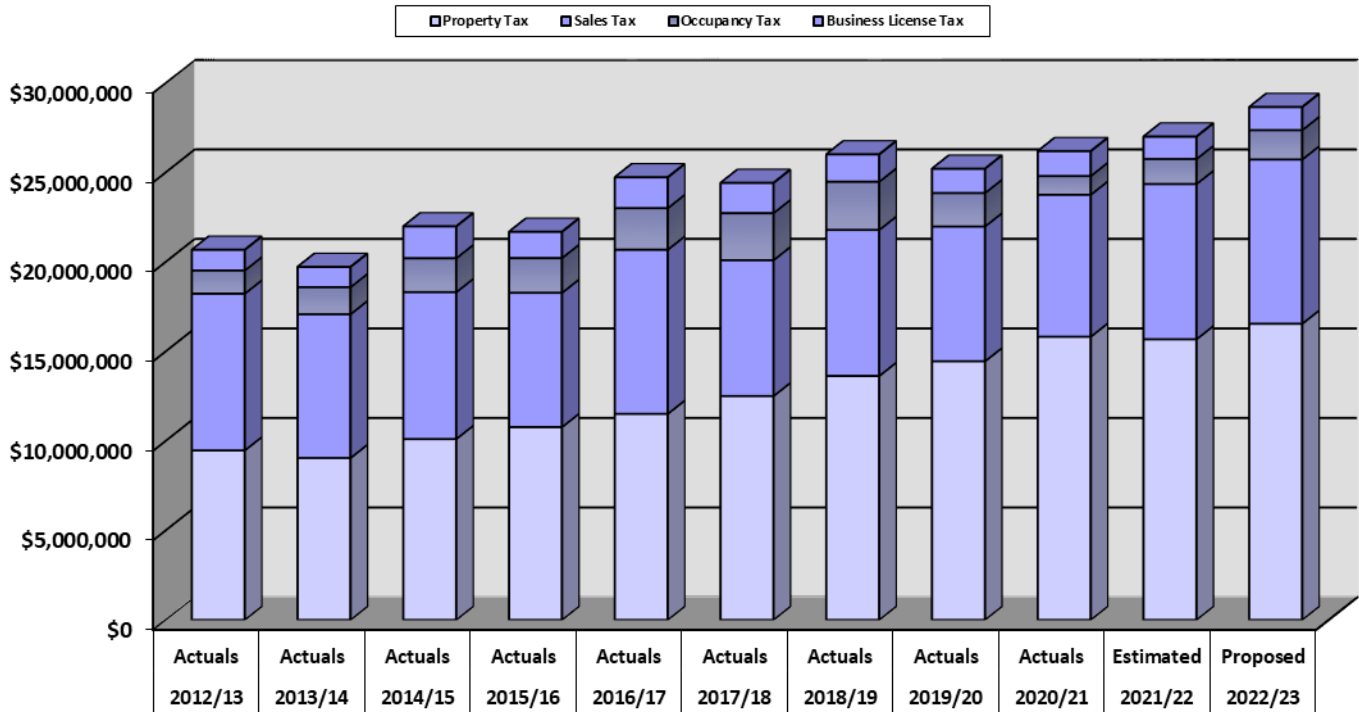
Actual Tax Revenue Amounts and Per Capita as of June 30, 2021

Cities	Population	Property Tax		Sales Tax		Occupancy Tax		Business License Tax	
		Amount	Per Capita	Amount	Per Capita	Amount	Per Capita	Amount	Per Capita
Campbell	41,533	\$ 19,518,206	470	\$ 14,478,049	\$ 349	\$ 1,568,908	\$ 38	\$ 666,642	\$ 16
Cupertino	63,344	72,677,839	1,147	42,576,587	672	2,141,058	34	730,932	12
Gilroy	59,920	20,972,475	350	18,296,221	305	1,105,300	18	864,944	14
Los Altos	31,190	27,300,000	875	2,860,000	92	580,000	19	470,000	15
Los Altos Hills	8,390	7,315,637	872	371,068	44	-	-	213,150	25
LOS GATOS	30,836	15,826,162	513	7,933,604	257	1,044,820	34	1,386,943	45
Milpitas	75,663	41,093,302	543	25,114,094	332	4,213,325	56	312,676	4
Monte Sereno	3,500	5,802,155	1,658	15,516	4	-	-	33,580	10
Morgan Hill	47,374	16,115,936	340	10,897,100	230	1,299,126	27	136,791	3
Mountain View	82,814	66,624,700	805	18,284,182	221	1,917,637	23	4,146,219	50
Palo Alto	66,573	56,571,734	850	29,127,330	438	5,178,992	78	-	-
San Jose	1,049,187	388,760,212	371	284,020,471	271	5,409,142	5	26,501,774	25
Santa Clara	130,746	68,772,921	526	56,178,097	430	2,949,235	23	12,137,463	93
Saratoga	31,030	29,527,201	952	925,289	30	168,178	5	516,050	17
Sunnyvale	153,827	62,996,106	410	24,016,428	156	5,192,090	34	1,922,860	13
Average	125,062	\$ 59,991,639	\$ 480	\$ 35,672,936	\$ 285	\$ 2,184,521	\$ 17	\$ 3,336,002	\$ 27

Source: 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
2012/13	Actuals	\$ 9,477,043	\$ 8,757,428	\$ 1,295,887	\$ 1,151,579	\$ 20,681,937	13.7%
2013/14	Actuals	\$ 9,054,908	\$ 8,029,571	\$ 1,512,846	\$ 1,130,020	\$ 19,727,345	(4.6%)
2014/15	Actuals	\$ 10,113,287	\$ 8,202,678	\$ 1,896,721	\$ 1,779,407	\$ 21,992,093	11.5%
2015/16	Actuals	\$ 10,779,434	\$ 7,501,175	\$ 1,943,166	\$ 1,465,546	\$ 21,689,321	(1.4%)
2016/17	Actuals	\$ 11,518,257	\$ 9,171,373	\$ 2,322,910	\$ 1,720,980	\$ 24,733,520	14.0%
2017/18	Actuals	\$ 12,510,822	\$ 7,592,206	\$ 2,628,927	\$ 1,686,251	\$ 24,418,206	(1.3%)
2018/19	Actuals	\$ 13,636,099	\$ 8,158,152	\$ 2,692,043	\$ 1,526,894	\$ 26,013,188	6.5%
2019/20	Actuals	\$ 14,454,513	\$ 7,531,425	\$ 1,869,685	\$ 1,357,080	\$ 25,212,703	(3.1%)
2020/21	Actuals	\$ 15,826,162	\$ 7,933,604	\$ 1,044,820	\$ 1,386,943	\$ 26,191,529	3.9%
2021/22	Estimated	\$ 15,684,964	\$ 8,671,606	\$ 1,400,000	\$ 1,250,000	\$ 27,006,570	3.1%
2022/23	Proposed	\$ 16,551,544	\$ 9,174,944	\$ 1,642,460	\$ 1,287,500	\$ 28,656,448	6.1%

GENERAL FUND
FY 2022/23 ESTIMATED FUND BALANCE ACTIVITY

Use of / Addition to GF Reserves:	Estimated July 1, 2022 Balance	Revenues & Transfers In*	Expenditures and Transfers Out	Fund Balance Sources (Uses)	Estimated June 30, 2023 Balance
<i>Unreserved Fund Balances</i>					
Undesignated Reserves	\$ -	\$ -	\$ -	\$ -	\$ -
Available to be Appropriated	-	50,005,467	52,644,910	2,639,443	-
<i>Restricted Fund Balances</i>					
Pension	690,000	-	-	390,000	1,080,000
<i>Committed to:</i>					
Budget Stabilization Reserve	5,991,566			-	5,991,566
Catastrophic Reserves	5,991,566				5,991,566
Pension/OPEB Reserve	300,000	-	-	-	300,000
<i>Assigned to:</i>					
Open Space Reserve	410,000			-	410,000
Sustainability	140,553			-	140,553
Strategy Reserve	-			-	-
Capital/Special Projects	5,682,452			(2,350,000)	3,332,452
Authorized Carryforwards	-			-	-
Compensated Absences*	1,649,917			-	1,649,917
Market Fluctuations	438,333	-	-	-	438,333
Measure G District Sales Tax	679,443	-	-	(679,443)	-
Rehab Loan (Nonspendable)	159,000	-	-	-	159,000
Total Use of and Addition To Reserves	\$ 22,132,830	\$ 50,005,467	\$ 52,644,910	\$0	\$ 19,493,387

*Revenues & Transfers In includes \$1,645,281 ARPA Replacement Revenue

The balances are estimates and will be finalized upon closing FY 2021/22 and FY 2022/23.

GENERAL FUND
FY 2021/22 & FY2022/23 ESTIMATED FUND BALANCE ACTIVITY

	Actual General Fund Balance June 30, 2021	Restricted for Pension	Budget Stabilization	Catastrophic	Pension/OPEB	Open Space	Sustainability	Capital/Special Projects	Carryforward Encumbrances	Market Fluctuations	Compensated Absences	Measure G District Sales Tax	Surplus Property Reserve	Rehab Loan (Non-Spendable)	Estimated Available to be Appropriated	Total GF Balance
	\$ -	\$ -	\$ 5,460,485	\$5,460,485	\$ 300,000	\$410,000	\$140,553	\$ 6,965,356	\$ -	\$ 438,333	\$1,649,917	\$ 1,730,490	\$1,200,000	\$ 159,000	\$ -	\$23,914,619
FY 2021/22 ACTIONS																
	Additional Capital Projects							(550,000)								
	Additional Capital Projects per 6/1/2021 Budget Adoption											(1,051,047)	(1,200,000)			
	Regular Payment to IRS 115 Pension Trust (CEPPT)	390,000														
	Pension/OPEB Reserve to IRS 115 Pension Trust (CEPPT)	300,000			(300,000)											
	FY 2021/22 Estimated to be Allocated														329,258	
	Reserve 25% of FY 2021/22 GF Operating Expenditure (per General Fund Reserve Policy)		531,081	531,081				(1,062,162)								
	To Pension OPEB Reserve (per General Fund Reserve Policy)				300,000											
	Capital/Special Projects Reserve (per General Fund Reserve Policy)							329,258							(329,258)	
	Estimated General Fund Balance June 30, 2022	\$ 690,000	\$ 5,991,566	\$5,991,566	\$ 300,000	\$410,000	\$140,553	\$ 5,682,452	\$ -	\$ 438,333	\$1,649,917	\$ 679,443	\$ -	\$ 159,000	\$ -	\$22,132,530
ADOPTED FY 2022/23 ACTIONS																
	Additional Capital Projects per Proposed Budget							(2,350,000)								
	Regular Payment to IRS 115 Pension Trust (CEPPT)	390,000														
	FY 2022/23 Estimated to be Allocated														(1,645,281)	
	FY 2022/23 One-time Uses Measure G Residual											(679,443)				
	FY 2022/23 One-time Uses Replace Lost Revenue														1,645,281	
	Estimated General Fund Balance June 30, 2023	\$ 1,080,000	\$ 5,991,566	\$5,991,566	\$ 300,000	\$410,000	\$140,553	\$ 3,332,452	\$ -	\$ 438,333	\$1,649,917	\$ -	\$ -	\$ 159,000	\$ -	\$19,493,387

SCHEDULE OF INTERFUND TRANSFERS
FISCAL YEAR 2021/22 & 2022/23

Fund Description	Estimated		Adopted Budget	
	2021/22	2021/22	2022/23	2022/23
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Funds				
General Fund	\$ 633,352	\$ 3,423,212	\$ 538,536	\$ 3,006,978
Special Revenue Funds				
Urban Run-Off Program	-	-	-	-
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	-	-	-	-
Information Technology	-	-	-	700,000
Equipment Fund	-	94,816	-	-
Facilities Maintenance Fund	1,787	-	-	-
Capital Project Funds				
GFAR	3,421,424	417,616	3,706,978	417,616
Grant Funded CIP Projects	-	-	-	-
Storm Drain #1	-	-	-	-
Storm Drain #2	-	-	-	-
Storm Drain #3	-	-	-	-
Traffic Mitigation	-	9,999	-	10,000
Construction Utility Underground	-	-	-	-
Gas Tax - Street & Signal	-	106,000	-	106,000
Total Transfers	\$ 4,056,563	\$ 4,056,563	\$ 4,245,514	\$ 4,245,514

FUND BALANCE ACTIVITY SUMMARY

FISCAL YEAR 2022/23

Fiscal Year 2022/23 Proposed Budget								
	7/1/22 Estimated Fund Balance	Plus Revenues & Carryforwards	Transfers In	Less Expenditures & Carryforwards	Transfers Out	Use of Reserves	6/30/23 Estimated Fund Balance	
GENERAL FUND								
Unreserved Fund Balances								
Undesignated Reserves								
Available to be Appropriated	\$ -	\$ 49,466,931	\$ 538,536	\$ 49,637,932	\$ 3,006,978	\$ 2,639,443	\$ -	
Restricted Fund Balances								
Pension Trust	690,000	-	-	-	-	390,000	1,080,000	
Committed to:								
Budget Stabilization Reserve	5,991,566	-	-	-	-	-	5,991,566	
Catastrophic Reserves	5,991,566	-	-	-	-	-	5,991,566	
Pension/OPEB Reserve	300,000	-	-	-	-	-	300,000	
Assigned to:								
Open Space Reserve	410,000	-	-	-	-	-	410,000	
Sustainability	140,553	-	-	-	-	-	140,553	
Capital/Special Projects	5,682,452	-	-	-	-	(2,350,000)	3,332,452	
Compensated Absences*	1,649,917	-	-	-	-	-	1,649,917	
Market Fluctuations	438,333	-	-	-	-	-	438,333	
Measure G District Sales Tax	679,443	-	-	-	-	(679,443)	-	
Rehab Loan (Nonspendable)	159,000	-	-	-	-	-	159,000	
Total General Fund Reserves	\$ 22,132,830	\$ 49,466,931	\$ 538,536	\$ 49,637,932	\$ 3,006,978	\$ -	\$ 19,493,387	
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.								
• FY2022/23 Budgeted revenue (include \$1.6 million ARPA revenue replacements and \$0.9 OPEB 115 Trust reimbursement) 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 2022/23 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 Projects Reserve.								
SPECIAL REVENUE FUNDS								
Housing Conservation Program	\$ 177,241	\$ -	\$ -	\$ -	\$ -	\$ -	177,241	
Community Dev Block Grant	(10,587)	-	-	-	-	-	(10,587)	
Urban Run-Off Source Fund	416,611	359,950	-	190,911	-	-	585,650	
Blackwell Assessment District	13,657	3,210	-	10,678	460	-	5,729	
Kennedy Assessment District	22,101	10,605	-	17,410	1,510	-	13,786	
Gemini Assessment District	36,407	4,750	-	12,148	610	-	28,399	
Santa Rosa Assessment District	35,352	-	-	19,957	660	-	14,735	
Vasona Assessment District	37,652	10,075	-	15,720	1,430	-	30,577	
Hillbrook Assessment District	23,804	6,040	-	19,729	250	-	9,865	
ARPA	-	1,304,696	-	1,304,696	-	-	-	
Library Trust	82,598	70,500	-	95,000	-	-	58,098	
Ness Trust Bequest	22,189	250	-	20,755	-	-	1,684	
Betty McClendon Trust	88,005	1,000	-	1,000	-	-	88,005	
Barbara J Cassin Trust	361,735	4,500	-	4,500	-	-	361,735	
Total Special Revenue Funds Reserves	\$ 1,306,765	\$ 1,775,576	\$ -	\$ 1,712,504	\$ 4,920	\$ -	\$ 1,364,917	

FUND BALANCE ACTIVITY SUMMARY

FISCAL YEAR 2022/23

	Fiscal Year 2022/23 Proposed Budget							
	7/1/22 Estimated Fund Balance	Plus Revenues & Carryforwards	Transfers In	Less Expenditures & Carryforwards	Transfers Out	Use of Reserves	6/30/23 Estimated Fund Balance	
INTERNAL SERVICE FUNDS								
Liability Self-Insurance	\$ 638,860	\$ 429,249	\$ -	\$ 846,940	\$ -	\$ -	\$ 221,169	
Worker's Comp Self-Insurance	818,420	1,033,315	-	1,840,000	-	-	11,735	
Information Technology	2,793,817	714,309	-	983,975	700,000	-	1,824,151	
Equipment Replacement	1,657,006	686,837	-	816,240	-	-	1,527,603	
Facilities Maintenance	102,962	1,262,247	-	1,240,344	-	-	124,865	
Total Internal Service Funds Reserves	\$ 6,011,065	\$ 4,125,957	\$ -	\$ 5,727,499	\$ 700,000	\$ -	\$ 3,709,523	
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.								
CAPITAL PROJECTS FUNDS								
GFAR	\$ 14,273,601	\$ 4,748,297	\$ 3,706,978	\$ 8,982,939	\$ 417,616	\$ -	\$ 13,328,321	
Grant Funded CIP Projects	(3,689,292)	5,437,041	-	4,967,041	-	-	(3,219,292)	
Storm Drain #1	1,135,466	49,680	-	-	-	-	1,185,146	
Storm Drain #2	2,090,579	54,520	-	-	-	-	2,145,099	
Storm Drain #3	(155,453)	880	-	-	-	-	(154,573)	
Traffic Mitigation	381,319	-	-	-	10,000	-	371,319	
Construction Tax-Undergrounding	3,257,936	52,490	-	-	-	-	3,310,426	
Gas Tax	1,898,590	1,603,689	-	1,497,689	106,000	-	1,898,590	
Total Capital Projects Funds Reserves	\$ 19,192,746	\$ 11,946,597	\$ 3,706,978	\$ 15,447,669	\$ 533,616	\$ -	\$ 18,865,036	
GFAR, Grant Fund, Storm Drain Funds, and Gas Tax Fund Balances reflect the spending down of available funds in FY 2022/23 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	\$ 4,080,130	\$ 3,799,926	\$ -	\$ 3,799,877	\$ -	\$ -	\$ 4,080,179	
Total SA of the Los Gatos RDA Funds Reserves	\$ 4,080,130	\$ 3,799,926	\$ -	\$ 3,799,877	\$ -	\$ -	\$ 4,080,179	
TOTAL RESERVES	\$ 52,723,536	\$ 71,114,987	\$ 4,245,514	\$ 76,325,481	\$ 4,245,514	\$ -	\$ 47,513,042	

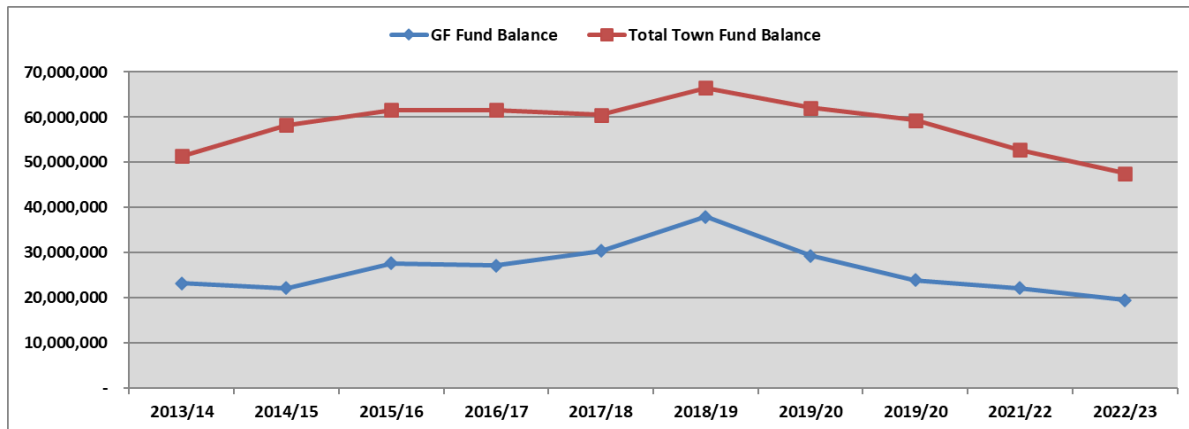
FUND BALANCE RESERVES

5 YEAR COMPARATIVE BALANCES

Fund Balance Reserves	6/30/2019 Actual YE Balance	6/30/2020 Actual YE Balance	6/30/2021 Actual YE Balance	6/30/2022 Estimated YE Balance	6/30/2023 Budgeted YE Balance
GENERAL FUND					
Restricted Fund Balances					
Pension	\$ 5,015,316	\$ 669,978	\$ -	\$ 690,000	\$ 1,080,000
Unreserved Fund Balances					
Undesignated Reserves					
Available to be Appropriated	-	-	-	-	-
Committed to:					
Budget Stabilization Reserve	5,419,222	5,427,603	5,460,485	5,991,566	5,991,566
Catastrophic Reserves	5,419,222	5,427,603	5,460,485	5,991,566	5,991,566
Pension/OPEB Reserve	4,232,500	4,532,500	300,000	300,000	300,000
Almond Grove Reserve	-	-	-	-	-
Assigned to:					
Open Space Reserve	562,000	410,000	410,000	410,000	410,000
Sustainability	140,553	140,553	140,553	140,553	140,553
Strategic Planning Reserve	-	-	-	-	-
Capital/Special Projects	13,262,303	8,787,958	6,965,356	5,682,452	3,332,452
Authorized Carryforwards	413,729	-	-	-	-
Compensated Absences*	1,232,653	1,539,408	1,649,917	1,649,917	1,649,917
To Workers Comp	1,232,654	-	-	-	-
Market Fluctuations	-	1,218,732	438,333	438,333	438,333
Measure G District Sales Tax	-	1,181,162	1,730,490	679,443	-
Stores and Vehicle Maintenance	1,040,375	-	-	-	-
Surplus Property Reserve	-	-	1,200,000	-	-
Rehab Loan (Nonspendable)	-	-	159,000	159,000	159,000
Total General Fund Reserves*	\$ 37,970,527	\$ 29,335,497	\$ 23,914,619	\$ 22,132,830	\$ 19,493,387
SPECIAL REVENUE FUNDS					
Housing Conservation Program	\$ 177,240	\$ 177,240	\$ 177,241	\$ 177,241	\$ 177,241
Community Dev Block Grant	(10,587)	(10,587)	(10,587)	(10,587)	(10,587)
Urban Run-Off Source Fund	159,450	237,935	371,240	416,611	585,650
Blackwell Assessment District	13,488	13,776	14,085	13,657	5,729
Kennedy Assessment District	37,926	40,396	20,416	22,101	13,786
Gemini Assessment District	28,921	31,787	34,415	36,407	28,399
Santa Rosa Assessment District	54,659	50,785	45,970	35,352	14,735
Vasona Assessment District	54,233	32,180	34,727	37,652	30,577
Hillbrook Assessment District	18,912	21,326	22,743	23,804	9,865
ARPA	-	-	-	-	-
Library Trust	69,582	60,333	81,598	82,598	58,098
Ness Trust Bequest	21,291	21,660	21,939	22,189	1,684
Betty McClendon Trust	85,999	87,487	88,005	88,005	88,005
Barbara J Cassin Trust	361,142	357,336	361,335	361,735	361,735
Total Special Revenue Funds Reserves	\$ 1,072,256	\$ 1,121,654	\$ 1,263,127	\$ 1,306,765	\$ 1,364,917

FUND BALANCE RESERVES 5 YEAR COMPARATIVE BALANCES

Fund Balance Reserves	6/30/2019 Actual YE Balance	6/30/2020 Actual YE Balance	6/30/2021 Actual YE Balance	6/30/2022 Estimated YE Balance	6/30/2023 Budgeted YE Balance
INTERNAL SERVICE FUNDS					
Liability Self-Insurance	\$ 1,313,304	\$ 1,290,614	\$ 1,021,083	\$ 638,860	221,169
Worker's Comp Self-Insurance	843,081	1,808,740	1,673,019	818,420	11,735
Information Technology	2,518,468	2,604,203	2,870,823	2,793,817	1,824,151
Office Stores Fund	-	-	-	-	-
Equipment Replacement	2,808,804	1,925,053	1,889,536	1,657,006	1,527,603
Vehicle Maintenance	-	-	-	-	-
Facilities Maintenance	970,786	102,469	156,340	102,962	124,865
Total Internal Service Funds Reserves	\$ 8,454,443	\$ 7,731,079	\$ 7,610,801	\$ 6,011,065	\$ 3,709,523
CAPITAL PROJECTS FUNDS					
GFAR	\$ 7,058,779	\$ 12,400,872	\$ 13,973,631	\$ 14,273,601	13,328,321
GFAR - Designated for Parking	1,460,210	1,460,210	1,460,210	-	-
Grant Funded CIP Projects	(255,637)	(343,705)	(699,245)	(3,689,292)	(3,219,292)
Storm Drain #1	932,416	1,034,521	1,078,286	1,135,466	1,185,146
Storm Drain #2	1,800,548	1,853,117	1,968,245	2,090,579	2,145,099
Storm Drain #3	(104,407)	(127,362)	(128,840)	(155,453)	(154,573)
Traffic Mitigation	304,647	348,661	381,319	381,319	371,319
Construction Tax-Undergrounding	3,079,685	3,118,173	3,201,311	3,257,936	3,310,426
Gas Tax	853,822	290,370	1,425,096	1,898,590	1,898,590
Total Capital Projects Funds Reserves	\$ 15,130,063	\$ 20,034,857	\$ 22,660,013	\$ 19,192,746	\$ 18,865,036
Successor Agency Trust of the Los Gatos RDA					
SA - Trust Fund (Budgetary Fund Balance)	\$ 3,840,187	\$ 3,875,208	\$ 3,881,357	\$ 4,080,130	\$ 4,080,179
Total Successor Agency Fund Reserves	\$ 3,840,187	\$ 3,875,208	\$ 3,881,357	\$ 4,080,130	\$ 4,080,179
TOTAL RESERVES	\$ 66,467,476	\$ 62,098,295	\$ 59,329,917	\$ 52,723,536	\$ 47,513,042



DEPARTMENT REVENUES BY PROGRAM

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
Town Offices						
1101 Town Council	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1301 Town Attorney	1,527	2,509	33,646	-	165	-
1302 Liability Self-Insurance Fund	657,152	378,133	376,963	423,332	377,923	429,249
Total Town Offices	\$ 658,679	\$ 380,642	\$ 410,609	\$ 423,332	\$ 378,088	\$ 429,249
Administrative Services Department						
1201 Non-Departmental	\$ 36,710,712	\$ 32,854,004	\$ 35,327,247	\$ 36,891,555	\$ 35,046,004	\$ 39,032,669
1231 Pension Trust- PARS	3,815,620	19,398	-	-	-	-
1232 Pension Trust- CEPPT	-	670,034	37,811	390,000	690,000	390,000
1241 ARPA	-	-	200,911	1,220,000	1,220,000	1,304,696
1261 Compensated Absences	(1,928,865)	-	-	-	-	-
2101 Town Manager Administration	28,989	27,974	3,216	1,000	1,240	1,500
2102 Community Grants	-	-	60,000	500,000	50,000	-
2201 Human Resources	-	-	-	-	-	-
2202 Workers' Compensation Fund	1,492,981	1,429,993	1,245,328	1,007,620	969,970	1,033,315
2301 Finance & Administrative Services	2,973,730	3,685,775	1,538,201	1,776,233	1,951,233	1,907,997
2302 Office Stores Fund	141,938	-	-	-	-	-
2401 Clerk Administration	-	450	-	-	-	-
2502 Information Technology Management	169,300	-	-	-	-	-
2501 Information Technology Systems	1,223,741	881,936	973,254	914,018	940,839	714,309
Total Administrative Services	\$ 44,628,146	\$ 39,569,564	\$ 39,385,968	\$ 42,700,426	\$ 40,869,286	\$ 44,384,486
Community Development						
3101 Administration	\$ 7,500	\$ -	\$ -	\$ -	\$ -	\$ -
3201 Developmental Review	681,892	500,952	677,472	617,000	617,000	652,000
3202 Advanced Planning	570,034	498,433	590,875	540,000	542,250	520,500
3301 Inspection Services	2,184,412	1,884,409	2,049,840	2,069,000	2,070,000	2,069,000
3401 Code Compliance	60,378	9,600	3,300	15,000	15,000	5,000
3501 BMP Housing Program	144,712	130,111	190,741	188,399	188,399	164,199
3999 Pass Thru Accounts	554,682	321,600	507,833	532,500	532,500	532,500
Total Community Development	\$ 4,203,610	\$ 3,345,105	\$ 4,020,061	\$ 3,961,899	\$ 3,965,149	\$ 3,943,199
Police Department						
4101 Administration	\$ 30,047	\$ 13,155	\$ 20,575	\$ 20,830	\$ 21,255	\$ 20,830
4201 Records & Communication	11,909	7,892	4,449	4,872	5,046	4,122
4202 Personnel & Community Services	376,852	401,096	485,554	501,000	501,000	502,300
4301 Patrol	926,565	976,460	1,534,407	1,102,685	1,132,287	1,161,354
4302 Traffic	594,315	452,907	493,610	318,767	316,002	316,293
4303 Investigations	132,929	201,069	188,692	139,556	145,584	179,173
4304 Parking Program	478,574	294,203	147,729	211,250	209,010	208,050
4800 Grants Program - Police	1,309	135,481	1,366	22,000	32,196	12,000
4999 Pass Thru Accounts	3,946	6,661	-	23,220	10,000	23,220
Total Police Department	\$ 2,556,446	\$ 2,488,924	\$ 2,876,382	\$ 2,344,180	\$ 2,372,380	\$ 2,427,342

DEPARTMENT REVENUES By PROGRAM

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
Parks & Public Works						
5101 Administration	\$ -	\$ -	\$ 2,094	\$ -	\$ 173	\$ -
5201 Engineering Program Services	223,701	170,855	74,835	-	-	-
5202 Engineering Development Svcs	1,092,535	1,160,960	1,274,661	1,247,100	1,320,142	712,100
5203 Non-Point Source Fund	716,352	231,323	299,478	231,323	231,323	359,950
5301 Park Services	233,408	228,232	243,074	203,398	166,926	191,582
5302 Environmental Services	187,706	181,106	225,022	160,156	160,156	159,920
5401 Street & Signals	279,912	280,026	261,532	416,543	416,543	525,122
5402 Equipment Replacement	632,492	236,083	327,398	570,957	595,707	686,837
5403 Vehicle Maintenance	764,407	-	-	-	-	-
5404 Facilities Maintenance	1,787,255	1,080,686	1,181,024	1,179,510	1,179,834	1,262,247
5405 Property Damage	83,025	25,682	2,345	-	12,700	-
5501 Lighting & Landscape Districts	41,638	41,604	40,984	39,680	34,680	34,680
5999 Pass Thru Accounts	334,920	452,157	481,981	140,000	140,000	140,000
8011 GFAR	1,629,129	3,001,375	3,332,812	4,592,437	2,107,655	4,748,297
8021 Grant Funded CIP Projects	257,968	396,334	342,973	7,887,549	1,136,360	5,437,041
8031 Storm Drain #1	123,039	112,105	43,765	49,670	57,180	49,680
8032 Storm Drain #2	47,774	62,569	115,127	53,930	135,734	54,520
8033 Storm Drain #3	1,447	(1,955)	(868)	940	(765)	880
8041 Traffic Mitigation	118,787	136,639	397,093	1,441,246	551,315	-
8042 Utility Undergrounding	81,701	87,489	107,764	52,490	57,052	52,490
8051 Gas Tax - Street & Signals	1,217,552	1,261,934	1,283,966	1,401,865	1,447,709	1,603,689
Total Parks & Public Works	\$ 9,854,748	\$ 9,145,204	\$ 10,037,060	\$ 19,668,794	\$ 9,750,424	\$ 16,019,035
Library						
7101 Administration	\$ 55	\$ 6,686	\$ -	\$ -	\$ -	\$ -
7201 Adult Services	35,000	26,250	-	35,000	35,000	35,000
7202 Children's Services	-	-	-	-	-	-
7203 Acquisitons & Cataloging	(37)	-	-	-	-	-
7204 Circulation Services	9,458	6,391	-	2,000	500	500
7801 Operating Grant	12,482	23,101	16,022	9,000	9,000	-
7301 Library Trust	83,840	63,388	39,159	70,500	71,000	70,500
7302 Clelles Ness Bequest Trust	736	368	279	-	250	250
7304 Betty McClendon Trust	1,495	1,487	1,128	700	1,000	1,000
7305 Barbara J Cassin Trust	6,277	6,182	4,610	2,900	2,900	4,500
Total Library	\$ 149,306	\$ 133,853	\$ 61,198	\$ 120,100	\$ 119,650	\$ 111,750
Successor Agency to the Los Gatos RDA						
9403 SA- Admin Services	\$ 29,216	\$ 28,292	\$ 27,414	\$ 9,000	\$ 6,752	\$ 9,000
9404 SA- Debt to 2002 COP	1,371,401	1,369,114	1,360,662	1,346,250	1,346,250	1,346,376
9405 SA-Debt to 2010 COP	2,509,589	2,501,097	2,483,836	2,556,950	2,656,950	2,444,550
Total SA to the Los Gatos RDA	\$ 3,910,206	\$ 3,898,503	\$ 3,871,912	\$ 3,912,200	\$ 4,009,952	\$ 3,799,926
Transfers In	4,714,131	9,996,516	5,267,697	3,471,186	4,056,563	4,245,514
Total Revenues by Department:	\$ 70,675,272	\$ 68,958,311	\$ 65,930,887	\$ 76,602,117	\$ 65,521,492	\$ 75,360,501

DEPARTMENTAL EXPENDITURES BY PROGRAM

		2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
Town Offices							
1101	Town Council	\$ 205,903	\$ 206,163	\$ 192,280	\$ 202,891	\$ 191,216	\$ 217,239
1301	Town Attorney	562,542	559,010	537,296	669,733	553,277	707,554
1302	Liability Self-Insurance Fund	338,617	400,823	646,495	850,716	760,146	846,940
Total Town Offices		\$ 1,107,062	\$ 1,165,996	\$ 1,376,071	\$ 1,723,340	\$ 1,504,639	\$ 1,771,733
Administrative Services Department							
1201	Non-Departmental	\$ 8,784,833	\$ 5,410,121	\$ 10,392,595	\$ 5,821,830	\$ 5,765,095	5,478,600
1231	Pension Trust - PARS	7,155	5,034,715	-	-	-	-
1232	Pension Trust - CEPPT	-	56	707,789	-	-	-
1241	ARPA	-	-	200,911	1,220,000	1,220,000	1,304,696
2101	Town Manager Administration	1,077,603	1,271,552	1,257,889	1,464,397	1,430,839	1,491,146
2102	Community Grants	136,513	182,303	207,801	650,000	650,000	151,000
2201	Human Resources	678,490	713,842	782,478	910,767	955,176	801,699
2301	Finance & Administrative Services	1,145,906	1,293,793	1,436,560	1,589,332	1,616,164	1,694,574
2401	Clerk Administration	349,776	387,470	416,204	456,740	438,617	484,180
2502	Information Technology Management	540,044	539,802	629,427	658,550	597,040	675,894
2803	Tobacco Prevention Initiatives	629	-	-	-	-	-
2999	Pass Thru	2,845	-	-	-	-	-
2202	Workers' Compensation Fund	1,270,628	1,525,589	1,381,049	1,824,569	1,824,569	1,840,000
2302	Office Stores Fund	104,345	-	-	-	-	-
2501	Information Technology Systems	567,082	796,201	668,834	1,064,959	1,017,845	983,975
2303	Parking Assessment District	-	-	-	-	-	-
Total Administrative Services		\$ 14,665,849	\$ 17,155,444	\$ 18,081,537	\$ 15,661,144	\$ 15,515,345	\$ 14,905,764
Community Development							
3101	Administration	\$ 210,791	\$ 256,531	\$ 275,911	\$ 270,585	\$ 251,764	\$ 286,174
3201	Developmental Review	1,329,381	1,376,229	1,519,572	1,637,249	1,367,149	1,728,808
3202	Advanced Planning	766,110	772,817	847,375	981,013	915,552	904,511
3301	Inspection Services	1,316,494	1,360,872	1,416,644	1,528,440	1,707,217	1,806,212
3401	Code Compliance	255,324	253,630	251,723	321,867	260,519	344,117
3501	BMP Housing Program	144,713	130,111	190,740	190,061	162,989	169,683
3999	Pass Thru Accounts	554,682	323,600	507,833	532,500	532,500	532,500
Total Community Development		\$ 4,577,495	\$ 4,473,790	\$ 5,009,798	\$ 5,461,715	\$ 5,197,690	\$ 5,772,005
Police Department							
4101	Administration	\$ 1,223,444	\$ 1,248,607	\$ 1,464,151	\$ 1,412,228	\$ 1,439,370	\$ 1,871,334
4201	Records & Communication	2,221,494	2,205,471	2,296,959	2,528,139	2,147,331	2,903,437
4202	Personnel & Community Services	562,528	874,807	993,941	1,074,262	1,031,559	1,116,904
4301	Patrol	7,112,700	7,371,256	7,653,773	7,976,990	8,050,067	8,906,255
4302	Traffic	1,011,364	798,833	887,706	1,040,977	933,362	1,026,033
4303	Investigations	2,219,461	2,705,333	2,739,071	2,813,257	2,675,259	2,896,711
4304	Parking Program	565,896	551,918	524,970	506,895	482,802	482,092
4800	Grants Program - Police	27,547	132,058	10,178	15,000	6,902	-
4999	Pass Thru Accounts	4,520	6,723	87	23,220	10,000	23,220
Total Police Department		\$ 14,948,954	\$ 15,895,006	\$ 16,570,836	\$ 17,390,968	\$ 16,776,652	\$ 19,225,986

DEPARTMENTAL EXPENDITURES By PROGRAM

		2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
Parks & Public Works							
5101	Administration	\$ 570,096	\$ 614,753	\$ 636,015	\$ 628,201	\$ 627,119	\$ 634,571
5201	Engineering Program Services	1,215,300	1,480,068	1,385,830	1,311,552	1,442,088	1,660,365
5202	Engineering Development Svcs	742,264	757,990	759,203	842,533	891,971	900,111
5203	Non-Point Source Fund	628,241	162,839	166,173	221,045	185,952	190,912
5301	Park Services	1,737,287	1,965,843	2,013,263	2,206,816	2,102,442	2,422,534
5302	Environmental Services	337,937	278,918	362,378	477,128	449,899	457,972
5401	Street & Signals	2,220,248	2,084,477	1,950,873	2,484,223	2,074,708	2,813,939
5402	Equipment Replacement	601,961	540,036	254,194	713,267	733,421	816,240
5403	Vehicle Maintenance	252,204	-	-	-	-	-
5404	Facilities Maintenance	1,011,905	1,161,003	1,160,152	1,223,193	1,234,999	1,240,344
5405	Property Damage	56,226	18,632	5,197	25,000	25,000	25,000
5406	Vehicle Maintenance Management	221,062	199,072	251,390	268,729	302,190	300,755
5407	Facilities Maintenance Management	305,042	316,130	333,628	393,171	356,929	443,357
5501	Lighting & Landscape Districts	27,266	54,572	53,958	95,279	33,143	95,642
5999	Pass Thru Accounts	564,170	452,157	481,981	140,000	140,000	140,000
8011	GFAR	7,552,806	5,567,263	4,743,911	20,507,902	6,272,006	8,982,937
8021	Grant Funded CIP Projects	379,494	484,403	698,512	7,869,300	4,126,407	4,967,041
8031	Storm Drain #1	-	-	-	200,000	-	-
8032	Storm Drain #2	-	-	-	200,000	13,400	-
8033	Storm Drain #3	29,700	11,000	611	259,447	25,848	-
8041	Traffic Mitigation	64,626	76,290	354,436	1,431,246	541,315	-
8042	Utility Undergrounding	-	49,000	24,626	348,003	427	-
8051	Gas Tax - Street & Signals	960,881	1,719,384	43,241	2,544,576	868,215	1,497,689
Total Parks & Public Works		\$ 19,478,716	\$ 17,993,830	\$ 15,679,572	\$ 44,390,611	\$ 22,447,479	\$ 27,589,409
Library							
7101	Administration	\$ 451,284	\$ 469,563	\$ 512,166	\$ 540,756	\$ 518,065	\$ 548,989
7201	Adult Services	548,199	544,326	643,929	688,224	701,284	894,440
7202	Children's Services	502,330	510,064	570,048	630,300	533,812	647,187
7204	Circulation Services	969,174	1,149,220	1,091,598	1,194,427	982,965	1,048,836
7801	Operating Grant	22,632	27,629	11,133	9,000	9,000	-
7301	Library Trust	69,029	72,637	17,895	70,000	70,000	95,000
7302	Clelles Ness Bequest Trust	21,048	-	-	20,755	-	20,755
7304	Betty McClendon Trust	-	-	609	700	700	1,000
7305	Barbara J Cassin Trust	-	9,989	611	2,500	2,500	4,500
Total Library		\$ 2,583,696	\$ 2,783,428	\$ 2,847,989	\$ 3,156,662	\$ 2,818,326	\$ 3,260,707
Successor Agency to the Los Gatos RDA							
9402	SA- Housing Trust Others	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9403	SA- Admin Services	109,556	108,276	104,747	8,043	7,959	8,131
9404	SA- Debt to 2002 COP	1,346,321	1,342,984	1,347,180	1,347,110	1,347,010	1,347,236
9405	SA-Debt to 2010 COP	2,417,921	2,412,222	2,413,838	2,456,310	2,456,210	2,444,510
Total SA to the Los Gatos RDA		\$ 3,873,798	\$ 3,863,482	\$ 3,865,765	\$ 3,811,463	\$ 3,811,179	\$ 3,799,877
Total Operating Expenditures		\$ 61,235,570	\$ 63,330,976	\$ 63,431,568	\$ 91,595,903	\$ 68,071,310	\$ 76,325,481
Transfers Out		4,714,131	9,996,516	5,267,697	3,436,186	4,056,563	4,245,514
Total Expenditures by Department:		\$ 65,949,701	\$ 73,327,492	\$ 68,699,265	\$ 95,032,089	\$ 72,127,873	\$ 80,570,995

IN-KIND DONATIONS FY 2022 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 amended the agreement in which NUMU leases 10,630 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.

	NUMU (LG Museums)	Adult Recreation Center	Recreation Department
Location	110 E. Main St 10-Year Lease	208 E. Main St. 20-Year Lease	123 E. Main St.
Market Price Per Square Foot/Month*	\$3.4 *	\$3.4 *	\$3.4 **
Square Footage	10,630	12,000	6,479
Value of Rent/Year	\$429,782	\$485,172	\$265,669
Rent Paid/Year	\$25,000	\$218,325	\$40,431
Total value of Donation/Lease Term	\$ 404,782	\$ 266,847	\$ 225,238

* Market rate is based on appraisal on every five-year.

** 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.

Due to the continued economic impact of the COVID-19 pandemic, the Town Council forgave rent payments for all of its tenants in FY 2020/21, including NUMU and LGS Recreation. On April 6, 2021, the Council voted to continue rent forgiveness for FY 2021/22. With this Proposed Budget, rent forgiveness is recommended for NUMU and LGS Recreation in FY 2022/23 with backfilling this revenue loss with ARPA funds.

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 \$4,100; the Children's Holiday Parade costs are estimated to be \$45,500. These estimates only include expenses that occur at the event and do not include time dedicated to event planning and logistics.

If both events occur, the estimated total of all in-kind expenses for FY 2022/23 is \$946,467.

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 (2022\$)	BMP Fee Eligible Cost
BMP	Extremely Low Income Housing Projects	\$ 3,000,000	\$ 3,000,000
BMP	Reacquisition of Distressed/Foreclosed Properties	700,000	700,000
BMP	Hello Housing and HouseKeys Program Services	600,000	600,000
Total		\$ 4,300,000	\$ 4,300,000

Note:

BMP - Below Market Housing Program

Construction Impact Activity Project List			
Source	Description	Estimated Project Cost (2022\$)	Construction Impact Fee Eligible Cost
CIP	Street Repair and Resurfacing Projects (5 year-plan)	\$ 20,451,398	\$ 20,451,398
Total		\$ 20,451,398	\$ 20,451,398

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.

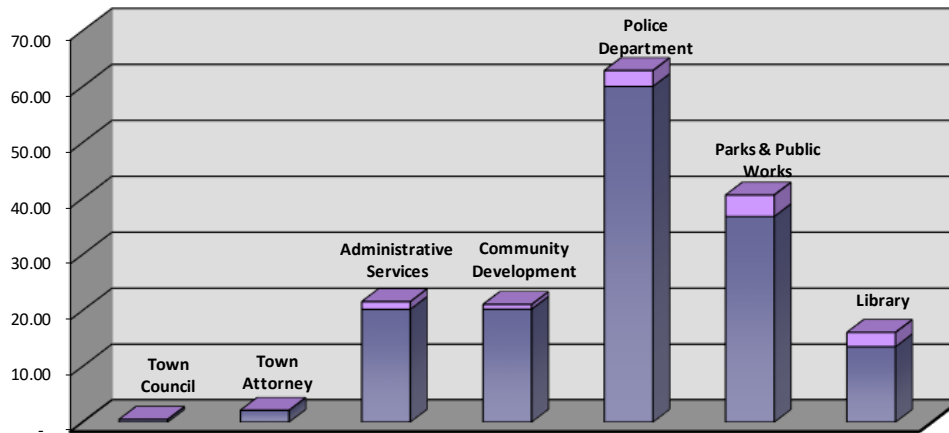
Source: Town of Los Gatos.

SUMMARY OF POSITIONS
DEPARTMENTAL STAFF BY FUND

	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Funded	2022/23 Adopted
<i>General Fund</i>					
Town Council	0.50	0.50	0.50	0.50	0.50
Town Attorney	1.88	1.88	1.88	2.13	2.13
Administrative Services*	20.53	20.17	20.17	20.17	20.17
Community Development	20.08	20.08	20.20	20.20	20.20
Police Department	59.00	60.00	60.00	60.00	60.00
Parks & Public Works	33.50	33.50	33.75	33.75	35.75
Library	12.50	12.50	12.50	12.50	13.50
<i>Total General Fund Staff</i>	147.98	148.61	148.98	149.23	152.24
<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>Successor Agency to the Los Gatos RDA</i>					
Administrative Services	0.01	0.01	0.01	0.01	0.01
<i>Total Redevelopment Agency Staff</i>	0.01	0.01	0.01	0.01	0.01
Total Town FTEs	148.99	149.63	150.00	150.25	153.25

**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



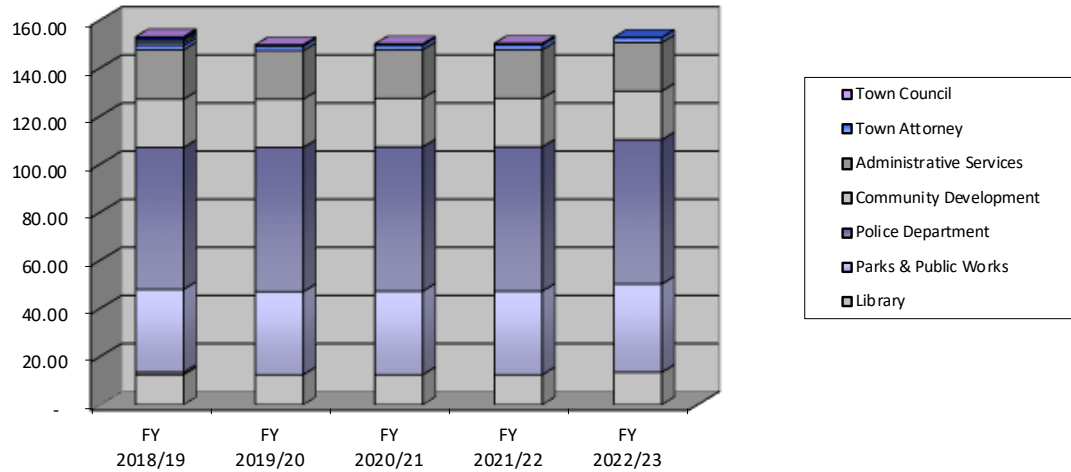
*Blue Bar – Town Staff
Purple Bar – Hourly Employees*

Departments	Authorized/ Funded Town Staff Positions	Hourly Emp Staff converted to FTEs	Total Budgeted Positions
Town Council	0.50	-	0.50
Town Attorney	2.13	-	2.13
Administrative Services	20.18	1.38	21.55
Community Development	20.20	0.85	21.05
Police Department	60.00	2.85	62.84
Parks & Public Works	36.75	3.84	40.59
Library	13.50	2.54	16.04
Total Positions	153.25	11.46	164.71

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



Five Year Staffing Trend

Departments	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Funded	2022/23 Adopted
Town Council	0.50	0.50	0.50	0.50	0.50
Town Attorney	1.88	1.88	1.88	2.13	2.13
Administrative Services	20.53	20.18	20.18	20.18	20.18
Community Development	20.08	20.08	20.20	20.20	20.20
Police Department	59.00	60.00	60.00	60.00	60.00
Parks & Public Works	34.50	34.50	34.75	34.75	36.75
Library	12.50	12.50	12.50	12.50	13.50
Total Budgeted FTEs	148.99	149.63	150.00	150.25	153.25

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 2022/23

The Town's total budgeted personnel costs for FY 2022/23 increased to \$35.6 million (\$32.6 million in FY 2021/22) and accounts for 44.2% of the total Town's expenditures. Rising healthcare and pension rates have increased labor costs; however, reduction strategies, structural reorganization, and realignments have helped to mitigate growing personnel expenditures. Even with these measures and the Town reducing its full-time employees by 15.0% to 153 FTE employees since 2001, pension and OPEB benefits have increased 37.7% in the past 5 years alone. 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, such as, 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 Town Manager's authority and are not subject to bargaining.

Memoranda of Understanding (MOUs)

All bargaining units, confidential, and management employees received an across the board salary increase of 2.5% plus non-sworn, confidential, and management employees received a 1.5% base salary one-time payment (non-PERSable) during 2018. A 3% across the board salary increase was effective in 2019 for non-sworn, confidential, and management and a 4% across the board salary increase was effective for sworn employees. During 2020, all bargaining units, confidential and management employees received a 1% across the board salary increase plus a 2% base salary one-time payment (non-PERSable) bonus. Employees classified as temporary received a 1% across the board salary increase. For 2021 two bargaining units, confidential, and management employees received a 2% across the board salary increase. Town and its employee bargaining groups renewed agreements until 6/30/2024. The first year of the agreements includes one-time non-PERSable bonuses, a combined market adjustments and cost of living adjustments for sworn (7.25%), TEA (8%), AFSCME (7.5%), and the non-represented confidential (8%) and temporary (8%) classifications, while non represented management group incorporated 3% salary increases. The second year of the agreement includes a 3% across the board salary increase for all three bargaining units, management, and confidential and temporary classifications. It should be noted that since 2000, the Town's bargaining groups have tended to trail inflation as measured by the Bureau of Labor Statistics CPI for the Consolidated Metropolitan Statistical Area covering the bay area.

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 2022, Kaiser rates increased 7% from the prior year. As evidenced by this fluctuation, national health care costs continue to be an area of concern and potential expense 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 as well as short and long-term disability insurance rates. 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

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 to date. As such, the Town's employer pension contributions are expected to continue to increase.

In order to help mitigate these negative plan experiences, the Town closed the CalPERS retiree Tier 1 benefit for non-safety employees and created a new Tier 2 for non-safety new employees in 2012, implemented the Public

SUMMARY OF PERSONNEL CHANGES FY 2022/23

Employees' Pension Reform Act (PEPRA) for all new non-classic employees starting in 2013, and participates in the CalPERS discounted prepayment option. The Town's bargaining groups participated in wage freezes and unpaid furloughs for several years to assist in achieving balanced budgets after the 2008 recession.

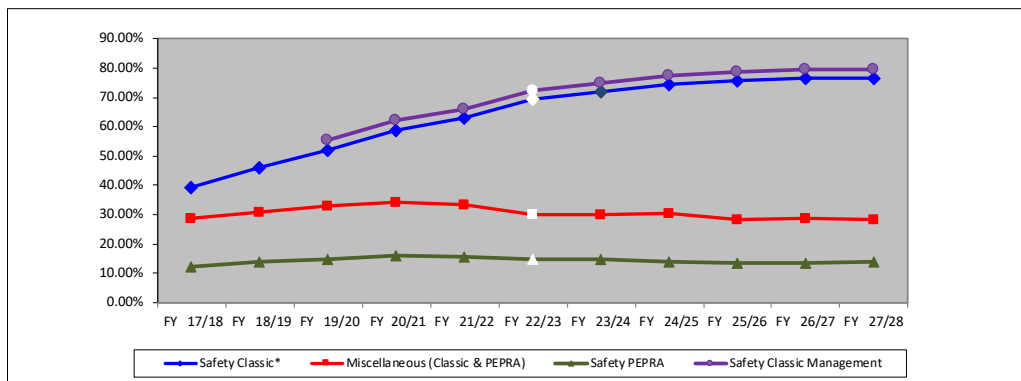
In 2016, the Town's bargaining groups approved the introduction of dependent cost sharing and a reimbursement cap to Medicare eligible employees, and in 2018 the elimination of the Town's existing retiree healthcare benefit prospectively.

Pension reform continues to be an important topic in regard to cost containment and staff is monitoring a number of state-wide initiatives that may impact future pension costs. In addition to the potential for State mandated reforms, the Town has been proactive in implementing pension/OPEB cost mitigation strategies. To address the escalation in pension costs, current and previous Councils have allocated additional discretionary pension funding totaling \$10,400,000. These additional discretionary payments will ultimately yield an approximate \$12,700,000 in pension contribution savings. In addition to the management of the Town's pension obligations, prior Councils have worked to curb cost escalation in Other Post-Employment Benefits (OPEB). In 2009, the Town initiated prefunding of the retiree healthcare benefit and has since established approximately \$26.2 million in OPEB assets from zero in 2009.

While these collective measures have helped to slow the growth in salary and benefit expenses, the Five-Year Forecast anticipates continued increases in the safety rates and decreases in the miscellaneous rates. In FY 2022/23, the Town's miscellaneous employee rate is projected to decrease to 29.92%; the safety rate is projected to increase to 69.44%; and the PEPRA safety rate is projected to be 14.62%.

The current estimates indicate that these changes would result in the Town increasing from the FY 2022/23 rate of 69.44% to 76.66% in FY 2027/28 of pay rate for safety employees and changing the FY 2021/22 rate of 29.92% to approximately 28.42% in FY 2027/28.

The following schedule reflects the Town's actual CalPERS pension rate for FY 2022/23 and the expected rates for the following fiscal years based on the Town's five-year forecast model which was updated using a CalPERS provided tool that provided a calculation method to estimate rate impacts of the current market earnings.



PERS Pension Plan	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
Safety Classic*	39.36%	46.09%	52.22%	58.98%	62.94%	69.44%	72.01%	74.61%	75.68%	76.69%	76.66%
Safety Classic Management			55.22%	61.98%	65.94%	72.44%	75.01%	77.61%	78.68%	79.69%	79.66%
Safety PEPRA	12.25%	13.96%	15.02%	15.95%	15.74%	14.62%	14.65%	13.78%	13.75%	13.60%	13.76%
Miscellaneous (Classic & PEPRA)	28.90%	30.87%	33.18%	34.23%	33.54%	29.92%	30.04%	30.64%	28.45%	28.73%	28.42%

* 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.

SUMMARY OF PERSONNEL CHANGES FY 2022/23

Management Strategies

In light of limited available resources and uncertain economic trends, Departments continued programming existing resources by either maintaining current structures or realigning operations to remain effective while staying within prior year budgets. In addition, Departments were provided guidance to enhance capacity where necessary through limit-dated none benefited personnel options when possible.

Limited staffing changes and one-time additions have been included in the FY 2022/23 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. Total overtime cost grew from \$467,593 in FY 2021/22 to \$599,955 in FY 2022/23.

Staffing Changes

The FY 2022/23 Operating Budget has 164.71 budgeted FTEs, including temporary staff. This reflects an increase of 3.37 of FTEs compared to the prior year. The recommended FY 2022/23 staffing levels also reflect the following changes from the prior year's adopted budget:

- *Administrative Services and Town Offices* - The FY 2022/23 budget reflects the continuation of a limited dated part time position to assist with the Town's emergency preparedness activities and regional emergency management engagement. The FY 2022/23 budget also includes one-time temporary hours to help with special projects in the Information Technology Program.
- *Community Development Department (CDD)* –The FY 2022/23 budget includes the part-time Code Compliance Officer position which will be continued for another year in FY 2022/23 with one-time funding.
- *Police* – The FY 2022/23 budget contains one-time requests for a Temporary Parking and Project Manager to assist with the review and the implementation of the Comprehensive Parking Study. The FY 2022/23 budget also includes an increase of 3,040 temporary hours to include two one-time Police Trainees, one-time increase of Temporary Police Officer hours and a one-time increase of an added Community Services Officer Intern.
- *Parks and Public Works (PPW)* – The FY 2022/23 budget includes a one-time (1 FTE) Urban Forest Manager to manage the Town's urban forest and fire safety program a one-time hire ahead Lead Parks and Maintenance worker, and additional 2,080 hours for a Temporary Senior Civil Engineer to assist with the grant funded CIP projects. Upon retirement of one of the current Lead Maintenance Workers and the Town Arborist, the two positions will be defunded. This will require Council to take a budget action to remove the two positions from the budget. In addition, the proposed budget includes a reclassification of an Executive Assistant position to an Administrative Technician position.
- *Library* – The FY 2022/23 budget includes an additional Senior Library Page position and a reclassification of a Library Technician position to a Library Assistant position. These changes were funded by reduction of temporary hours.

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.

SUMMARY OF PERSONNEL CHANGES

FY 2022/23

Liability Insurance

Self-Insurance Fund rates (liability claim insurance premiums) for FY 2022/23 remain relatively consistent with prior year rates. The Self-Insurance Fund Balance is declining as a result of adverse claims against the pooled plan over the last several years. Staff will closely monitor and recommend a budget strategy as needed.

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 2022/23 Workers' Compensation rates remain at the prior year level. Staff will closely monitor and recommend a budget strategy as needed.

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

	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Funded	2022/23 Adopted	Comments
TOWN ATTORNEY'S OFFICE						
Town Attorney	1.00	1.00	1.00	1.00	1.00	
Deputy Town Attorney	0.75	0.75	0.75	-	-	
Legal Administrative Assistant	-	-	1.00	1.00	1.00	
TOTAL DEPARTMENT FTEs	1.75	1.75	1.75	2.00	2.00	
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	1.00	
Administrative Analyst	1.00	1.00	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	0.75	0.75	
Events & Marketing Specialist	0.50	0.50	0.50	0.50	0.50	
TOTAL DEPARTMENT FTEs	5.25	5.25	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	1.00	1.00	1.00	
Human Resources Technician	1.00	1.00	1.00	1.00	1.00	
TOTAL DEPARTMENT FTEs	3.00	3.00	3.00	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	2.00	2.00	2.00	2.00	
Payroll Technician	1.00	1.00	-	-	-	
Administrative Analyst	2.00	2.00	3.00	3.00	3.00	
Account Technician	0.35	-	-	-	-	
TOTAL DEPARTMENT FTEs	6.35	7.00	7.00	7.00	7.00	
CLERK ADMINISTRATION						
Clerk Administrator	1.00	-	-	-	-	
Town Clerk	-	1.00	1.00	1.00	1.00	
Deputy Town Clerk	-	1.00	1.00	1.00	1.00	
Administrative Assistant	-	1.00	1.00	1.00	1.00	
Office Assistant	2.00	-	-	-	-	
TOTAL DEPARTMENT FTEs	3.00	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	-	-	-	-	
IT Analyst	1.00	-	-	-	-	
IT Systems Administrator	-	1.00	1.00	1.00	1.00	
IT Technician	1.00	1.00	1.00	1.00	1.00	
TOTAL DEPARTMENT FTEs	4.00	3.00	3.00	3.00	3.00	

TOWN STAFF
POSITIONS BY HOME DEPARTMENT

	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Funded	2022/23 Adopted	Comments
COMMUNITY DEVELOPMENT						
Community Development Dir.	1.00	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	2.63	2.63	2.75	2.75	2.75	
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	1.00	1.00	1.00	
Building Inspector	3.00	3.00	3.00	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	19.63	19.63	19.75	19.75	19.75	
POLICE						
Chief of Police	1.00	1.00	1.00	1.00	1.00	
Police Captain	2.00	2.00	2.00	2.00	2.00	
Police Sergeant	7.00	7.00	7.00	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	1.00	1.00	1.00	1.00	1.00	
Police Records and Communication Mgr	-	1.00	1.00	1.00	1.00	
Police Records Manager	1.00	-	-	-	-	
Senior Administrative Analyst	1.00	1.00	1.00	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	7.00	7.00	7.00	7.00	7.00	
Senior Parking Control Officer			1.00	1.00	1.00	
Parking Control Officer	2.00	2.00	1.00	1.00	1.00	
Police Records Specialist	4.00	4.00	4.00	4.00	4.00	
Human Resources Specialist	1.00	-	-	-	-	
Administrative Technician	-	1.00	-	-	-	
IT Systems Administrator	-	1.00	1.00	1.00	1.00	
TOTAL DEPARTMENT FTEs	59.00	60.00	60.00	60.00	60.00	

TOWN STAFF
POSITIONS BY HOME DEPARTMENT

	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Funded	2022/23 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	1.00	-	-	
Town Engineer	-	-	-	1.00	1.00	
Urban Forest Manager	-	-	-	-	1.00	CY add 1.0 FTE
Superintendent	1.00	1.00	1.00	1.00	1.00	
Transportation & Mobility Mgr	1.00	1.00	1.00	1.00	1.00	
Park & Public Works Operations Mgr	2.00	2.00	2.00	2.00	2.00	
Senior Civil Engineer	1.00	1.00	1.00	2.00	2.00	
Senior Administrative Analyst	1.00	1.00	1.00	1.00	1.00	
Administrative Technician	-	-	-	-	1.00	CY add 1.0 FTE
Executive Assistant	1.00	1.00	1.00	1.00	-	CY delete 1.0 FTE
Administrative Assistant	2.50	2.50	2.75	2.75	2.75	
Environmental Programs Specialist	1.00	1.00	1.00	1.00	1.00	
Associate Engineer	2.00	2.00	2.00	1.00	1.00	
Assistant Engineer	2.00	2.00	2.00	2.00	2.00	
Construction Project Mgr	1.00	1.00	1.00	1.00	1.00	
Senior Engineering Technician	-	-	1.00	1.00	1.00	
Engineering Technician	1.00	1.00	-	-	-	
Sr Public Works Inspector	1.00	1.00	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	-	-	-	-	
Lead Parks & Maint. Worker	3.00	3.00	3.00	3.00	4.00	CY add 1.0 FTE
Parks & Maintenance Worker	8.00	9.00	9.00	9.00	9.00	
Supervising Equipment Mechanic	-	-	-	1.00	1.00	
Equipment Mechanic	1.00	1.00	1.00	-	-	
TOTAL DEPARTMENT FTEs	34.50	34.50	34.75	34.75	36.75	
LIBRARY						
Library Director	1.00	1.00	1.00	1.00	1.00	
Division Manager	2.00	2.00	2.00	2.00	2.00	
Librarian	3.00	3.00	3.00	3.00	3.00	
Library Technology Specialist	2.00	2.00	2.00	2.00	2.00	
Library Assistant	-	-	-	-	1.00	CY add 1.0 FTE
Library Specialist	1.75	1.75	1.75	1.75	0.75	CY delete 1.0 FTE
Customer Service Specialist	1.75	1.75	1.75	1.75	1.75	
Sr Library Page	1.00	1.00	1.00	1.00	2.00	CY add 1.0 FTE
TOTAL DEPARTMENT FTEs	12.50	12.50	12.50	12.50	13.50	
TOTAL TOWN FTEs	148.97	149.63	150.00	150.25	153.25	

TOWN STAFF
POSITIONS BY HOME DEPARTMENT

ELECTED OFFICIALS					
	2018/19	2019/20	2020/21	2021/22	2022/23
	Funded	Funded	Funded	Funded	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					
	2018/19	2019/20	2020/21	2021/22	2022/23
	Funded	Funded	Funded	Funded	Adopted
<i>Temporary Hours by Department</i>					
Town Council	175	175	175	-	-
Administrative Services	1,376	2,350	2,350	4,030	2,860
Community Development	1,695	1,695	1,955	1,760	1,760
Police Department	3,035	3,035	4,350	2,880	5,920
Parks & Public Works	5,661	5,661	5,661	5,917	7,997
Library Department	9,294	9,294	8,450	8,450	5,290
<i>Total Temporary Hours by Department</i>	21,236	22,210	22,941	23,037	23,827
CONVERTED HOURLY EMPLOYEES	10.21	10.68	11.03	11.09	11.46
<i>(1.00 FTE = 2080 hours)</i>					



Departmental Budgets

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DEPARTMENTAL BUDGET DIRECTORY

FY 2022/23

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DEPARTMENTAL BUDGET DIRECTORY

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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 2022/23 budget includes increases in salary and benefit costs attributed to negotiated salary raises, anticipated merit step increases and higher benefit and CalPERS pension rates.

TOWN OFFICES

DEPARTMENTAL SUMMARY OF REVENUES AND EXPENDITURES

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
REVENUES						
Service Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-	-
Fines & Forfeitures	850	2,050	3,646	-	165	-
Other Revenues	677	459	30,000	-	-	-
TOTAL REVENUES	\$ 1,527	\$ 2,509	\$ 33,646	\$ -	\$ 165	\$ -
EXPENDITURES						
Salaries and Benefits*	\$ 666,306	\$ 701,723	\$ 675,228	\$ 760,243	\$ 636,563	\$ 762,795
Operating Expenditures	88,366	48,379	38,839	96,350	92,281	146,694
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	13,773	15,071	15,509	16,031	15,649	15,304
TOTAL EXPENDITURES	\$ 768,445	\$ 765,173	\$ 729,576	\$ 872,624	\$ 744,493	\$ 924,793

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
PROGRAM						
Town Council	\$ 205,903	\$ 206,163	\$ 192,280	\$ 202,891	\$ 191,216	\$ 217,239
Town Attorney	562,542	559,010	537,296	669,733	553,277	707,554
TOTAL EXPENDITURES	\$ 768,445	\$ 765,173	\$ 729,576	\$ 872,624	\$ 744,493	\$ 924,793

TOWN OFFICES

DEPARTMENT STAFFING

Full Time Equivalents (FTE)

	2018/19	2019/20	2020/21	2021/22	2022/23
<i>General Fund</i>	Funded	Funded	Funded	Funded	Adopted
Town Attorney	1.00	1.00	1.00	1.00	1.00
Deputy Town Attorney	0.75	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
Administrative Assistant	-	-	0.13	0.13	0.13
Office Assistant	0.13	-	-	-	-
Legal Administrative Assistant	-	-	-	1.00	1.00
Total General Fund FTEs	2.38	2.38	2.38	2.63	2.63
<i>Elected Officials</i>					
Councilmembers	5.00	5.00	5.00	5.00	5.00
TOTAL ELECTED OFFICIALS	5.00	5.00	5.00	5.00	5.00
<i>Temporary Staff</i>					
Intern	175	175	175	-	-
TOTAL ANNUAL HOURS	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 December. 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 2022/23 budget includes increases in salary and benefit costs attributed to negotiated salary raises, anticipated merit step increases and higher benefit and CalPERS pension rates. The FY 2022/23 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

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 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>	\$ 190,652	\$ 191,749	\$ 179,176	\$ 182,251	\$ 171,540	\$ 196,826
<i>Operating Expenditures</i>	14,598	14,081	12,727	20,250	19,281	20,000
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	653	333	377	390	395	413
TOTAL EXPENDITURES	\$ 205,903	\$ 206,163	\$ 192,280	\$ 202,891	\$ 191,216	\$ 217,239

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)

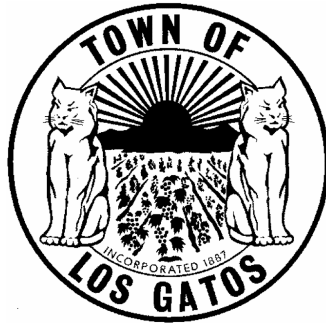
	2018/19	2019/20	2020/21	2021/22	2022/23
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Adopted
Executive Asst. to the Town Mgr.	0.50	0.50	0.50	0.50	0.50
TOTAL PROGRAM FTEs	0.50	0.50	0.50	0.50	0.50

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	-	-
TOTAL ANNUAL HOURS	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 2022/23 budget includes increases in salary and benefit costs attributed to negotiated salary raises, anticipated merit step increases and higher benefit and CalPERS pension rates.

TOWN ATTORNEY

FY 2021/22 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 Commission and the Town Pension and OPEB Trusts Oversight Committee. • Provided administrative and analytical support in staff report development and review.

TOWN ATTORNEY

SUMMARY OF REVENUES AND EXPENDITURES

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
REVENUES						
Service Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-	-
Fines & Forfeitures	850	2,050	3,646	-	165	-
Other Revenues	677	459	30,000	-	-	-
TOTAL REVENUES	\$ 1,527	\$ 2,509	\$ 33,646	\$ -	\$ 165	\$ -
EXPENDITURES						
Salaries and Benefits*	\$ 475,654	\$ 509,974	\$ 496,052	\$ 577,992	\$ 465,023	\$ 565,969
Operating Expenditures	73,768	34,298	26,112	76,100	73,000	126,694
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	13,120	14,738	15,132	15,641	15,254	14,891
TOTAL EXPENDITURES	\$ 562,542	\$ 559,010	\$ 537,296	\$ 669,733	\$ 553,277	\$ 707,554

FY 2022/23 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

FY 2022/23 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>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 Town Boards and Commissions.
- 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

TOWN ATTORNEY STAFFING

Full Time Equivalents (FTE)

	2018/19	2019/20	2020/21	2021/22	2022/23
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Adopted
Town Attorney	1.00	1.00	1.00	1.00	1.00
Deputy Town Attorney	0.75	0.75	0.75	-	-
Office Assistant	0.13	-	-	-	-
Administrative Assistant	-	-	0.13	0.13	0.13
Deputy Town Clerk	-	0.13	-	-	-
Legal Administrative Assistant	-	-	-	1.00	1.00
TOTAL PROGRAM FTEs	1.88	1.88	1.88	2.13	2.13

	2018/19	2019/20	2020/21	2021/22	2022/23
Performance Objectives and Measures	Actual	Actual	Actual	Estimated	Planned
1. <i>To reduce the legal and financial consequences of claims and lawsuits against the Town.</i>					
a. Claims for denial or approval processed within 45 days of filing:	95%	95%	90%	95%	95%
2. <i>To protect the Town from legal exposure through the timely review of contracts, staff reports, and Town policies and practices.</i>					
a. Staff reports reviewed within 24 hours of receipt:	95%	90%	95%	95%	95%
b. Contracts reviewed and signed within 48 hours of receipt:	90%	90%	90%	90%	90%
c. Staff questions and referrals responded to within 3 working days:	95%	95%	95%	95%	95%

	2018/19	2019/20	2020/21	2021/22	2022/23
Activity and Workload Highlights	Actual	Actual	Actual	Estimated	Planned
1. Number of incident reports processed:	16	10	10	15	15
2. Number of property loss reports processed:	13	10	22	25	25
3. Number of subpoenas handled:	7	5	13	15	15
4. Number of cases closed:	3	2	2	3	3
5. Number of claims closed:	16	10	15	16	16
6. Number of Town Council and Advisory Body meetings attended:	52	100	100	10	0



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

	2018/19	2019/20	2020/21	2021/22	2021/22	2022/23
	Actuals	Actuals	Actuals	Adjusted	Estimated	Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	994,770	1,313,305	1,290,615	1,021,083	1,021,083	638,860
Total Beginning Fund Balance	994,770	1,313,305	1,290,615	1,021,083	1,021,083	638,860
Revenues						
<i>Service Charge</i>	\$ 365,155	\$ 378,133	\$ 376,963	\$ 423,332	\$ 377,923	\$ 429,249
<i>Interest</i>	-	-	-	-	-	-
<i>Intergovernmental Revenues</i>	-	-	-	-	-	-
<i>Other Revenues</i>	291,997	-	-	-	-	-
Total Revenues	\$ 657,152	\$ 378,133	\$ 376,963	\$ 423,332	\$ 377,923	\$ 429,249
TRANSFERS IN						
<i>Transfer from Equipment Replacement</i>	\$ -	\$ -	\$ -	\$ -	\$ -	-
TOTAL TRANSFERS IN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES & TRANSFERS	657,152	378,133	376,963	423,332	377,923	429,249
TOTAL SOURCE OF FUNDS	\$ 1,651,922	\$ 1,691,438	\$ 1,667,578	\$ 1,444,415	\$ 1,399,006	\$ 1,068,109
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	338,617	400,823	646,495	850,716	760,146	846,940
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
Total Expenditures	\$ 338,617	\$ 400,823	\$ 646,495	\$ 850,716	\$ 760,146	\$ 846,940
Transfers Out						
<i>Transfer to Grant Fund</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	\$ 338,617	\$ 400,823	\$ 646,495	\$ 850,716	\$ 760,146	\$ 846,940
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	1,313,305	1,290,615	1,021,083	593,699	638,860	221,169
Total Ending Fund Balance	1,313,305	1,290,615	1,021,083	593,699	638,860	221,169
TOTAL USE OF FUNDS	\$ 1,651,922	\$ 1,691,438	\$ 1,667,578	\$ 1,444,415	\$ 1,399,006	\$ 1,068,109

TOWN ATTORNEY
Liability Self-Insurance Program

FY2022/23 KEY PROJECTS

Core Goals	Key Projects
<i>Good Governance</i> Ensure responsive, accountable and collaborate government	<i>Premium Management</i> • 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.





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 is 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. Health Orders continue to wane.

ADMINISTRATIVE SERVICES

For FY 2022/23, revenues captured in Administrative Services reflect positive changes in Transient Occupancy Tax (TOT), Sales Tax, and Property Tax as the impacts from the COVID-19 pandemic and its corresponding mandated Public. These revenue modifications are informed by the Town's sales tax consultant MuniServices, the County Tax Assessor, communications with Los Gatos hoteliers, and other sources.

The FY 2022/23 budget includes increases in salary and benefit costs attributed to negotiated salary raises, anticipated merit step increases and higher benefit and CalPERS pension rates.

The FY 2022/23 budget reflects the proposed continuation of a part time, three-year position to assist with the Town's emergency preparedness activities and regional emergency management engagement, and one-time temporary Project Manager hours to assist with IT needs.

ADMINISTRATIVE SERVICES

SUMMARY OF REVENUES AND EXPENDITURES

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adopted	2021/22 Estimated	2022/23 Adopted
REVENUES						
<i>Other Taxes</i>	\$ 1,526,894	\$ 1,357,080	\$ 1,386,943	\$ 1,250,000	\$ 1,425,000	\$ 1,387,500
<i>Licenses and Permits</i>	11,405	2,444	851	1,000	1,240	1,500
<i>Intergovernmental Revenues</i>	-	8,258	2,365	-	-	-
<i>Service Charges</i>	1,396	-	-	-	-	-
<i>Interest</i>	1,445,640	90,593	93,008	85,000	85,000	87,550
<i>Other Revenues</i>	3,765,597	2,255,824	118,250	941,233	491,233	432,947
TOTAL REVENUES	\$ 6,750,932	\$ 3,714,199	\$ 1,601,417	\$ 2,277,233	\$ 2,002,473	\$ 1,909,497
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 3,341,837	\$ 3,742,818	\$ 4,093,118	\$ 4,418,798	\$ 4,268,410	\$ 4,544,558
<i>Operating Expenditures</i>	346,800	319,300	285,911	514,261	624,598	462,061
<i>Grants</i>	137,142	182,303	207,801	650,000	650,000	151,000
<i>Pass Through Accounts</i>	2,845	-	-	-	-	-
<i>Fixed Assets</i>	-	8,258	2,365	-	-	-
<i>Internal Service Charges</i>	103,182	136,083	141,164	146,727	144,828	140,874
TOTAL EXPENDITURES	\$ 3,931,806	\$ 4,388,762	\$ 4,730,359	\$ 5,729,786	\$ 5,687,836	\$ 5,298,493
	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adopted	2021/22 Estimated	2022/23 Adopted
PROGRAM						
<i>Town Manager's Office</i>	\$ 1,077,603	\$ 1,271,552	\$ 1,257,889	\$ 1,464,397	\$ 1,430,839	\$ 1,491,146
<i>Community Grants</i>	136,513	182,303	207,801	650,000	650,000	151,000
<i>Human Resources</i>	678,490	713,842	782,478	910,767	955,176	801,699
<i>Finance & Admin Services</i>	1,145,906	1,293,793	1,436,560	1,589,332	1,616,164	1,694,574
<i>Clerk Administration</i>	349,776	387,470	416,204	456,740	438,617	484,180
<i>Information Technolgy Management</i>	540,044	539,802	629,427	658,550	597,040	675,894
<i>Smoking Restriction Implementatation</i>	629	-	-	-	-	-
<i>Pass Through</i>	2,845	-	-	-	-	-
TOTAL EXPENDITURES	\$ 3,931,806	\$ 4,388,762	\$ 4,730,359	\$ 5,729,786	\$ 5,687,836	\$ 5,298,493

ADMINISTRATIVE SERVICES

DEPARTMENT STAFFING					
<i>Full Time Equivalents (FTE)</i>					
	2018/19	2019/20	2020/21	2021/22	2022/23
<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	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	0.30	0.30
Administrative Assistant	-	1.00	1.00	0.88	0.88
Office Assistant	1.88	-	-	-	-
Human Resources Director	1.00	1.00	1.00	1.00	1.00
Administrative Analyst	4.00	4.00	4.00	5.00	5.00
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	0.99	1.99	1.99	1.99	1.99
Payroll Technician	1.00	1.00	1.00	-	-
Account Technician	0.35	-	-	-	-
Town Clerk	-	1.00	1.00	1.00	1.00
Clerk Administrator	1.00	-	-	-	-
Deputy Town Clerk	-	0.88	0.88	1.00	1.00
Events & Marketing Specialist	0.50	0.50	0.50	0.50	0.50
IT Manager	1.00	1.00	1.00	1.00	1.00
IT Systems Administrator	-	1.00	1.00	1.00	1.00
Network Administrator	1.00	-	-	-	-
IT Analyst	1.00	-	-	-	-
IT Technician	1.00	1.00	1.00	1.00	1.00
Total General Fund FTEs	20.52	20.17	20.17	20.17	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	0.01	0.01
Total Successor Agency FTEs	0.01	0.01	0.01	0.01	0.01

ADMINISTRATIVE SERVICES

ADMINISTRATIVE SERVICES STAFFING

	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Funded	2022/23 Adopted
<i>Temporary Staff Hours</i>					
Intern I	450	1,050	1,050	-	-
Office Assistant	-	-	-	1,040	1,040
Facility Attendant	50	50	50	50	50
Administrative Analyst	626	-	-	-	-
Mail Room Clerk (Library Dept Temps)	250	250	250	250	250
Emergency Management	-	1,000	1,000	1,000	1,000
Human Resources Technician	-	-	-	1,040	-
IT Program Manager	-	-	-	650	520
Total Annual Hours	1,376	2,350	2,350	4,030	2,860



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, the Community Health and Senior Services Commission, Senior Services Committee, and Finance Commission; and facilitate associated projects and services of these Committees and Commissions; 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 2022/23 budget includes increases in salary and benefit costs attributed to negotiated salary raises, anticipated merit step increases and higher benefit and CalPERS pension rates. The FY 2022/23 Town Manager's Office budget is programmed to maintain existing staffing and service levels with the continuation of a part time, two-year position to assist with the Town's emergency preparedness activities and regional emergency management engagement.

ADMINISTRATIVE SERVICES
Town Manager's Office

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 2022-2024 Town Council Strategic Priorities.

ADMINISTRATIVE SERVICES
Town Manager's Office

FY 2021/22 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Community Character</i> Preserve and enhance the appearance, character, and environmental quality of the community	• Provided support to the Council Policy Committee as it evaluated a variety of policies and good government practices. • Assisted businesses to locate, expand, or stay in Los Gatos, including support through the Council-adopted Economic Recovery Initiatives, providing a variety of process streamlining, reduced fees, and other business opportunities to create a more flexible business environment. • Continued work on the downtown Temporary Krail Parklet Program and the Semi-Permanent Parklet Program. • Continued administration of a grant match program for businesses to provide platforms, ramps, and other essential items that allow the parklets to become accessible and meet ADA requirements. • Provided strategic guidance for the Town's General Plan and Housing Element update processes, involving all Town Departments and Boards, Commissions, and Committees. • Justice, Equity, Diversity, and Inclusion (JEDI) work, including maintaining the "Becoming an Inclusive Community" website and overseeing work with two JEDI consultants – one focused on external goals within the broader community and the other focused on internal, organizational efforts. • Worked with numerous community partners to collaboratively organize the united Against Hate Walk, attended by over 2,000 people.
<i>Good Governance</i> Ensure responsive, accountable, and collaborative government	• Supported the Town Council in its decision making. • Led streamlining efforts to improve the efficiency of Town processes. • 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. • Led an inter-Departmental Communications Team in creating a Town Communication Plan to increase community engagement and transparency. • Began work with a consultant on a scientific community survey to gather resident feedback and measure satisfaction with Town services, quality of life, and other information to help the Town better understand the community's priorities, concerns, and needs. • Represented the Town in County-wide and regional forums.

ADMINISTRATIVE SERVICES
Town Manager's Office

FY 2021/22 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Good Governance</i> Ensure responsive, accountable, and collaborative government	• 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 increased social media content on the Town's Facebook, Instagram, Nextdoor, LinkedIn, and Twitter accounts. • Promoted community participation in Town matters by signing up for the weekly Town newsletter and other notifications through a dedicated email or on the Town's website. • Utilized teleconferencing technology for public meetings in compliance with Public Health Orders. • Began oversight of implementing the Town's new Enterprise Resource Planning System.
<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 and in-depth examinations of municipal financial practices. • Led the development of a comprehensive Town-wide budget. • Provided technical and administrative support to the Finance Commission. • Continued to increase transparency and community access to Town financial information through work on dedicated Fiscal Transparency webpages. • Oversaw Federal American Recovery Plan Act (ARPA) COVID-19 recovery assistance.
<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. • Supported the economic vitality and infrastructure elements of the downtown parklet programs, economic recovery efforts, and pilot program creating a public space on Grays Lane.

ADMINISTRATIVE SERVICES
Town Manager's Office

FY 2021/22 ACCOMPLISHMENTS

Core Goals	Accomplishments
<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 the Gateway Art Project, the Utility Art Box Program, and potential funding sources for Town art. • Began the Request for Proposal process for the operation and program management of the Los Gatos Theatre, a fixture downtown since 1915, on behalf of the Town. • Worked with the Chamber of Commerce to once again provide large festive lighting displays throughout Los Gatos in the winter months to provide additional holiday cheer and promote economic vitality. • Oversaw the continuation 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. • Expanded communication and coordination with County Fire and other agencies regarding wildfire prevention and preparedness. • Led the Town's response to the COVID-19 emergency. • Continued working to implement the Council Ad Hoc Wildfire Committee's Report. • Managed crisis communications including the pandemic response and associated changing Public Health Orders, wildfire and evacuations in close proximity, poor air quality due to smoke, potential PG&E public safety power shutoffs, record heat waves, storms, and general emergency preparedness. • Completed work with the Town Attorney to implement the Independent Police Auditor function.

ADMINISTRATIVE SERVICES
Town Manager's Office

SUMMARY OF REVENUES AND EXPENDITURES

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
REVENUES						
<i>Other Taxes</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Licenses and Permits</i>	11,405	2,444	851	1,000	1,240	1,500
<i>Intergovernmental Revenues</i>	-	8,258	2,365	-	-	-
<i>Service Charges</i>	200	-	-	-	-	-
<i>Interest</i>	-	-	-	-	-	-
<i>Other Revenues</i>	17,384	17,272	-	-	-	-
TOTAL REVENUES	\$ 28,989	\$ 27,974	\$ 3,216	\$ 1,000	\$ 1,240	\$ 1,500
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 945,000	\$ 1,105,538	\$ 1,160,885	\$ 1,266,246	\$ 1,156,232	\$ 1,281,394
<i>Operating Expenditures</i>	81,929	90,491	25,699	127,350	204,020	140,550
<i>Grants</i>	-	-	-	-	-	-
<i>Pass Through Accounts</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	8,258	2,365	-	-	-
<i>Internal Service Charges</i>	50,674	67,265	68,940	70,801	70,587	69,202
TOTAL EXPENDITURES	\$ 1,077,603	\$ 1,271,552	\$ 1,257,889	\$ 1,464,397	\$ 1,430,839	\$ 1,491,146

ADMINISTRATIVE SERVICES
Town Manager's Office

FY 2022/23 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 Town Council and other policies.
	<i>Business Attraction and Retention</i>
	Continue to assist businesses to find available locations in Los Gatos, encourage diverse and unique offerings in the downtown, and implement economic recovery initiatives. Continue work with businesses on the Semi-Permanent Parklet Program. 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 transition of production of the Music in the Park summer concert series to a new management team.
	<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.
	<i>Housing Element Update</i>
	Provide support to the Community Development Department in engaging all Town Departments and the community in the Housing Element Update process.
	<i>COVID-19 Recovery</i>
	Leverage the Town organization to ensure an efficient and robust recovery from the impacts of COVID-19.
	<i>Diversity, Equity, and Inclusion</i>
	Continue to work with all Departments to use a lens of diversity, equity, and inclusion in the development of the Town budget, delivery of services, and the creation of all new programs, projects, and policies. Continue working with Justice, Equity, Diversity, and Inclusion consultants on both external efforts within the community and internal goals at the Town organization.
	<i>Sustainability</i>
	Continue to work with all Departments to increase sustainability efforts Town-wide.

ADMINISTRATIVE SERVICES
Town Manager's Office

FY 2022/23 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative government	<i>Communication with the Public</i>
	Enhance the usefulness of the Town's website and social media channels to improve accessibility and transparency of information and services for the public. Work with KCAT-TV to maintain the Town-branded YouTube page for viewing live and archived Town Council and other meetings. Continue the weekly Town Newsletter distribution.
	<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. Continue to lead the inter-Departmental Communications Team and complete the Town Communications Plan and supporting policies and procedures.
	<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.
	<i>IT</i>
	Oversee implementation of the Town's new Enterprise Resource Planning System, including online business tax acceptance.
	<i>Community Survey</i>
	Complete scientific community survey to gather resident feedback and measure satisfaction with Town services, quality of life, and other information to help the Town better understand the community's priorities, concerns, and needs.

ADMINISTRATIVE SERVICES
Town Manager's Office

FY 2022/23 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 the new Finance Commission to develop additional cost-saving strategies and identify increased revenue options in alignment with the Council's Strategic Priorities. Oversee Federal American Recovery Plan Act (ARPA) COVID-19 assistance.
	<i>Financial Information</i> Continue enhancing the description of budget assumptions and graphic representation to better explain the Town's budget and other financial documents, including developing alternate budget scenarios to illustrate the effects of differing economic assumptions.
	<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. Manage the successful onboarding of an operator for the Los Gatos Theatre to ensure the reactivation of the asset.
<i>Quality Public Infrastructure</i> Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	<i>Downtown Parking</i> Support the Police Department in the implementation of the Comprehensive Parking Study.

ADMINISTRATIVE SERVICES
Town Manager's Office
FY 2022/23 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 Gateway Art Project and the Parks and Public Works' Outside the Box Utility Box Art Program.
	<i>Cultural and Community 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>Senior Initiatives</i>
	Support the Community Health and Senior Services Commission and Senior Services Committee in the implementation of the Council's identification of senior initiatives as a Strategic Priority through an initial senior services community survey and other work.
	<i>Los Gatos Theatre</i>
	Oversee the reactivation and programming of the Los Gatos Theatre, a downtown fixture since 1915.
<i>Public Safety</i> Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness	<i>Overall 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. Staff and manage a part-time Emergency Services Coordinator position. Continue updating and preparing the Town's Emergency Operations Center for activation when necessary. Further enhance the "emergency preparedness" sections of the Town's website.
	<i>PG&E Shutoffs</i>
	Prepare for potential PG&E Public Safety Power Shutoff Events and keep website information current for future events.
	<i>Wildfire Preparedness</i>
	Continue implementation plans for the short-term and long-term goals identified in the Council Ad Hoc Wildfire Committee's plan.
	<i>COVID-19 Emergency</i>
	Continue to lead the Town's implementation of State and County Public Health Orders and recommendations as they evolve.

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 email, telephone, counter, and website assistance.
- Provides staff support to the Finance Commission, Policy Committee, Pension and OPEB Trust Oversight Committee, Senior Services Committee, and the Community Health and Senior Services Commission.
- Monitors 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, Farmers' Market, KCAT, and other community organizations.
- Manages the annual Community Grant process in partnership with the Library Director.
- Oversees and executes Town events, such as Spring into Green, 4th of July Symphony in the Park, Screen on the Green, and the annual Tree Lighting ceremony.
- 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/weekly Newsletter 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)

	2018/19	2019/20	2020/21	2021/22	2022/23
Town Staff	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	1.00
Administrative Analyst	1.00	1.00	1.00	1.00	1.00
Deputy Town Clerk	-	0.25	0.13	0.13	0.13
Executive Asst. to Town Mgr.	0.50	0.50	0.50	0.50	0.50
Administrative Assistant	-	0.13	0.25	0.25	0.25
Office Assistant	0.38	-	-	-	-
Economic Vitality Manager	0.30	0.30	0.30	0.30	0.30
Events & Marketing Specialist	0.50	0.50	0.50	0.50	0.50
Total Manager's Program FTEs	4.68	4.68	4.68	4.68	4.68

	2018/19	2019/20	2020/21	2021/22	2022/23
Temporary Staff Hours	Funded	Funded	Funded	Funded	Adopted
Facility Attendant	50	50	50	50	50
Emergency Management	-	1,000	1,000	1,000	1,000
Intern I	450	675	675	-	-
Office Assistant	-	-	-	520	520
Total Annual Hours	500	1,725	1,725	1,570	1,570

ADMINISTRATIVE SERVICES
Town Manager's Office

Performance Objectives and Measures	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 Planned
1. <i>Supplement resources for nonprofit agencies providing human services and art, cultural, and educational programming so that residents may maintain or improve their quality of life.</i>					
a. The average percentage of a grantee's budget that comes from the Town's grant contributions:	2%	1.5%	<i>Not able to determine due to COVID</i>	2%	1.50%
2. <i>Foster a comprehensive arts environment in Los Gatos through the support, development, and appreciation of the arts.</i>					
a. Percentage of public art pieces in good to excellent condition:	80%	<i>Public survey not conducted due to COVID</i>	80%	80%	80%
b. Resident satisfaction with Arts and Cultural opportunities in Los Gatos:	76%	<i>Public survey not conducted due to COVID</i>	70%	70%	75%

ADMINISTRATIVE SERVICES
Town Manager's Office

Activity and Workload Highlights	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 Planned
1. Number of community/customer referrals:	744	784	986	1,028	1,130
2. Grant agreements administered:					
a. Number of Human Service grants:	8	10	Measure Discontinued	Measure Discontinued	Measure Discontinued
b. Number of Arts/Cultural/Educational grants:	5	7	Measure Discontinued	Measure Discontinued	Measure Discontinued
c. Number of Special Events grants:*	Measure Discontinued	Measure Discontinued	Measure Discontinued	Measure Discontinued	Measure Discontinued
d. Dollar amount of Special Event grants:**	\$13,513	\$10,000	Measure Discontinued	Measure Discontinued	Measure Discontinued
e. Number of One-Time Grants***	N/A	N/A	10	8	10
f. Dollar amount of One-Time Grants***	N/A	N/A	\$70,000	\$75,013	\$75,000
g. Number of Innovation Grants***	N/A	N/A	3	0	4
h. Dollar amount of Innovation Grants***	N/A	N/A	\$4,500	\$0	\$6,000
i. Number of Sustaining Grants***	N/A	N/A	5	5	5
j. Dollar amount of Sustaining Grants***	N/A	N/A	\$70,000	\$70,000	\$70,000
3. Total dollar amount of General Fund grant agreements administered:	\$136,513	\$182,303	\$144,500	\$145,013	\$151,000
4. Number of Los Gatos residents directly served by Town grant-funded organizations:	29,000	37,000	Not able to determine due to COVID	20,000	20,000
5. Number of Art in the Council Chambers exhibitions installed and curated:	4	3	1	1	2
6. Number of businesses receiving general business liaison assistance:	100	115	175	115	115
7. Commercial Brokers/Property Owner Outreach Communications:	75	50	40	45	40

*Measure discontinued effective FY 19/20.

**New measure effective FY 19/20.

***New measure effective FY 20/21

ADMINISTRATIVE SERVICES
Town Manager's Office

COMMUNITY GRANT PROGRAM

The Community Grant program underwent a significant procedural change in FY2020/21 compared to previous years. Changes included shifting the grant calendar process for applications and awards to earlier in the fiscal year and budgeting the lump sum amounts of all grant expenditures rather than noting each individual grantee at the time of budget adoption. The three expenditure lines that have been added going forward, "one-time grants," "innovation grants," and "recurring grants," include the lump sum amounts of all smaller grant funds that will be dispersed to grantees after the application and award process is completed. When the FY2021/22 actuals are reported at the close of year, these lump sum amounts will be noted as individual smaller grant amounts to the individual Grantees in order to compare historical budget year trends. The total amount of grant funding budgeted for FY 2021/22 is \$150,000.

ADMINISTRATIVE SERVICES
Town Manager's Office

	<u>2018/19</u> <u>Awarded</u>	<u>2019/20</u> <u>Awarded</u>	<u>2020/21</u> <u>Awarded</u>	<u>2021/22</u> <u>Awarded</u>	<u>2022/23</u> <u>Adopted</u>
Grants to Award					
Recurring Grants					
West Valley Community Services	\$ -	\$ -	\$ 35,000	\$ 20,000	
Next Door Solutions	-	-	20,000	5,000	
Live Oak Senior Nutrition	-	-	37,000	22,000	
CASSY	-	-	25,000	10,000	
Live Oak Adult Day Services	-	-	13,000	13,000	
Total Recurring Grants	-	-	130,000	70,000	\$ 70,000
One-Time Grants					
Parent Helping Parents	-	-	7,500	10,000	
St. Luke's Episcopal Church	-	-	7,500	-	
Mariposa Montessori School	-	-	7,500	9,263	
Los Gatos Lions	-	-	7,500	-	
Los Gatos Chamber	-	-	7,500	-	
Art Docents	-	-	7,000	-	
Silicon Valley Jewish Film Festival	-	-	5,000	-	
JCC Los Gatos	-	-	7,500	-	
New Museum of Los Gatos (NUMU)	-	-	7,500	10,000	
New Millennium Foundation	-	-	5,000	-	
Los Gatos Methodist Church	-	-	4,975	5,750	
History Club of Los Gatos	-	-	-	10,000	
West Valley Community Services	-	-	-	10,000	
Arts Docents of Los Gatos	-	-	-	10,000	
KCAT 55+ Program	-	-	-	100,000	
SASCC Senior Drive Through	-	-	-	5,000	
SASCC Health Fair	-	-	-	15,000	
SASCC Outlook Newspaper	-	-	-	30,000	
LGS Pre-Pandemic Service Reserve	-	-	-	328,500	
SASCC Community Assessment Survey	-	-	-	21,500	
Total One-Time Grants	-	-	74,475	565,013	75,000
Innovation Grants					
Bruce Preville	-	-	326	-	
Cheryl Hansen	-	-	1,500	-	
Arjun Seshadri	-	-	1,500	-	
Total Innovation Grants	-	-	3,326	-	6,000
Total Human Services Grants	103,000	152,500	-	-	
Total Arts, Cultural & Educational Grants	20,000	20,000	-	-	
Total Special Events Grants	13,518	10,000	-	-	
Total Arts Funding	5,000	-	-	-	
Total Grants to Award	\$ 141,518	\$ 182,500	\$ 207,801	\$ 635,013	\$ 151,000

Administrative Services

HUMAN RESOURCES PROGRAM 2201

PROGRAM PURPOSE

The purpose of the Human Resources Program is to attract, develop, and retain a quality diverse 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 2022/23 budget includes increases in salary and benefit costs attributed to negotiated salary raises, anticipated merit step increases and higher benefit and CalPERS pension rates.

ADMINISTRATIVE SERVICES

Human Resources

Human Resource staff will continue to assist the organization with filling critical Town-wide positions through effective recruitment and selection methods that strive to support workforce diversity and will continue to assist Departments with succession planning; retention and training; and restructuring and redesigning jobs for efficiencies as vacancies become available. In addition, Human Resources will also be focused on labor negotiations with TEA, AFSCME and POA.

FY 2021/22 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Good Governance</i> Ensure responsive, accountable and collaborate government	• Successfully recruited and onboarded 21 positions. • Conducted a virtual benefits open enrollment and shifted from an in-person Health and Wellness Fair to a remote Town-wide wellness challenge. • Continued to support the organization with a remote oral board experience using MS Teams and Zoom to ensure continuation of the recruitment process for vacancies during Public Health Orders. • Supported and managed employees while transitioning from working remotely to working back in the office. • Ensured the Town was adhering to the current Cal/OSHA, County, State and Federal Government COVID guidelines.
<i>Fiscal Stability</i> Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community	• Concluded the meet and confer process with AFSCME and TEA to implement successor one-year agreements and continue the meet and confer process with POA • Continued the revision and creation of job classifications to meet the changing needs of the departments including the creation flexibly staffed job series.

ADMINISTRATIVE SERVICES

Human Resources

SUMMARY OF REVENUES AND EXPENDITURES

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
REVENUES						
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	-	-	-	-
Service Charges	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES						
Salaries and Benefits	\$ 550,744	\$ 611,571	\$ 647,813	\$ 680,648	\$ 672,544	\$ 644,916
Operating Expenditures	114,411	83,899	115,436	210,556	263,056	138,656
Grants	-	-	-	-	-	-
Pass Through Accounts	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	13,335	18,372	19,229	19,563	19,576	18,127
TOTAL EXPENDITURES	\$ 678,490	\$ 713,842	\$ 782,478	\$ 910,767	\$ 955,176	\$ 801,699

ADMINISTRATIVE SERVICES
Human Resources

FY 2022/23 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable and collaborate government	<i>Personnel Rules and Regulations</i>
	• 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. • Develop a retired annuitant procedure. • Revise and update current administrative procedures related to harassment and bullying in the workplace. • Revitalize the Town's employee recognition program. • Develop new recruiting and outreach techniques.
	<i>Labor Relations</i>
	• Initiate and complete the negotiation process of the full labor contracts for the TEA and AFSCME groups prior to June 30, 2022. • Continue the meet and confer negotiation process with POA based upon the contract expiration on September 30, 2021.
	<i>Training and Development</i>
	• Develop and present an internal employee training program related to interview and public presentation skills. • Create a Human Resources library with books and resources that focus on interviewing/job growth for employees. • Continue to identify and make available other training opportunities for employees.
	<i>Records Management</i>
	• Work with Finance/IT to implement the Enterprise Resource Planning (ERP) software program. • Continue to create and implement electronic HR related forms.

ADMINISTRATIVE SERVICES
Human Resources

FY 2022/23 KEY PROJECTS

Core Goals	Key Projects
<i>Good Governance</i> Ensure responsive, accountable and collaborate government	<i>Response to the COVID-19 Pandemic</i> Strive to adapt and implement new protocols and procedures related to the County, State and Federal government's frequently changing directives connected to testing, vaccines, contact tracing, employment, workers' compensation, and employee benefits to ensure Town compliance.
<i>Fiscal Stability</i> Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community	<i>Recruitment/Onboarding</i> Support all Town Departments to quickly fill vacancies while using recruitment efforts that encourage diversity within the Town's workforce. <i>Succession Planning</i> 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.

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.

ADMINISTRATIVE SERVICES
Human Resources

KEY PROGRAM SERVICES

- 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.

HUMAN RESOURCES PROGRAM STAFFING

Full Time Equivalents (FTE)

	2018/19	2019/20	2020/21	2021/22	2022/23
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Adopted
Human Resources Director	1.00	1.00	1.00	1.00	1.00
Administrative Analyst	1.00	1.00	1.00	1.00	1.00
Human Resources Technician	1.00	1.00	1.00	1.00	1.00
Total Human Resources FTEs	3.00	3.00	3.00	3.00	3.00

	2018/19	2019/20	2020/21	2021/22	2022/23
<i>Temporary Staff Hours</i>	Funded	Funded	Funded	Funded	Adopted
Human Resources Technician	-	-	-	1,040	-
Total Annual Hours	-	-	-	1,040	-

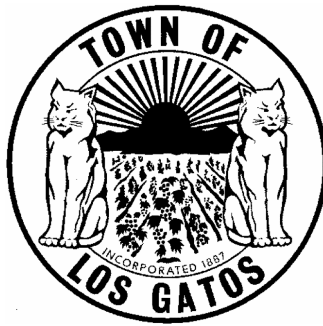
ADMINISTRATIVE SERVICES

Human Resources

Performance Objectives and Measures	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 Planned
1. <i>To provide a competitive employee benefit package that contributes to the recruitment and retention of employees.*</i>					
a. Percentage of employees rating benefit program material, products, and services as good to excellent:	96%	96%	96%	90%	90%
b. Percentage of employees rating communication of the benefit program as good to excellent:*	Not Applicable	94%	94%	95%	95%
2. <i>To provide effective and efficient professional development, training, and organizational development.</i>					
a. Percentage of employees rating the effectiveness of training classes as good to excellent:	79%	Not Applicable	Not applicable	Not applicable	Not applicable
b. Percentage of employees who have received a formal evaluation in the last 12 months:*	Not Applicable	31%	22%	24%	25%
4. <i>To provide effective and efficient employee recruitment services to departments.*</i>					
a. Percentage of hiring managers rating recruitment process timeline as good to excellent:	Not Applicable	89%	89%	82%	82%
5. <i>To provide effective and efficient employee relations support.</i>					
a. Percentage of labor agreements ratified prior to expiration of existing contracts:	100%	Not Applicable	100%	66%	100%
b. Percentage of employees rating the availability and timeliness of HR staff response to inquiries as good to excellent:*	Not Applicable	94%	94%	88%	94%

Activity and Workload Highlights	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 Planned
1. Number of recruitments conducted:	15	23	17	25	25
2. Number of employment applications reviewed:	2,139	3,551	2,244	2,419	2,500
3. Number of Workers' Compensation claims filed:	15	14	16	18	15
4. Percentage of eligible employees participating in deferred compensation:	42%	45%	60%	68%	70%
5. Number of Personnel Action Forms processed:*	248	173	198	215	200
6. Number of employee promotions:*	4	10	8	19	10
7. Number of ergonomic evaluations conducted:*	24	9	10	14	15
8. Number of new employee onboarding sessions conducted (full-time, part-time, and temporary):*	21	33	25	22	25
9. Number of job classifications revised or created:*	2	5	3	5	15
10. Vacancy rate:*	9%	11%	11%	11%	11%

*New measure effective FY 20/21



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 Annual Comprehensive Financial Report (ACFR) 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 FY 2022/23 budget includes increases in salary and benefit costs attributed to negotiated salary raises, anticipated merit step increases and higher benefit and CalPERS pension rates.

ADMINISTRATIVE SERVICES

Finance

FY 2021/22 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Good Governance</i> Ensure responsive, accountable and collaborate government	• Coordinated the successful development of the FY 2020/21 Annual Comprehensive Financial Report (ACFR) 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 ACFR for the FY 2019/20. • Achieved the GFOA's Distinguished Budget Presentation Award for the FY 2020/21 Operating Budget. • Completed State Controller's "Cities Annual Report" and "Streets Report." • Completed Request for Proposal (RFP) process for professional auditing services, actuarial services, and business license ordinance review.
<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 2022/23 Operating Budget and FY 2022/23-2026/27 Capital Improvement Program for Council consideration. • Managed the Town's investments and prepared quarterly investment reports. • Supported the Successor Agency and its required filings. • Supported the Finance Commission and Pension/OPEB Oversight Committee. • Provided ongoing fiscal controls for contracts and other Town expenditures.

ADMINISTRATIVE SERVICES

Finance

SUMMARY OF REVENUES AND EXPENDITURES

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
REVENUES						
<i>Other Taxes</i>	\$ 1,526,894	\$ 1,357,080	\$ 1,386,943	\$ 1,250,000	\$ 1,425,000	\$ 1,387,500
<i>Licenses and Permits</i>	-	-	-	-	-	-
<i>Intergovernmental Revenues</i>	-	-	-	-	-	-
<i>Service Charges</i>	1,196	90,593	93,008	85,000	85,000	87,550
<i>Interest</i>	1,445,640	2,238,102	58,250	441,233	441,233	432,947
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ 2,973,730	\$ 3,685,775	\$ 1,538,201	\$ 1,776,233	\$ 1,951,233	\$ 1,907,997
EXPENDITURES						
<i>Salaries and Benefits*</i>	\$ 988,993	\$ 1,133,533	\$ 1,271,722	\$ 1,398,799	\$ 1,441,898	\$ 1,497,891
<i>Operating Expenditures</i>	125,617	129,215	132,332	156,800	140,725	163,300
<i>Grants</i>	-	-	-	-	-	-
<i>Pass Through Accounts</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	31,296	31,045	32,506	33,733	33,541	33,383
TOTAL EXPENDITURES	\$ 1,145,906	\$ 1,293,793	\$ 1,436,560	\$ 1,589,332	\$ 1,616,164	\$ 1,694,574

ADMINISTRATIVE SERVICES
Finance

FY 2022/23 KEY PROJECTS

Core Goals	Key Projects
<i>Good Governance</i> Ensure responsive, accountable, and collaborative government	<i>Enterprise Resource Planning (ERP) System Upgrade</i> Implement the Town’s new enterprise resource planning (ERP) system in a phased approach focusing first on the financial and human capital management functions. <i>Electronic Filing</i> Maintain electronic filing across all functions. <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 Accountant functions.
<i>Fiscal Stability</i> Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community	<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. <i>Business License Modernization</i> Modify structure of business license following the business license modernization study. <i>Finance Commission</i> Support the Town Finance Commission as governed by its enabling resolution.

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 Annual Comprehensive Financial Report (ACFR).
- 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.
- Tracks 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)

	2018/19	2019/20	2020/21	2021/22	2022/23
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	0.99	1.99	1.99	1.99	1.99
Payroll Technician	1.00	1.00	-	-	-
Administrative Analyst	2.00	2.00	3.00	3.00	3.00
Account Technician	0.35	-	-	-	-
Total Finance Services FTEs	6.34	6.99	6.99	6.99	6.99

	2018/19	2019/20	2020/21	2021/22	2022/23
Temporary Staff	Funded	Funded	Funded	Funded	Adopted
Administrative Analyst	626	-	-	-	-
Mail Room Clerk (Library Dept Temps)	250	250	250	250	250
Total Annual Hours	876	250	250	250	250

ADMINISTRATIVE SERVICES

Finance

Performance Objectives and Measures	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 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:	2.05%	1.86%	1.37%	1.58%	1.33%
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 bank statements reconciled to general ledger within 30 days of month-end:*	80%	90%	100%	100%	100%
d. Percent of quarterly reports completed and submitted to Council by deadlines:	100%	100%	Measure Discontinued	Measure Discontinued	Measure Discontinued
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%	Measure Discontinued	Measure Discontinued	Measure Discontinued
b. Percentage of Payroll checks paid accurately and on-time:	99%	99%	99%	99%	99%

Activity and Workload Highlights	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 Planned
1. Quarterly investment reports to Finance Commission and	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 system:	7,185	6,791	6,388	7,000	6,500
4. Average number of Accounts Payable checks issued weekly:	57	64	58	60	60
5. Average number of regular and temporary employee payroll checks issued bi-weekly:	185	188	189	190	190
6. Number of Business Licenses issued annually:	4,293	3,926	4,144	4,150	4,150

*Measure discontinued effective FY2020/21.



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; elections; and the Fair Political Practices Commission (FPPC). 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 FPPC. 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 manages the Council agenda packet preparation, posting, and distribution. The Clerk Administration program also provides administrative support to the Town Attorney.

BUDGET OVERVIEW

The FY 2022/23 budget includes increases in salary and benefit costs attributed to negotiated salary raises, anticipated merit step increases and higher benefit and CalPERS pension rates.

ADMINISTRATIVE SERVICES
Clerk Administration

FY 2021/22 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Good Governance</i> Ensure responsive, accountable and collaborative government	• Continued the update of the Retention Schedule in coordination with the Town Attorney's Office. • Utilized teleconferencing technology for public meetings in compliance with Public Health Orders. • Transitioned Commissioner interviews to teleconference in compliance with Public Health Orders. • Provided administrative support to the Town Attorney's Office, Council Policy Committee, Finance Commission, Arts and Culture Commission, Community Health and Senior Services Commission, and Senior Service Committee. • Completed work on implementing the Independent Police Auditor function.
<i>Civic Enrichment</i> Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	• Began implementation of JustFOIA, a public records request software system for a more streamlined and efficient process for requestors and staff. • Transitioned the Municode Meetings webpage to the Municode Meetings Portal to enable searchability by keyword on meeting information and meeting-related documents.

ADMINISTRATIVE SERVICES

Clerk Administration

SUMMARY OF REVENUES AND EXPENDITURES

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
REVENUES						
<i>Other Taxes</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenues</i>	-	-	-	-	-	-
<i>Service Charges</i>	-	-	-	-	-	-
<i>Interest</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	450	-	-	-	-
TOTAL REVENUES	\$ -	\$ 450	\$ -	\$ -	\$ -	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 317,056	\$ 352,374	\$ 383,616	\$ 416,601	\$ 401,239	\$ 445,469
<i>Operating Expenditures</i>	24,843	15,695	12,444	19,555	16,797	19,555
<i>Grants</i>	-	-	-	-	-	-
<i>Pass Through Accounts</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	7,877	19,401	20,144	20,584	20,581	19,156
TOTAL EXPENDITURES	\$ 349,776	\$ 387,470	\$ 416,204	\$ 456,740	\$ 438,617	\$ 484,180

ADMINISTRATIVE SERVICES
Clerk Administration

FY 2022/23 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. • Continue to update Administrative Procedures and Council Policies to the current template for a more cohesive look.
	<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 Town events and other opportunities 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, how to communicate with Council Members, and participate in public meetings. • Neutral designated recipient of all complaints of sworn personnel.
Quality Public Infrastructure Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	<i>Elections</i>
	Administer the Town Elections Official role for elections, including candidate orientation and other tasks.
	<i>Public Document Accessibility</i>
	• Make various public documents available to the public through the Town’s website. Continue adding all resolutions, ordinances, and minutes to the document repository and continue adding historical recordings so that the public can access documents directly through the Town’s website. • Continue to utilize NetFile to facilitate 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. • Implementation of the Municode Meetings Portal to enable searchability by keyword on meeting information and meeting-related documents. • Complete implementation of JustFOIA, a software system to more efficiently process and track public records requests.

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.
- Acts as Elections Official to accept and file appropriate documents associated with municipal elections.
- Acts as Filing Official for the Town's Conflict of Interest Code (Form 700) and campaign statements 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.
- Processes and monitors all Town contracts.

CLERK ADMINISTRATION STAFFING

Full Time Equivalents (FTE)

	2018/19	2019/20	2020/21	2021/22	2022/23
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Adopted
Clerk Administrator	1.00	-	-	-	-
Town Clerk	-	1.00	1.00	1.00	1.00
Deputy Town Clerk	-	0.63	0.88	0.88	0.88
Administrative Assistant	-	0.88	0.63	0.63	0.63
Office Assistant	1.50	-	-	-	-
Total Clerk Admin FTEs	2.50	2.50	2.50	2.50	2.50

	2018/19	2019/20	2020/21	2021/22	2022/23
<i>Temporary Staff</i>	Funded	Funded	Funded	Funded	Adopted
Intern 1	-	375	375	-	-
Office Assistant	-	-	-	520	520
Total Annual Hours	-	375	375	-	520

ADMINISTRATIVE SERVICES

Clerk Administration

Performance Objectives and Measures	2018/19 Actual	2019/20 Actual	2021/21 Actual	2021/22 Estimated	2022/23 Planned
1. <i>Provide efficient and effective indexing of key documents to ensure adequate tracking of and accessibility to the Town's legislative history.</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%	90%	95%	95%
4. <i>Percentage of vacancies filled on an annual basis to maximize community participation within the Town's advisory bodies.</i>	95%	95%	90%	90%	90%

Activity and Workload Highlights	2018/19 Actual	2019/20 Actual	2021/21 Actual	2021/22 Estimated	2022/23 Planned
1. <i>Number of Legislative Records indexed:</i>					
a. Number of resolutions indexed:	57	56	49	55	55
b. Number of agreements indexed:	242	231	206	235	235
c. Number of documents recorded:	53	37	28		
d. Number of ordinances indexed:	10	18	9	15	10
2. Number of commission and board applications and appointments processed:	73	36	91	70	70
3. Number of commission and board seats available:****	78	33	30	25	25
4. Number of Legal Notices published within established timelines:	159	173	131	125	120
5. Number of Fair Political Practices Commission (FPPC) Form 700:	142	126	177	150	150
6. Number of bids processed and project files monitored for final action:	38	10	50	50	50
7. Number of required insurance certificates verified:	316	358	184	210	210
8. Number of Town Council agenda reports processed:*	213	278	241	240	240
9. Number of Public Records Act requests processed:***	133	145	223	260	275

* 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.

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 2022/23 budget includes increases in salary and benefit costs attributable to negotiated salary raises, anticipated merit step increases and higher benefit and CalPERS pension rates. The former IT Manager will also be engaged on a temporary basis not to exceed 520 hours for the FY 2022/23 budget year. Computer requirements have been assessed and staff will be consolidating to a single laptop computer where applicable to help reduce ongoing expenses by \$35K over the next 5 years along with a reduction of related software licensing and resource costs. IT is providing increasingly critical services and support as Town Departments offer online options to supplement in-person service delivery.

ADMINISTRATIVE SERVICES
Information Technology Staffing

FY 2021/22 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Good Governance</i> Ensure responsive, accountable, and collaborative government	• Provided ongoing support and maintenance of the Town's IT infrastructure and services. • Supported staff needs for hybrid work schedules. • Implemented next generation threat protection solution for endpoints to better combat against growing cyber attacks. • Implemented additional network security features related to intrusion prevention/detection system, geo-fencing, web security and application control. • Incorporated additional email security features to protect against phishing attacks. • Performed additional build out of virtual server infrastructure for increased capacity to support migration of older servers. • Upgraded server systems and various hosted applications & services. • Provided ongoing security awareness training for staff. • Implemented new backup and recovery solution for better reliability and faster recovery times. • Expanded our multifactor authentication system across all points of entry into the Town network. • Performed replacements of staff computer systems. • Migrated the building, planning, permitting system to Accela's cloud hosted platform. • Upgraded the Town's online permitting system for improved accessibility and ease of use. • Migrated internal Intranet and Departmental sites to new Sharepoint Online cloud hosted solution for improved functionality and collaboration.

ADMINISTRATIVE SERVICES
Information Technology Staffing

SUMMARY OF REVENUES AND EXPENDITURES

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
REVENUES						
<i>Other Taxes</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenues</i>	-	-	-	-	-	-
<i>Service Charges</i>	-	-	-	-	-	-
<i>Interest</i>	-	-	-	-	-	-
<i>Other Revenues</i>	169,300	-	-	-	-	-
TOTAL REVENUES	\$ 169,300	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 540,044	\$ 539,802	\$ 629,082	\$ 656,504	\$ 596,497	\$ 674,888
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Grants</i>	-	-	-	-	-	-
<i>Pass Through Accounts</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	345	2,046	543	1,006
TOTAL EXPENDITURES	\$ 540,044	\$ 539,802	\$ 629,427	\$ 658,550	\$ 597,040	\$ 675,894

ADMINISTRATIVE SERVICES
Information Technology Staffing

KEY PROGRAM SERVICES

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

FY 2022/23 KEY PROJECTS

Core Goals	Key Projects
<i>Good Governance</i> Ensure responsive, accountable, and collaborative government	<i>Collaboration Systems</i>
	Provide ongoing staff training on collaboration tools.
	<i>ERP System Migration</i> Support Finance and HR departments in migrating to a new cloud hosted ERP system.
<i>Fiscal Stability</i> Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community	<i>Computer Replacement Program</i>
	Consolidate computer deployments to single use laptop computers where applicable to minimize additional expenses and resource needs in supporting multiple computers for staff.
	<i>Continuous Improvement</i> Provide ongoing direction to the Town's strategic investments in technology to improve Town service delivery, transparency, efficiency, and government access.

ADMINISTRATIVE SERVICES
Information Technology Staffing

FY 2022/23 KEY PROJECTS

Core Goals	Key Projects
Quality Public Infrastructure Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	IT Infrastructure Provide ongoing support and maintenance of the Town's IT infrastructure and services. Disaster Recovery Implement new disaster recovery as a service (DRaaS) solution to better protect critical services and minimize downtime. Network Upgrade Replace network switches for added performance and next generation security. Cyber Security Perform ongoing assessment and review of overall security posture to protect against evolving threat landscape. Equipment Replacement Replace and upgrade computer systems and peripherals as part of the replacement program.
Civic Enrichment Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	Online Services Improvements Support Town Departments with exploring and implementing the transition of services to online formats, when appropriate and consistent with the Council's Strategic Priorities, in order to improve access and efficiency for the public. Revitalize the Town's website for better accessibility and engagement.
Public Safety Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness	Police Support Technology Assist with maintenance of Police IT systems and upgrades.

ADMINISTRATIVE SERVICES
Information Technology Staffing

INFORMATION TECHNOLOGY STAFFING

Full Time Equivalent (FTE)

	2018/19	2019/20	2020/21	2021/22	2022/23
	Funded	Funded	Funded	Funded	Adopted
Town Staff					
IT Manager	1.00	1.00	1.00	1.00	1.00
Network Administrator	1.00	-	-	-	-
IT Systems Administrator	-	1.00	1.00	1.00	1.00
IT Analyst	1.00	-	-	-	-
IT Technician	1.00	1.00	1.00	1.00	1.00
Total IT FTEs	4.00	3.00	3.00	3.00	3.00

	2018/19	2019/20	2020/21	2021/22	2022/23
	Funded	Funded	Funded	Funded	Adopted
Temporary Staff					
IT Program Manager Temp/Hrly	-	-	-	650	520
Total Annual Hours	-	-	-	650	520

ADMINISTRATIVE SERVICES
Information Technology Staffing

Performance Objectives and Measures	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 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:	80%	<i>Not Applicable</i>	<i>Not Applicable</i>	<i>Not Applicable</i>	<i>Not Applicable</i>
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%	96%	98%	100%	100%
d. Percentage of customers rating support as "good" or "excellent" based on quality of service:	97%	96%	94%	97%	97%
Activity and Workload Highlights	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 Planned
1. Number of PCs/Notebooks maintained:	275	277	263	263	263
2. Number of network servers maintained:	78	80	59	60	60
3. Number of network printers maintained:	45	45	45	45	45
4. Number of service requests received:	3,080	3000	1034	1400	1400



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 revenues which support Town-wide services are accounted for in this program. For FY 2022/23, revenues captured in Non-Departmental reflect positive changes in Property Tax, Transient Occupancy Tax (TOT), and Sales Tax as the impacts from the COVID-19 pandemic and the associated Public Health Orders continue to wane. These revenue modifications are informed by the Town's sales tax consultant, MuniServices, the County Tax Assessor, communications with Los Gatos hoteliers, and other sources.

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 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.

ADMINISTRATIVE SERVICES

Non-Departmental

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 to date. The CalPERS rates for FY 2022/23 are either 69.44% or 14.62% for public safety employees, depending on date of entrance into CalPERS, and 29.92% 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 45 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:

- \$1,485,000 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.
- \$1,221,025 for the lease payment on the Town's Library building as pledged under the 2010 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.
- \$672,688 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.

ADMINISTRATIVE SERVICES

Non-Departmental

- \$390,000 payment toward unfunded pension liability.
- \$254,087 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.
- \$252,070 for the 2022 upcoming election cycle.
- \$139,600 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.
- \$100,000 for independent Police Audit Services.
- \$100,000 for third party legal services as needed.
- \$125,000 for special studies as needed.
- \$60,000 for the KCAT public meetings' broadcasting and video streaming services
- \$55,000 for the Los Gatos Chamber of Commerce contract to provide support for the Town's visitor information center.
- \$10,000 for employee health and wellness program.
- \$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 \$2.4 million from the General Fund Capital/Special Projects Reserve and \$0.6 million (50%) of the estimated Measure G proceeds to the General Fund Appropriated Reserves (GFAR) to support the Capital Improvement Program (CIP).

ADMINISTRATIVE SERVICES

Non-Departmental

SUMMARY OF REVENUES AND EXPENDITURES

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
REVENUES						
<i>Property Tax</i>	\$ 13,636,099	\$ 14,454,513	\$ 15,826,162	\$ 15,401,391	\$ 15,908,858	\$ 16,551,544
<i>VLF Backfill Property Tax</i>	3,685,247	3,875,914	4,052,672	4,154,320	4,229,462	4,356,350
<i>Sales & Use Tax</i>	8,158,152	7,531,425	6,794,218	8,242,778	7,430,851	7,860,988
<i>Franchise Fees</i>	2,475,916	2,495,792	2,499,463	2,514,020	2,435,800	2,493,870
<i>Transient Occupancy Tax</i>	2,692,043	1,869,685	1,044,820	1,400,000	1,475,000	1,642,460
<i>Intergovernmental Revenues</i>	24,950	48,063	419,786	2,928,608	7,159	8,550
<i>Lease Payments</i>	1,909,073	1,905,024	1,908,494	1,899,850	1,899,850	1,893,713
<i>Charges for Services</i>	137,962	110,700	194,575	124,282	125,832	126,492
<i>Other Sources</i>	3,991,270	562,888	1,447,671	226,306	292,437	2,784,746
TOTAL REVENUES	\$ 36,710,712	\$ 32,854,004	\$ 34,187,861	\$ 36,891,555	\$ 33,805,249	\$ 37,718,713
TRANSFERS IN						
<i>Transfer from Blackwell Dst</i>	\$ 460	\$ 460	\$ 460	\$ 460	\$ 460	\$ 460
<i>Transfer from Kennedy Meadow Dst</i>	1,510	1,510	1,510	1,510	1,510	1,510
<i>Transfer from Gemini Court Dst</i>	610	610	610	610	610	610
<i>Transfer from Santa Rosa Dst</i>	660	660	660	660	660	660
<i>Transfer from Vasona Heights Dst</i>	1,430	1,430	1,430	1,430	1,430	1,430
<i>Transfer from Hillbrook Dst</i>	250	250	250	250	250	250
<i>Transfer from Capital Project Funds</i>	102,000	102,000	102,000	102,000	102,000	102,000
<i>Transfer from Traffic Mitigations</i>	-	16,336	10,000	10,000	10,000	10,000
<i>Transfer from Gas Tax</i>	106,000	106,000	106,000	106,000	106,000	106,000
<i>Transfer from Equipment Maintenance</i>	774,991	-	-	-	-	-
<i>Transfer from Stores</i>	265,384	-	-	-	-	-
TOTAL TRANSFERS IN	\$ 1,253,295	\$ 229,256	\$ 222,920	\$ 222,920	\$ 222,920	\$ 222,920
TOTAL REVENUES & TRANSFERS	\$ 37,964,007	\$ 33,083,260	\$ 34,410,781	\$ 37,114,475	\$ 34,028,169	\$ 37,941,633
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 125,416	\$ 14,425	\$ 60,660	\$ 177,452	\$ -	\$ -
<i>Operating Expenditures</i>	6,661,978	3,412,374	7,703,870	3,356,435	3,718,534	3,486,057
<i>Grants</i>	86,995	77,542	72,002	371,382	130,000	70,000
<i>Interest</i>	-	-	52,011	-	-	-
<i>Charges for Services</i>	-	756	5,500	16,711	16,711	28,830
<i>Debt Service</i>	1,909,073	1,905,024	1,908,494	1,899,850	1,899,850	1,893,713
TOTAL EXPENDITURES	\$ 8,784,833	\$ 5,410,121	\$ 9,802,537	\$ 5,821,830	\$ 5,765,095	\$ 5,478,600
TRANSFERS OUT						
<i>Transfers to GFAR</i>	\$ 2,335,220	\$ 6,982,591	\$ 3,401,479	\$ 2,801,047	\$ 3,421,424	\$ 3,006,978
<i>Transfers to Pollution Prevention</i>	-	10,000	-	-	-	-
<i>Transfer to Equipment Replacement</i>	450,000	-	-	-	-	-
<i>Transfer to Facilities</i>	-	-	-	1,787	1,787	-
<i>Transfer to Workers' Comp</i>	-	1,061,256	-	-	-	-
<i>Transfer to Measure G Subfund</i>	-	-	1,181,162	-	-	-
TOTAL TRANSFERS OUT	\$ 2,785,220	\$ 8,053,847	\$ 4,582,641	\$ 2,802,834	\$ 3,423,211	\$ 3,006,978
TOTAL EXPEND'S & TRANSFERS	\$ 11,570,053	\$ 13,463,968	\$ 14,385,178	\$ 8,624,664	\$ 9,188,306	\$ 8,485,578

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 2022/23 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. In addition, IT has assisted behind-the-scenes in implementing new software to improve the processing of contracts, records retention, and related back office work. These efforts result in increased costs of licensing fees and other support.

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 decrease for FY 2021/22 as a result of pushing out the IT equipment replacement schedule.

STATEMENT OF SOURCE AND USE OF FUNDS

	2018/19	2019/20	2020/21	2021/22	2021/22	2022/23
	Actuals	Actuals	Actuals	Adjusted	Estimated	Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	2,156,438	2,513,097	2,598,832	2,865,452	2,865,452	2,788,446
Total Beginning Fund Balance	2,156,438	2,513,097	2,598,832	2,865,452	2,865,452	2,788,446
Revenues						
<i>Service Charge</i>	295,330	766,622	825,655	829,018	825,839	629,309
<i>Other Revenues</i>	928,411	115,314	147,599	85,000	115,000	85,000
Total Revenues	<u>1,223,741</u>	<u>881,936</u>	<u>973,254</u>	<u>914,018</u>	<u>940,839</u>	<u>714,309</u>
TRANSFERS IN						
<i>From General Fund</i>	-	-	-	-	-	-
TOTAL TRANSFERS IN	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES & TRANSFERS	<u>1,223,741</u>	<u>881,936</u>	<u>973,254</u>	<u>914,018</u>	<u>940,839</u>	<u>714,309</u>
TOTAL SOURCE OF FUNDS	<u>\$ 3,380,179</u>	<u>\$ 3,395,033</u>	<u>\$ 3,572,086</u>	<u>\$ 3,779,470</u>	<u>\$ 3,806,291</u>	<u>\$ 3,502,755</u>
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	567,082	796,201	668,834	1,064,959	1,017,845	983,975
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
Total Expenditures	<u>567,082</u>	<u>796,201</u>	<u>668,834</u>	<u>1,064,959</u>	<u>1,017,845</u>	<u>983,975</u>
Transfers Out						
<i>Transfer to General</i>	-	-	37,800	-	-	-
<i>Transfer to Equipment Replacement</i>	-	-	-	-	-	-
<i>Transfer to GFAR</i>	300,000	-	-	-	-	700,000
Total Transfers Out	<u>300,000</u>	<u>-</u>	<u>37,800</u>	<u>-</u>	<u>-</u>	<u>700,000</u>
Total Expenditures & Transfers Out	<u>867,082</u>	<u>796,201</u>	<u>706,634</u>	<u>1,064,959</u>	<u>1,017,845</u>	<u>\$ 1,683,975</u>
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	2,513,097	2,598,832	2,865,452	2,714,511	2,788,446	1,818,780
Total Ending Fund Balance	<u>2,513,097</u>	<u>2,598,832</u>	<u>2,865,452</u>	<u>2,714,511</u>	<u>2,788,446</u>	<u>1,818,780</u>
TOTAL USE OF FUNDS	<u>\$ 3,080,179</u>	<u>\$ 3,395,033</u>	<u>\$ 3,534,286</u>	<u>\$ 3,779,470</u>	<u>\$ 3,806,291</u>	<u>\$ 2,802,755</u>

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, LWP Claims Solutions, coordinates 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.

ADMINISTRATIVE SERVICES

Workers' Compensation Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	620,726	843,079	1,808,739	1,673,018	1,673,018	818,419
Total Beginning Fund Balance	620,726	843,079	1,808,739	1,673,018	1,673,018	818,419
Revenues						
<i>Service Charge</i>	875,419	903,434	917,555	1,007,620	857,755	1,033,315
<i>Interest</i>	8	7	5	-	-	-
<i>Other Revenues</i>	617,554	526,552	327,768	-	112,215	-
Total Revenues	1,492,981	1,429,993	1,245,328	1,007,620	969,970	1,033,315
TRANSFERS IN						
<i>From General Fund</i>	-	1,061,256	-	-	-	-
TOTAL TRANSFERS IN	-	1,061,256	-	-	-	-
TOTAL REVENUES & TRANSFERS	1,492,981	2,491,249	1,245,328	1,007,620	969,970	\$ 1,033,315
TOTAL SOURCE OF FUNDS	\$ 2,113,707	\$ 3,334,328	\$ 3,054,067	\$ 2,680,638	\$ 2,642,988	\$ 1,851,734
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	1,270,628	1,525,589	1,381,049	1,824,569	1,824,569	1,840,000
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
Total Expenditures	1,270,628	1,525,589	1,381,049	1,824,569	1,824,569	1,840,000
Transfers Out						
<i>Transfer to Grant Funds</i>	-	-	-	-	-	-
<i>Transfer to General Fund</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	1,270,628	1,525,589	1,381,049	1,824,569	1,824,569	1,840,000
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	843,079	1,808,739	1,673,018	856,069	818,419	11,734
Total Ending Fund Balance	843,079	1,808,739	1,673,018	856,069	818,419	11,734
TOTAL USE OF FUNDS	\$ 2,113,707	\$ 3,334,328	\$ 3,054,067	\$ 2,680,638	\$ 2,642,988	\$ 1,851,734

ADMINISTRATIVE SERVICES
Workers' Compensation Fund

FY 2022/23 KEY PROJECTS

Core Goals	Key Projects
<i>Good Governance</i> Ensure responsive, accountable, and collaborative government	<i>Accident Reviews</i>
	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.
	<i>Cal-OSHA Safety Compliance Programs</i>
	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.



Administrative Services

OFFICE STORES FUND FUND 622

FUND PURPOSE

The Town closed the Office Stores Fund at the end of FY 2018/19. Residual fund balance was added to the General Fund Assigned Reserve. Town Council programmed the residual balance toward the Downtown Revitalization capital project.

ADMINISTRATIVE SERVICES
Office Stores Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2018/19	2019/20	2020/21	2021/22	2021/22	2022/23
	Actuals	Actuals	Actuals	Adjusted	Estimated	Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	227,791	-	-	-	-	-
Total Beginning Fund Balance	227,791	-	-	-	-	-
Revenues						
<i>Service Charge</i>	124,574	-	-	-	-	-
<i>Interest</i>	-	-	-	-	-	-
<i>Other Revenues</i>	17,364	-	-	-	-	-
Total Revenues	141,938	-	-	-	-	-
Transfers In						
<i>Equipment Replacement Fund</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
Total Revenues & Transfers In	141,938	-	-	-	-	-
TOTAL SOURCE OF FUNDS	\$ 369,729	\$ -	\$ -	\$ -	\$ -	\$ -
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	104,345	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
Total Expenditures	104,345	-	-	-	-	-
Transfers Out						
<i>Transfer to General Fund</i>	265,384	-	-	-	-	-
Total Transfers Out	265,384	-	-	-	-	-
Total Expenditures & Transfers Out	369,729	-	-	-	-	-
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	-	-	-	-	-	-
Total Ending Fund Balance	-	-	-	-	-	-
TOTAL USE OF FUNDS	\$ 104,345	\$ -	\$ -	\$ -	\$ -	\$ -



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 2022/23. 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 FY 2022/23.

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 remain flat due to an expected consistency of permit activity when compared with the current year-end estimate, 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.

COMMUNITY DEVELOPMENT DEPARTMENT

Consequently, actual cost recovery is to be viewed from a Department perspective, not on a program-by-program basis.

For FY 2022/23, total Department budgeted revenues are projected to remain flat due to an expected consistency of permit activity. The FY 2022/23 operating expenditures are also trending lower than the FY 2021/22 adjusted budget due to the anticipated ending of the multi-year contract obligation associated with the General Plan update and other operational savings. Budgeted salary and benefit expenditures include negotiated salary raises, the part time Code Compliance Officer position being continued for another year in FY 2022/23 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

FY 2021/22 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Community Character</i> 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. • Continued the General Plan update process. • Initiated the Housing Element update process. • Facilitated Town Council adoption of an Urgency Ordinance to Implement Senate Bill 9. • Initiated development of Objective Standards.
<i>Good Governance</i> 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. • Updated the online permitting and electronic plan review system. • Review of North 40 Phase 1 building permits.

COMMUNITY DEVELOPMENT DEPARTMENT

DEPARTMENTAL SUMMARY OF REVENUES AND EXPENDITURES

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
REVENUES						
<i>Licenses and Permits</i>	\$ 2,108,593	\$ 1,814,550	\$ 1,990,477	\$ 2,032,500	\$ 2,032,500	\$ 2,032,500
<i>Intergovernmental Revenue</i>	36,225	15,384	14,869	130,500	130,500	130,500
<i>Service Charge</i>	1,979,479	1,505,103	1,988,724	1,773,899	1,777,149	1,765,199
<i>Fines & Forfeitures</i>	60,158	9,600	3,300	15,000	15,000	5,000
<i>Other Revenues</i>	19,155	468	22,691	10,000	10,000	10,000
TOTAL REVENUES	\$ 4,203,610	\$ 3,345,105	\$ 4,020,061	\$ 3,961,899	\$ 3,965,149	\$ 3,943,199
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 3,144,895	\$ 3,347,300	\$ 3,595,189	\$ 3,859,217	\$ 3,326,828	\$ 4,214,075
<i>Operating Expenditures</i>	1,272,394	957,587	1,241,171	1,421,542	1,692,272	1,391,544
<i>Grants</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	160,206	168,903	173,438	180,956	178,590	166,386
TOTAL EXPENDITURES	\$ 4,577,495	\$ 4,473,790	\$ 5,009,798	\$ 5,461,715	\$ 5,197,690	\$ 5,772,005

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adopted	2021/22 Estimated	2022/23 Adopted
PROGRAM						
<i>Administration</i>	\$ 210,791	\$ 256,531	\$ 275,911	\$ 270,585	\$ 251,764	\$ 286,174
<i>Development Review</i>	1,329,381	1,376,229	1,519,572	1,637,249	1,367,149	1,728,808
<i>Advanced Planning</i>	766,110	772,817	847,375	981,013	915,552	904,511
<i>Inspection Services</i>	1,316,494	1,360,872	1,416,644	1,528,440	1,707,217	1,806,212
<i>Code Compliance</i>	255,324	253,630	251,723	321,867	260,519	344,117
<i>BMP Housing Program</i>	144,713	130,111	190,740	190,061	162,989	169,683
<i>Pass Thru Accounts</i>	554,682	323,600	507,833	532,500	532,500	532,500
TOTAL EXPENDITURES	\$ 4,577,495	\$ 4,473,790	\$ 5,009,798	\$ 5,461,715	\$ 5,197,690	\$ 5,772,005

COMMUNITY DEVELOPMENT DEPARTMENT

COMMUNITY DEVELOPMENT DEPARTMENT STAFFING

Full Time Equivalent (FTE)

	2018/19	2019/20	2020/21	2021/22	2022/23
	Funded	Funded	Funded	Funded	Adopted
<i>Town Staff</i>					
Community Development Dir.	1.00	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	0.45	0.45
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	2.63	2.63	2.75	2.75	2.75
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	1.00	1.00	1.00
Building Inspector	3.00	3.00	3.00	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	20.08	20.08	20.20	20.20	20.20
	2018/19	2019/20	2020/21	2021/22	2022/23
	Funded	Funded	Funded	Funded	Adopted
<i>Temporary Staff Hours</i>					
Associate Planner Temp/Hrly	915	915	915	720	720
Community Service Officer Temp/Hrly	780	780	-	-	-
Code Compliance Officer Temp/ Hrly	-	-	1,040	1,040	1,040
Total Annual Hours	1,695	1,695	1,955	1,760	1,760



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) Community Design and Transportation Network 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 2022/23 budget includes increases in salary and benefit costs attributed to negotiated salary raises, anticipated merit step increases and higher benefit and CalPERS pension rates.

COMMUNITY DEVELOPMENT DEPARTMENT
Administration

SUMMARY OF REVENUES AND EXPENDITURES

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 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>	\$ 184,080	\$ 181,171	\$ 203,936	\$ 195,963	\$ 177,077	\$ 226,893
<i>Operating Expenditures</i>	3,225	11,200	3,675	6,260	6,360	6,500
<i>Grants</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	23,486	64,160	68,300	68,362	68,327	52,781
TOTAL EXPENDITURES	\$ 210,791	\$ 256,531	\$ 275,911	\$ 270,585	\$ 251,764	\$ 286,174

**COMMUNITY DEVELOPMENT DEPARTMENT
Administration**

FY 2022/23 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative government	Staff Training Continue to build the capacity of Department staff to carry out broad job responsibilities by conducting in-house training, participating in select outside training, and supporting continuing education.
	Planning Commission Training 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.
Civic Enrichment Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	
Community Character Preserve and enhance the appearance, character, and environmental quality of the community	General Plan Update Complete the General Plan update process.
	Housing Element Update Continue the Housing Element update process.
	Objective Standards and By Right Findings Develop objective standards and by right findings for project review.
	Short Term Rental Assist with implementation of the Short Term Rental ordinance.

COMMUNITY DEVELOPMENT DEPARTMENT
Administration

KEY PROGRAM SERVICES

- Set and monitor goals for the Department and staff.
- Manage Department operations, including preparing and managing the Department 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)

	2018/19	2019/20	2020/21	2021/22	2022/23
Town Staff	Funded	Funded	Funded	Funded	Adopted
Community Development Dir.	0.25	0.25	0.25	0.25	0.25
Planning Manager	0.10	0.10	0.10	0.10	0.10
Administrative Analyst	0.30	0.30	0.30	0.30	0.30
Executive Assistant	0.30	0.30	0.30	0.30	0.30
Administrative Assistant	0.15	0.15	0.15	0.15	0.15
Total Administration FTEs	1.10	1.10	1.10	1.10	1.10

	2018/19	2019/20	2020/21	2021/22	2022/23
Temporary Staff Hours	Funded	Funded	Funded	Funded	Adopted
Associate Planner Temp/Hrly	915	915	915	-	-
Total Annual Hours	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 Department budget overview, Development Review related fees reflect the approved fee schedule. These fees continue to help support the operating expenditures, thereby ensuring on-going cost recovery.

For FY 2022/23, budgeted revenues are projected to remain flat due to an expected consistency of permit activity.

The FY 2022/23 budget includes increases in salary and benefit costs attributed to negotiated salary raises, anticipated merit step increases and higher benefit and CalPERS pension rates.

COMMUNITY DEVELOPMENT DEPARTMENT **Development Review**

SUMMARY OF REVENUES AND EXPENDITURES

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ 507,080	\$ 335,530	\$ 448,490	\$ 450,000	\$ 450,000	\$ 450,000
<i>Service Charges</i>	174,812	165,422	214,770	167,000	167,000	202,000
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	14,212	-	-	-
TOTAL REVENUES	\$ 681,892	\$ 500,952	\$ 677,472	\$ 617,000	\$ 617,000	\$ 652,000
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 1,235,711	\$ 1,278,133	\$ 1,410,394	\$ 1,522,144	\$ 1,251,542	\$ 1,616,147
<i>Operating Expenditures</i>	69,782	70,123	79,528	84,800	85,800	84,800
<i>Grants</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	23,888	27,973	29,650	30,305	29,807	27,861
TOTAL EXPENDITURES	\$ 1,329,381	\$ 1,376,229	\$ 1,519,572	\$ 1,637,249	\$ 1,367,149	\$ 1,728,808

COMMUNITY DEVELOPMENT DEPARTMENT
Development Review

FY 2022/23 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, 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 properties: • 110 Wood Road Planned Development. • 15600 Los Gatos Boulevard. • 15680 Winchester Boulevard.
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; Two-Unit Housing Developments; Urban Lot Splits; Mobile Home Park Conversions; and Environmental Review.

Major Projects

- 110 Wood Road Planned Development.
- 15600 Los Gatos Boulevard.
- 15680 Winchester Boulevard.
- Potential North 40 Phase II.

COMMUNITY DEVELOPMENT DEPARTMENT
Development Review

DEVELOPMENT REVIEW PROGRAM STAFFING

Full Time Equivalent (FTE)

	2018/19	2019/20	2020/21	2021/22	2022/23
Town Staff	Funded	Funded	Funded	Funded	Adopted
Community Development Dir.	0.30	0.30	0.30	0.30	0.30
Planning Manager	0.55	0.55	0.55	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	0.45	0.45
Administrative Analyst	0.35	0.15	0.15	0.15	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	1.30	1.30	1.30	1.30	1.30
Senior Building Inspector	0.10	0.10	0.10	0.10	0.10
Associate Planner	1.93	1.93	2.05	2.05	2.05
Assistant Planner	0.80	0.80	0.80	0.80	0.80
Planning Technician	0.90	0.90	0.90	0.90	0.90
Permit Technician	0.10	0.10	0.10	0.10	0.10
Total Development Review FTEs	8.23	8.03	8.15	8.15	8.15

	2018/19	2019/20	2020/21	2021/22	2022/23
Temporary Staff Hours	Funded	Funded	Funded	Funded	Adopted
Associate Planner Temp/Hrly	-	-	-	720	720
Total Annual Hours	-	-	-	720	720

COMMUNITY DEVELOPMENT DEPARTMENT
Development Review

Performance Objectives and Measures	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 Planned
1. <i>Facilitate the development of land and structures consistent with Town codes, plans and policies.</i>	100%	100%	100%	100%	100%
2. <i>Analyze and process development applications efficiently and effectively.</i>					
a. Percentage of applications continued by Planning Commission:	15%	12%	36%	10%	15%
b. Percentage of Planning Commission decisions upheld by Town Council:	50%	100%	100%	100%	100%

Activity and Workload Highlights	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 Planned
1. Number of applications processed:	388	315	384	429	429
2. Number of Planning Commission Meetings:	19	12	19	19	22
3. Number of Public Notices:	13,833	6469	12433	7500	7800
4. Number of referrals to consulting architect:	18	10	15	49	40

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 2022/23 budget includes increases in salary and benefit costs attributed to negotiated salary raises, anticipated merit step increases and higher benefit and CalPERS pension rates.

Budgeted operating expenditures for FY 2022/23 will decrease due to the anticipated ending of the multi-year contract obligation associated with the General Plan update and Housing Element update. The General Plan update and Housing Element update will be funded through General Plan Fees already collected.

COMMUNITY DEVELOPMENT DEPARTMENT
Advanced Planning

SUMMARY OF REVENUES AND EXPENDITURES

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenue</i>	36,225	5,384	14,869	130,500	130,500	130,500
<i>Service Charges</i>	533,809	493,049	574,810	409,500	411,750	390,000
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	1,196	-	-	-
TOTAL REVENUES	\$ 570,034	\$ 498,433	\$ 590,875	\$ 540,000	\$ 542,250	\$ 520,500
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 346,413	\$ 381,234	\$ 408,605	\$ 426,448	\$ 362,147	\$ 496,990
<i>Operating Expenditures</i>	413,201	385,899	432,849	547,201	547,451	401,213
<i>Grants</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	6,496	5,684	5,921	7,364	5,954	6,308
TOTAL EXPENDITURES	\$ 766,110	\$ 772,817	\$ 847,375	\$ 981,013	\$ 915,552	\$ 904,511

FY 2022/23 KEY PROJECTS

Core Goals	Key Projects
<i>Community Character</i> Preserve and enhance the appearance, character, and environmental quality of the community	<i>General Plan and Housing Element Action Items</i>
	• Prepare amendments to the Town Code and guidelines, and other action items to implement the adopted General Plan, Housing Element, Sustainability Plan, recent State laws, and Town Council Strategic Priorities. • Continue the General Plan update process. • Continue the Housing Element update process. • Develop Objective Standards and by right findings.
	<i>Senate Bill 9 Implementation</i>
	Develop Town Code amendments to replace the Urgency Ordinance currently implementing Senate Bill 9.

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)

	2018/19	2019/20	2020/21	2021/22	2022/23
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Adopted
Community Development Dir.	0.40	0.40	0.40	0.40	0.40
Planning Manager	0.25	0.25	0.25	0.25	0.25
Executive Assistant	0.05	0.05	0.05	0.05	0.05
Administrative Assistant	0.10	0.10	0.10	0.10	0.10
Senior Planner	0.50	0.50	0.50	0.50	0.50
Associate Planner	0.40	0.40	0.40	0.40	0.40
Assistant Planner	0.10	0.10	0.10	0.10	0.10
Total Advanced Planning FTEs	1.80	1.80	1.80	1.80	1.80

COMMUNITY DEVELOPMENT DEPARTMENT
Advanced Planning

Performance Objectives and Measures	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 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%	100%
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	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 Planned
1. Number of special studies completed:	10	10	4	3	5
2. Number of General Plan implementation measures completed:	1	2	2	2	2
3. Number of General Plan amendments requested:	1	1	1	1	1

Community Development Department

BUILDING and 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 provide complex structural and engineering plan check services.

BUDGET OVERVIEW

The FY 2022/23 budget includes increases in salary and benefit costs attributable to negotiated salary raises, higher benefit and CalPERS pension rates. Total Department budgeted revenues are projected to remain flat due to an expected consistency of permit activity.

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 (the Parks and Public Works Department conducts post-construction monitoring).

COMMUNITY DEVELOPMENT DEPARTMENT
Building and Inspection Services

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

SUMMARY OF REVENUES AND EXPENDITURES

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ 1,601,513	\$ 1,479,020	\$ 1,541,987	\$ 1,582,500	\$ 1,582,500	\$ 1,582,500
<i>Service Charges</i>	571,244	394,921	500,570	476,500	477,500	476,500
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	10,000	-	-	-	-
<i>Other Revenues</i>	11,655	468	7,283	10,000	10,000	10,000
TOTAL REVENUES	\$ 2,184,412	\$ 1,884,409	\$ 2,049,840	\$ 2,069,000	\$ 2,070,000	\$ 2,069,000
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 1,072,534	\$ 1,181,723	\$ 1,238,465	\$ 1,311,402	\$ 1,221,252	\$ 1,469,465
<i>Operating Expenditures</i>	143,516	112,601	113,242	147,081	416,211	262,581
<i>Grants</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	100,444	66,548	64,937	69,957	69,754	74,166
TOTAL EXPENDITURES	\$ 1,316,494	\$ 1,360,872	\$ 1,416,644	\$ 1,528,440	\$ 1,707,217	\$ 1,806,212

COMMUNITY DEVELOPMENT DEPARTMENT
Building and Inspection Services

FY 2022/23 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 update and clarify the Town's official street address file and assign new addresses.
	<i>Inspection Services on Larger Projects</i> Continue several significant projects into FY 2022/23 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: • 400 Carlton • North 40 Phase 1 • 405 Alberto Way • 400-420 Blossom Hill Road • 105 Newell • 130 Knowles • 170 Knowles
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.

COMMUNITY DEVELOPMENT DEPARTMENT
Building and 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 online computerized permit tracking and digital 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 and Inspection Services

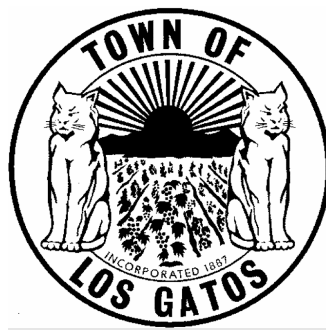
BUILDING & INSPECTION SERVICES PROGRAM STAFFING

Full Time Equivalent (FTE)

	2018/19	2019/20	2020/21	2021/22	2022/23
	Funded	Funded	Funded	Funded	Adopted
Town Staff					
Chief Building Official	0.75	0.75	0.75	0.75	0.75
Administrative Analyst	0.15	0.30	0.30	0.30	0.30
Administrative Assistant	0.05	0.05	0.05	0.05	0.05
Senior Planner	0.20	0.20	0.20	0.20	0.20
Associate Planner	0.30	0.30	0.30	0.30	0.30
Assistant Planner	0.10	0.10	0.10	0.10	0.10
Senior Building Inspector	0.75	0.75	0.75	0.75	0.75
Building Inspector	3.00	3.00	3.00	3.00	3.00
Permit Technician	1.90	1.90	1.90	1.90	1.90
Planning Technician	0.10	0.10	0.10	0.10	0.10
Total Building and Inspection FTEs	7.30	7.45	7.45	7.45	7.45

	2018/19	2019/20	2020/21	2021/22	2022/23
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:	95%	97%	95%	100%	100%

	2018/19	2019/20	2020/21	2021/22	2022/23
Activity and Workload Highlights	Actual	Actual	Actual	Estimated	Planned
1. Number of inspections conducted:	15,938	13,635	12,803	13,000	13,000
2. Number of building plan checks completed:	727	621	655	675	700
3. Number of Building Division permit applications received:	1,594	1,897	1,902	1,950	1,975
4. Number of Building Division permits issued:	1,517	1,529	1,548	1,570	1,610



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 2022/23 budget includes increases in salary and benefit costs attributable to negotiated salary raises, higher benefit and CalPERS pension rates.

The FY 2022/23 budget includes the part-time Code Compliance Officer position which will be continued for another year in FY 2022/23 with one-time funding.

COMMUNITY DEVELOPMENT DEPARTMENT
Code Compliance Program

SUMMARY OF REVENUES AND EXPENDITURES

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Service Charges</i>	220	-	-	-	-	-
<i>Fines & Forfeitures</i>	60,158	9,600	3,300	15,000	15,000	5,000
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ 60,378	\$ 9,600	\$ 3,300	\$ 15,000	\$ 15,000	\$ 5,000
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 236,011	\$ 247,886	\$ 245,475	\$ 310,128	\$ 248,670	\$ 331,771
<i>Operating Expenditures</i>	13,844	1,422	1,886	7,050	7,300	7,300
<i>Grants</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	5,469	4,322	4,362	4,689	4,549	5,046
TOTAL EXPENDITURES	\$ 255,324	\$ 253,630	\$ 251,723	\$ 321,867	\$ 260,519	\$ 344,117

FY 2022/23 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 common violations (i.e., gas leaf blowers and working without a permit). - Help maintain the Town's standards for health, safety, and quality of life.

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)

	2018/19	2019/20	2020/21	2021/22	2022/23
	Funded	Funded	Funded	Funded	Adopted
Town Staff					
Chief Building Official	0.15	0.15	0.15	0.15	0.15
Senior Building Inspector	0.15	0.15	0.15	0.15	0.15
Code Compliance Officer	1.00	1.00	1.00	1.00	1.00
Total Code Compliance FTEs	1.30	1.30	1.30	1.30	1.30

	2018/19	2019/20	2020/21	2021/22	2022/23
	Funded	Funded	Funded	Funded	Adopted
Temporary Staff Hours					
Community Service Officer Temp/Hrly	780	780	-	-	-
Code Compliance Officer Temp/Hrly	-	-	1,040	1,040	1,040
Total Annual Hours	780	780	-	1,040	1,040

COMMUNITY DEVELOPMENT DEPARTMENT
Code Compliance Program

Performance Objectives and Measures	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 Planned
1. Respond to complaining party within 48 hours:*	99%	99%	<i>Measure Discontinued</i>	<i>Measure Discontinued</i>	<i>Measure Discontinued</i>
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:	95%	96%	<i>Measure Discontinued</i>	<i>Measure Discontinued</i>	<i>Measure Discontinued</i>
3. <i>Achieve timely compliance.*</i>					
a. Percentage of complaints resulting in court hearings:	1%	1%	<i>Measure Discontinued</i>	<i>Measure Discontinued</i>	<i>Measure Discontinued</i>

Activity and Workload Highlights	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 Planned
1. Number of complaints reported:	595	399	447	400	450
2. Number of complaints abated:	591	362	391	380	400
3. Total number of Administrative Citations:	67	72	55	70	65

**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 Town character.

BUDGET OVERVIEW

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

The FY 2022/23 budget includes increases in salary and benefit costs attributable to negotiated salary raises, higher benefit and CalPERS pension rates.

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

**COMMUNITY DEVELOPMENT DEPARTMENT
BMP Housing Program**

SUMMARY OF REVENUES AND EXPENDITURES

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Service Charges</i>	144,712	130,111	190,741	188,399	188,399	164,199
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ 144,712	\$ 130,111	\$ 190,741	\$ 188,399	\$ 188,399	\$ 164,199
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 70,146	\$ 77,153	\$ 88,314	\$ 93,132	\$ 66,140	\$ 72,809
<i>Operating Expenditures</i>	74,144	52,742	102,158	96,650	96,650	96,650
<i>Grants</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	423	216	268	279	199	224
TOTAL EXPENDITURES	\$ 144,713	\$ 130,111	\$ 190,740	\$ 190,061	\$ 162,989	\$ 169,683

FY 2022/23 KEY PROJECTS

Core Goals	Key Projects
<i>Community Character</i> Preserve and enhance the appearance, character, and environmental quality of the community	<i>Below Market Price Housing (BMP) Program</i> The BMP Housing Program makes homes available for purchase or rent at below market prices to very low, low, and moderate 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 BMP Housing Program.

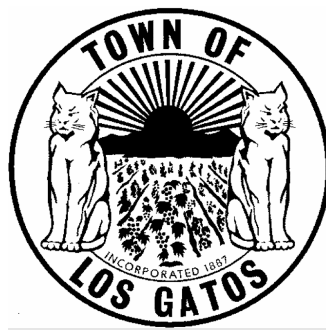
COMMUNITY DEVELOPMENT DEPARTMENT
BMP Housing Program

BMP HOUSING PROGRAM STAFFING

Full Time Equivalent (FTE)

	2018/19	2019/20	2020/21	2021/22	2022/23
Town Staff	Funded	Funded	Funded	Funded	Adopted
Community Development Dir.	0.05	0.05	0.05	0.05	0.05
Planning Manager	0.10	0.10	0.10	0.10	0.10
Administrative Analyst	0.20	0.25	0.25	0.25	0.25
Total BMP Housing FTEs	0.35	0.40	0.40	0.40	0.40

	2018/19	2019/20	2020/21	2021/22	2022/23
Activity and Workload Highlights	Actual	Actual	Actual	Estimated	Planned
1. Number of owner-occupied housing units registered in the Below Market Price Housing Program:	55	55	56	56	56
2. Number of rental housing units registered in the Below Market Price Housing Program:	119	119	119	119	119



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 check 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

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Service Charges</i>	554,682	321,600	507,833	532,500	532,500	532,500
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ 554,682	\$ 321,600	\$ 507,833	\$ 532,500	\$ 532,500	\$ 532,500
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	554,682	323,600	507,833	532,500	532,500	532,500
<i>Grants</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 554,682	\$ 323,600	\$ 507,833	\$ 532,500	\$ 532,500	\$ 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 is committed to ensuring public safety with integrity, compassion, and professionalism by providing exceptional law enforcement services, building community partnerships, and engaging the community in problem solving.

The core services provided by the Police Department include: responding to emergency and non-emergency calls for service; suppressing criminal activity; investigating and prosecuting of crimes; recruiting, hiring and training high quality personnel; conducting community outreach to prevent crime; 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; Safe Routes to School; Youth Commission; homeless outreach; behavioral 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 Chaplaincy program, Parking Citation Hearing Officers, Victim Services Unit (VSU), and the Police Explorer program extend these partnerships to the community. For the past 16 years, volunteers and staff 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.

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.

POLICE DEPARTMENT

BUDGET OVERVIEW

The FY 2022/23 budget includes increases in salary and benefit costs attributed to negotiated salary raises, anticipated merit step increases and higher benefit and CalPERS pension rates.

The Police Department is committed to ongoing structural evaluation and budgetary efficiency by regularly assessing service levels and the complex demands of ensuring public safety. The proposed budget includes 60 full time equivalent (FTE) employees comprised of 39 Sworn Officers and 21 Civilian Personnel.

The Police Department and other Departments in 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 high quality and responsive services with a long history of neighborhood interaction. 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 of the SRO's salary and benefits. In FY 2021/22 a revised cost-sharing service agreement was approved and the SRO position is now a part-time position. Given the positive and collaborative working relationship between the Town and the elementary and high school districts, contract renewal is anticipated in FY 2022/23.

Staff Resource Modifications

Temporary staff funding is proposed in the FY 2022/23 budget, these temporary hours are from one-time funding.

- Additional temporary staff hours (3,120 hrs.) are proposed for a Community Service Officer Intern (CSO). This non-sworn position responds to non-emergency calls for service, non-injury traffic collisions, assisting patrol in non-enforcement administrative situations. The CSO Intern program allows for operational flexibility and training opportunities, with previous Intern's successful application and transition to Sworn Officer with the Police Department.

POLICE DEPARTMENT

- Additional temporary staff hours (1,800 hrs.) are proposed to be utilized for two Police Trainee recruit positions. As the Police Department plans for staff transition in FY 2022/23, this one-time funding allows the Department to hire and train officers ahead of upcoming vacancies.
- Additional temporary staff hours (200 hrs.) are proposed for Background Investigation Staff who conduct backgrounds for civilian and sworn employees during the hiring process.
- Additional temporary staffing hours (500 hrs.) are proposed for the continuation of the Parking Program Manager. This position will assist in the review and implementation of the recommendations from the Comprehensive Parking Study and Town Council direction.

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

FY 2021/22 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Community Character</i> Preserve and enhance the appearance character and environment quality of the community	• The Police Department Vulnerable Communities Liaison Officer expanded services beyond homeless outreach. Officers also partnered with county mental health programs and senior living facilities to assist with other vulnerable individuals within the community. In addition, Officers involved in this program coordinated encampment clean up and maintenance projects along Los Gatos Creek Trail and partnered with faith-based service providers with the distribution of services and supplies for homeless individuals. • Through community partnerships with service clubs and in collaboration with other Town Departments, the Police Department facilitated graffiti removal throughout the Town. These incidents are documented by the Police Department for further investigative efforts, as necessary and assigned to other Town Staff or community partners for removal.
<i>Good Governance</i> Ensure responsive, accountable, and collaborative government	• Recruitment for both civilian and sworn staff positions was a priority. The Department formalized a recruitment team of sworn and civilian personnel who attended various job fairs and identified recruitment methods and opportunities. The recruitment team participated in several recruitment presentations at bay area academies, college job fairs and via social media platforms. • With the recent implementation of Assembly Bill 481, the Department completed actions to meet the transparency and accountability requirements of State law for classified military equipment maintained and utilized by the Department. In accordance with state and federal mandates, the Police Department transitioned from the Uniform Crime Reporting (UCR) to CA Incident Based Reporting System (CIBRS) and the National Incident Based Reporting System (NIBRS). Crime data measurable statistics are determined by the Department of Justice and reported monthly by the department.

POLICE DEPARTMENT

FY 2021/22 ACCOMPLISHMENTS

Core Goals	Accomplishments
Good Governance Ensure responsive, accountable, and collaborative government	• The Department incorporated a new online reporting system (CopLogic) which enhances the user experience in reporting low level property crime incidents with no suspect information. This information and online reporting system interfaces with the Department's records management system which allows community members to self-report low level incidents and the Department to track documented incidents. • As result of Assembly Bill 953, the Racial Identity Profiling Act (RIPA) mandates all law enforcement agencies to collect and report stop data for all law enforcement detention encounters relevant to specific statistical measures. During FY 2021/22, the Department began collecting these data and submitted them on a recurring basis to the CA Department of Justice (DOJ). It is anticipated that the RIPA stop data submitted by the Department will be published by DOJ in FY 2022/23. • The Department implemented an Assistive Therapy Canine Program to enhance employee wellness, assist with victim and mental health crisis, and contribute to community engagement and outreach. Two therapy canines were donated by the Los Gatos-Monte Sereno Police Foundation and assigned to an Officer and Dispatcher. The canines and handlers support the Victim Services Unit, Vulnerable Communities Liaison Officer, Peer Support Team, and Community Outreach Unit. • The Department received virtual force de-escalation simulator equipment allocated from a California Peace Officer Standards and Training (P.O.S.T.) grant. The Department provided de-escalation and force options training using the virtual reality equipment to all sworn Department staff during Advanced Officer Training. • The Police Department Parking Control Unit finalized the launch of the virtual permit parking system through Turbo Data Inc. The online virtual permitting system allowed for enhanced accessibility and modifications by permit holders and a more efficient process in managing parking permit renewals for residents. • The Department completed installation and integration of Mobile Audio Video in-car camera systems for the Patrol fleet. The new MAV system provided compatible integration with current updated Body Worn Camera technology and other digital evidence systems.

POLICE DEPARTMENT

FY 2021/22 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Civic Enrichment</i> Foster opportunities for citizen involvement, and cultural, recreational and individual enrichment	• The Police Department worked in collaboration with the Youth Commission on its strategic goals and assisted in their efforts to promote equity and inclusion. The Commission hosted a community engagement event for new families in the community, a canine companion event at the high school with the Police Department Assistive Therapy dogs, and collaborated with local businesses in the implementation of local ordinances which focus on preserving the safety of the environment and promoting community engagement. • The Department partnered with Safe Routes to School and the Community Traffic Safety Coalition to host several Bike Rodeos at local elementary schools. Officers provided instruction to over five hundred students on bicycle and pedestrian safety. • Officers specially trained in active intruder and tactical operations hosted several physical site threat assessments throughout the Town during the past year. Officers provide security reviews of individual facilities and trained staff of interfaith groups, and public and private businesses on emergency safety and action planning.
<i>Public Safety</i> Ensure public safety through proactive community policing, affective emergency response, and community-wide emergency preparedness	• The Neighborhood Watch Program continued to be a positive community policing and problem-solving engagement tool. Over eight Neighborhood Watch meetings were held, and six new Neighborhood Watch groups were established. These meetings provided crime statistics and preventative education, while also allowing an opportunity for community conversations related to issues in specific neighborhoods. • The Community Emergency Response Team (CERT) was actively involved with four CERT drills throughout Town. In addition, the Department's CERT liaisons worked with the neighborhood CERT groups in re-establishing and updating all Neighborhood Incident Command Post locations.

POLICE DEPARTMENT

FY 2021/22 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Public Safety</i> Ensure public safety through proactive community policing, affective emergency response, and community-wide emergency preparedness	• The Department initiated a two-year pilot program for the allocation and implementation of stationary automated license plate readers (ALPR) throughout Town as a crime suppression and investigative tool. ALPR cameras were strategically placed at fifteen locations alerting Officers in the field to stolen vehicles and vehicles wanted in connection with a crime. In addition, the ALPR's have been utilized for investigative purposes related to criminal incidents, providing suspect vehicle description information. • The Department initiated an alternative transportation method for juveniles experiencing a mental health crisis. The Department partnered with Silicon Valley Ambulance Inc. and contracted transportation services of juveniles experiencing a mental health crisis to an emergency psychiatric facility. • The Community Service Officer (CSO) Intern Program assisted patrol with fielding low level calls for service and documenting incidents of crime without any investigative leads. • The Police Department Canine "Kaz" attended enhanced training and received certification in the detection of explosive ordnance devices and materials. The extensive certification and training designates canine Kaz and his handler as one of a few certified Explosives Ordinance Device trained canines within Santa Clara County. • The Police Department collaborated with the Town of Los Gatos and City of Monte Sereno Community Emergency Response Teams (CERT) in emergency preparedness and management. Two community fire evacuation drills were hosted by the Department for hillside residents. Coordinated efforts with volunteers from CERT, Disaster Aid Response Team (DART), and residents, provided real life evacuation scenarios in the event of an emergency.

POLICE DEPARTMENT

DEPARTMENTAL SUMMARY OF REVENUES AND EXPENDITURES

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
REVENUES						
<i>Licenses and Permits</i>	\$ 91,799	\$ 94,246	\$ 83,137	\$ 58,080	\$ 74,557	\$ 56,830
<i>Intergovernmental Revenues</i>	826,643	952,045	1,073,970	887,000	900,196	874,800
<i>Service Charge</i>	1,137,911	1,134,032	1,017,884	1,154,458	1,158,542	1,251,270
<i>Fines & Forfeitures</i>	433,447	253,076	96,422	196,450	202,170	196,250
<i>Other Revenues</i>	66,646	55,525	604,969	48,192	36,915	48,192
TOTAL REVENUES	\$ 2,556,446	\$ 2,488,924	\$ 2,876,382	\$ 2,344,180	\$ 2,372,380	\$ 2,427,342
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 12,587,676	\$ 13,538,411	\$ 14,302,956	\$ 14,752,334	\$ 14,142,807	\$ 16,487,290
<i>Operating Expenditures</i>	1,157,191	1,186,090	1,112,241	1,281,045	1,314,275	1,352,981
<i>Grants</i>	25,025	14,404	18,500	20,000	20,000	20,000
<i>Fixed Assets</i>	3,545	101,193	-	-	-	-
<i>Internal Service Charges</i>	1,175,517	1,054,908	1,137,139	1,337,589	1,299,570	1,365,715
TOTAL EXPENDITURES	\$ 14,948,954	\$ 15,895,006	\$16,570,836	\$ 17,390,968	\$ 16,776,652	\$ 19,225,986
Transfers Out						
<i>Transfers Out to Equipment Replacement</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Transfers Out	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTALEXPENDITUES & TRANSFERS OUT	\$ 14,948,954	\$ 15,895,006	\$16,570,836	\$ 17,390,968	\$ 16,776,652	\$ 19,225,986

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adopted	2021/22 Estimated	2022/23 Adopted
PROGRAM						
<i>Administration</i>	\$ 1,223,444	\$ 1,248,607	\$ 1,464,151	\$ 1,412,228	\$ 1,439,370	\$ 1,871,334
<i>Records & Communications</i>	2,221,494	2,205,471	2,296,959	2,528,139	2,147,331	2,903,437
<i>Patrol</i>	7,112,700	7,371,256	7,653,773	7,976,990	8,050,067	8,906,255
<i>Traffic</i>	1,011,364	798,833	887,706	1,040,977	933,362	1,026,033
<i>Investigations</i>	2,219,461	2,705,333	2,739,071	2,813,257	2,675,259	2,896,711
<i>Personnel & Community Services</i>	562,528	874,807	993,941	1,074,262	1,031,559	1,116,904
<i>Parking</i>	565,896	551,918	524,970	506,895	482,802	482,092
<i>Operating Grants</i>	27,547	132,058	10,178	15,000	6,902	-
<i>Pass -Through Accounts</i>	4,520	6,723	87	23,220	10,000	23,220
TOTAL EXPENDITURES	\$ 14,948,954	\$ 15,895,006	\$16,570,836	\$ 17,390,968	\$ 16,776,652	\$ 19,225,986

POLICE DEPARTMENT

DEPARTMENT STAFFING

Full Time Equivalents (FTE)

General Fund	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Funded	2022/23 Adopted
Chief of Police	1.00	1.00	1.00	1.00	1.00
Police Captain	2.00	2.00	2.00	2.00	2.00
Police Sergeant	7.00	7.00	7.00	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	1.00	1.00	1.00	1.00	1.00
Police Records Manager	1.00	-	-	-	-
Police Records & Com Manager	-	1.00	1.00	1.00	1.00
Senior Administrative Analyst	1.00	1.00	1.00	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	7.00	7.00	7.00	7.00	7.00
Senior Parking Control Officer	-	-	1.00	1.00	1.00
Parking Control Officer	2.00	2.00	1.00	1.00	1.00
Police Records Specialist	4.00	4.00	4.00	4.00	4.00
Community Outreach Coordinator	1.00	1.00	1.00	1.00	1.00
Human Resources Specialist	1.00	-	-	-	-
Administrative Technician	-	1.00	-	-	-
IT Systems Administrator	-	1.00	1.00	1.00	1.00
Total General Fund FTEs	59.00	60.00	60.00	60.00	60.00

Temporary Staff Hours	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Funded	2022/23 Adopted
Community Service Officer Intern	1,720	1,720	2,080	2,080	3,120
Police Officer	300	300	300	300	500
IT Technician	685	-	-	-	-
Parking Control Manager	-	-	1,000	500	500
Parking Control Officer	-	-	300	-	-
Police Records Specialist	-	-	330	-	-
Communications Dispatcher	330	330	-	-	-
Project Manager	-	685	340	-	-
Police Trainee	-	-	-	-	1,800
Total Annual Hours	3,035	3,035	4,350	2,880	5,920



Police Department

POLICE ADMINISTRATION PROGRAM 4101

PROGRAM PURPOSE

The Police Administration Program is responsible for the organization and management of the Department. This Program oversees all the Department's programs and is 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 promotes a strong Police/community partnership through community engagement and problem-solving.

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 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.

The FY 2022/23 budget includes increases in salary and benefit costs attributed to negotiated salary raises, anticipated merit step increases and higher benefit and CalPERS pension rates.

POLICE DEPARTMENT
Police Administration

SUMMARY OF REVENUES AND EXPENDITURES

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ 3,575	\$ 1,155	\$ 2,075	\$ 830	\$ 830	\$ 830
<i>Intergovernmental Revenue</i>	-	-	-	-	-	-
<i>Service Charges</i>	-	-	-	-	-	-
<i>Grants</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	26,472	12,000	18,500	20,000	20,425	20,000
TOTAL REVENUES	\$ 30,047	\$ 13,155	\$ 20,575	\$ 20,830	\$ 21,255	\$ 20,830
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 1,073,869	\$ 1,021,610	\$ 1,227,190	\$ 1,156,668	\$ 1,183,656	\$ 1,640,028
<i>Operating Expenditures</i>	20,564	20,052	14,910	28,214	28,255	22,800
<i>Grants</i>	25,025	14,404	18,500	20,000	20,000	20,000
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	103,986	192,541	203,551	207,346	207,459	188,506
TOTAL EXPENDITURES	\$ 1,223,444	\$ 1,248,607	\$ 1,464,151	\$ 1,412,228	\$ 1,439,370	\$ 1,871,334
TRANSFERS OUT						
<i>Transfer to Equipment Replacement</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL TRANSFERS OUT	-	-	-	-	-	-
TOTAL EXPENDITURES & TRANSFERS OUT	1,223,444	1,248,607	1,464,151	1,412,228	1,439,370	\$ 1,871,334

POLICE DEPARTMENT
Police Administration

FY 2022/23 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative governance	<i>Succession, Recruitment, and Retention Staff Plans</i>
	The Department is dedicated to an overall succession and retention plan for current staff members. In preparation of staff attrition in future years, the Department is focusing on individual staff growth opportunities, cross-training of assignments, and innovative techniques and methods to provide leadership development opportunities. In addition, the Department will be participating in community events and other opportunities to recruit sworn and professional staff members.
	<i>Re-organization & Staff Structure</i>
	The Police Administration will evaluate the management team and organizational structure by reviewing primary responsibilities and examining opportunities to improve efficiency and effectiveness of the Police Department. Activities will include strengthening the core management team through skill development, cross-training, and team-based work activities. In addition, lessons learned from a management team building workshop will be incorporated with an emphasis on depth of knowledge, problem solving, performance measurement, and fostering a team environment. Other activities will include recruitment for vacant positions, promotional processes, and staff succession planning.
	<i>Budget Oversight & Management</i>
	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 to maximize potential revenue sources and procure operational needs.
	<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. Staff will continue to monitor and forecast the impacts of legislative mandates, while revising and developing model policies and Department procedures.

POLICE DEPARTMENT
Police Administration

FY 2022/23 KEY PROJECTS

Core Goals	Key Projects
<i>Community Character</i> Preserve and enhance the appearance, character, and environment quality of the community	<i>Youth Commission – Youth Party Guidelines & Straw Ban Ordinance</i> The Los Gatos Youth Commission’s goal of sharing a voice of the youth in the Los Gatos community continues in FY 2022/23. As the liaison to the Los Gatos Youth Commission, the Police Department will continue to guide the Commission in the development and promotion of its projects. 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 for special projects.
- Manages division programs and personnel.

POLICE DEPARTMENT
Police Administration

POLICE ADMINISTRATION PROGRAM STAFFING

Full Time Equivalents (FTE)

	2018/19	2019/20	2020/21	2021/22	2022/23
<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
Senior Administrative Analyst	1.00	1.00	1.00	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 professional civilian personnel and is comprised of both Police Records Division and the Communication Center (Dispatch) Division.

The Los Gatos-Monte Sereno Police Department Records Division serves as the repository for all Police records, responsible for the collection, classification, monitoring and reporting of all Departmental criminal and statistical data in all systems, including in-house records management systems as well as county, state, and federal database systems. Records Division staff responds to Public Records Act requests, 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 and handle a wide number of other administrative duties in support of the Police Department.

The Communication Center is staffed twenty-four hours a day, seven days a week. The Communications 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 (i.e., fulfilling requests for dispatch recordings, completing data entry, and releasing property during non-business hours). Dispatchers also provide frontline customer service, directing residents to appropriate Town Departments for non-public safety inquiries and informing PPW staff of hazardous infrastructure conditions that need immediate attention.

POLICE DEPARTMENT
Records and Communications

BUDGET OVERVIEW

The FY 2022/23 budget includes increases in salary and benefit costs attributed to negotiated salary raises, anticipated merit step increases and higher benefit and CalPERS pension rates.

SUMMARY OF REVENUES AND EXPENDITURES

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenue</i>	-	-	-	-	-	-
<i>Service Charges</i>	8,256	4,520	1,077	1,500	1,674	750
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	<u>3,653</u>	<u>3,372</u>	<u>3,372</u>	<u>3,372</u>	<u>3,372</u>	<u>3,372</u>
TOTAL REVENUES	\$ 11,909	\$ 7,892	\$ 4,449	\$ 4,872	\$ 5,046	\$ 4,122
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 1,799,295	\$ 1,851,297	\$ 1,933,935	\$ 2,118,650	\$ 1,733,954	\$ 2,466,522
<i>Operating Expenditures</i>	238,264	259,949	256,360	276,007	281,264	286,900
<i>Fixed Assets</i>	545	-	-	-	-	-
<i>Internal Service Charges</i>	<u>183,390</u>	<u>94,225</u>	<u>106,664</u>	<u>133,482</u>	<u>132,113</u>	<u>150,015</u>
TOTAL EXPENDITURES	\$ 2,221,494	\$ 2,205,471	\$ 2,296,959	\$ 2,528,139	\$ 2,147,331	\$ 2,903,437

POLICE DEPARTMENT
Records and Communications

FY 2022/23 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative government	<i>Staff Supervisory Roles & Re-Structure</i>
	The Department will implement a revised staff structure within the Communications and Records Divisions to promote professional growth and succession opportunities.
	<i>Mandated Reporting of Statistical Data</i>
	The Police Department will continue with National Incident Based Reporting System (NIBRS) and California Incident Based Reporting System (CIBRS) data collection per the Department of Justice standards for DOJ publication in FY 22/23.
	<i>RIPA Data Reporting & Publication</i>
	The Department will continue to report stop data points to the Department of Justice per Assembly Bill 953 (Racial Identity Profiling Act). Once the stop data is published by the Department of Justice (expected in 2023), the Police Department will post the information to its website for full transparency.
	<i>Report Processing & Database Integration</i>
	The Records Division will continue to evaluate efficient database and software applications which integrate with the current Records Management System to streamline case processing, data entry, and records release processes.

POLICE DEPARTMENT
Records and Communications

KEY PROGRAM SERVICES

Records

- Responds to customer inquiries.
- Processes Police reports and citations.
- Processes criminal and traffic warrants.
- 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)

	2018/19	2019/20	2020/21	2021/22	2022/23
	Funded	Funded	Funded	Funded	Adopted
Town Staff					
Police Sergeant	0.30	-	-	-	-
Police Records Manager	1.00	-	-	-	-
Police Records & Com Manager	-	1.00	1.00	1.00	1.00
Communications Dispatcher Lead	1.00	1.00	1.00	1.00	1.00
Communications Dispatcher	7.00	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	12.30	12.00	12.00	12.00	12.00

	2018/19	2019/20	2020/21	2021/22	2022/23
	Funded	Funded	Funded	Funded	Adopted
Temporary Staff Hours					
IT Technician	685	-	-	-	-
Project Manager	-	685	340	-	-
Police Records Specialist	-	-	330	-	-
Communications Dispatcher	330	330	-	-	-
Total Annual Hours	1,015	1,015	670	-	-

POLICE DEPARTMENT Records and Communications

Performance Objectives and Measures		2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 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		2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 Planned
1.	Total number of CAD events created:*	55,829	34,891	26,108	35,060	37,972
2.	Total landline and wireless calls received by dispatch (does not include 911 calls):	41,130	37,489	34,788	35,006	37,103
3.	Number of 911 calls received:	10,224	9,557	9,239	10,552	10,500
4.	Number of stored and/or impounded vehicles processed:	220	104	105	150	125
5.	Number of police reports processed:	4,303	3,282	2,082	2,352	2,572
6.	Number of public contacts at Records:**	Measure Discontinue	Measure Discontinued	Measure Discontinued	Measure Discontinued	Measure Discontinued
7.	Number of citations processed:	3,765	1,467	1,401	1,988	2,364

*A computer-aided dispatch (CAD) event documents all Police-related activity by sworn and civilian personnel.

** Measure discontinued effective FY 19/20

Police Department

PERSONNEL AND COMMUNITY SERVICES PROGRAM 4202

PROGRAM PURPOSE

The Personnel and Community Services (PCS) Program provides an essential level of support by overseeing the Department's adherence to state and federal mandates and community values 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 employees as required by the 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 manage and oversee numerous volunteer programs that support various 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 Management, in preparation and planning for the possibility of earthquakes, fires, floods, and other natural and man-made disasters. In addition, staff in this program oversee management of Police Department volunteer programs such as Volunteers in Policing, Community Emergency Response Team (CERT), Disaster Aid Response Team (DART), and Victim Services Unit (VSU).

POLICE DEPARTMENT
Personnel and Community Services

BUDGET OVERVIEW

Additional temporary staff hours (200 hrs.) are proposed for Background Investigation Staff who conduct backgrounds for civilian and sworn employees during the hiring process.

The FY 2022/23 budget includes increases in salary and benefit costs attributed to negotiated salary raises, anticipated merit step increases and higher benefit and CalPERS pension rates.

SUMMARY OF REVENUES AND EXPENDITURES

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenue</i>	376,852	400,096	485,554	500,000	500,000	501,300
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	1,000	-	1,000	1,000	1,000
TOTAL REVENUES	\$ 376,852	\$ 401,096	\$ 485,554	\$ 501,000	\$ 501,000	\$ 502,300
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 313,133	\$ 740,074	\$ 855,141	\$ 928,638	\$ 883,856	\$ 988,684
<i>Operating Expenditures</i>	184,594	24,927	24,206	27,064	29,814	28,064
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	64,801	109,806	114,594	118,560	117,889	100,156
TOTAL EXPENDITURES	\$ 562,528	\$ 874,807	\$ 993,941	\$ 1,074,262	\$ 1,031,559	\$ 1,116,904

POLICE DEPARTMENT
Personnel and Community Services

FY 2022/23 KEY PROJECTS

Core Goals	Key Projects
<i>Civic Enrichment</i> Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	<i>Neighborhood Watch Program</i>
	The Police Department will continue to expand the Neighborhood Watch program, targeting crime prevention, awareness, and education. This community outreach program provides residents and businesses 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 neighborhood emergency preparedness and collaboration between neighbors and the Police Department.
	<i>Community Police Academy</i>
	The Los Gatos-Monte Sereno Police Department expects to offer its first Community Police Academy to the residents of the Town of Los Gatos and the City of Monte Sereno. A major goal of the Community Police Academy is to foster communication between the community and the Police Department, while enhancing education and strong relationships with the community.
	<i>Building Community Partnerships Through Engagement</i>
	The Department will continue to participate in community events and engage with the community to promote partnerships. Officers and civilian staff will participate in the Leadership Los Gatos program throughout the next fiscal year, which has proven beneficial in building community relationships, enhancing working relationships between Town Departments, and providing Police staff with enhanced knowledge of civic enrichment in Los Gatos. In addition, the Department will host quarterly events (such as “Coffee with a Cop”) to provide community members an opportunity to discuss any issues or concerns with Patrol Officers in a casual environment .

POLICE DEPARTMENT
Personnel and Community Services

FY 2022/23 KEY PROJECTS

Core Goals	Key Projects
<i>Civic Enrichment</i> Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	<i>Police Department Volunteer Opportunities</i> The Personnel and Community Services Program will focus on expanding the role of volunteers to support appropriate public safety programs, including the Victim Services Unit (VSU), Police Explorers, Volunteers in Policing (VIP), Community Emergency Response Team (CERT), and the Disaster Aid and Response Team (DART). In addition, the Department will focus on cross-training between some of these volunteer teams to increase their effectiveness when responding to critical incidents within Town limits.
<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> Community Emergency Response Team (CERT) leads continue to identify areas of priorities to strengthen community resilience and preparation of the Neighborhood Incident Command Posts (NICPs), focusing on skills which provide emergency preparedness information in virtual settings. Additionally, a continuing goal is neighborhood and senior emergency preparedness education and recruitment of additional CERT members along with partnership between CERT and the Neighborhood Watch participants in the event of an emergency.

POLICE DEPARTMENT
Personnel and Community Services

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.
- Collaborates 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).

PERSONNEL & COMMUNITY SERVICE PROGRAM STAFFING

Full Time Equivalents (FTE)

	2018/19	2019/20	2020/21	2021/22	2022/23
	Funded	Funded	Funded	Funded	Adopted
<i>Town Staff</i>					
Police Lieutenant	-	-	-	-	-
Police Sergeant	0.70	1.00	1.00	1.00	1.00
Community Outreach Coordinator	1.00	1.00	1.00	1.00	1.00
IT Systems Administrator	-	1.00	1.00	1.00	1.00
Administrative Analyst	-	-	1.00	1.00	1.00
Human Resources Specialist	1.00	-	-	-	-
Administrative Technician	-	1.00	-	-	-
Total Personnel & CS FTEs	2.70	4.00	4.00	4.00	4.00

	2018/19	2019/20	2020/21	2021/22	2022/23
	Funded	Funded	Funded	Funded	Adopted
<i>Temporary Staff Hours</i>					
Police Officer	300	300	300	300	500
Total Annual Hours	300	300	300	300	500

POLICE DEPARTMENT Personnel and Community Services

Performance Objectives and Measures	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 Planned
1. Enhance the breadth of public safety services provided through the effective use of volunteers.					
a. Percentage of Volunteers in Policing (VIP) reporting satisfaction with their assignments:*	100%	Measure Discontinued	Measure Discontinued	Measure Discontinued	Measure Discontinued
2. Prepare resident volunteers to assist in an emergency.					
a. Percentage of CERT participants better prepared to assist in an emergency:*	100%	Measure Discontinued	Measure Discontinued	Measure Discontinued	Measure Discontinued
3. Preparing resident volunteers to assist in an emergency.**					
a. Number of Town sponsored trainings offered for emergency preparedness volunteers:	Data not available	Data not available	8	5	5
4. Training community members in neighborhood emergency preparedness.***					
a. Number of citizens trained in neighborhood emergency preparedness:	Data not available	Data not available	220	302	261
Activity and Workload Highlights	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 Planned
1. Average hours of training for per sworn officer:	88	78	100	75	80
2. Hours of essential training provided to each person in a specialized assignment (Detective Bureau, Traffic, etc.):****	40	46	Measure Discontinued	Measure Discontinued	Measure Discontinued
3. Average hours of training for non-sworn personnel:	18	14	8	17	20
4. Total number of hours volunteered Town-wide (not including VIP):	20,115	16,851	9,489	8,040	8,040
5. Total value of volunteer hours (not including VIP):	\$452,588	\$379,148	\$213,503	\$180,900	\$180,900
6. Number of hours of volunteer (VIP) service:	1,657	749	0	100	100
7. Dollar value of total annual volunteer (VIP) hours of service:	\$37,283	\$16,853	\$0	\$2,250	\$2,250
8. Number of CERT personnel trained this year:	38	21	0	13	15
9. Total number of active trained CERT personnel:	206	224	224	237	252

*Measure discontinued effective FY 19/20

**New measure effective FY 20/21

***New measure effective FY 21/22

****Measure discontinued effective FY 21/22

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 uniformed Police Officers across four shifts in a continuous effort to keep the Town safe. Officers provide both proactive and reactive service to residents, 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.

Within the Patrol function, Officers with specialized training are deployed as Field Training Officers (FTO), K-9 Officer, and Bicycle Officers. Collateral specialized teams provide support to the Patrol Program, including the Crisis Response Unit (CRU), Hostage Negotiation Team (HNT), 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 required by California Peace Officers Standards and Training. During FY 2021/22, 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.

POLICE DEPARTMENT
Patrol Program

BUDGET OVERVIEW

The Police Department and the other Departments of 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 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 2022/23 City of Monte Sereno Police Services contract to \$ 1,010,604.

Additional temporary staff hours (3,120 hrs.) are proposed for the Community Service Officer Intern (CSO). This non-sworn position responds to non-emergency calls for service, non-injury traffic collisions, assisting patrol in non-enforcement administrative situations. The CSO Intern allows for operational flexibility and training opportunities, with previous Intern's successful application and transition to Sworn Officer with the Police Department.

Additional temporary staff hours (1,800 hrs.) are proposed to be utilized for two Police Trainee recruit positions. As the Police Department plans for staff transition in FY 2022/23, this one-time funding allows the Department to hire and train officers ahead of upcoming vacancies.

POLICE DEPARTMENT
Patrol Program

SUMMARY OF REVENUES AND EXPENDITURES

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ 26,180	\$ 38,943	\$ 27,523	\$ 19,750	\$ 30,452	\$ 20,500
<i>Intergovernmental Revenue</i>	-	9,560	18,136	105,000	108,000	106,500
<i>Service Charges</i>	885,033	905,597	927,495	970,935	975,835	1,019,354
<i>Fines & Forfeitures</i>	15,352	22,360	11,925	7,000	18,000	15,000
<i>Other Revenues</i>	-	-	549,328	-	-	-
TOTAL REVENUES	\$ 926,565	\$ 976,460	\$ 1,534,407	\$ 1,102,685	\$ 1,132,287	\$ 1,161,354
Transfers In						
<i>Transfer from GFAR</i>	\$ -	\$ 54,797	\$ 113,520	\$ 94,816	\$ 94,816	\$ -
Total Transfers In	-	54,797	113,520	94,816	94,816	-
TOTAL REVENUES & TRANSFERS IN	\$ 926,565	\$ 1,031,257	\$ 1,647,927	\$ 1,197,501	\$ 1,227,103	\$ 1,161,354
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 6,430,360	\$ 6,596,454	\$ 6,822,490	\$ 6,975,429	\$ 7,053,122	\$ 7,822,876
<i>Operating Expenditures</i>	185,987	350,482	366,624	428,022	445,022	460,022
<i>Fixed Assets</i>	3,000	-	-	-	-	-
<i>Internal Service Charges</i>	493,353	424,320	464,659	573,539	551,923	623,357
TOTAL EXPENDITURES	\$ 7,112,700	\$ 7,371,256	\$ 7,653,773	\$ 7,976,990	\$ 8,050,067	\$ 8,906,255

FY 2022/23 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative government	<i>Patrol Staffing & Schedules</i> The Patrol Program will continue to track and monitor the program budget, including overtime salaries and operational components. The Department will analyze current and prospective patrol schedules to ensure best patrol deployment models for enhanced police responsiveness and crime fighting strategies, while factoring in unexpected staffing vacancies and workload pressures. In addition, staff will review current patrol beat structures to optimize current and future service delivery.

POLICE DEPARTMENT
Patrol Program

FY 2022/23 KEY PROJECTS

Core Goals	Key Projects
Public Safety Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness	<i>Automated License Plate Reader Technology</i>
	The Department will re-evaluate the Automate License Plate Reader technology pilot program, implemented in FY 2021/22. Overall, the technology has proven to be a valuable tool in the prevention of criminal activity and ability for officers to solve crime. The Department is going to explore options of adding additional ALPR cameras and partnering with bordering jurisdictions in ALPR implementation.
	<i>Crisis Intervention Training for New Officers & Dispatchers</i>
	The Department recognizes the importance of providing Patrol Officers with enhanced training applicable to crisis intervention and dealing with people who suffer mental illness. Officers learn effective communication tools and gain an understanding to mechanisms of de-escalating mental health crises in the field. The Department will continue toward achieving a goal of CIT certification (40-hour POST certified course) for all sworn Officers and Dispatchers.
	<i>Mobile Audio Video In-Car Camera Upgrade</i>
	The Department will implement the most advanced upgraded technology to replace current in car Mobile Audio Video camera equipment in the patrol fleet. During FY 2022/23, the Department is scheduled to upgrade current Mobile Audio Video in-car cameras which will integrate with body worn cameras, digital evidence, and other equipment/technology under one operating system.
	<i>Community Service Officer Intern Program</i>
	In FY 2021/22, the Department Community Service Officer (CSO) Intern positions were a valuable asset in assisting the Patrol Division. CSO Interns respond to low priority calls for service and assist with the investigation of property crimes. In addition, the Department has utilized the CSO Program as a progressive recruitment and succession opportunity for future sworn Officer positions. In FY 2022/23, the Department will explore opportunities to expand the CSO Intern program and integrate these temporary/hourly employees into other Divisions within the Department.

**POLICE DEPARTMENT
Patrol Program**

FY 2022/23 KEY PROJECTS

Core Goals	Key Projects
<i>Community Character</i> Preserve and enhance the appearance, character, and environment quality of the community	<i>Directed Community Engagement Patrol</i> Patrol Officers will continue to identify elevated crime areas and neighborhoods with community concerns related to public safety. Officers will increase foot patrols, bicycle patrols, and conduct focused patrol checks in residential and commercial areas to provide enhance visibility and crime suppression. Upon review of crime data, Patrol Teams will identify specific crime suppression plans in target neighborhoods. As staffing permits, sworn staff will have a visible presence in the downtown area to be a resource to the community and a visual deterrent to crime.

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.
- Builds relationships within the community to enhance public safety and increase community policing.
- Oversees the training and deployment of collateral and specialty teams such as, Crisis Response Unit (CRU), Hostage Negotiations Team, Bicycle Team, Field Training Officer Program, Major Incident/Traffic Reconstruction Team, K9-Team, Firearms Team, and Defensive Tactics Team.
- Oversees the deployment of volunteer teams, such as Reserve Police Officers and the Police Explorer Post.

POLICE DEPARTMENT
Patrol Program

PATROL PROGRAM STAFFING

Full Time Equivalents (FTE)

	2018/19	2019/20	2020/21	2021/22	2022/23
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Adopted
Police Captain	0.50	0.50	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

	2018/19	2019/20	2020/21	2021/22	2022/23
<i>Temporary Staff Hours</i>	Funded	Funded	Funded	Funded	Adopted
Community Service Officer Intern	1,720	1,720	2,080	2,080	3,120
Police Trainee	-	-	-	-	1,800
Total Annual Hours	1,720	1,720	2,080	2,080	4,920

POLICE DEPARTMENT Patrol Program

Performance Objectives and Measures	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 Planned
1. <i>Provide safe environment through timely response and police assistance.</i>					
a. Average response time - Priority I calls:	3:35	3:43	4:29	4:32	5:00
b. Average response time - Priority II calls:	6:41	6:53	6:22	6:00	10:00
c. Average response time - Priority III calls:	11:39	8:56	7:24	7:00	15:00

Activity and Workload Highlights	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 Planned
1. Number of Priority I incidents (immediate emergency with threat of life and public safety hazard):*	253	214	146	156	172
2. Number of Priority II incidents (urgent emergency that requires immediate response):*	14,176	9,471	4,668	6,298	6,812
3. Number of Priority III incidents (non-emergency):*	14,747	4,915	8,482	11,120	11,449
4. Number of Priority IV incidents (other):*	15,474	17,113	Not applicable	Not applicable	Not applicable
5. Total number of Incidents:*	44,650	31,713	25,965	34,987	37,116
6. Hours of Volunteer Reserve Officer hours used:	606	506	516	545	500
7. Dollar value of total Reserve Officer hours used:	\$30,906	\$31,347	\$32,286	\$34,101	\$31,285
8. Hours of Disaster Aid Response Team service used:	835	872	1671	2000	2000
9. Dollar value of total Disaster Aid Response Team service used:	\$38,610	\$24,250	\$47,440	\$ 56,780	\$ 56,780
10. Number of hours patrolling Monte Sereno: (Per agreement - 4160 hrs. patrol + 416 traffic/annually)	4,562	4,567	4,780	4,588	4,576
11. Total number of arrests by Los Gatos/ Monte Sereno Police Department:	1,140	578	334	430	447
12. Total number of reports written by Community Service Officer intern:**	172	0	98	179	138

*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.

Due to the implementation of our new CAD/RMS platform FY 2020/21 and proceeding will be reflective of 3 Priority Types defined above.

** New measure effective FY 2015/16.

Please note: During FY 20/21, the department transitioned from its existing software to a new CAD/RMS platform after 17 years, providing enhanced functions for performance measures and improved capabilities to capture ongoing statistical data. This resulted in many operational and administrative progressions that had been limited in years prior based on the limitations of the previous system. There are now three priority types. Additionally, there were several incident types used in the previous system that have been converted to "status" types to better reflect the officer's activity.

Please note: In July 2020, the Santa Clara County District Attorney announced a series of social justice reforms that included ceasing filing criminal charges for driving on a suspended license. The department averaged 261 arrests annually for this violation prior to this decision. Additionally, officer discretion applied to arrest decisions (whether to book, cite, or request a warrant) has been influenced by COVID internally, by operational changes, and externally, by jail policies.



Police Department

TRAFFIC PROGRAM 4302

PROGRAM PURPOSE

The Traffic Program focuses on the education, encouragement, and enforcement of the California Vehicle Code to enhance the safety of roadways for all motorists, bicyclists, and pedestrians. The Program collaborates with Parks and Public Works and 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 Complete Streets and Transportation Commission, and Traffic Safe Communities Network to promote the continued success of programs such as Safe Routes to School. 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 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. 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 crossing guard contract expires June 30, 2024.

POLICE DEPARTMENT
Traffic

BUDGET OVERVIEW

The Traffic Program is staffed with a 0.70 FTE Police Sergeant and 2.0 FTE sworn officers.

SUMMARY OF REVENUES AND EXPENDITURES

	2018/19	2019/20	2020/21	2021/22	2021/22	2022/23
	Actuals	Actuals	Actuals	Adjusted	Estimated	Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ 12,734	\$ 12,195	\$ 11,015	\$ 8,000	\$ 10,275	\$ 8,000
<i>Intergovernmental Revenue</i>	448,482	345,964	447,561	160,000	160,000	155,000
<i>Service Charges</i>	115,250	85,640	29,308	143,567	143,567	153,093
<i>Fines & Forfeitures</i>	17,849	8,906	5,726	7,200	2,160	200
<i>Other Revenues</i>	-	202	-	-	-	-
TOTAL REVENUES	\$ 594,315	\$ 452,907	\$ 493,610	\$ 318,767	\$ 316,002	\$ 316,293
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 773,754	\$ 610,454	\$ 657,883	\$ 754,063	\$ 652,399	\$ 726,477
<i>Operating Expenditures</i>	147,065	131,373	170,397	210,163	210,163	222,120
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	90,545	57,006	59,426	76,751	70,800	77,436
TOTAL EXPENDITURES	\$ 1,011,364	\$ 798,833	\$ 887,706	\$ 1,040,977	\$ 933,362	\$ 1,026,033

POLICE DEPARTMENT
Traffic

FY 2022/23 KEY PROJECTS

Core Goals	Key Projects
<i>Civic Enrichment</i> Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	<i>Safe Routes to School</i> The Department will continue to participate in Safe Routes to School, Traffic Safe Communities Network, and Complete Streets and Transportation Commission programs and projects. These projects will include the identification of alternate transportation methods, management of traffic flow, and promotion of vehicle, bicycle, and pedestrian safety.
<i>Good Governance</i> Ensure responsive, accountable, and collaborative government	<i>Digital Handheld Traffic Citation System</i> The Department will explore the integration and implementation of an electronic traffic citation system which integrates with current technology. An electronic citation system would enhance staff efficiency and provide a direct connection with citation processing and submission to Traffic Court.
<i>Public Safety</i> Ensure public safety through proactive community policing, effective emergency response, and	<i>Directed Enforcement to Reduce Traffic Collisions</i> The Traffic Program will work in conjunction with the Patrol Program to coordinate efforts of traffic enforcement, traffic calming, and promote pedestrian and bicycle safety in Town. The Traffic Program will also work with the Town Engineering Division to analyze hazardous traffic collision data to prioritize locations throughout Town requiring focused enforcement. The Department is dedicated to participation in regional traffic enforcement campaigns and local community programs which promote and foster safe driving behaviors.

POLICE DEPARTMENT
Traffic

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)

	2018/19	2019/20	2020/21	2021/22	2022/23
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Adopted
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	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 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:	10.60%	10.20%	8.57%	9.9%	10.0%
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:	18.8	11.9	10.1	10.5	14.0
<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	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 Planned
1. Total number of traffic citations issued (excludes courtesy citations):*	2,087	1,225	782	1,040	1,300
2. Number of hazardous citations:	1,616	962	518	932	1,086
3. Number of courtesy citations issued:	1,677	1,247	619	964	1,057
4. Number of DUI arrests:*	68	69	30	41	36
5. Number of traffic collision reports:*	288	225	105	147	126
6. Number of injury collisions:	86	81	51	88	78

**Traffic collision report increase due to reports being written for non-injury collisions in lieu of information exchange between parties. COVID, regional stay at home orders, and the closure of establishments dramatically reduced the number of DUI arrests. COVID and regional stay at home orders also impacted traffic enforcement.*



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 comprehensive 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.

One Officer in this Program is assigned as a part-time 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 being a liaison to 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. In FY 2021/22 a revised one-year cost-sharing service agreement was finalized with the High School District and Los Gatos Union School District covering a portion of the SRO's salary and benefits (High School District 18% and Los Gatos Union School District 7%). The SRO contract expires June 30, 2022 and is expected to be renegotiated to continue this valuable partnership and service.

POLICE DEPARTMENT Investigations

In addition, an Officer from this Program is assigned to Regional Enforcement Allied Computer Enforcement (REACT) Task Force. REACT is a diversified partnership of local, state, and federal agency personnel who receive specialized training to combat the escalating problem of high technology crime, and the threat it poses to the public, nonprofit, and private sectors. In FY 2022/23, up to \$100,000 is budgeted as revenue reimbursement from Santa Clara County Office of the District Attorney for participation in this program.

BUDGET OVERVIEW

The Investigations Program is comprised of 0.5 FTE Police Captain, 1.0 FTE Police Sergeant, 6.0 FTE sworn Officers, 1.0 FTE Community Service Officer and 1.0 FTE Police Records Specialist.

SUMMARY OF REVENUES AND EXPENDITURES

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ 187	\$ 1,960	\$ 5,966	\$ 500	\$ 6,000	\$ 500
<i>Intergovernmental Revenue</i>	-	60,944	121,410	100,000	100,000	100,000
<i>Service Charges</i>	125,426	137,509	59,947	38,456	37,466	78,073
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	7,316	656	1,369	600	2,118	600
TOTAL REVENUES	\$ 132,929	\$ 201,069	\$ 188,692	\$ 139,556	\$ 145,584	\$ 179,173
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 1,916,088	\$ 2,398,626	\$ 2,455,805	\$ 2,451,609	\$ 2,321,290	\$ 2,535,723
<i>Operating Expenditures</i>	126,134	175,345	141,854	190,027	188,527	191,527
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	177,239	131,362	141,412	171,621	165,442	169,461
TOTAL EXPENDITURES	\$ 2,219,461	\$ 2,705,333	\$ 2,739,071	\$ 2,813,257	\$ 2,675,259	\$ 2,896,711

**POLICE DEPARTMENT
Investigations**

FY 2022/23 KEY PROJECTS

Core Goals	Key Projects
<i>Good Governance</i> Ensure responsive, accountable, and collaborative government	<i>Task Force Collaboration & Cross-Training</i> The Department has participated and utilized the assistance of local County-wide task forces for major investigations and providing opportunities for valuable experience in conducting complex investigations. The Department will support opportunities to assign a Detective or Officer to County task forces as staffing allows to promote growth opportunities and enhanced training and experience for staff.
	<i>Evidence Management and Off-site Storage Facility Project</i> Police Department staff will continue to collaborate with Parks and Public Works staff in the capital improvement project related to the reconfiguration and build out of the Town Corporation Yard outbuilding used as additional Police evidence and property storage.
	<i>Investigative Technology Equipment</i> The Investigations Program will explore most updated investigative technology and equipment which may assist with the investigation of cyber-crimes and the preservation of digital media evidence.

KEY PROGRAM SERVICES

- Investigates and solves crimes.
- Directs and coordinates the prosecution of offenders.
- Provides services to victims.
- 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)

	2018/19	2019/20	2020/21	2021/22	2022/23
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Adopted
Police Captain	0.50	0.50	0.50	0.50	0.50
Police Lieutenant	-	-	-	-	-
Poice 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	1.00
Police Records Specialist	1.00	1.00	1.00	1.00	1.00
Total Investigation FTEs	9.50	9.50	9.50	9.50	9.50

* Includes one officer in the Regional Enforcement Allied Computer Team (REACT).

Performance Objectives and Measures	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 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:**	663	764	636	Measure Discontinued	Measure Discontinued
2. To divert local youth from the criminal justice system.					
a. Percentage of youthful offenders diverted from the criminal justice system:	7%	0%	0%	0%	0%
3. To obtain criminal complaints against violators.					
a. Percentage of criminal complaints issued by District Attorney with charges filed:*	154%	Measure Discontinued	Measure Discontinued	Measure Discontinued	Measure Discontinued
b. Percentage of criminal complaints denied by District Attorney:*	17%	Measure Discontinued	Measure Discontinued	Measure Discontinued	Measure Discontinued

Activity and Workload Highlights	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 Planned
1. Number of cases investigated:	1,482	1,057	1,226	1,444	1,500
2. Number of criminal complaints requested for review at District Attorney's Office:	746	329	290	375	350
3. Annual number of public school visits by the School Resource Officer:	376	191	115	184	125

*Measure discontinued effective FY 19/20

Juvenile justice reforms and changes to legislation have rendered the youth diversion program obsolete.

Annual school visits by the School Resource Officer was impacted by COVID. At the time of this writing, all educational institutions have been completely shut down and conducting school in a virtual environment. The school resource officer remains involved with the schools and adapting to new challenges presented in the virtual environment.

**Measure discontinued effective FY 21/22 Uniform Crime Report (UCR) is no longer a static measure the Department is transitioning to NIBRS per State and Federal mandates.

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 Patrol Division 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 support Patrol Officers with traffic control during high impact roadway events and assist with crossing guard duties as necessary. This Program will continue to implement the recommendations from the Comprehensive Parking Study.

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 Complete Streets and Transportation Commission to coordinate the monitoring and enforcement of parking related concerns on Town streets and municipal lots.

Additional temporary staffing hours (500 hrs.) are proposed for the continuation of the Parking Program Manager. This position will assist in the review and implementation of the recommendations from the Comprehensive Parking Study and Town Council direction.

**POLICE DEPARTMENT
Parking Management**

SUMMARY OF REVENUES AND EXPENDITURES

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ 49,123	\$ 39,993	\$ 36,558	\$ 29,000	\$ 27,000	\$ 27,000
<i>Intergovernmental Revenue</i>	-	-	-	-	-	-
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	400,246	221,810	78,771	182,250	182,010	181,050
<i>Other Revenues</i>	29,205	32,400	32,400	-	-	-
TOTAL REVENUES	\$ 478,574	\$ 294,203	\$ 147,729	\$ 211,250	\$ 209,010	\$ 208,050
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 281,177	\$ 319,896	\$ 350,512	\$ 367,277	\$ 314,530	\$ 306,980
<i>Operating Expenditures</i>	222,516	186,374	127,625	83,328	114,328	118,328
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	62,203	45,648	46,833	56,290	53,944	56,784
TOTAL EXPENDITURES	\$ 565,896	\$ 551,918	\$ 524,970	\$ 506,895	\$ 482,802	\$ 482,092

**POLICE DEPARTMENT
Parking Management**

FY 2022/23 KEY PROJECTS

Core Goals	Key Projects
<i>Good Governance</i> Ensure responsive, accountable, and collaborative government	<i>Comprehensive Parking - Program Implementation</i> The Parking Management Program will collaborate with Parks and Public Works and the Town Manager's Office on the implementation of the Comprehensive Parking Study and evaluation of these measures, including new wayfinding signage intended to enhance the overall experience and provide direction to available parking for downtown patrons.
<i>Community Character</i> Preserve and enhance the appearance, character, and environment quality of the community	<i>Downtown Business Employee Permit Parking</i> During FY 2021/22 and through FY 2022/23, the Parking Management Program will continue to evaluate the implementation and experience of the downtown employee permit parking program. Department Staff will coordinate efforts with other Town staff and the downtown business community for feedback, participation, and adherence to the pilot program.

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 special event parking control.
- Manages and oversees the parking citation appeal process.
- Coordinates efforts with the Complete Streets and Transportation Commission and Parks and Public Works Department.

**POLICE DEPARTMENT
Parking Management**

PARKING MANAGEMENT FUND STAFFING

Full Time Equivalent (FTE)

	2018/19	2019/20	2020/21	2021/22	2022/23
	Funded	Funded	Funded	Funded	Adopted
Town Staff					
Police Sergeant	0.30	0.30	0.30	0.30	0.30
Senior Parking Control Officer	-	-	-	1.00	1.00
Parking Control Officer	2.00	2.00	2.00	1.00	1.00
Total Parking Mgmt. FTEs	2.30	2.30	2.30	2.30	2.30

	2018/19	2019/20	2020/21	2021/22	2022/23
	Funded	Funded	Funded	Funded	Adopted
Temporary Staff Hours					
Parking Control Manager	-	-	1,000	500	500
Parking Control Officer	-	-	300	-	-
Total Annual Hours	-	-	300	500	500

	2018/19	2019/20	2020/21	2021/22	2022/23
	Actual	Actual	Actual	Estimated	Planned
Performance Objectives and Measures					
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:	93%	93%	92%	92%	92%
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

	2018/19	2019/20	2020/21	2021/22	2022/23
	Actual	Actual	Actual	Estimated	Planned
Activity and Workload Highlights					
1. Number of parking citations issued:	6,817	4,023	1,584	4,000	4,000
2. Number of residential and employee parking permits issued:	1,519	1,300	786	1,531	1,500
3. Number of stored and abandoned vehicles marked:*	410	119	163	175	175
4. Number of stored and abandoned vehicles removed from public streets:*	24	17	11	15	15
5. Revenue received on parking permits issued:	\$49,123	\$39,993	\$36,558	\$27,000	\$27,000
6. Revenue received on parking citations issued:	\$400,154	\$171,835	\$49,795	\$150,000	\$150,000

**Revised to reflect new policies from Abandoned Vehicle Abatement Service Authority (AVASA)*



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 2022/23 revenues and expenditures reflect a pass-through of 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

	2018/19	2019/20	2020/21	2021/22	2021/22	2022/23
	Actuals	Actuals	Actuals	Adjusted	Estimated	Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenue</i>	-	-	-	-	-	-
<i>Service Charges</i>	3,946	766	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	5,895	-	23,220	10,000	23,220
TOTAL REVENUES	\$ 3,946	\$ 6,661	\$ -	\$ 23,220	\$ 10,000	\$ 23,220
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	4,520	6,723	87	23,220	10,000	23,220
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 4,520	\$ 6,723	\$ 87	\$ 23,220	\$ 10,000	\$ 23,220

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

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. The BVP Grant will continue into FY 2022/23 and provide 50% matching cost reimbursement for bulletproof vest expenses.

Through partnership, the County of Santa Clara, Town of Los Gatos, and Los Gatos-Monte Sereno Police Department will work to address challenges and enhance enforcement and education efforts of tobacco use and retailing laws with a specific focus on reducing underage access to tobacco products. The California Department of Justice Proposition 56 Tobacco Grant Program will expire in June 2024.

**POLICE DEPARTMENT
Operating Grants**

In 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 was on fostering innovations in training and procedures for law enforcement officers, with the goal of reducing the number of officer-involved shootings statewide. This Grant concluded in FY 2021/22.

DEPARTMENT OF JUSTICE TOBACCO ENFORCEMENT GRANT

SUMMARY OF REVENUES AND EXPENDITURES						
	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adopted	2021/22 Estimated	2022/23 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenue</i>	-	-	-	7,000	-	7,000
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ 7,000	\$ -	\$ 7,000
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

PEACE OFFICER STANDARDS AND TRAINING (POST) GRANT

SUMMARY OF REVENUES AND EXPENDITURES						
	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adopted	2021/22 Estimated	2022/23 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenue</i>	-	30,824	-	10,000	27,196	-
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ 30,824	\$ -	\$ 10,000	\$ 27,196	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	143	16,788	8,869	10,000	6,902	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 143	\$ 16,788	\$ 8,869	\$ 10,000	\$ 6,902	\$ -

**POLICE DEPARTMENT
Operating Grants**

BSCC COMMUNITY GRANT

SUMMARY OF REVENUES AND EXPENDITURES

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenue</i>	-	-	-	-	-	-
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	26,095	10,613	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 26,095	\$ 10,613	\$ -	\$ -	\$ -	\$ -

BVP GRANT

SUMMARY OF REVENUES AND EXPENDITURES

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenue</i>	1,309	3,464	1,309	5,000	5,000	5,000
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ 1,309	\$ 3,464	\$ 1,309	\$ 5,000	\$ 5,000	\$ 5,000
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	1,309	3,464	1,309	5,000	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 1,309	\$ 3,464	\$ 1,309	\$ 5,000	\$ -	\$ -

POLICE DEPARTMENT
Operating Grants

HOMELAND SECURITY GRANT

SUMMARY OF REVENUES AND EXPENDITURES

	2018/19	2019/20	2020/21	2021/22	2021/22	2022/23
	Actuals	Actuals	Actuals	Adjusted	Estimated	Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenue</i>	-	101,193	-	-	-	-
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ 101,193	\$ -	\$ -	\$ -	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	101,193	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ 101,193	\$ -	\$ -	\$ -	\$ -



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 (Administration, Park Services, Engineering Development Services, Engineering Program Services, Streets and Signals, and Environmental Services) 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 FY 2022/23 Proposed Budget reflects a status quo budget. Modest increases for contractual services include: a cost sharing agreement for imagery and lidar data, State mandated membership fees, building maintenance and repairs for the acquisition of the Los Gatos Theatre, fountain maintenance, sidewalk steam cleaning, software license and maintenance, underground utility locator, traffic signalization, HVAC, fire suppression, elevator maintenance, landscape maintenance, and electrical services. The budget also reflects the addition of an Urban Forest Manager position, a hire-ahead one time Lead Maintenance Worker position, and an additional 2080 hours for a Temporary Senior Civil Engineer to assist with the grant funded CIP projects.

The FY 2022/23 Proposed Budget includes increases in salary and benefit costs attributed to negotiated salary raises, anticipated merit step increases and higher benefit and CalPERS pension rates.

PARKS & PUBLIC WORKS DEPARTMENT

During this fiscal year, the Department will advance or complete many priorities. Some key projects include: Wildfire Mitigation, the Transportation Impact Mitigation Policy, Bike and Pedestrian Overcrossing at Highway 17, Shannon Road Repair, Los Gatos Creek Trailhead Connector, Shannon Road Pedestrian and Bikeway Improvements, Blossom Hill Road Traffic Safety, Americans with Disabilities Act (ADA) Transition Plan, and the Highway 17 Interchange and Capacity Improvements project. Many of these projects advance the branded Connect Los Gatos program. Staff will continue to apply for grants to supplement limited Town funding and advance the Town's capital improvement program.

The Engineering Development Program will continue to review, coordinate, and inspect infrastructure improvements for several key private projects in Los Gatos, including: North Forty project, Greenridge Terrace, retail development at Los Gatos Boulevard and Los Gatos-Almaden Road, office development on Alberto Way, and the older adult care facilities on Blossom Hill Road, Wood Road, and Winchester Boulevard. 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 Engineering Division continues to update the Town's Plans and Designs Standards to incorporate best practices and industry standards for Town infrastructure that align with the Town's needs.

The Town is continuing to work with the West Valley Solid Waste Management Authority to incorporate SB 1383 required organic recycling for residential and commercial customers. This effort includes significant unfunded mandates that will have impacts on solid waste collection in Town and will lead to substantial rate increases for residents.

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 reflects diversity, equity, inclusivity and environmental outreach messages that promote community sustainability. In FY 2021/22 four utility boxes have been added which bring the total to 26, and another four are planned for covering with artwork in FY 2022/23.

PARKS & PUBLIC WORKS DEPARTMENT

FY 2021/22 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Community Character</i> Preserve and enhance the appearance character and environment quality of the community	• Specific to Phase 1 of the North 40 development, staff continues to oversee the onsite and offsite improvements (along Lark Avenue and Los Gatos Boulevard). Staff coordinated with both the developer and their consultants/contractors to review public improvement and phased traffic control plans for construction activities, and other associated documents. • Continued to receive and review applications, plans, and documents electronically. Staff reviewed and issued over 400 encroachment permit applications and reviewed and coordinated on numerous plan submittals, traffic control plans, agreements, exhibits, maps and other project related details and documents. • Added ten new recycling receptacles at various Town parks 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. • Increased fire danger buffer zones in Landscape & Lighting Districts and other open spaces throughout the Town. • Implemented and enhanced the Downtown holiday lights program along N. Santa Cruz Ave., Main Street, Plaza Park, and at downtown business locations throughout the Town. • Implemented and enhanced Los Gatos trail maintenance to increase visibility and improve safety. • Helped the Downtown Parklet program pivot to focus on sustaining business through impacts from COVID-19, including installation of temporary parklets, additions to short term parking on North Santa Cruz, semi-permanent parklet review, and signage installation.

PARKS & PUBLIC WORKS DEPARTMENT

FY 2021/22 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Good Governance</i> Ensure responsive, accountable and collaborate government	• Prepared Town facilities and public spaces for safe essential operations and activities during the COVID-19 pandemic. • Completed the second phase of roadside vegetation management, addressing six miles of 31 miles of overgrown roadside vegetation. • Applied for a grant through CAL-OES and FEMA for planning additional vegetation management in Town-owned open space. • Continued to advance the Neighborhood Traffic Calming projects. Installed speed humps on Shannon Road between Cherry Blossom Lane and Short Road in coordination with the annual Street Repair and Resurfacing project. Initiated the community engagement and design of the traffic calming project on Corinne Drive. • Successfully competed in Valley Transportation Authority's (VTA) Measure B Highway Interchange program and secured \$7.8 million for the SR 17 Corridor Congestion Relief Design. • Secured grant dollars to complete the funding plan for the construction phase of the Los Gatos Creek Trail Connector project. • Completed the \$4.4 million Rule 20A Utility Undergrounding project on Los Gatos Boulevard with PG&E, AT&T, Comcast, and Frontier. • Participated in an inter-Departmental effort to improve the public-facing portal for the Accela (development permit management) application. The goal of the update is for a more user-friendly permit application and tracking interface, while allowing the staff to manage and record the workflow largely within the Accela application. • Completed an ADA accessibility evaluation of the Town programs, services, activities, and assets in preparation of a long-term transition plan to address deficiencies identified.
<i>Quality Public Infrastructure</i> Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	• Utilized a one-time increase in funding for tree maintenance to ensure public trees remain safe. • Prepared the construction documents for the annual FY 2021/22 Street Repair & Resurfacing and Curb, Gutter and Sidewalk Maintenance Projects for bid. Construction work for both projects will be completed by fall 2022. • Installed Class IV bikeways along Winchester Boulevard.

PARKS & PUBLIC WORKS DEPARTMENT

FY 2021/22 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Quality Public Infrastructure</i> Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	- Completed the Guardrail Replacement Project, funded entirely through federal grant funds. Approximately 2,500 feet of aged and outdated guardrails were replaced throughout the Town. - Completed the final design documents for the Los Gatos Creek Trailhead Connector project and applied for a federal grant for construction funding. - Completed the final design documents for the Shannon Road Pedestrian and Bikeway Improvements, a federal-aid project. - Initiated the community engagement efforts and design phase of the Highway 17 Bicycle and Pedestrian Overcrossing Project. Executed an agreement with Caltrans for the project initiation and coordination necessary. - Completed the procurement process for the structural repair of the Lot 4 parking structure scheduled for Spring 2022. - Completed facility condition assessments for all Town facilities, identifying building system and component replacements for budget forecasting purposes. - Completed Phase 1 of the Corporation Yard Building Replacement Project with the completion of the Engineering and Maintenance Building tenant improvement. - Obtained grants through CAL-OES and Silicon Valley Clean Energy, executing an agreement with a contractor to install a Battery Storage System for the Library to provide back-up electrical power in the event of an outage. - Received approval from Santa Clara County Fire to finish the installation of a non-liquid fire suppression system in the Town's critical IT server rooms. - Constructed a trail connector and added a hydration station at the new exercise structure at Balzer Field and the Los Gatos Creek Trail. - Completed the vendor services and field improvements for the Los Gatos Smart Signals Project (federal-aid project). Initiated the operations of advanced adaptive traffic signal management and control system along the Los Gatos Boulevard corridor. Collaborated with schools for the virtual bike detection system along nine signalized intersections along Los Gatos Boulevard. - Completed a Local Roadway Safety Plan, partially funded by a Caltrans Grant of \$72,000.

PARKS & PUBLIC WORKS DEPARTMENT

FY 2021/22 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Civic Enrichment</i> Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	- Continued to promote Connect Los Gatos projects a program of bicycle and pedestrian projects. Implemented interactive tools to expand community engagement in all projects, such as project websites, social media posts, community survey, and virtual meetings. - Continued to engage the local schools and Los Gatos – Monte Sereno Safe Route to School to promote safe and active transportation among students. - Facilitated and tracked 428 volunteer hours over various efforts including Adopt-A-Highway, creek trail cleanups, and park stewardship.

PARKS & PUBLIC WORKS DEPARTMENT

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
REVENUES						
<i>Other Taxes</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Licenses and Permits</i>	848,096	785,216	925,247	983,327	957,700	666,199
<i>Intergovernmental</i>	44,890	57,226	46,685	83,270	83,270	37,964
<i>Service Charges</i>	1,392,156	1,601,650	1,541,771	1,089,600	1,148,884	1,004,750
<i>Fines & Forfeitures</i>	6,390	-	100	-	285	-
<i>Other Revenues</i>	143,675	54,926	51,741	11,000	26,501	19,811
TOTAL REVENUES	\$ 2,435,207	\$ 2,499,018	\$ 2,565,544	\$ 2,167,197	\$ 2,216,640	\$ 1,728,724
Transfers In						
<i>Transfer from GFAR</i>	325,616	315,616	315,616	315,616	315,616	315,616
Total Transfers In	325,616	315,616	315,616	315,616	315,616	315,616
TOTAL REVENUES & TRANSFERS IN	\$ 2,760,823	\$ 2,814,634	\$ 2,881,160	\$ 2,482,813	\$ 2,532,256	\$ 2,044,340
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 5,213,258	\$ 5,754,686	\$ 5,642,781	\$ 6,321,878	\$ 5,931,565	\$ 7,236,200
<i>Operating Expenditures</i>	1,503,069	1,573,562	1,707,046	1,895,179	1,929,891	1,956,905
<i>Fixed Assets</i>	34,762	28,934	-	-	-	-
<i>Pass Thru Account</i>	573,355	526,652	529,848	140,000	140,000	140,000
<i>Internal Service Charges</i>	645,188	284,206	300,083	420,296	410,890	465,499
TOTAL EXPENDITURES	\$ 7,969,632	\$ 8,168,040	\$ 8,179,758	\$ 8,777,353	\$ 8,412,346	\$ 9,798,604

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
PROGRAM						
<i>Administration</i>	\$ 570,096	\$ 614,753	\$ 636,015	\$ 628,201	\$ 627,119	\$ 634,571
<i>Engineering Prog Svcs</i>	1,215,300	1,480,068	1,385,830	1,311,552	1,442,088	1,660,365
<i>Engineering Dev Svcs</i>	742,264	757,990	759,203	842,533	891,971	900,111
<i>Park Services</i>	1,737,287	1,965,843	2,013,263	2,206,816	2,102,442	2,422,534
<i>Environmental Services</i>	337,937	278,918	362,378	477,128	449,899	457,972
<i>Streets Signals & Sidewalks</i>	2,220,248	2,084,477	1,950,873	2,484,223	2,074,708	2,813,939
<i>Property Damage</i>	56,226	18,632	5,197	25,000	25,000	25,000
<i>Vehicle Maintenance Management</i>	221,062	199,072	251,390	268,729	302,190	300,755
<i>Facilities Maintenance Management</i>	305,042	316,130	333,628	393,171	356,929	443,357
<i>Pass Through</i>	564,170	452,157	481,981	140,000	140,000	140,000
TOTAL EXPENDITURES	\$ 7,969,632	\$ 8,168,040	\$ 8,179,758	\$ 8,777,353	\$ 8,412,346	\$ 9,798,604

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.

PARKS & PUBLIC WORKS DEPARTMENT

DEPARTMENT STAFFING

Full Time Equivalent (FTE)

	2018/19	2019/20	2020/21	2021/22	2022/23
	Funded	Funded	Funded	Funded	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	1.00	-	-
Town Engineer	-	-	-	1.00	1.00
Urban Forest Manager	-	-	-	-	1.00
Superintendent	1.00	1.00	1.00	1.00	1.00
Parks & Public Works Operations Mgr	2.00	2.00	2.00	2.00	2.00
Transportation & Mobility Mgr	1.00	1.00	1.00	1.00	1.00
Senior Civil Engineer	1.00	1.00	1.00	2.00	2.00
Senior Administrative Analyst	0.75	0.75	0.75	0.75	0.75
Administrative Technician	-	-	-	-	1.00
Executive Assistant	1.00	1.00	1.00	1.00	-
Administrative Assistant	2.50	2.50	2.75	2.75	2.75
Environmental Programs Specialist	1.00	1.00	1.00	1.00	1.00
Associate Engineer	2.00	2.00	2.00	1.00	1.00
Assistant Engineer	2.00	2.00	2.00	2.00	2.00
Construction Project Mgr	1.00	1.00	1.00	1.00	1.00
Senior Engineering Technician	-	-	1.00	1.00	1.00
Engineering Technician	1.00	1.00	-	-	-
Senior Public Works Inspector	0.50	0.50	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	-	-	-
Lead Parks & Maintenance Worker	3.00	3.00	3.00	3.00	4.00
Parks & Maintenance Worker	7.75	7.75	8.75	8.75	8.75
Supervising Equipment Mechanic	-	-	-	1.00	1.00
Equipment Mechanic	1.00	1.00	1.00	-	-
Total General Fund FTEs	33.50	33.50	33.75	33.75	35.75
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
Senior Administrative Analyst	0.25	0.25	0.25	0.25	0.25
Senior Public Works Inspector	0.50	0.50	0.50	0.50	0.50
Total Non-Point Source FTEs	1.00	1.00	1.00	1.00	1.00
Total PPW Department FTE's	34.50	34.50	34.75	34.75	36.75
	2018/19	2019/20	2020/21	2021/22	2022/23
	Funded	Funded	Funded	Funded	Adopted
Temporary Staff Hours					
Senior Civil Engineer	-	-	-	-	2,080
Associate Civil Engineer	-	-	-	256	256
Maintenance Assistant	5,661	5,661	5,661	5,661	5,661
Total Annual Hours	5,661	5,661	5,661	5,917	7,997

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 experienced a severe reduction at the onset of COVID-19, and staff anticipates a quick return to prior year numbers as vaccination and other mitigation measures take hold.

PARKS & PUBLIC WORKS DEPARTMENT
Administration

SUMMARY OF REVENUES AND EXPENDITURES

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
REVENUES						
<i>Other Taxes</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Licenses and Permits</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	2,094	-	173	-
TOTAL REVENUES	\$ -	\$ -	\$ 2,094	\$ -	\$ 173	\$ -
 Transfers In						
<i>Transfer from GFAR</i>	\$ 227,808	\$ 217,808	\$ 217,808	\$ 217,808	\$ 217,808	\$ 217,808
Total Transfers In	\$ 227,808	\$ 217,808	\$ 217,808	\$ 217,808	\$ 217,808	\$ 217,808
 TOTAL REVENUES & TRANSFERS IN	\$ 227,808	\$ 217,808	\$ 219,902	\$ 217,808	\$ 217,981	\$ 217,808
 EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 485,473	\$ 540,986	\$ 577,105	\$ 555,940	\$ 554,870	\$ 563,858
<i>Operating Expenditures</i>	55,135	36,797	20,660	33,444	33,354	34,285
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	29,488	36,970	38,250	38,817	38,895	36,428
TOTAL EXPENDITURES	\$ 570,096	\$ 614,753	\$ 636,015	\$ 628,201	\$ 627,119	\$ 634,571

PARKS & PUBLIC WORKS DEPARTMENT
Administration

FY 2022/23 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 expected reservations in the coming year will be made online via the parks reservation system.
	<i>Customer Service Efficiency</i>
	The Administration Program staff will continue to 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 Complete Streets and Transportation 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)

	2018/19	2019/20	2020/21	2021/22	2022/23
<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	1.00	1.00
Senior Administrative Analyst	-	0.30	0.30	0.30	0.30
Administrative Analyst	0.30	-	-	-	-
Administrative Technician	-	-	-	-	0.10
Executive Assistant	0.25	0.25	0.25	0.25	-
Administrative Assistant	0.50	0.58	0.60	0.60	0.60
Office Assistant	0.30	-	-	-	-
TOTAL PROGRAM FTE's	2.75	2.53	2.55	2.55	2.40

Parks & Public Works Department

ENGINEERING PROGRAM SERVICES PROGRAM 5201

PROGRAM PURPOSE

Engineering Program Services provides Town engineering services relevant for 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 planned schedules and approved budgets. Specific operations of the Program include effective management of the planning and delivery of Capital Improvement Projects; Town-wide and neighborhood traffic issues (such as implementing the Town's Traffic Calming Policy and cut-through traffic); traffic signal operations; engineering inspection services to ensure that the Town's project contractors are meeting contract requirements and performance standards; Geographic Information System (GIS) data for Town infrastructure, right-of-way, and property boundary issues; and 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 delivery of construction projects as designed. In addition to the aforementioned operations, the Engineering Program Services staff oversees grant fund applications and reimbursements, facilitates public information and community engagement meetings and notifications, and responds to public inquiries. 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 2022/23, staff will manage the design and construction of several key projects including the annual Street Repair and Resurfacing, annual Curb, Gutter, Sidewalk and ADA Ramp Project; Highway 17 Bike and Pedestrian Bridge Design; Trailhead Connector Project; Shannon Road Repair; Shannon Road Pedestrian and Bikeway Improvements, and Blossom Hill Road Traffic Safety Project. Staff will work to recommend, design, and deliver projects from the Town's approved Bicycle and Pedestrian Master Plan and Traffic Around Schools Plan. Several of these high visibility projects are included in the Town's Connect Los Gatos Program. This Program enhances community outreach and engagement for these key Town multi-modal projects allowing residents to better understand the projects' interconnectedness as they move forward. Traffic Engineering staff will manage the operations of the advanced adaptive Smart Signals systems from the newly renovated Traffic Management Center and continue to support the routine operations and maintenance of the traffic signal equipment. The Engineering Program also assists with the preparation of grant applications.

To support the work in this Program, the Department often relies on project delivery models, including the use of temporary part time staff in addition to budgeted staff. Costs for these alternative delivery models are outside the Department's allocated operating budget and are recaptured through transfers from specific capital projects. In FY 2022/23, an additional 2080 hours for a Temporary Senior Civil Engineer to assist with the grant funded CIP projects and a growing number of complex CIP projects. FY 2022/23 Proposed Budget includes an increase for a cost sharing agreement for imagery and lidar data, and an ongoing increase of \$3,588 for an online eBid program. At the beginning of COVID-19, staff transitioned to this electronic procurement method and will continue to use it.

In order to develop the multi-million dollar bicycle and pedestrian program, PPW staff strategically pursued grant funds to leverage the Town's local dollars, including Santa Clara County Measure B, State, and Federal funding programs. The Department continues its efforts in advancing existing Town priorities such as the Connect Los Gatos program, the Town's signal controller and communication system upgrade, and the Local Roadway Safety Plan.

In addition to advancing Measure B priorities and securing grants for other transportation efforts, staff updated the Transportation Impact Policy and Analysis Guidelines in compliance with the CEQA Guidelines for adoption by the Town Council. Staff has also initiated the update to the Traffic Mitigation Fee and the associated nexus study to align the new fees with the Vehicle Miles Traveled (VMT) mitigation requirements in the Transportation Impact Policy.

PARKS & PUBLIC WORKS DEPARTMENT
Engineering Program Services

SUMMARY OF REVENUES AND EXPENDITURES

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
REVENUES						
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Service Charges	223,701	170,855	74,835	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	\$ 223,701	\$ 170,855	\$ 74,835	\$ -	\$ -	\$ -
Transfers In						
Transfer from GFAR	97,808	97,808	97,808	97,808	97,808	97,808
Total Transfers In	<u>97,808</u>	<u>97,808</u>	<u>97,808</u>	<u>97,808</u>	<u>97,808</u>	<u>97,808</u>
TOTAL REVENUES & TRANSFERS IN	\$ 321,509	\$ 268,663	\$ 172,643	\$ 97,808	\$ 97,808	\$ 97,808
EXPENDITURES						
Salaries and Benefits	\$ 1,154,926	\$ 1,340,871	\$ 1,255,605	\$ 1,252,920	\$ 1,380,532	\$ 1,590,824
Operating Expenditures	30,117	32,782	49,039	24,883	26,919	34,345
Fixed Assets	-	-	-	-	-	-
Pass Throughs	-	74,495	47,867	-	-	-
Internal Service Charges	30,257	31,920	33,319	33,749	34,637	35,196
TOTAL EXPENDITURES	\$ 1,215,300	\$ 1,480,068	\$ 1,385,830	\$ 1,311,552	\$ 1,442,088	\$ 1,660,365

PARKS & PUBLIC WORKS DEPARTMENT
Engineering Program Services

FY 2022/23 KEY PROJECTS

Core Values	Key Projects
Community Character Preserve and enhance the appearance character and environment quality of the community	<i>Yearly Maintenance Projects</i>
	The Town will continue with the annual Street Repair and Resurfacing and Curb, Gutter and Sidewalk/ADA Ramp projects. Construction of these projects allows the Town to keep the pavement condition in the good condition category and allows residents better accessibility to Town destinations. Construction will be complete by the fall of 2022.
	<i>Connect Los Gatos Transportation Program & Community Engagement Plan</i>
	PPW staff is moving forward with several key bicycle and pedestrian projects identified under the Connect Los Gatos program. The projects were first identified by the community and included in the Town's Bicycle and Pedestrian Master Plan as priority projects and are at different stages of development. The projects provide multi-modal access to key Town destinations and help develop the Town's bike/ped network by providing important gap closures. The Highway 17 Bicycle and Pedestrian Overcrossing and Shannon Road Pedestrian and Bikeway Improvements will continue with final design. The Connect Los Gatos Community Engagement Plan provides specific guidance to continue high level outreach to the community on these projects to obtain important public input and perspective.
	<i>Smart Signals Project: Advanced Controller/Adaptive Signal Timing Upgrade</i>
	The vendor/design/construction contracts for the Smart Signals project were completed this fiscal year. In FY 2022/23, implementation will occur of the operations of the advanced controlled and adaptive signal timing system with support services from the traffic signal equipment vendor. The Smart Signal Project will allow for automatic controller adaptation of signal timing to account for changes in traffic flow. This will increase the smooth flow of traffic within the Town during periods of traffic change, such as school hours. The adaptive system is installed along Los Gatos Boulevard with connections on Blossom Hill Road and Highway 9. The project will also upgrade traffic controllers at 18 intersections within the Town. The vendor contracts related to traffic signal control equipment, traffic management and control systems, and interconnect network equipment were federally funded.

PARKS & PUBLIC WORKS DEPARTMENT
Engineering Program Services

FY 2022/23 KEY PROJECTS

Core Values	Key Projects
<i>Community Character</i> Preserve and enhance the appearance character and environment quality of the community	<i>VMT Mitigation Program and Fee</i> It is anticipated that the new VMT Transportation Analysis Policy and Guidelines will make it necessary for the Town to update the Traffic Mitigation Fee program. A nexus study is required to establish a mitigation fee program. PPW has initiated the Traffic Mitigation Fee update for the nexus study with the support from a consultant.
<i>Quality Public Infrastructure</i> Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	<i>Additional Capital Improvement Program Projects</i> Program staff will continue to work on the delivery of currently programmed capital projects and plan for future capital projects. Due to capacity and project funding limitations, 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.

PARKS & PUBLIC WORKS DEPARTMENT
Engineering Program Services

KEY PROGRAM SERVICES

Capital Improvement Projects

- Provides plans, specifications, estimates, right-of-way plans, and property descriptions for Town capital projects; develops requests for proposals/qualifications (RFPs/RFOs); and manages consultants, contractors and other various contracts.
- Manages Federal, State, and regional grant projects.
- Designs and administers projects for the annual Capital Improvement Program, including street resurfacing and curb, gutter, and sidewalk improvements.

Traffic Engineering

- Performs traffic engineering/safety analysis.
- Manages and improves Smart Signals.
- 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.
- Continue to provide project information and update the public via Town's websites and NotifyMe notifications, mailings, door hangers, and social media postings.
- Community engagement through various staff outreach efforts, project webpages, social media, community meetings, and individual meetings with community members.

PARKS & PUBLIC WORKS DEPARTMENT
Engineering Program Services

ENGINEERING PROGRAM SERVICES STAFFING

Full Time Equivalent (FTE)

	2018/19	2019/20	2020/21	2021/22	2022/23
	Funded	Funded	Funded	Funded	Adopted
Town Staff					
Asst PPW Dir/Town Engineer	0.80	0.80	0.80	-	-
Town Engineer	-	-	-	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	1.00	1.00
Senior Administrative Analyst	0.15	0.15	0.15	0.15	0.15
Administrative Technician					0.20
Executive Assistant	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	-	-
Assistant Engineer	1.80	1.80	1.80	1.80	1.80
Senior Engineering Technician			1.00	1.00	1.00
Engineering Technician	1.00	1.00	-	-	-
Senior Public Works Inspector	0.15	0.15	0.15	0.15	0.15
TOTAL PROGRAM FTEs	6.20	6.20	6.20	6.20	6.20
	2018/19	2019/20	2020/21	2021/22	2022/23
	Funded	Funded	Funded	Funded	Adopted
Temporary Staff Hours					
Senior Civil Engineer	-	-	-	-	2,080.00
Associate Civil Engineer	-	-	-	204.75	204.75
TOTAL ANNUAL HOURS	-	-	-	204.75	2,284.75

PARKS & PUBLIC WORKS DEPARTMENT
Engineering Program Services

Performance Objectives and Measures	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 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	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 Planned
1. Number of traffic calming requests received:	3	2	3	2	2
2. Number of traffic calming projects in progress:	3	2	2	2	2
3. Number of traffic calming projects closed:	2	1	2	1	1
4. Number of CIP projects completed:	12	7	6	7	4

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

Staff will continue to review, coordinate, and inspect infrastructure improvements for several key private development projects in Los Gatos including: North Forty, Greenridge Terrace, retail development at Los Gatos Boulevard and Los Gatos-Almaden Road, office development on Alberto Way, and the older adult care facilities on Blossom Hill Road, Wood Road, and Winchester Boulevard.

With the rescission of certain County and State Public Health Orders, the Engineering Development Services public counter hours have resumed in-person services 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 service demands.

PARKS & PUBLIC WORKS DEPARTMENT
Engineering Development Services

SUMMARY OF REVENUES AND EXPENDITURES

	2018/19	2019/20	2020/21	2021/22	2021/22	2022/23
	Actuals	Actuals	Actuals	Adjusted	Estimated	Adopted
REVENUES						
<i>Other Taxes</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Licenses and Permits</i>	352,574	325,381	419,986	526,700	541,073	226,700
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Service Charges</i>	733,977	829,570	846,863	720,400	778,784	485,400
<i>Fines & Forfeitures</i>	-	-	-	-	285	-
<i>Other Revenues</i>	5,984	6,009	7,812	-	-	-
TOTAL REVENUES	\$ 1,092,535	\$ 1,160,960	\$ 1,274,661	\$ 1,247,100	\$ 1,320,142	\$ 712,100
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 637,143	\$ 662,102	\$ 639,748	\$ 722,204	\$ 725,598	\$ 784,064
<i>Operating Expenditures</i>	30,657	53,998	78,206	69,749	119,389	69,749
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Pass Thru Account</i>	9,185	-	-	-	-	-
<i>Internal Service Charges</i>	65,279	41,890	41,249	50,580	46,984	46,298
TOTAL EXPENDITURES	\$ 742,264	\$ 757,990	\$ 759,203	\$ 842,533	\$ 891,971	\$ 900,111

PARKS & PUBLIC WORKS DEPARTMENT
Engineering Development Services

FY 2022/23 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable and collaborate government	<i>Development Projects</i>
	The Development Team (Community Development, Parks and Public Works, County Fire, and the Police Departments) will continue to work on several key private development projects in Los Gatos. The North 40 development project is in progress and staff are continuing to provide oversight and review of project construction, including public improvements on Lark Avenue and Los Gatos Boulevard. Other key projects moving into design and/or construction include Greenridge Terrace, retail development at Los Gatos Boulevard and Los Gatos-Almaden Road, office development on Alberto Way, and the older adult care facilities on Blossom Hill Road, Wood Road, and Winchester Boulevard. Staff will continue to provide technical support and work collaboratively with residents and private developers through the development process so that these projects comply 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.
	<i>Standard Plans and Details Update</i>
	Staff will continue updating the Town’s Standard Plans and Details for development projects and other improvements. Updates will incorporate best practices and recent industry standards catering to accessibility, quality of life, and needs of the Town.

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 Municipal Regional Permit as cross program support of the National Pollutant Discharge Elimination System 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.

PARKS & PUBLIC WORKS DEPARTMENT
Engineering Development Services

KEY PROGRAM SERVICES

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 technical guidance and information at Council and Commission meetings.

ENGINEERING DEVELOPMENT SERVICES STAFFING

Full Time Equivalent (FTE)

	2018/19	2019/20	2020/21	2021/22	2022/23
Town Staff	Funded	Funded	Funded	Funded	Adopted
Parks & Public Works Director	0.20	0.20	0.20	0.20	0.20
Asst PPW Dir/Town Engineer	0.20	0.20	0.20	-	-
Town Engineer	-	-	-	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	1.00	1.00
Executive Assistant	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	1.00	1.00
Assistant Engineer	0.20	0.20	0.20	0.20	0.20
Senior Public Works Inspector	0.35	0.35	0.35	0.35	0.35
TOTAL PROGRAM FTEs	3.24	3.24	3.24	3.24	3.19

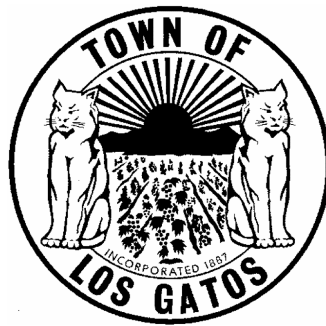
	2018/19	2019/20	2020/21	2021/22	2022/23
Temporary Staff Hours	Funded	Funded	Funded	Funded	Adopted
Associate Civil Engineer	-	-	-	51.25	51.25
TOTAL ANNUAL HOURS	-	-	-	51.25	51.25

PARKS & PUBLIC WORKS DEPARTMENT
Engineering Development Services

Performance Objectives and Measures	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 Planned
1. <i>To provide an effective and efficient encroachment and grading/improvement permit approval process:</i>					
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%

Activity and Workload Highlights	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 Planned
1. Number of encroachment permits processed:	336	358	450	340	300
2. Number of grading permits processed:	17	19	10	8	8
3. Total encroachment permit revenue:	\$ 320,316	\$ 284,119	\$ 381,386	\$ 514,373	\$ 250,000
4. Total grading permit revenue:	\$ 146,773	\$ 97,213	\$ 104,584	\$ 104,584	\$ 104,584

* 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, fountains, 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 the parks' playground equipment.

BUDGET OVERVIEW

In FY 2022/23, the use of outside vendors for certain parks maintenance services will continue, including turf mowing, tree trimming, downtown tree lighting, 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. The FY 2022/23 Proposed Budget includes a \$16,000 increase in revenue in anticipation of increased Oak Meadow Park reservation activity. Also included are expenditure increases of \$3,000 for playground safety repairs to the airplane at Oak Meadow Park, \$26,000 for the contractual increase for Plaza Park and Civic Center fountain services, and \$15,000 for landscape maintenance services.

Given the recent dry winter and the impacts of past drought years, water conservation measures continue to drive activities in this Program. Vegetation management and the potential for targeted locations of turf reduction are two areas of operational focus.

PARKS & PUBLIC WORKS DEPARTMENT

Park Services

The Department will continue to enhance irrigation systems in parks, median islands, and downtown planter boxes to reduce the use of potable water.

In FY 2022/23 staff will complete park improvements projects at Oak Meadow Park, La Rinconada Park, Oak Hill Play Lot, and Belgatos Park. These projects will repair picnic areas and landscape/hardscape areas. Aging drinking fountains throughout the Town are being replaced with new hydration stations equipped with filtered water. Staff will be developing plans to renovate the play structure and landscape/hardscape at Oak Hill Play Lot.

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 utilized during the months of November through March when there is the greatest need due to potential winter storms, 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.

PARKS & PUBLIC WORKS DEPARTMENT
Park Services

SUMMARY OF REVENUES AND EXPENDITURES

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
REVENUES						
<i>Other Taxes</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Licenses and Permits</i>	152,328	110,832	111,076	143,128	103,128	126,000
<i>Intergovernmental</i>	-	-	-	45,070	45,070	-
<i>Service Charges</i>	46,184	94,165	92,408	4,200	5,100	45,771
<i>Fines & Forfeitures</i>	6,390	-	100	-	-	-
<i>Other Revenues</i>	28,506	23,235	39,490	11,000	13,628	19,811
TOTAL REVENUES	\$ 233,408	\$ 228,232	\$ 243,074	\$ 203,398	\$ 166,926	\$ 191,582
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 1,095,821	\$ 1,307,418	\$ 1,362,153	\$ 1,443,515	\$ 1,340,256	\$ 1,602,216
<i>Operating Expenditures</i>	502,626	592,827	576,801	669,424	668,881	705,980
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	138,840	65,598	74,309	93,877	93,305	114,338
TOTAL EXPENDITURES	\$ 1,737,287	\$ 1,965,843	\$ 2,013,263	\$ 2,206,816	\$ 2,102,442	\$ 2,422,534

FY 2022/23 KEY PROJECTS

Core Goals	Key Projects
Quality Public Infrastructure Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	Park Upgrades and Improvements Park Services staff will complete several park improvement projects as proposed in the Capital Improvement Program budget. These proposed projects include improvements at Oak Meadow Park, La Rinconada Park, Belgatos Park, and Oak Hill Play Lot.
	Landscape and Lighting Districts Improvement projects are underway at several locations to rehabilitate irrigation, lighting, and plantings to continue to raise the level of service, aesthetics, and safety in these areas.
	Open Space Trail Upgrades Park Services staff will continue to rehabilitate Heinz, St. Joseph's and Santa Rosa Open Space areas to improve the trail infrastructure. These three preserves are under the Town's jurisdiction.

PARKS & PUBLIC WORKS DEPARTMENT
Park Services

FY 2022/23 KEY PROJECTS

Core Goals	Key Projects
<i>Quality Public Infrastructure</i> Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	<i>Wildfire Mitigation</i> Town staff is pursuing multiple grants to fund wildfire mitigation in Town open spaces and along the rights of way in the hillsides. Potential grants sources include Federal Earmarks, FEMA and the State of California and all require a local match to complete. In addition to the potential grant opportunities, staff is proposing a third iteration of vegetation management projects along primary ingress/egress routes in the Wildland Urban Interface (WUI) portion of Town. These projects are expensive and require Town General Fund to implement and will be dependent on available funding.

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.
- Maintains the interactive fountain at Plaza Park and the fountain at the Civic Center.
- 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.

PARKS & PUBLIC WORKS DEPARTMENT

Park Services

KEY PROGRAM SERVICES

Park Use Fees and Reservation System

- Supports 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 as they are resuming this year based on the County Public Health Orders. Past events included 4th of July, Screen on the Green, the holiday tree lighting ceremony in Town Plaza Park, and Spring into Green.
- Provides services for other special events on a cost-recovery basis, if requested.

PARKS & PUBLIC WORKS DEPARTMENT
Park Services

PARK SERVICES PROGRAM STAFFING

Full Time Equivalent (FTE)

	2018/19	2019/20	2020/21	2021/22	2022/23
	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
Park & Public Works Operation Mgr	0.60	0.60	0.60	0.60	0.60
Senior Administrative Analyst	0.15	0.15	0.15	0.15	0.15
Administrative Technician	-	-	-	-	0.40
Executive Assistant	0.25	0.25	0.25	0.25	-
Administrative Assistant	0.45	0.30	0.55	0.55	0.55
Parks Service Officer	1.00	1.00	1.00	1.00	1.00
Tree Trimmer/High Climber	1.00	-	-	-	-
Lead Parks & Maint Worker	1.00	1.00	1.00	1.00	1.00
Parks & Maint Worker	1.00	4.00	4.00	4.00	4.00
TOTAL PROGRAM FTE's	6.18	8.03	8.28	8.28	8.43

	2018/19	2019/20	2020/21	2021/22	2022/23
	Funded	Funded	Funded	Funded	Adopted
Temporary Staff Hours					
Maintenance Assistant	5,033	5,033	5,033	5,033	5,033
TOTAL ANNUAL HOURS	5,033	5,033	5,033	5,033	5,033

PARKS & PUBLIC WORKS DEPARTMENT
Park Services

Performance Objectives and Measures	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 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%	95%	100%	100%

Activity and Workload Highlights	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 Planned
1. Total number of acres of Town parks, open space, and median islands maintained:	350.9	285	250	250	250
2. Total miles of parks and open space trails maintained:	9	9	9	9	9
3. Total number of park reservations issued annually:	512	351	510	510	510
4. Total number of special use permits for parks issued annually:	29	19	66	66	66
5. Total number of parks service requests within Town parks received and completed:	35	72	82	100	100



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. In September 2016, Governor Brown signed into law SB 1383 (Lara, Chapter 395, Statutes of 2016), establishing methane emissions reduction targets in a Statewide effort to reduce emissions of short-lived climate pollutants in various

PARKS & PUBLIC WORKS DEPARTMENT
Environmental Services

sectors of California's economy. SB 1383 establishes targets to achieve a 50% reduction in the level of Statewide disposal of organic waste from the 2014 level by 2020, and 75% reduction by 2025. It establishes an additional target that not less than 20% of edible food that is currently targeted for disposal be recovered for human consumption by 2025. As of January 1, 2022, SB 1383 requires cities and counties to procure annually a quantity of recovered organic waste products and requires organic recycling for both residential and commercial with enforcement and tracking. Staff, working with the West Valley Solid Waste Management Authority, manages compliance with AB 939, AB 341, and SB 1383 requirements, monitors and evaluates existing waste collection and recycling programs, and recommends new programs to meet diversion objectives.

Staff also actively participates in the West Valley Solid Waste Management Authority (WVSWMA), the local joint powers authority for managing the solid waste vendor contracts.

BUDGET OVERVIEW

Program staff will continue to explore opportunities for energy conservation and water conservation projects in support of Town goals.

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. In 2020, the Town worked with the WVSWMA to amend the agreement with West Valley Collection & Recycling (WVC&R) to comply with SB 1383 mandated organic recycling for residential and commercial customers. The Town continues to work closely with WVSWMA on SB 1383 implementation and record keeping requirements. In addition, the Solid Waste contract with WVC&R expires on February 28, 2024. WVSWMA is currently working on preparing an RFP process for solid waste collection services. Changes in the industry will come to Los Gatos as the new contract is executed.

The FY 2022/23 Proposed Budget includes an increase of approximately \$7,300 for increased contract costs in the Garbage/Recycling Services account.

The WVSWMA approves new solid waste related fees annually. These fees cover program costs and contractor costs for all solid waste services. The revenues collected from solid waste contract are used to offset Department expenditures related to the management of the Household Hazardous Waste Program, street sweeping, and contract administration. The FY 2022/23 Proposed Budget includes a revenue and expenditure increase for increased member agency fees for the WVSWMA.

PARKS & PUBLIC WORKS DEPARTMENT
Environmental Services

In FY 2021/2022, staff installed 10 additional recycling and garbage receptacles in various Town parks with the intent of an additional 10 receptacles in FY 2022/23. 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 will integrate diversity, equity, and inclusion while harboring environmental sustainability messages that include: alternative transportation, clean energy, clean creeks, community sustainability, and healthy lifestyles. In FY 2021/22 the Town installed four utility box vinyl wraps, with another four boxes to be installed in FY 2022/23.

In FY 2020/21 Town staff partnered 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 consists of trash and recycling receptacles, a dog waste station, and environmental outreach signage. The Town is currently tracking trash volume and conducting surveys at each site location per grant requirements with Valley Water.

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 and obligations under the Regional Stormwater Permit, especially around trash reduction in the storm system. 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. Due to COVID-19, the physical event was cancelled in 2020 and 2021; however, virtual events and giveaways that promote sustainability and environmental stewardship continued. The Town returned to in-person festivities for Spring into Green for FY 2021/22, taking place on April 24, 2022. The Town intends to hold in-person festivities moving forward and will continue to follow safety recommendations from the County of Santa Clara.

PARKS & PUBLIC WORKS DEPARTMENT
Environmental Services

SUMMARY OF REVENUES AND EXPENDITURES

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
REVENUES						
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	142,816	123,880	178,337	121,956	121,956	121,956
Intergovernmental	44,890	57,226	46,685	38,200	38,200	37,964
Service Charges	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	\$ 187,706	\$ 181,106	\$ 225,022	\$ 160,156	\$ 160,156	\$ 159,920
Transfers In						
Transfer from General Fund	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
TOTAL REVENUES & TRANSFERS IN	\$ 187,706	\$ 181,106	\$ 225,022	\$ 160,156	\$ 160,156	\$ 159,920
EXPENDITURES						
Salaries and Benefits	\$ 176,079	\$ 171,152	\$ 188,511	\$ 221,607	\$ 202,944	\$ 236,589
Operating Expenditures	160,823	107,302	173,257	254,840	246,290	220,636
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	1,035	464	610	681	665	747
TOTAL EXPENDITURES	\$ 337,937	\$ 278,918	\$ 362,378	\$ 477,128	\$ 449,899	\$ 457,972
Transfers Out						
Transfer to General Fund	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
TOTAL EXPENDITURES & TRANSFERS OUT	\$ 337,937	\$ 278,918	\$ 362,378	\$ 477,128	\$ 449,899	\$ 457,972

PARKS & PUBLIC WORKS DEPARTMENT
Environmental Services

FY 2022/23 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 2022/23, staff will continue to work actively with the JPA and West Valley Collection and Recycling with an emphasis on SB 1383 implementation and recordkeeping.
	<i>Keep Los Gatos Beautiful</i>
	April is “Keep Los Gatos Beautiful” month, and multiple major events are planned during this month. “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 waste prevention and resource conservation community outreach activities, to promote recycling, waste diversion, 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. Additionally, staff will continue the Utility Box Art Program this fiscal year, 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. As part of this certification process, staff will coordinate green business education programs including the award-winning “Los Gatos: Growing Greener Together” campaign.
	<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 waste. Throughout the year, the Program will continue to monitor the work performed under this contract, which allows residents to dispose of potentially hazardous waste such as paint, used motor oil and filters, pesticides, herbicides, corrosives, flammables, and household medical waste.

PARKS & PUBLIC WORKS DEPARTMENT
Environmental Services

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.
- Work with West Valley Solid Waste Management Authority to achieve SB 1383 implementation and record keeping compliance.
- 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 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)

	2018/19	2019/20	2020/21	2021/22	2022/23
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Adopted
Park & Public Works Operation Mgr	0.40	0.40	0.40	0.40	0.40
Environmental Programs Specialist	1.00	1.00	1.00	1.00	1.00
Total General Fund FTE	1.40	1.40	1.40	1.40	1.40

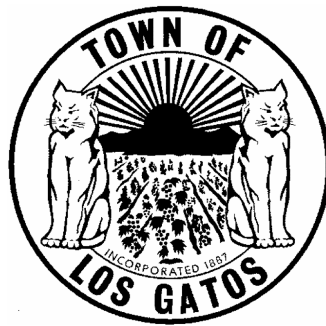
PARKS & PUBLIC WORKS DEPARTMENT
Environmental Services

Performance Objectives and Measures	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 Planned
1. <i>Maximize diversion from landfills in order to protect public health and safety, and the</i>					
a. Disposal per capita by calendar year (target is ≤ 5.2 lbs./person/day): *	3.6	3.7	3.09	3.7	3.7
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%	99.9%	100%	100%
b. Diversion Rate**:	48%	46%	44.5%	46%	46%

Activity and Workload Highlights	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 Planned
1. Number of Los Gatos households participating in the Household Hazardous Waste Disposal Program:	1,057	1,008	1,597	1,597	1,597
2. Town solar usage (Megawatts generated):	202	222	222	240	240
3. Number of Electric Vehicle Charging Stations:	8	8	16	16	16
4. Total kWh used by Electric Vehicle Chargers:	86,774	75,616	74,316	75,168	75,168

* Target is provided by the California Department of resources Recycling and Recovery (CalRecycle).

** Prior year actuals amended to reflect error in reporting from WVC&R.



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 minimal 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 2022/23, the Streets and Signals Program will continue to provide tree maintenance as a contractual service. This has been done for the last six years as a cost savings measure and it allows staff to focus on other day-to-day operational responsibilities. The FY 2022/23 Proposed Budget includes an additional \$100,000 for this service from the Town's tree fund for a total of \$200,000.

The Town Arborist position is being upgraded to Urban Forest Manager to expand the ability to manage the Town's urban forest efficiently. Additionally, the Urban Forest Manager will perform landscape review for small to medium private development proposals. The Urban Forest Manager also reviews private property tree removal applications and ensures compliance with the Town Code and appropriate mitigation.

The FY 2022/23 Proposed Budget includes an increase of \$60,000 for traffic signalization services.

PARKS & PUBLIC WORKS DEPARTMENT
Streets & Signals Program

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 Streets and Parks Maintenance Workers.

Streets and Parks 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 with an additional 12 devices planned for FY 2022/23.

PARKS & PUBLIC WORKS DEPARTMENT
Streets & Signals Program

SUMMARY OF REVENUES AND EXPENDITURES

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
REVENUES						
<i>Other Taxes</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Licenses and Permits</i>	200,378	225,123	215,848	191,543	191,543	191,543
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Service Charges</i>	53,374	54,903	45,684	225,000	225,000	333,579
<i>Other Revenues</i>	26,160	-	-	-	-	-
TOTAL REVENUES	\$ 279,912	\$ 280,026	\$ 261,532	\$ 416,543	\$ 416,543	\$ 525,122
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 1,141,784	\$ 1,142,562	\$ 1,038,970	\$ 1,469,061	\$ 1,079,971	\$ 1,739,443
<i>Operating Expenditures</i>	667,485	840,061	803,886	817,839	804,792	866,910
<i>Fixed Assets</i>	34,762	-	-	-	-	-
<i>Internal Service Charges</i>	376,217	101,854	108,017	197,323	189,945	207,586
TOTAL EXPENDITURES	\$ 2,220,248	\$ 2,084,477	\$ 1,950,873	\$ 2,484,223	\$ 2,074,708	\$ 2,813,939

PARKS & PUBLIC WORKS DEPARTMENT
Streets & Signals Program

FY 2022/23 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>
	Program staff will 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>
	Staff will continue to pursue opportunities with local agencies that have similar service needs 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>
	Streets Program staff will perform minor pavement repairs in advance of contractor work to enhance efficiency and management of Capital Improvement Program projects. Parking lots will continue to be recoated and striped as needed with a focus on ADA improvements raised through the ADA transition plan.

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 31 signalized intersections and 1,797 streetlights in the public right-of-way.
- 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 132 miles of public streets and 23 parking lots.
- Maintains storm drain basins, ditches, and culverts.

Sidewalk Maintenance Program

- Coordinates concrete sidewalk, curb, and gutter replacements with the 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)

	2018/19	2019/20	2020/21	2021/22	2022/23
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Adopted
Parks & Public Works Director	0.20	0.20	0.20	0.20	0.20
Urban Forest Manager	-	-	-	-	1.00
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	0.50	0.50
Senior Administrative Analyst	0.15	0.15	0.15	0.15	0.15
Administrative Technician	-	-	-	-	0.30
Executive Assistant	0.25	0.25	0.25	0.25	-
Administrative Assistant	0.53	0.60	0.60	0.60	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	2.00
Parks & Maint Worker	5.75	3.75	3.75	3.75	3.75
TOTAL PROGRAM FTEs	9.91	7.98	7.98	7.98	10.03

PARKS & PUBLIC WORKS DEPARTMENT
Streets & Signals Program

Performance Objectives and Measures	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 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%	<i>Not Applicable</i>	100%	100%	100%
2. <i>To provide safe and functional roadway systems throughout Town.</i>					
a. Pavement Condition Index (PCI):	70	70	70	73	73

Activity and Workload Highlights	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 Planned
1. Number of Town street lights:	1,797	1,797	1,797	1,797	1,797
2. Number of street light malfunctions reported:	36	57	51	50	50
3. Annual number of Town street lights repaired:	36	57	101	50	50
4. Number of signalized intersections maintained:	31	31	30	31	31
5. Miles of street maintained:	132	132	113	113	113
6. Number of traffic signs repaired/replaced:	230	408	186	120	120
7. Total number of traffic related work orders received and completed:	160	138	101	90	90
8. Total number of tree-related maintenance requests received, requiring inspection by staff:	227	250	279	360	360
9. Total number of staff hours for tree-related work, including, but not limited to, inspections or pruning:	754	1192	850	800	800
10. Number of public trees pruned or maintained at industry standard:	1,564	1,294	1662	1200	1200
11. Square feet of sidewalks removed and replaced:	350	7224	992	250	250
12. Miles of street resurfaced:*	6	17	9	10	10
13. Number of new ADA curb ramps/upgraded ADA curb ramps constructed:*	54	68	92	57	57
14. Linear feet of bike lanes:	107,810	115,660	161,312	164,200	164,200

* *New Measure as of FY2020/21*



Parks & Public Works Department

PROPERTY DAMAGE PROGRAM 5405

PROGRAM PURPOSE

The Property Damage Program is an operating program designed to monitor financial activity related to 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 2022/23 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

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
REVENUES						
<i>Other Taxes</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Licenses and Permits</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Service Charges</i>	-	-	-	-	-	-
<i>Other Revenues</i>	83,025	25,682	2,345	-	12,700	-
TOTAL REVENUES	\$ 83,025	\$ 25,682	\$ 2,345	\$ -	\$ 12,700	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	56,226	18,632	5,197	25,000	25,000	25,000
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 56,226	\$ 18,632	\$ 5,197	\$ 25,000	\$ 25,000	\$ 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 item 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 and greenhouse gas emissions over the short and long terms. 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 were programmed beginning in FY 2019/20 in the General Fund Vehicle Maintenance Management Program.

Fuel prices 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 for Council consideration with the Mid-Year Budget report.

PARKS & PUBLIC WORKS DEPARTMENT
Vehicle Maintenance Management

FY 2022/23 KEY PROJECTS

SUMMARY OF REVENUES AND EXPENDITURES

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
REVENUES						
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Service Charges	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES						
Salaries and Benefits	\$ 220,206	\$ 277,131	\$ 251,108	\$ 268,437	\$ 294,969	\$ 293,740
Operating Expenditures	-	(108,837)	-	-	5,266	-
Fixed Assets	-	28,934	-	-	-	-
Internal Service Charges	856	1,844	282	292	1,955	7,015
TOTAL EXPENDITURES	\$ 221,062	\$ 199,072	\$ 251,390	\$ 268,729	\$ 302,190	\$ 300,755

Core Goals	Key Projects
Community Character Preserve and enhance the appearance character and environment quality of the community	Alternate Fuel Vehicles The Program will continue to pursue alternate fuel vehicles as the replacement schedule, Town budget, and functionality requirements allow.
Good Governance Ensure responsive, accountable and collaborate government	Repair Schedules Staff will continue to actively manage maintenance schedules to maximize vehicle and equipment life cycles. Ongoing efforts continue for selective in-sourcing and out-sourcing of work ensure the Program provides quality and cost-efficient service.

PARKS & PUBLIC WORKS DEPARTMENT
Vehicle Maintenance Management

FY 2022/23 KEY PROJECTS

Core Goals	Key Projects
Good Governance 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. The Program will continue to analyze fleet usage and repair cost information and adjust the fleet size as appropriate.
	<i>Department Joint Projects</i>
	Staff will 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

Full Time Equivalent (FTE)

	2018/19	2019/20	2020/21	2021/22	2022/23
	Funded	Funded	Funded	Funded	Adopted
<i>Town Staff</i>					
Superintendent	-	0.20	0.20	0.20	0.20
Administrative Assistant	-	0.35	0.40	0.40	0.40
Administrative Technician	-	-	-	-	0.20
Equipment Mechanic	-	1.00	1.00	-	-
Supervising Equipment Mechanic	-	-	-	1.00	1.00
Total Vehicle Maint. FTEs	-	1.55	1.60	0.60	1.80

PARKS & PUBLIC WORKS DEPARTMENT
Vehicle Maintenance Management

Performance Objectives and Measures	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 Planned
1. <i>To provide safe and functional vehicles and</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:	\$0.42	\$0.55	\$0.56	\$0.60	\$0.60
General Fleet - light:	\$1.09	\$1.23	\$1.10	\$1.25	\$1.25
General Fleet - heavy:	\$1.88	\$3.76	\$3.33	\$3.50	\$3.50
c. Percentage of fleet that is alternate fuel vehicles:*	21%	20%	20%	21%	21%

Activity and Workload Highlights	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 Planned
1. Number of police vehicles maintained:	46	39	38	42	42
2. Number of heavy-duty vehicles maintained:	4	4	4	4	4
3. Number of light-duty (non-police) vehicles maintained:	42	40	39	39	39
4. Pieces of equipment maintained (light and heavy duty):	44	42	45	45	45
5. Hybrid vehicles:	13	12	12	14	14
6. Electric vehicles:	2	3	3	3	3

* New measure effective FY 2015/16, historical data provided when available.

Parks & Public Works Department

FACILITIES MAINTENANCE STAFFING PROGRAM 5407

PROGRAM PURPOSE

The Facilities Maintenance staffing Program reflects all salaries and benefits related to facilities maintenance staffing. Please see the related Facilities Maintenance Fund for descriptions of the services provided by the Facilities Maintenance staff.

BUDGET OVERVIEW

The FY 2022/23 budget has no changes.

PARKS & PUBLIC WORKS DEPARTMENT
Facilities Maintenance Staffing

SUMMARY OF REVENUES AND EXPENDITURES

	<u>2018/19</u> <u>Actuals</u>	<u>2019/20</u> <u>Actuals</u>	<u>2020/21</u> <u>Actuals</u>	<u>2021/22</u> <u>Adjusted</u>	<u>2021/22</u> <u>Estimated</u>	<u>2022/23</u> <u>Adopted</u>
REVENUES						
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Service Charges	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES						
Salaries and Benefits	\$ 301,826	\$ 312,464	\$ 329,581	\$ 388,194	\$ 352,425	\$ 425,466
Operating Expenditures	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	3,216	3,666	4,047	4,977	4,504	17,891
TOTAL EXPENDITURES	\$ 305,042	\$ 316,130	\$ 333,628	\$ 393,171	\$ 356,929	\$ 443,357

FACILITIES MAINTENANCE PROGRAM STAFFING

Full Time Equivalent (FTE)

	<u>2018/19</u> <u>Funded</u>	<u>2019/20</u> <u>Funded</u>	<u>2020/21</u> <u>Funded</u>	<u>2021/22</u> <u>Funded</u>	<u>2022/23</u> <u>Adopted</u>
Town Staff					
Park & Public Works Operation Mgr	0.50	0.50	0.50	0.50	0.50
Lead Parks & Maint Worker	1.00	1.00	1.00	1.00	1.00
Parks & Maint Worker	1.00	1.00	1.00	1.00	1.00
Total Building Maint. FTEs	2.50	2.50	2.50	2.50	2.50

	<u>2018/19</u> <u>Funded</u>	<u>2019/20</u> <u>Funded</u>	<u>2020/21</u> <u>Funded</u>	<u>2021/22</u> <u>Funded</u>	<u>2022/23</u> <u>Adopted</u>
Temporary Staff Hours					
Maintenance Assistant	628	628	628	628	628
TOTAL ANNUAL HOURS	628	628	628	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 Department 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 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

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
REVENUES						
<i>Other Taxes</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Licenses and Permits</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Service Charges</i>	334,920	452,157	481,981	140,000	140,000	140,000
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ 334,920	\$ 452,157	\$ 481,981	\$ 140,000	\$ 140,000	\$ 140,000
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Pass Thru Account</i>	564,170	452,157	481,981	140,000	140,000	140,000
<i>Internal Service Charges</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 564,170	\$ 452,157	\$ 481,981	\$ 140,000	\$ 140,000	\$ 140,000

Parks & Public Works Department

VEHICLE & EQUIPMENT REPLACEMENT FUND FUND 631

PROGRAM PURPOSE

The Vehicle & Equipment Replacement Fund provides a tracking mechanism for the cost and schedule for asset replacement for assets over \$10,000 in value. The fund does not track fixed assets within facilities, such as chillers or boilers. Vehicles dominate the list as the asset that has a most defined replacement cycle, per the Vehicle Replacement Policy. The list is an ongoing living document, with assets added and removed as needed.

The list of assets is maintained in spreadsheet format and includes the following elements:

- Asset identifier information (descriptions, identification number, model year, etc.).
- Anticipated life cycle in years.
- Cost of asset at last purchase point.
- Columns for each year, with calculations that demonstrate an inflation adjusted replacement need in the year calculated by the anticipated life cycle.
- Status of the Replacement Fund for each year, identifying funding needs, fund balance, and surplus or deficit funds for each year.

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 assets. 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 2022/23 replacement schedule identifies eight 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

The 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 Almond Grove Street Reconstruction 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. Beginning in FY 2020/21, internal service charges are determined by the anticipated need for the current fiscal year.

PARKS & PUBLIC WORKS DEPARTMENT
Equipment Replacement Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 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>	2,120,441	2,600,972	1,717,222	1,681,706	1,681,706	1,449,176
Total Beginning Fund Balance	2,328,272	2,808,803	1,925,053	1,889,537	1,889,537	1,657,007
Revenues						
<i>Service Charge</i>	610,000	199,096	267,546	540,957	540,957	656,837
<i>Interest</i>	-	-	-	-	-	-
<i>Other Revenues</i>	22,492	36,987	59,852	30,000	54,750	30,000
Total Revenues	632,492	236,083	327,398	570,957	595,707	686,837
Transfers In						
<i>Transfer from Capital Projects</i>	-	-	-	-	-	-
<i>Transfer from General Fund</i>	450,000	-	-	-	-	-
Total Transfers In	450,000	-	-	-	-	-
Total Revenues & Transfers In	1,082,492	236,083	327,398	570,957	595,707	686,837
TOTAL SOURCE OF FUNDS	\$ 3,410,764	\$ 3,044,886	\$ 2,252,451	\$ 2,460,494	\$ 2,485,244	\$ 2,343,844
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	5,892	-	4,005	4,005
<i>Fixed Assets</i>	601,961	540,036	248,302	713,267	729,416	812,235
<i>Internal Service Charges</i>	-	-	-	-	-	-
Total Expenditures	601,961	540,036	254,194	713,267	733,421	816,240
Transfers Out						
<i>Transfer to General Fund</i>	-	54,797	75,720	94,816	94,816	-
<i>Transfer to Capital Projects</i>	-	525,000	-	-	-	-
<i>Transfer to Building Maintenance</i>	-	-	33,000	-	-	-
Total Transfers Out	-	579,797.00	108,720.00	94,816.00	94,816.00	-
Total Expenditures & Transfers Out	601,961	1,119,833	362,914	808,083	828,237	816,240
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>	2,600,972	1,717,222	1,681,706	1,444,580	1,449,176	1,319,773
Total Ending Fund Balance	2,808,803	1,925,053	1,889,537	1,652,411	1,657,007	1,527,604
TOTAL USE OF FUNDS	\$ 3,410,764	\$ 3,044,886	\$ 2,252,451	\$ 2,460,494	\$ 2,485,244	\$ 2,343,844

PARKS & PUBLIC WORKS DEPARTMENT
Equipment Replacement Fund

FY 2022/23 KEY PROJECTS

Core Goals	Key Projects
<i>Quality Public Infrastructure</i> Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	<i>Vehicle Replacements</i> Staff will continue to monitor and evaluate key equipment, including generators and vehicles to ensure assets are replaced at key intervals to maximize the useful life, reliability, and resale values.

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.

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. This section is included to provide Program history.

PARKS & PUBLIC WORKS DEPARTMENT
Vehicle Maintenance Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	<u>262,788</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Beginning Fund Balance	<u>262,788</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues						
<i>Service Charge</i>	376,655	-	-	-	-	-
<i>Interest</i>	-	-	-	-	-	-
<i>Other Revenues</i>	<u>387,752</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>764,407</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL SOURCE OF FUNDS	<u>\$ 1,027,195</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	252,204	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>252,204</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers Out						
<i>Transfer to Genral Fund</i>	<u>774,991</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Transfers Out	<u>774,991</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures & Transfers Out	<u>1,027,195</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Ending Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL USE OF FUNDS	<u>\$ 1,027,195</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, workspace 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.

Information regarding Facilities Maintenance staff can be found with the Facilities Maintenance Staffing Program.

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.

PARKS & PUBLIC WORKS DEPARTMENT
Facilities Maintenance Fund

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.

The Proposed FY 2022/23 Budget includes a \$25,000 increase for building repairs and services related to the acquisition of the Los Gatos Theatre. Additionally, contractual increases of approximately \$22,000 combined are included for Fire Suppression, Plumbing, Security, HVAC, and Electrical Services.

PARKS & PUBLIC WORKS DEPARTMENT
Facilities Maintenance Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	245,437	970,787	102,470	981,784	156,342	102,964
Total Beginning Fund Balance	245,437	970,787	102,470	981,784	156,342	102,964
Revenues						
<i>Other Taxes</i>	28,390	34,437	67,146	40,000	40,000	40,000
<i>Service Charge</i>	882,707	847,384	847,375	878,128	878,452	938,492
<i>Service Charges</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	261,382	261,382	283,755
<i>Other Revenues</i>	876,158	198,865	266,503	-	-	-
Total Revenues	1,787,255	1,080,686	1,181,024	1,179,510	1,179,834	1,262,247
Transfers In						
<i>Transfer from General Fund</i>	-	-	-	1,787	1,787	-
<i>Transfer from Equipment Replacemer</i>	-	-	33,000	-	-	-
Total Transfers In	-	-	33,000	1,787	1,787	-
Total Revenues & Transfers In	1,787,255	1,080,686	1,214,024	1,181,297	1,181,621	1,262,247
TOTAL SOURCE OF FUNDS	\$ 2,032,692	\$ 2,051,473	\$ 1,316,494	\$ 2,163,081	\$ 1,337,963	\$ 1,365,211
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	1,011,905	1,056,673	1,101,182	1,223,193	1,234,999	1,240,344
<i>Fixed Assets</i>	-	104,330	58,970	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
Total Expenditures	1,011,905	1,161,003	1,160,152	1,223,193	1,234,999	1,240,344
Transfers Out						
<i>Transfer to General Fund</i>	-	-	-	-	-	-
<i>Transfer to Capital Projects</i>	50,000	788,000	-	-	-	-
<i>Transfer to Office Stores</i>	-	-	-	-	-	-
Total Transfers Out	50,000	788,000	-	-	-	-
Total Expenditures & Transfers Out	1,061,905	1,949,003	1,160,152	1,223,193	1,234,999	1,240,344
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	970,787	102,470	156,342	939,888	102,964	124,867
Total Ending Fund Balance	970,787	102,470	156,342	939,888	102,964	124,867
TOTAL USE OF FUNDS	\$ 2,032,692	\$ 2,051,473	\$ 1,316,494	\$ 2,163,081	\$ 1,337,963	\$ 1,365,211

PARKS & PUBLIC WORKS DEPARTMENT
Facilities Maintenance Fund

FY 2022/23 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 2022/23, including numerous building improvement projects at the Civic Center and other Town facilities.
	<i>ADA Improvements</i>
	Staff will manage the design the construction of a single use restroom at the Adult Recreation Center to meet current ADA compliance. In addition, staff will manage the design and construction of one set of downstairs restrooms at the Civic Center to meet current ADA compliance.
	<i>Facility Modifications</i>
	PPW will complete Phase 2 of a project to modify two buildings at the Corporation Yard and demolish a 30+ year old building and install a steel warehouse building as a new storage facility. Also, staff will complete a project in the Civic Center that will increase the square footage in the Human Resources Department, providing more space and improved functionality.
	<i>COVID-19 Facility Modifications</i>
	Facilities staff will support Town-wide facility public health modifications as needed on a continual basis, including all public and Town staff areas.

KEY PROGRAM SERVICES

- Administers maintenance agreements for custodial, telephone, plumbing, electrical, heating, ventilation and air conditioning systems.
- Manages preventive maintenance contracts for elevator, fire suppression systems, intrusion and fire alarms.
- Administers facilities capital improvement contracts.
- Administers repairs and improvements to The New Museum of Los Gatos and the Friends of the Library, Los Gatos Theatre 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.
- Manages essential preventative maintenance for the Los Gatos Theatre (new to Town owned building inventory).

PARKS & PUBLIC WORKS DEPARTMENT
Facilities Maintenance Fund

Performance Objectives and Measures	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 Planned
1. <i>To ensure Town facilities are safe and functional for public and employee use.</i>					
a. Percentage of facilities requests completed within 14 days:	66%	67%	69%	78%	78%

Activity and Workload Highlights	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 Planned
1. Total square footage of facilities maintained:	132,654	132,654	132,654	152,654	152,654
2. Total square footage of facilities maintained per FTE:	53,062	53,062	53,062	61,062	61,062
3. Cost per square foot:	\$2.30	\$2.40	\$3.00	\$2.40	\$3.50
4. Total number of facility requests received and completed:	376	323	253	330	330



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

This Program 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 West Valley Clean Water Program (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, compiles data, and does reporting for the West Valley cities.

PARKS & PUBLIC WORKS DEPARTMENT
Non-Point Source Program

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 the 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 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.

Effective July 1, 2022, new updates with MRP 3.0 will take effect. MRP 3.0 requires owners and operators of municipal separate storm sewer systems (MS4s) to implement control measures from entering MS4 systems and discharging to surface waters. Compliance may be achieved through the installation of full capture devices and/or source control measures. For FY 2021/22, the Town worked closely with WVCWP and SCVURPP to identify 12 ideal locations for installation of new stormwater capture devices to further prevent stormwater pollution. These full capture device's (FCD's) will be installed by June 30, 2022. The Town will continue to seek guidance from WVCWP and Santa Clara Valley Urban Runoff Pollution Prevention Program (SCVURPPP) regarding control measures. At this time, there are no additional FCD's anticipated to be installed in FY 2022/23.

As a result of these new permit regulations, staff will be required to perform more construction inspections for 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 80% by 2019 to 90% by 2023 and 100% by 2025. Each of these unfunded mandates 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

	2018/19	2019/20	2020/21	2021/22	2021/22	2022/23
	Actuals	Actuals	Actuals	Adjusted	Estimated	Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	71,339	159,450	237,934	371,239	371,239	416,610
Total Beginning Fund Balance	71,339	159,450	237,934	371,239	371,239	416,610
Revenues						
<i>Licenses and Permits</i>	236,451	231,323	231,323	231,323	231,323	359,950
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Service Charge</i>	-	-	-	-	-	-
<i>Other Revenues</i>	479,901	-	68,155	-	-	-
Total Revenues	716,352	231,323	299,478	231,323	231,323	359,950
Transfers In						
<i>Transfer from General Fund</i>	-	10,000	-	-	-	-
Total Transfers In	-	10,000	-	-	-	-
Total Revenues & Transfers In	716,352	241,323	299,478	231,323	231,323	359,950
TOTAL SOURCE OF FUNDS	\$ 787,691	\$ 400,773	\$ 537,412	\$ 602,562	\$ 602,562	\$ 776,560
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ 143,545	\$ 134,311	\$ 135,625	\$ 185,992	\$ 151,804	\$ 164,161
<i>Operating Expenditures</i>	482,286	25,509	27,319	30,430	30,654	22,750
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	2,410	3,019	3,229	4,623	3,494	4,001
Total Expenditures	628,241	162,839	166,173	221,045	185,952	190,912
Transfers Out						
<i>Transfer to General Fund</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	628,241	162,839	166,173	221,045	185,952	190,912
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	159,450	237,934	371,239	381,517	416,610	585,648
Total Ending Fund Balance	159,450	237,934	371,239	381,517	416,610	585,648
TOTAL USE OF FUNDS	\$ 787,691	\$ 400,773	\$ 537,412	\$ 602,562	\$ 602,562	\$ 776,560

PARKS & PUBLIC WORKS DEPARTMENT
Non-Point Source Program

FY 2022/23 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 Volunteer Opportunities</i> The Program will continue to increase volunteer opportunities 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.
<i>Good Governance</i> Ensure responsive, accountable, and collaborative government	<i>Municipal Regional Permit</i> Program staff will continue to take on an increased role in implementing regulations related to the San Francisco Bay Area Stormwater Municipal Regional Permit. Staff will continue to monitor and implement strategies with other Town Departments to ensure permit compliance.

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)

	2018/19	2019/20	2020/21	2021/22	2022/23
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Adopted
Parks & Maint Worker	0.25	0.25	0.25	0.25	0.25
Senior Administrative Analyst	0.25	0.25	0.25	0.25	0.25
Senior Public Work Inspector	0.50	0.50	0.50	0.50	0.50
Total Non-Point Source FTEs	1.00	1.00	1.00	1.00	1.00

	2018/19	2019/20	2020/21	2021/22	2022/23
Performance Objectives and Measures	Actual	Actual	Actual	Estimated	Planned
1. <i>Prevent street debris from entering the storm drain system.</i>					
a. Number of cubic yards of debris removed annually:	1,322	1,321	1,570	1,500	1,500

	2018/19	2019/20	2020/21	2021/22	2022/23
Activity and Workload Highlights	Actual	Actual	Actual	Estimated	Planned
1. Number of Los Gatos curb and parking lot miles swept annually:	3,189	2,855	3,430	3,200	3,200
2. Number of stormwater inspections:	580	1,299	622	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 2020/21

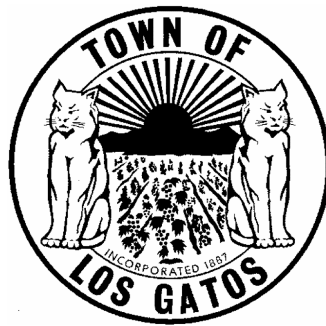
Annual Special District Assessments

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

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	184,257	193,709	175,821	157,927	157,927	154,544
Total Beginning Fund Balance	184,257	193,709	175,821	157,927	157,927	154,544
REVENUES						
Property Tax Assessments	38,088	38,013	38,567	38,220	33,720	33,720
Interest	3,550	3,562	2,389	1,460	960	960
Other Revenues	-	29	28	-	-	-
Total Revenues	41,638	41,604	40,984	39,680	34,680	34,680
TOTAL SOURCE OF FUNDS	\$ 225,895	\$ 235,313	\$ 216,805	\$ 197,607	\$ 192,607	\$ 189,224
EXPENDITURES						
Salaries and Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenditures	27,266	29,493	53,958	32,779	33,143	33,142
Fixed Assets	-	25,079	-	62,500	-	62,500
TOTAL EXPENDITURES	\$ 27,266	\$ 54,572	\$ 53,958	\$ 95,279	\$ 33,143	\$ 95,642
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	32,186	59,492	58,878	100,199	38,063	100,562
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	193,709	175,821	157,927	97,408	154,544	88,662
Total Ending Fund Balance	193,709	175,821	157,927	97,408	154,544	88,662
TOTAL USE OF FUNDS	\$ 225,895	\$ 235,313	\$ 216,805	\$ 197,607	\$ 192,607	\$ 189,224



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

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	12,703	13,488	13,776	14,085	14,085	13,657
Total Beginning Fund Balance	12,703	13,488	13,776	14,085	14,085	13,657
Revenues						
<i>Property Tax Assessments</i>	3,160	3,160	3,160	3,160	3,160	3,160
<i>Interest</i>	229	229	176	50	50	50
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	3,389	3,389	3,336	3,210	3,210	3,210
TOTAL SOURCE OF FUNDS	\$ 16,092	\$ 16,877	\$ 17,112	\$ 17,295	\$ 17,295	\$ 16,867
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	2,144	2,641	2,567	3,140	3,178	3,178
<i>Fixed Asset</i>	-	-	-	7,500	-	7,500
Total Expenditures	2,144	2,641	2,567	10,640	3,178	10,678
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	2,604	3,101	3,027	11,100	3,638	11,138
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	13,488	13,776	14,085	6,195	13,657	5,729
Total Ending Fund Balance	13,488	13,776	14,085	6,195	13,657	5,729
TOTAL USE OF FUNDS	\$ 15,632	\$ 16,417	\$ 16,652	\$ 16,835	\$ 16,835	\$ 16,407

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 2022/23, 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

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	36,043	38,735	41,204	21,224	21,224	22,909
Total Beginning Fund Balance	36,043	38,735	41,204	21,224	21,224	22,909
Revenues						
<i>Property Tax Assessments</i>	10,275	10,275	10,275	10,275	10,275	10,275
<i>Interest</i>	637	651	493	330	330	330
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	10,912	10,926	10,768	10,605	10,605	10,605
TOTAL SOURCE OF FUNDS	\$ 46,955	\$ 49,661	\$ 51,972	\$ 31,829	\$ 31,829	\$ 33,514
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	6,710	6,947	29,238	7,403	7,410	7,410
<i>Fixed Assets</i>	-	-	-	10,000	-	10,000
Total Expenditures	6,710	6,947	29,238	17,403	7,410	17,410
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	8,220	8,457	30,748	18,913	8,920	18,920
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	38,735	41,204	21,224	12,916	22,909	14,594
Total Ending Fund Balance	38,735	41,204	21,224	12,916	22,909	14,594
TOTAL USE OF FUNDS	\$ 45,445	\$ 48,151	\$ 50,462	\$ 30,319	\$ 30,319	\$ 32,004

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

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	26,087	28,920	31,785	34,414	34,414	36,406
Total Beginning Fund Balance	26,087	28,920	31,785	34,414	34,414	36,406
Revenues						
<i>Property Tax Assessments</i>	4,600	4,600	4,635	4,600	4,600	4,600
<i>Interest</i>	477	509	417	150	150	150
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	5,077	5,109	5,052	4,750	4,750	4,750
TOTAL SOURCE OF FUNDS	\$ 31,164	\$ 34,029	\$ 36,837	\$ 39,164	\$ 39,164	\$ 41,156
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	1,634	1,634	1,813	2,113	2,148	2,148
<i>Fixed Assets</i>	-	-	-	10,000	-	10,000
Total Expenditures	1,634	1,634	1,813	12,113	2,148	12,148
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	2,244	2,244	2,423	12,723	2,758	12,758
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	28,920	31,785	34,414	26,441	36,406	28,398
Total Ending Fund Balance	28,920	31,785	34,414	26,441	36,406	28,398
TOTAL USE OF FUNDS	\$ 30,554	\$ 33,419	\$ 36,227	\$ 38,554	\$ 38,554	\$ 40,546

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

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

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	58,477	54,659	50,786	45,970	45,970	35,352
Total Beginning Fund Balance	58,477	54,659	50,786	45,970	45,970	35,352
Revenues						
<i>Property Tax Assessments</i>	4,350	4,365	4,665	4,500	-	-
<i>Interest</i>	1,004	905	621	500	-	-
<i>Other Revenues</i>	-	29	27	-	-	-
Total Revenues	5,354	5,299	5,313	5,000	-	-
TOTAL SOURCE OF FUNDS	\$ 63,831	\$ 59,958	\$ 56,099	\$ 50,970	\$ 45,970	\$ 35,352
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	8,512	8,512	9,469	9,769	9,958	9,957
<i>Fixed Assets</i>	-	-	-	10,000	-	10,000
Total Expenditures	8,512	8,512	9,469	19,769	9,958	19,957
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	9,172	9,172	10,129	20,429	10,618	20,617
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	54,659	50,786	45,970	30,541	35,352	14,735
Total Ending Fund Balance	54,659	50,786	45,970	30,541	35,352	14,735
TOTAL USE OF FUNDS	\$ 63,171	\$ 59,298	\$ 55,439	\$ 50,310	\$ 45,310	\$ 34,692

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

A portion of the fund balance surplus will be recommended for improvements such as landscaping and irrigation.

PARKS & PUBLIC WORKS DEPARTMENT
Vasona Heights Assessment District

STATEMENT OF SOURCE AND USE OF FUNDS

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	48,175	53,233	31,180	33,728	33,728	36,653
Total Beginning Fund Balance	48,175	53,233	31,180	33,728	33,728	36,653
Revenues						
<i>Property Tax Assessments</i>	9,735	9,750	9,794	9,735	9,735	9,735
<i>Interest</i>	899	943	411	340	340	340
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	<u>10,634</u>	<u>10,693</u>	<u>10,205</u>	<u>10,075</u>	<u>10,075</u>	<u>10,075</u>
TOTAL SOURCE OF FUNDS	<u>\$ 58,809</u>	<u>\$ 63,926</u>	<u>\$ 41,385</u>	<u>\$ 43,803</u>	<u>\$ 43,803</u>	<u>\$ 46,728</u>
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	4,146	6,237	6,227	5,661	5,720	5,720
<i>Fixed Assets</i>	-	25,079	-	10,000	-	10,000
Total Expenditures	<u>4,146</u>	<u>31,316</u>	<u>6,227</u>	<u>15,661</u>	<u>5,720</u>	<u>15,720</u>
Transfers Out						
<i>Transfer to General Fund</i>	1,430	1,430	1,430	1,430	1,430	1,430
Total Transfers Out	<u>1,430</u>	<u>1,430</u>	<u>1,430</u>	<u>1,430</u>	<u>1,430</u>	<u>1,430</u>
Total Expenditures & Transfers Out	<u>5,576</u>	<u>32,746</u>	<u>7,657</u>	<u>17,091</u>	<u>7,150</u>	<u>17,150</u>
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	53,233	31,180	33,728	26,712	36,653	29,578
Total Ending Fund Balance	<u>53,233</u>	<u>31,180</u>	<u>33,728</u>	<u>26,712</u>	<u>36,653</u>	<u>29,578</u>
TOTAL USE OF FUNDS	<u>\$ 57,379</u>	<u>\$ 62,496</u>	<u>\$ 39,955</u>	<u>\$ 42,373</u>	<u>\$ 42,373</u>	<u>\$ 45,298</u>

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

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	17,011	18,913	21,329	22,745	22,745	23,806
Total Beginning Fund Balance	17,011	18,913	21,329	22,745	22,745	23,806
Revenues						
<i>Property Tax Assessments</i>	5,968	5,863	6,038	5,950	5,950	5,950
<i>Interest</i>	304	325	271	90	90	90
<i>Other Revenues</i>	-	-	1	-	-	-
Total Revenues	<u>6,272</u>	<u>6,188</u>	<u>6,310</u>	<u>6,040</u>	<u>6,040</u>	<u>6,040</u>
TOTAL SOURCE OF FUNDS	<u>\$ 23,283</u>	<u>\$ 25,101</u>	<u>\$ 27,639</u>	<u>\$ 28,785</u>	<u>\$ 28,785</u>	<u>\$ 29,846</u>
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	4,120	3,522	4,644	4,693	4,729	4,729
<i>Fixed Assets</i>	-	-	-	15,000	-	15,000
Total Expenditures	<u>4,120</u>	<u>3,522</u>	<u>4,644</u>	<u>19,693</u>	<u>4,729</u>	<u>19,729</u>
Transfers Out						
<i>Transfer to General Fund</i>	250	250	250	250	250	250
Total Transfers Out	<u>250</u>	<u>250</u>	<u>250</u>	<u>250</u>	<u>250</u>	<u>250</u>
Total Expenditures & Transfers Out	<u>4,370</u>	<u>3,772</u>	<u>4,894</u>	<u>19,943</u>	<u>4,979</u>	<u>19,979</u>
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	18,913	21,329	22,745	8,842	23,806	9,867
Total Ending Fund Balance	<u>18,913</u>	<u>21,329</u>	<u>22,745</u>	<u>8,842</u>	<u>23,806</u>	<u>9,867</u>
TOTAL USE OF FUNDS	<u>\$ 23,033</u>	<u>\$ 24,851</u>	<u>\$ 27,389</u>	<u>\$ 28,535</u>	<u>\$ 28,535</u>	<u>\$ 29,596</u>



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 providing ample access to historical materials, providing quality volunteer programs and trainings, and partnering with local schools and NUMU.
- **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: the Library Trust Fund (primarily funded by contributions from the Friends of the Library), History Project Trust Fund (included in the Library Trust Fund), the Clelles Ness Trust Fund, the 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 2022/23 budget is built on a status quo level of service; however, cost increases are necessary in most areas to provide that unchanged level of service due to increasing costs of materials, supplies, books and shipping. These increases are comparable to the inflationary

LIBRARY DEPARTMENT

costs being seen for most commercial spending. Software licenses and database subscriptions have also impacted the budget with increases across most platforms to maintain status quo service. Additionally, some programs and services that were reduced during the height of the global pandemic will start returning to pre-pandemic service levels as mitigation measures wane.

Customer-focused procedures such as automatically renewing library materials and allowing patrons to replace lost and damaged items with new identical copies that they have sourced themselves has led to a reduction in revenue from fines over the past few fiscal years. In FY 2020/21 Council removed overdue fines completely from the Comprehensive Fine and Fee Schedule as overdue fines were costing more in staff time than they were bringing in as revenue.

Some Library staff positions were restructured during FY 2021/22. These positions included converting a vacated back office position at a supervisor payrate to a front-facing Library Assistant position emphasizing service for teens. Challenges associated with the “great resignation” relating to retaining or hiring qualified part-time/temporary staff was addressed by significantly reducing the pool of budgeted temporary hours, which combined with the cost savings from the previously mentioned restructure, offset most of the cost of creating a second full-time Senior Library Page position. These positions are not only better suited to the changing needs, but also help to address some of the staffing problems realized by temporary staff seeking benefited positions in other agencies. The costs and savings of these restructures are spread among the four program categories. The FY 2022/23 budget includes increases in salary and benefit costs attributed to negotiates salary raises, anticipated merit step increases and higher benefit and CalPERS pension rates.

The Library has routine technology replacements this year, including scheduled replacement of the security camera system and integrated Audio/Video equipment. Capital Improvement Program projects funded through one of the Library Trusts include the completion of sound dampening equipment in the lobby of the building. The installation of a backup battery power system for power outages and emergencies is also slated as a capital project this year. The Library building has reached its ten-year mark, and although no major maintenance replacements are necessary this year, it is anticipated that subsequent years will see the necessity of routine replacements to keep the building in top shape and avoid the costs of problems associated with deferred maintenance.

LIBRARY DEPARTMENT

FY 2021/22 ACCOMPLISHMENTS

Core Goals	Accomplishments
Good Governance Ensure responsive, accountable and collaborate government	• Provided staff opportunities for workshops and training programs provided by the State Library and the Pacific Library Partnership. Adapted staff workflow to accommodate frequent changes in COVID safety protocols. • Established remote credit card payment system for Library customer printing. • Continued to share available Library resources with the public in the form of craft kits; puzzles and games; Science, Technology, Engineering, Arts, and Mathematics (STEAM) supplies; and wifi hotspots. • Sought out alternative vendors and methods of purchasing books due to long wait times and supply chain issues in the publishing industry. • Restructured a vacated staff position into a full-time Teen Services Library Assistant to better serve local teens and improve partnerships with local schools. • Restructured temporary/part-time pool staffing hours to accommodate for an additional full-time Library Page due to difficulties in hiring and retaining qualified part-time staff. • Restarted the volunteer program after the COVID-related hiatus for volunteers.
Civic Enrichment Foster opportunities for citizen involvement, and cultural, recreational and individual enrichment	• Continue to provide access to materials and books during COVID restrictions through multiple service models. Provided full public access to the Library building with safety protocols in place while neighboring library jurisdictions were still operating at limited capacity. • Provided access to computers and broadband internet, expanded the lending of laptops, and increasing the availability of lendable wifi hotspots for the public. • Continued to provide reference and readers advisory service to the public which included personalized and curated reading materials selections, as well as specialized reference assistance from a combined service point in the building and via phone, email, and instant messaging. • Continued to offer Zipbooks through a grant from the State Library to obtain titles by patron request that were not in our collection. • Maintained the StoryWalk in Oak Meadow Park in cooperation with the Friends of Library. • Provided outreach and support to local schools including tours, school visits, and curation of resources for teachers.

LIBRARY DEPARTMENT

FY 2021/22 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Civic Enrichment</i> Foster opportunities for citizen involvement, and cultural, recreational and individual enrichment	• Created hands-on activity kits for checkout including robotics kits, art kits, crafting kits, family history archiving kits, game and puzzle kits, and more. • Continued to foster a love of reading for beginning readers by curating and adding the Easy Reader Browsing Collection and expanding our growing VOX electronic read-aloud book collection. • Produced multiple virtual and in-person programs each week for patrons of all age groups including storytimes, author talks, book clubs, writing workshops, cooking classes, music programs, and specialty programs for a variety of hobbies and interests. Expanded book club offerings by adding a “Mystery Lovers Book Club” and “El Cafecito,” our Spanish language book club. • Relaunched the popular “Page Turner” podcast, featuring Library staff members, local authors, and the Town Poet Laureate. • Continued the “Retro Tech” program to allow the community to digitize old media formats free of charge. • Offered creative services to the public including 3D printing and laser cutting. • Reinstated weekly Tech Tutoring appointments, allowing community members to bring their tech questions to a Library expert. • Opened Library spaces for reservation, allowing members of the public to book a space for meetings, job interviews, or study sessions. • Enhanced partnerships with local agencies such as LGS Recreation, NUMU, and local teachers.

LIBRARY DEPARTMENT

FY 2021/22 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Civic Enrichment</i> Foster opportunities for citizen involvement, and cultural, recreational and individual enrichment	Equity and Inclusion Efforts - Continued to promote “Represent Los Gatos” to record stories of present and past Black, Indigenous, and people of color (BIPOC) residents of Town that were underrepresented in the Town’s historical archives. - Began adding books in Russian, Farsi, and Hindi to meet demand from the community. Maintained and expanded collections in Spanish, Chinese, Korean and Japanese. - Invited community members and performers to produce special story and song segments in Arabic and Chinese which were included in the regular storytime programs. - Continued evaluating the historical archives through an equity and inclusion lens. - Developed a list for CDD of potential new street names honoring underrepresented members of the local community. - Began evaluating our collections, social media content and programs through an equity and inclusion lens. - Hosted book clubs and programs based around subjects of racial justice and inclusivity. - Produced curated reading lists and sought out books and materials to assist with engaging the public in dialog regarding equity and inclusivity. - Hosted weekly English as a Second Language (ESL) classes. - Developed 1619 Project kits to share with local educators and make available for public checkout. Attended trainings on implementing resources from the 1619 Project in our programming.
<i>Public Safety</i> Ensure public safety through proactive community policing, affective emergency response, and community-wide emergency preparedness	- Worked in conjunction with other Town Departments as part of the Emergency Operations Center (EOC) throughout the COVID pandemic. - Worked with the State Library and neighboring library jurisdictions to assess COVID risk and exposure models related to public service operations. - Designed tiered systems of public service and internal protocols that allowed for rapid change between service levels based on need and risk while confirming with County and State guidelines for operations during COVID. - Reconfigured library service and worked in collaboration with PPW to institute COVID-safe protocols including configuration of physical barriers, sanitizing stations, outdoor pick up of materials, quarantining of returned materials, expanded cleaning, upgraded air filtration, and staff scheduling configurations intended to minimize exposure to COVID.

LIBRARY DEPARTMENT

DEPARTMENTAL SUMMARY OF REVENUES AND EXPENDITURES

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adopted	2021/22 Estimated	2022/23 Adopted
REVENUES						
<i>Intergovernmental Revenues</i>	\$ 12,482	\$ 23,101	\$ 16,022	\$ 9,000	\$ 9,000	\$ -
<i>Service Charge</i>	-	5,137	-	-	-	-
<i>Fines & Forfeitures</i>	9,421	6,391	-	2,000	500	500
<i>Other Revenues</i>	35,055	27,799	-	35,000	35,000	35,000
TOTAL REVENUES	\$ 56,958	\$ 62,428	\$ 16,022	\$ 46,000	\$ 44,500	\$ 35,500
Transfers In						
<i>Transfers In from Trust(s)</i>	-	-	-	-	-	-
<i>Transfers In from General Fund</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
TOTAL REVENUES & TRANSFERS IN	\$ 56,958	\$ 62,428	\$ 16,022	\$ 46,000	\$ 44,500	\$ 35,500
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 1,723,838	\$ 1,834,206	\$ 1,927,572	\$ 2,172,125	\$ 1,854,393	\$ 2,227,906
<i>Operating Expenditures</i>	340,175	338,311	359,830	336,300	337,300	382,500
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	429,606	528,285	541,472	554,282	553,433	529,046
TOTAL EXPENDITURES	\$ 2,493,619	\$ 2,700,802	\$ 2,828,874	\$ 3,062,707	\$ 2,745,126	\$ 3,139,452
	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adopted	2021/22 Estimated	2022/23 Adopted
PROGRAM						
<i>Administration</i>	\$ 451,284	\$ 469,563	\$ 512,166	\$ 540,756	\$ 518,065	\$ 548,989
<i>Adult Services</i>	548,199	544,326	643,929	688,224	701,284	894,440
<i>Youth Services</i>	502,330	510,064	570,048	630,300	533,812	647,187
<i>Acquisitions & Cataloging</i>	-	-	-	-	-	-
<i>Circulation Services</i>	969,174	1,149,220	1,091,598	1,194,427	982,965	1,048,836
<i>Operating Grant</i>	22,632	27,629	11,133	9,000	9,000	-
TOTAL EXPENDITURES	\$ 2,493,619	\$ 2,700,802	\$ 2,828,874	\$ 3,062,707	\$ 2,745,126	\$ 3,139,452

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)

	2018/19	2019/20	2020/21	2021/22	2022/23
	Funded	Funded	Funded	Funded	Adopted
<i>Town Staff</i>					
Library Director	1.00	1.00	1.00	1.00	1.00
Division Manager	2.00	2.00	2.00	2.00	2.00
Librarian	3.00	3.00	3.00	3.00	3.00
Library Technology Specialist	2.00	2.00	2.00	2.00	2.00
Library Assistant	-	-	-	-	1.00
Library Specialist	1.75	1.75	1.75	1.75	0.75
Customer Service Specialist	1.75	1.75	1.75	1.75	1.75
Sr Library Page	1.00	1.00	1.00	1.00	2.00
TOTAL PROGRAM FTE's	12.50	12.50	12.50	12.50	13.50

	2018/19	2019/20	2020/21	2021/22	2022/23
	Funded	Funded	Funded	Funded	Adopted
<i>Temporary Staff Hours</i>					
Librarian Temp	350	350	350	350	140
Library Clerk	1,050	1,050	800	800	650
Library Page	6,344	6,344	5,300	5,300	3,000
Library Assistant	800	800	1,200	1,200	1,100
Library Teen Services Specialist	750	750	800	800	400
TOTAL ANNUAL HOURS	9,294	9,294	8,450	8,450	5,290



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 2022/23 Administration budget reflects continued commitment to provide the best customer experience and the best value for the community while operating in a safe manner as COVID situations continue to change. 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 continue to work collaboratively with the non-profit Friends of Los Gatos Library. In addition, Library staff continues to work to improve partnerships and outreach within our community.

Planned expenditures for this year anticipate the need to reinstate some funds that were reduced in FY 2021/22 due to pandemic uncertainty. Operational lines for supplies, furniture upholstery repair, and associated costs of the public returning to using the building will necessitate expenditures in those areas to be closer to pre-pandemic levels. Trainings, workshops, conferences, and professional development for staff are beginning to return to in-person locations which also requires spending closer to pre-pandemic levels.

LIBRARY DEPARTMENT
Library Administration

This year's budget does ask for a nominal amount of \$1,500 to support projects and events produced by the Town Poet Laureate and \$1,500 to support small scale project work of the Arts and Culture Commission to further their respective work for the general benefit of the community.

SUMMARY OF REVENUES AND EXPENDITURES

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
REVENUES						
<i>Intergovernmental Revenue</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Service Charges</i>	-	5,137	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	55	1,549	-	-	-	-
TOTAL REVENUES	\$ 55	\$ 6,686	\$ -	\$ -	\$ -	\$ -
Transfers In						
<i>Transfers In from Trust(s)</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
TOTAL REVENUES & TRANSFERS IN	\$ 55	\$ 6,686	\$ -	\$ -	\$ -	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 317,795	\$ 343,640	\$ 387,139	\$ 419,196	\$ 396,485	\$ 410,127
<i>Operating Expenditures</i>	41,368	40,849	39,870	33,300	33,300	44,500
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	92,121	85,074	85,157	88,260	88,280	94,362
TOTAL EXPENDITURES	\$ 451,284	\$ 469,563	\$ 512,166	\$ 540,756	\$ 518,065	\$ 548,989

LIBRARY DEPARTMENT
Library Administration

FY 2022/23 KEY PROJECTS

Core Goals	Key Projects
<i>Good Governance</i> Ensure responsive, accountable and collaborate government	<i>Emergency Community Resources Services</i> • Maintain and expand COVID specific Library operations in collaboration with neighboring Library jurisdictions. • Evaluate options for using the Library building as a community resource center in emergency situations such as planned safety power outages, or as a heating center and cooling center during weather events. • Work in collaboration with PPW to install backup battery systems in the event of a power outage. • Continue to seek out grant opportunities for Library programs.
<i>Quality Public Infrastructure</i> Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	<i>Long-term building maintenance</i> • Finish the final improvements to the circulation area of the Library by installing a white noise system for sound mitigation. • Work in collaboration with PPW to update contracts with Lutron, the Library's automated lighting system software, and repair problems associated with the current software. • Work in collaboration with PPW to replace the Library's security camera system and installed A/V systems.
<i>Community Character</i> Preserve and enhance the appearance character and environment quality of the community	<i>Arts Commission Projects</i> • Complete installation of the second Gateway project sculpture at Lark Ave and Hwy 17. • Assist the Arts and Culture Commission to begin a public mural program.

LIBRARY DEPARTMENT
Library Administration

KEY PROGRAM SERVICES

- Administers and supervises four operating programs in the Department.
- Provides oversight of day-to-day operations and staffing.
- 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 and the Silicon Valley Library Cooperative Executive Committee.
- 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)

	2018/19	2019/20	2020/21	2021/22	2022/23
Town Staff	Funded	Funded	Funded	Funded	Adopted
Library Director	1.00	1.00	1.00	1.00	1.00
Division Manager	0.40	0.40	0.40	0.40	0.40
Library Specialist	0.25	0.25	0.25	0.25	0.25
Total Administration FTEs	1.65	1.65	1.65	1.65	1.65

Performance Objectives and Measures	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 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:	89%	Public survey not conducted due to COVID	Public survey not conducted due to COVID	90%	90%

Activity and Workload Highlights	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 Planned
1. Door Count:	266,537	177,439	105,821	127,313	250,000
2. Volunteer hours contributed:	6,632	4,951	2,032	2,288	4,000
3. Number of public service hours (open hours)	N/A	N/A	2,740	2,810	2,810

**New Measure Added FY 2021/22*



Library Department

ADULT SERVICES PROGRAM 7201

PROGRAM PURPOSE

The Adult Services Program supports Library services for adults and seniors. 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. Maintenance of the Town's Historical Archives also falls under the purview of Adult Services.

BUDGET OVERVIEW

The Adult Services program continues to evaluate and add new programming for adults with a large focus on technology tutoring, arts programming, author visits and educational workshops. The Library will continue to evaluate and curate a meaningful print and electronic media collection, in response to changing community needs.

Public demand for both physical and e-books remain at a very high level with a surprising post-pandemic shift back to the community's desire for physical publications over electronic formats. The latter half of FY 2021/22 saw significant delays in availability of new publications which caused Library staff to temporarily source for alternative vendors to meet the demands of the community. Though these complications from the typical vendors and publishing industry supply chains are now being corrected, general inflationary increases across the publishing industry are currently tracking at approximately 7% over last year's costs for books and materials. The increase in the budget for collections and materials reflects this reality with the anticipation that the Library only maintains the same net number of new books added to the collection as the previous year.

LIBRARY DEPARTMENT
Adult Services

The demand for the Library's streaming content platforms, Hoopla and Kanopy, has increased equivalent to the decline in demand for physical audio-visual material such as DVDs and physical audiobooks. The Library continues to transition to more access to streaming services to meet the needs of the community which are generally offset by reductions in physical audio-visual collection purchases.

SUMMARY OF REVENUES AND EXPENDITURES

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
REVENUES						
<i>Intergovernmental Revenue</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	35,000	26,250	-	35,000	35,000	35,000
TOTAL REVENUES	\$ 35,000	\$ 26,250	\$ -	\$ 35,000	\$ 35,000	\$ 35,000
Transfers In						
<i>Transfers In from Trust(s)</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
TOTAL REVENUES & TRANSFERS IN	\$ 35,000	\$ 26,250	\$ -	\$ 35,000	\$ 35,000	\$ 35,000
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 308,250	\$ 319,729	\$ 385,647	\$ 439,546	\$ 452,558	\$ 627,945
<i>Operating Expenditures</i>	147,240	139,459	172,776	160,000	160,000	171,200
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	92,709	85,138	85,506	88,678	88,726	95,295
TOTAL EXPENDITURES	\$ 548,199	\$ 544,326	\$ 643,929	\$ 688,224	\$ 701,284	\$ 894,440

LIBRARY DEPARTMENT

Adult Services

FY 2022/23 KEY PROJECTS

Core Goals	Key Projects
Civic Enrichment Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	<i>COVID-safe Programming and Post-pandemic Programming</i> Continue to offer on-line and virtual programming, producing high quality programs, and work in collaboration with partner organizations for content. Plan for safe transitions to in-person programming when appropriate.
	<i>Alternate Collection Services</i> • Continue the State-sponsored Zipbook service to the public which increases the number of titles requested by the public which are filled. • Continue to introduce non-traditional materials for lending for public use, including activity kits and digitization equipment.
	<i>Historical Digitization</i> Working in partnership with <i>California Revealed</i> , a project of the California State Library, to digitize historical materials and make them keyword searchable to the public.
	<i>Equity and Inclusion Efforts</i> • Continue work on collecting oral histories of BIPOC community members through the Library's Represent Los Gatos project. • Research past instances of systematic racial exclusion in the history of Los Gatos working towards the production of a historical report. • Develop protocols and best practices for regular diversity audits of both our collections, social media content and programs, and establish a means of communicating progress to the public. • Participate in the Town's equity, diversity, and inclusivity (EDI) initiative. • Continue to add to collections in languages other than English to meet changing community demands.

LIBRARY DEPARTMENT

Adult Services

KEY PROGRAM SERVICES

Meeting Information Needs

- Provides reference service, reader's advisory, tech and computer assistance, and information literacy in-person and virtually through virtual meetings, chat, or online resources.
- Maintains vibrant physical and electronic collections.
- 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.

ADULT SERVICES PROGRAM STAFFING

Full Time Equivalent (FTE)

	2018/19	2019/20	2020/21	2021/22	2022/23
	Funded	Funded	Funded	Funded	Adopted
<i>Town Staff</i>					
Division Manager	0.30	0.30	0.30	0.30	0.30
Librarian	1.50	1.50	1.50	1.50	1.50
Library Technology Specialist	0.70	0.70	0.70	0.70	0.70
Library Assistant	-	-	-	-	1.00
Sr Library Page	0.60	0.60	0.60	0.60	1.20
Total Adult Services FTEs	3.10	3.10	3.10	3.10	4.70
	2018/19	2019/20	2020/21	2021/22	2022/23
	Funded	Funded	Funded	Funded	Adopted
<i>Temporary Staff</i>					
Librarian Temp	175	175	175	175	70
Library Assistant	400	400	600	600	550
Library Teen Specialist	-	750	800	800	400
Total Annual Hours	575	1,325	1,575	1,575	1,020

LIBRARY DEPARTMENT

Adult Services

Performance Objectives and Measures	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 Planned
1. <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%	<i>Public survey not conducted due to COVID</i>	<i>Public survey not conducted due to COVID</i>	80%	90%
2. <i>Assure delivery of quality service to customers.</i>					
a. Percentage of customers rating staff interactions as good/excellent:	92%	<i>Public survey not conducted due to COVID</i>	<i>Public survey not conducted due to COVID</i>	85%	90%

Activity and Workload Highlights	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 Planned
1. Number of adult reference questions received:	9,146	12,541	1,622	1,873	9,000
2. Hours of service per week at adult services desk:	54	<i>Measure Discontinued</i>	<i>Measure Discontinued</i>	<i>Measure Discontinued</i>	<i>Measure Discontinued</i>
3. Number of adult programs offered:	354	375	135	194	250
4. Total attendance at adult programs:	3,494	2,772	2,241	788	2,000
5. Total number of adult outreach programs:	26	18	0	1	10
6. Total attendance at adult outreach programs:	1,310	1,116	0	49	500



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

Youth Services has adapted to changes and restrictions related to COVID including producing high-quality outdoor storytimes, activities, and manipulative kits for check out. This fiscal year, Youth Services plans to transition to in-person programming when considered appropriate and within safety guidelines. The Youth Services Team continues to work in partnership with local schools, as well as continue to maintain well-rounded collections that fit changing community needs and interests.

Inflationary costs for children's books and other published materials calculated at approximately 7% are being seen across the publishing industry. The line-item increase for library collections for FY 2022/23 reflects this rising cost with the goal of purchasing the same net number of books and materials as previous years.

LIBRARY DEPARTMENT
Youth Services

SUMMARY OF REVENUES AND EXPENDITURES

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
REVENUES						
<i>Intergovernmental Revenue</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers In						
<i>Transfers In from Trust(s)</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
TOTAL REVENUES & TRANSFERS IN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 358,072	\$ 376,102	\$ 419,911	\$ 481,504	\$ 385,313	\$ 486,228
<i>Operating Expenditures</i>	51,280	48,671	64,553	60,000	60,000	66,100
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	92,978	85,291	85,584	88,796	88,499	94,859
TOTAL EXPENDITURES	\$ 502,330	\$ 510,064	\$ 570,048	\$ 630,300	\$ 533,812	\$ 647,187

LIBRARY DEPARTMENT

Youth Services

FY 2022/23 KEY PROJECTS

Core Goals	Key Projects
Civic Enrichment Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment.	<i>COVID-safe Programming and Post-pandemic Programming</i> Continue to produce high quality online and in-person programs for children and families.
	<i>Teen Services</i> • Continue in-person teen services with appropriate COVID safety guidelines. • Continue partnership with Los Gatos High School and Los Gatos Unified middle and elementary schools by making new student identification (ID) cards or ID numbers useable as Library cards.
	<i>Equity and Inclusion Efforts</i> • Develop protocols and best practices for regular diversity audits of both our collections and programs; establish a means of communicating progress to the public. • Continue to produce regular bilingual programming to serve the needs of our community. • Participate in the Town's EDI Initiative. • Survey Library spaces and collections through the lens of making our resources more accessible to families with all levels of abilities.

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.

LIBRARY DEPARTMENT
Youth Services

Outreach to youth

- Raises awareness for 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 Los Gatos High School students, Fisher Middle School students, and all public elementary schools in Los Gatos as part of the Student Success Initiative.

YOUTH SERVICES PROGRAM STAFFING

Full Time Equivalent (FTE)

	2018/19	2019/20	2020/21	2021/22	2022/23
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Adopted
Division Manager	0.50	0.50	0.50	0.50	0.50
Librarian	1.50	1.50	1.50	1.50	1.50
Library Technology Specialist	0.40	0.40	0.40	0.40	0.40
Sr Library Page	0.40	0.40	0.40	0.40	0.80
Total Youth Services FTEs	2.80	2.80	2.80	2.80	3.20

	2018/19	2019/20	2020/21	2021/22	2022/23
<i>Temporary Staff</i>	Funded	Funded	Funded	Funded	Adopted
Librarian Temp	175	175	175	175	70
Library Assistant	400	400	400	600	550
Library Teen Specialist	750	-	-	-	-
Total Annual Hours	1,325	575	575	775	620

LIBRARY DEPARTMENT

Youth Services

Performance Objectives and Measures	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 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:	94%	<i>Public Survey not conducted due to COVID</i>	<i>Public Survey not conducted due to COVID</i>	85%%	95%
2. <i>Assure the delivery of quality service to youth customers.</i>					
a. Percentage of customers rating interactions as good/excellent:	94%	<i>Public Survey not conducted due to COVID</i>	<i>Public Survey not conducted due to COVID</i>	90%	95%

Activity and Workload Highlights	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 Planned
1. Number of youth programs per year:	428	435	165	176	250
2. Total attendance at youth programs:	20,971	21,366	2,739	4,217	15,000
3. Annual number of youth reference questions received:	18,292	14,002	655	780	12,500
4. Number of teens using library resources per year:	21,008	14,222	<i>Not tracked during COVID restrictions</i>	<i>Not tracked during COVID restrictions</i>	12,000
5. Number of youth outreach programs:	5	5	0	6	15
6. Total attendance at youth outreach programs:	853	971	0	757	2,000



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 enable 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 Library Circulation and Systems Administration program continues to utilize 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.

Fees for subscriptions, licenses, databases, and software/hardware maintenance for the thirty-plus services the library uses for both internal functioning and public use will be seeing increases from nearly all vendors as FY 2022/23 approaches. The increase in operational expense noted here reflects those increases while keeping the Library at a status quo service level.

LIBRARY DEPARTMENT
Circulation and Systems Administration

SUMMARY OF REVENUES AND EXPENDITURES

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
REVENUES						
<i>Intergovernmental Revenue</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	9,458	6,391	-	2,000	500	500
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ 9,458	\$ 6,391	\$ -	\$ 2,000	\$ 500	\$ 500
Transfers In						
<i>Transfers In from Trust(s)</i>	-	-	-	-	-	-
Total Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES & TRANSFERS IN	\$ 9,458	\$ 6,391	\$ -	\$ 2,000	\$ 500	\$ 500
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 739,721	\$ 794,735	\$ 734,875	\$ 831,879	\$ 620,037	\$ 703,606
<i>Operating Expenditures</i>	77,655	81,703	71,498	74,000	75,000	100,700
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	151,798	272,782	285,225	288,548	287,928	244,530
TOTAL EXPENDITURES	\$ 969,174	\$ 1,149,220	\$ 1,091,598	\$ 1,194,427	\$ 982,965	\$ 1,048,836

FY 2022/23 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative government	- Replacement of security camera system and installed A/V equipment. - Reconfigure the user interface for the public side of the Library catalog system. - Continue to evaluate vendors, software, equipment, and materials procurement to make the best use of resources for the community. - Work in collaboration with the State Library to utilize grant funding to circulate wifi hotspots to low-income or under-connected households.

LIBRARY DEPARTMENT
Circulation and Systems Administration

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.

CIRCULATION / SYSTEMS ADMINISTRATION PROGRAM STAFFING

Full Time Equivalent (FTE)

	2018/19	2019/20	2020/21	2021/22	2022/23
	Funded	Funded	Funded	Funded	Adopted
<i>Town Staff</i>					
Division Manager	0.80	0.80	0.80	0.80	0.80
Library Specialist	1.50	1.50	1.50	1.50	0.50
Library Technology Specialist	0.90	0.90	0.90	0.90	0.90
Customer Service Specialist	1.75	1.75	1.75	1.75	1.75
Total Circulation/System FTEs	4.95	4.95	4.95	4.95	3.95

	2018/19	2019/20	2020/21	2021/22	2022/23
	Funded	Funded	Funded	Funded	Adopted
<i>Temporary Staff</i>					
Library Clerk	1,050	1,050	1,050	800	650
Library Page	6,344	6,344	6,344	5,300	3,000
Total Annual Hours	7,394	7,394	7,394	6,100	3,650

LIBRARY DEPARTMENT
Circulation and Systems Administration

Performance Objectives and Measures	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 Planned
1. <i>Percentage of customers stating the Library has a good/excellent collection:</i>	84%	<i>Public survey not conducted due to COVID-19</i>	<i>Public survey not conducted due to COVID</i>	82%	85%
2. <i>Assure access to library online services.</i>					
a. Number of databases available online:	24	48	34	39	39
b. Number of electronic materials available for loan:*	795,398	875,485	858,700	1,131,332	1,150,000
c. Number of items in-house for loan:	121,091	107,095	103,081	105,764	110,000

Activity and Workload Highlights	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimated	2022/23 Planned
1. Total Circulation:	477,448	362,359	209,088	313,030	350,000
2. Number of new patrons registered:	4,312	4,117	3,535	3,964	4,000
3. Hours of public service per week at circulation:	54	<i>Measure Discontinued</i>	<i>Measure Discountinued</i>	<i>Measure Discountinued</i>	<i>Measure Discountinued</i>
4. Number of Library Card holders:	28,526	27,282	26,798	28,830	29,000
5. Number of periodical subscriptions available for public:	104	95	92	50	50
6. Use of public internet computers:	34,406	21,930	1,095	3,671	12,000
7. Circulation of non-English materials:	1,272	1,279	2755	3,120	4,500
8. Electronic Content Use:*	81,421	99,039	119,165	87,948	90,000

** 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 historical archives. This fund also captures small donations made by Library supporters to purchase books or materials, often in memory of someone's passing.

BUDGET OVERVIEW

The Los Gatos Friends of the Library generally has contributed an average of \$70,000 directly to the Library in cash funds during the past fiscal years. This funding has provided support for community programs, family programs, teen programs, and Summer Reading events and prizes.

In FY 2020/21, the Friends of the Library's ability to fundraise or operate their bookstore was greatly impacted by COVID with a substantial loss of anticipated revenue to their organization, which in turn led to a reduction of donation revenue for the Library. During FY 2021/22 however, the Friends of the Library were able to reestablish their footing and clientele. The FY 2022/23 budget presented here anticipates donations from the Friends to be equal to previous pre-pandemic levels which will be used to cover the costs of library programming and events. An additional \$25,000 of funds to support one-time digitization projects for historical materials will be pulled from the reserve balance of the Trust.

LIBRARY DEPARTMENT
Library Trust Fund

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 Funds were mostly royalties donated by the author of books on Los Gatos history, however the money received from donated royalties has been decreasing to almost zero over the past years, and the FY 2022/23 budget anticipates limited to no contributions from this source.

STATEMENT OF SOURCE AND USE OF FUNDS

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	49,920	64,731	55,482	76,746	76,746	77,746
Total Beginning Fund Balance	49,920	64,731	55,482	76,746	76,746	77,746
Revenues						
<i>Interest</i>	1,627	1,579	767	500	500	500
<i>Other Revenues</i>	82,213	61,809	38,392	35,000	70,500	70,000
<i>Intergovernmental</i>	-	-	-	35,000	-	-
Total Revenues	83,840	63,388	39,159	70,500	71,000	70,500
TOTAL SOURCE OF FUNDS	\$ 133,760	\$ 128,119	\$ 94,641	\$ 147,246	\$ 147,746	\$ 148,246
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	69,029	72,637	17,895	70,000	70,000	95,000
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
Total Expenditures	69,029	72,637	17,895	70,000	70,000	95,000
Transfers Out						
<i>Transfer to General Fund</i>	-	-	-	-	-	-
<i>Transfer to History Trust Fund</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
TOTAL EXPENDITURES & TRANSFERS OUT	69,029	72,637	17,895	70,000	70,000	95,000
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	64,731	55,482	76,746	77,246	77,746	53,246
Total Ending Fund Balance	64,731	55,482	76,746	77,246	77,746	53,246
TOTAL USE OF FUNDS	\$ 133,760	\$ 128,119	\$ 94,641	\$ 147,246	\$ 147,746	\$ 148,246

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 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 2015/16 for the purchase of the automated materials handling system, roughly \$21,000 was expended in FY 2018/19 to fund the installation of sound mitigating doors to the teen room, and a portion of the approximately \$22,000 remainder of the fund was expended at the end of FY 2021/22 for the installation of sound mitigation enhancements to the library’s lobby.

**LIBRARY DEPARTMENT
Clelles Ness Trust Fund**

STATEMENT OF SOURCE AND USE OF FUNDS

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	41,258	20,946	21,314	88,679	21,593	21,843
Total Beginning Fund Balance	41,258	20,946	21,314	88,679	21,593	21,843
Revenues						
<i>Interest</i>	736	368	279	-	250	250
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	\$ 736	\$ 368	\$ 279	\$ -	\$ 250	\$ 250
TOTAL SOURCE OF FUNDS	\$ 41,994	\$ 21,314	\$ 21,593	\$ 88,679	\$ 21,843	\$ 22,093
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	21,048	-	-	20,755	-	20,755
<i>Internal Service Charges</i>	-	-	-	-	-	-
Total Expenditures	21,048	-	-	20,755	-	20,755
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	20,946	21,314	21,593	67,924	21,843	1,338
Total Ending Fund Balance	20,946	21,314	21,593	67,924	21,843	1,338
TOTAL USE OF FUNDS	\$ 41,994	\$ 21,314	\$ 21,593	\$ 88,679	\$ 21,843	\$ 22,093

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 comprising only the interest earned from the prior year has been budgeted in FY 2022/23 for the enhancement of children's specialty collections.

LIBRARY DEPARTMENT
Susan McClendon Trust Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	83,755	85,250	86,737	98,020	87,256	87,556
Total Beginning Fund Balance	83,755	85,250	86,737	98,020	87,256	87,556
Revenues						
<i>Interest</i>	1,495	1,487	1,128	700	1,000	1,000
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	\$ 1,495	\$ 1,487	\$ 1,128	\$ 700	\$ 1,000	\$ 1,000
TOTAL SOURCE OF FUNDS	\$ 85,250	\$ 86,737	\$ 87,865	\$ 98,720	\$ 88,256	\$ 88,556
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	609	700	700	1,000
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
Total Expenditures	\$ -	\$ -	\$ 609	\$ 700	\$ 700	\$ 1,000
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	85,250	86,737	87,256	98,020	87,556	87,556
Total Ending Fund Balance	85,250	86,737	87,256	98,020	87,556	87,556
TOTAL USE OF FUNDS	\$ 85,250	\$ 86,737	\$ 87,865	\$ 98,720	\$ 88,256	\$ 88,556

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. An 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

A small portion of the fund comprising only the interest earned from the prior year has been budgeted in FY 2022/23 for the enhancement the collection per the trust agreements.

LIBRARY DEPARTMENT
Barbara Jones Cassin Trust Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2018/19	2019/20	2020/21	2021/22	2021/22	2022/23
	Actuals	Actuals	Actuals	Adjusted	Estimated	Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	351,296	357,573	353,766	357,765	357,765	358,165
Total Beginning Fund Balance	351,296	357,573	353,766	357,765	357,765	358,165
Revenues						
<i>Interest</i>	6,277	6,182	4,610	2,900	2,900	4,500
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	<u>\$ 6,277</u>	<u>\$ 6,182</u>	<u>\$ 4,610</u>	<u>\$ 2,900</u>	<u>\$ 2,900</u>	<u>\$ 4,500</u>
TOTAL SOURCE OF FUNDS	<u>\$ 357,573</u>	<u>\$ 363,755</u>	<u>\$ 358,376</u>	<u>\$ 360,665</u>	<u>\$ 360,665</u>	<u>\$ 362,665</u>
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	9,989	611	2,500	2,500	4,500
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>9,989</u>	<u>611</u>	<u>2,500</u>	<u>2,500</u>	<u>4,500</u>
Transfers Out						
<i>Transfer to General Fund</i>	-	-	-	-	-	-
<i>Transfer to Capital Projects</i>	-	-	-	-	-	-
Total Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures & Transfers Out	<u>\$ -</u>	<u>\$ 9,989</u>	<u>\$ 611</u>	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ 4,500</u>
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	357,573	353,766	357,765	358,165	358,165	358,165
Total Ending Fund Balance	<u>357,573</u>	<u>353,766</u>	<u>357,765</u>	<u>358,165</u>	<u>358,165</u>	<u>358,165</u>
TOTAL USE OF FUNDS	<u>\$ 357,573</u>	<u>\$ 363,755</u>	<u>\$ 358,376</u>	<u>\$ 360,665</u>	<u>\$ 360,665</u>	<u>\$ 362,665</u>



Capital Improvement Program

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Capital Improvement Program

PROGRAM PURPOSE

The Fiscal Year (FY) 2022/23-2026/27 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, Bicycle and Pedestrian Master Plan, and the Council's Strategic Priorities. Input from Town Boards and Commissions also contributed to the development of the CIP.

In January 2022, the Town Council established the 2022-24 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 strategic priorities include: implementation of the recommendations in the Comprehensive Parking Study, continue mobility improvements for all transportation modes, manage the vegetation on Town lands to protect against wildfire, and advance other needed improvements. All these efforts support improving and enhancing traffic/transportation, public safety, and quality of life within the context of prudent fiscal management.

The Town's capital projects are categorized into three program areas as described below:

The Streets Program serves to develop and maintain a functional street system that is consistent with the General Plan and the Bicycle and Pedestrian Master Plan. Objectives include providing safe and efficient traffic flow through intersections while minimizing unnecessary traffic movement and noise through residential neighborhoods; fostering safe, connected, and accessible pedestrian and bicycle travel; and providing proper street lighting on 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.

CAPITAL IMPROVEMENT PROGRAM

Storm Drain funding is derived from a Town charge of one dollar 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 square foot of building addition or alteration within the Town. This revenue is used for projects to relocate overhead utility lines underground to improve power reliability, reduce utility maintenance costs, and remove unsightly poles and lines. The Town would no longer rely on Pacific Gas and Electric Company's (PG&E) Rule 20A Program for utility underground projects since the California Public Utility Commission ruled in 2021 that ratepayers would no longer fund the Rule 20A after December 31, 2022.

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, with a projected 2022/23 allocation of \$683,680. 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 Activities Mitigation Fee is assessed based on the square footage area of new building or additions constructed at a rate of \$1.26 per square foot for both residential and non-residential development projects. These fees are intended to recover the damage caused to Town streets by construction traffic. Construction Activities Mitigation fees generate approximately \$110,000 annually. In addition, the Refuse Vehicle Road Impact Fee is estimated to generate \$871,800 for FY 2022/23.

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, Police Operation Building, the Parks and Public Works Service Center, and the Los Gatos Theatre. The program also provides partial service to the Adult and Youth Recreation Centers, which are Town-owned buildings leased to Los Gatos-Saratoga 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.

CAPITAL IMPROVEMENT PROGRAM

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, 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 lead 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 and Town Commissions and with the preparation of the Operating Budget, capital improvement projects and funding sources were reviewed and selected to meet the Town's priorities. The proposed CIP Budget is then presented to the Planning Commission during a public hearing for review and recommendation to ensure that the projects are consistent with the Town's General Plan. At the end of the process, the Town Council conducts a public hearing, considers the Planning Commission's recommendation, and has final approval authority.

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

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adopted	2021/22 Estimated	2022/23 Adopted
REVENUES						
Other Taxes	\$ 28,390	\$ 34,437	\$ 67,146	\$ 30,000	\$ 34,562	\$ 30,000
Carryforward	-	-	-	-	-	-
Intergovernmental	1,641,512	3,161,010	1,818,493	11,292,489	3,153,295	7,789,892
Town Services	52,094	223,317	34,417	571,661	306,210	-
Licenses & Permits	844,064	1,153,364	1,340,530	998,176	764,465	1,074,300
Interest	127,251	158,756	122,704	35,801	35,801	36,405
Other Revenues	784,084	325,609	2,239,342	2,552,001	1,198,207	3,016,000
TOTAL REVENUES	3,477,395	5,056,493	5,622,632	15,480,128	5,492,540	11,946,597
Transfers In						
Operating Transfers	2,685,220	8,325,591	3,401,479	2,836,047	3,421,424	3,706,978
Total Transfers In	2,685,220	8,325,591	3,401,479	2,836,047	3,421,424	3,706,978
Total Revenues & Transfers In	\$ 6,162,615	\$ 13,382,084	\$ 9,024,111	\$ 18,316,175	\$ 8,913,964	\$ 15,653,575
EXPENDITURES						
Salaries and Benefits	\$ -	\$ -	\$ 31,085	\$ -	\$ -	\$ -
Operating Expenditures	-	-	496	-	-	-
Charges for Services	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-
Grants	-	-	-	1,498,776	-	-
Capital Projects - New	8,987,510	7,907,340	5,833,757	31,861,697	11,847,615	15,447,671
TOTAL EXPENDITURES	8,987,510	7,907,340	5,865,338	33,360,473	11,847,615	15,447,671
Transfers Out						
Operating Transfers	533,616	569,952	533,616	533,616	533,616	533,616
Total Transfers Out	533,616	569,952	533,616	533,616	533,616	533,616
Total Expenditures & Transfers Out	\$ 9,521,126	\$ 8,477,292	\$ 6,398,954	\$ 33,894,089	\$ 12,381,231	\$ 15,981,287

CAPITAL IMPROVEMENT PROGRAM

The following schedule summarizes the Capital Improvement projects completed, not proceeding, or withdrawn in FY 2021/22:

COMPLETED OR WITHDRAWN CIP PROJECTS FY 2021/22

		Est Exp Prior To FY 2021/22	Expenditures During FY 2021/22	Total Budgeted
		<u>FY 2021/22</u>	<u>FY 2021/22</u>	<u>Budgeted</u>
<i>GFAR Projects</i>				
Outdoor Fitness Equipment	<i>Completed</i>	\$ 43,938	\$ -	\$ 43,938
Audio/Video System Upgrade	<i>Completed</i>	68,048	-	68,048
Guardrail Replacement Projects	<i>Completed</i>	139,959	-	139,959
Massol Intersection Improvements	<i>Completed</i>	425,703	10,728	436,430
<i>Grants and Awards Projects</i>				
Guardrail Replacement Projects	<i>Completed</i>	\$ 221,799	\$ 558,045	\$ 779,844
<i>Storm Drain Projects</i>				
Bicknell Road Storm Drain Improvements	<i>Completed</i>	\$ 157,043	\$ 25,848	\$ 182,891
<i>Total of Completed and Withdrawn Projects</i>		\$ 1,056,489	\$ 594,621	\$ 1,651,110

CAPITAL IMPROVEMENT PROGRAM

The following schedule summarizes the Capital Improvement projects continuing into FY 2022/23 continuing projects are defined further in following fund sections.

CARRYFORWARD CIP PROJECTS

FY 2022/23

	Est Exp Prior To FY 2021/22	Expenditures During FY 2021/22	Estimated Carryforward	New Funding FY 2022/23	Total Budgeted
GFAR Carryforward Projects					
Street Repair & Resurfacing	\$ 10,722,975	\$ 1,842,791	\$ 2,471,318	\$ 1,845,480	\$ 16,882,564
Annual Street Restriping	180,228	-	194,772	25,000	400,000
Traffic Calming Projects	202,315	13,549	229,135	10,000	455,000
Curb, Gutter & Sidewalk Maintenance	3,915,992	399,206	581,550	300,000	5,196,748
Retaining Wall Repairs	1,596,618	264	465,895	50,000	2,112,777
Shannon Road Repair	97,891	409,582	992,527	-	1,500,000
Parking Lot 4 Repair/Waterproofing	20,430	74,720	54,850	-	150,000
Shannon Road Repair	499,815	575,185	-	-	1,075,000
E. Main St. Speed Table/Raised Crosswalk	-	-	15,000	-	15,000
Local Road Safety Plan	-	8,000	20,000	-	28,000
VMT Mitigation Program	-	-	250,000	-	250,000
Measure B Education & Encouragement	11,700	48,300	-	-	60,000
Shannon Road Ped & Bikeway Improvements	104	126,521	53,375	50,000	230,000
Sidewalk Improvements - Multiple Locations	-	-	60,000	-	60,000
Traffic Signal Modernization	-	-	-	-	-
Bicycle & Pedestrian Improvements	258,476	-	231,524	-	490,000
Downtown Streetscape Revitalization	715,441	145,344	1,952,854	-	2,813,640
State Route 17 Corridor Congestion Relief Project	-	-	-	867,000	867,000
Winchester Boulevard Complete Streets (Final Design)	124,401	75,651	543,198	-	743,250
Blossom Hill Road Traffic Safety	42,678	5,733	276,590	-	325,000
Winchester Class IV Bikeway	92,686	595,868	-	-	688,553
Kennedy Sidewalk - LGB to Englewood	-	-	-	59,460	59,460
Parking Program Implementation	-	157,563	440,937	-	598,500
Stormwater System - Pollution Prevention Compliance	1,422	-	286,578	-	288,000
Downtown Parking Lots Seal Coat & Restriping	44,481	43,346	12,173	-	100,000
Roadside Fire Fuel Reduction	-	-	250,000	-	250,000
Quito Road - Bridge Replacement	64,594	235,087	50,000	-	349,681
Hwy 17 Bicycle & Pedestrian Bridge-Design	-	767,100	179,110	522,314	1,468,524
Oak Meadow Bandstand Area Improvements	-	-	90,000	-	90,000
Town Plaza Turf Repairs	8,116	-	28,000	-	36,116
Charter Oaks Trail Repair Project	109	-	474,891	-	475,000
Open Space Trail Upgrades	-	-	152,000	-	152,000
Los Gatos Creek Trail to Highway 9 Trailhead Connector Project	91,038	174,284	104,958	928,687	1,298,967
Forbes Mill Footbridge Improvements	27,942	2,522	27,478	-	57,942
Vegetation Management - Town-wide	211,069	17,777	21,861	-	250,707
Lynne Ave Pedestrian Path Design	-	-	75,000	-	75,000
Parks Playground Fibar Project	75,736	19,000	30,264	25,000	150,000
Pinehurst Community Garden	-	15,000	20,000	-	35,000
Town Beautification	110,109	9,462	10,055	10,000	139,625
Public Art Gateway Project	25,000	25,000	7,000	-	57,000
Waterproofing Town-wide	53,204	-	21,796	-	75,000
ADA Restrooms and HR Offices	-	65,000	535,000	-	600,000
Civic Center Security Improvements	-	-	110,000	-	110,000
Adult Recreation Center- Floor Repair	-	-	200,000	-	200,000
Adult Recreation Center HVAC	-	-	160,000	150,000	310,000
Building Replacement at Corporation Yard	1,057,783	222,637	1,371,361	-	2,651,781
Engineering Document Archiving	47,576	43,876	-	-	91,452
Sound Mitigation in Library Lobby	-	-	22,000	-	22,000
Battery Power Supply - Library	-	-	30,000	-	30,000
ADA Upgrade for Public Restrooms - Rec Building	-	-	183,000	-	183,000
Town-wide Document Imaging Project	198,011	-	16,990	-	215,000
Fire Suppression (Halon) for Server Rooms	70,378	47,727	26,291	-	144,396
Enterprise Resource Planning Upgrade	254,769	37,759	77,026	1,200,000	1,569,554
EOC Communications Upgrade	24,272	1,420	24,308	-	50,000
IT Disaster Recovery Improvements	78,980	40,000	81,020	-	200,000
Total GFAR Carryforward Projects	\$ 20,926,338	\$ 6,245,273	\$ 13,511,686	\$ 6,042,941	\$ 46,726,238

CAPITAL IMPROVEMENT PROGRAM

CARRYFORWARD CIP PROJECTS

FY 2022/23

	Est Exp Prior To FY 2021/22	Expenditures During FY 2021/22	Estimated Carryforward	New Funding FY 2022/23	Total Budgeted
Traffic Mitigation Carryforward Projects					
Hwy 17 Bicycle & Pedestrian Bridge-Design	\$ 147,249	\$ -	\$ -	\$ -	\$ 147,249
Traffic Signal Modernization	305,693	541,315	256,282	-	1,103,289
Bicycle & Pedestrian Improvements	41,350	-	33,650	-	75,000
Highway 17/9 Interchange and Capacity Improvements	-	-	600,000	-	600,000
Total Traffic Mitigation Carryforward Projects	\$ 494,292	\$ 541,315	\$ 889,932	\$ -	\$ 1,925,538
Grants and Awards Carryforward Projects					
Street Repair & Resurfacing	\$ -	\$ 230,000	\$ -	\$ -	\$ 230,000
Curb, Gutter & Sidewalk Maintenance	-	-	62,884	-	62,884
ADA Transition Plan	35,000	-	-	-	35,000
E. Main St. Speed Table/Raised Crosswalk	-	-	-	-	-
Local Road Safety Plan	27,558	44,442	-	-	72,000
Measure B Education & Encouragement	-	129	98,215	28,301	126,645
Shannon Road Class 1 Multi-use Path	-	-	1,114,350	-	1,114,350
Traffic Signal Modernization	337,597	735,439	446,626	-	1,519,662
Bicycle & Pedestrian Improvements	281,527	-	-	-	281,527
Winchester Boulevard Complete Streets (Final Design)	-	-	-	-	-
Winchester Class IV Bikeway	-	293,900	-	-	293,900
Kennedy Sidewalk - LGB to Englewood	-	-	-	138,740	138,740
Hwy 17 Bicycle & Pedestrian Bridge-Design	95,419	2,224,476	521,634	-	2,841,529
Battery Power Supply - Library	-	-	513,000	-	513,000
ADA Upgrade Public Restrooms - Adult Recreation Bldg.	51,882	35,000	43,979	-	130,861
Oak Meadow Bandstand Area Improvements	-	-	196,730	-	196,730
Charter Oaks Trail Repair Project	72,833	-	-	-	72,833
Trailhead Connector	338,024	4,976	-	4,800,000	5,143,000
Total Grants and Awards Carryforward Projects	\$ 1,239,839	\$ 3,568,363	\$ 2,997,418	\$ 4,967,041	\$ 12,772,661
Storm Drain Carryforward Projects					
Hernandez Avenue Storm Drain Improvements	\$ 17,180	\$ -	\$ -	\$ -	\$ 17,180
Annual Storm Drain Improvements	59,700	13,400	556,900	-	630,000
Total Storm Drain Carryforward Projects	\$ 76,880	\$ 13,400	\$ 556,900	\$ -	\$ 647,180
Underground Utility Projects					
Shannon Road Class 1 Multi-use Path	\$ 71,201	\$ -	\$ 48,003	\$ -	\$ 119,204
Utility Undergrounding Improvements	2,425	427	299,573	-	-
Total Underground Utility Carryforward Projects	\$ 73,626	\$ 427	\$ 347,576	\$ -	\$ 119,204
Gas Tax Carryforward Projects					
Street Repair & Resurfacing	\$ 9,643,291	\$ 868,215	\$ 1,676,425	\$ 1,497,689	\$ 13,685,620
Total Gas Tax Carryforward Projects	\$ 9,643,291	\$ 868,215	\$ 1,676,425	\$ 1,497,689	\$ 13,685,620
Total of Carryforward Projects	\$ 32,454,266	\$ 11,236,993	\$ 19,979,937	\$ 12,507,671	\$ 75,876,442

CAPITAL IMPROVEMENT PROGRAM

The following schedule summarizes the new Capital Improvement projects and total of new funding for FY 2022/23. New projects are defined further in following fund sections.

NEW CIP PROJECTS

FY 2022/23

	Est Exp Prior To FY 2021/22	Expenditures During FY 2021/22	Estimated Carryforward	New Funding FY 2022/23	Total Budgeted
<i>GFAR Projects</i>					
Belgatos Park Booster Pump Replacement	\$ -	\$ -	\$ -	40,000	\$ 40,000
<i>Total of New CIP Projects</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ 40,000</i>	<i>\$ 40,000</i>
<i>TOTAL OF CARRYFORWARD AND NEW CIP PROJECTS</i>	<i>\$ 32,454,266</i>	<i>\$ 11,236,993</i>	<i>\$ 19,979,937</i>	<i>\$ 12,547,671</i>	<i>\$ 75,916,442</i>

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, \$6.7 million transfer in FY 2019/20, \$3.4 million transfer in FY 2020/21, and \$2.8 million transfer in FY2021/22. For FY 2022/23, a total transfer of \$6.6 million is adopted including \$3 million from the General Fund, 0.7 million from the Information Technology Fund, and \$2.9M ARPA General Fund replacement Revenue.

CAPITAL IMPROVEMENT PROGRAM
General Fund Appropriated Reserve

After these allocations, sufficient balances are anticipated for the remaining years of the plan to accommodate allocating approximately \$800,000 from the General Fund Reserve for Capital and Special Projects from FY 2022/23 through FY 2026/27. 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 IX of Chapter 15 of the Town Code, the Town collects Construction Activities Mitigation Fees in support of road construction and maintenance projects throughout the Town. 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 2022/23 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. This amount will vary from year to year, dependent on actual revenue. The projection for Fiscal Year 2022/23 is \$683,680. 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

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adopted	2021/22 Estimated	2022/23 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	\$ -
<i>Undesignated</i>	10,714,868	7,058,790	12,400,880	13,973,643	13,973,643	14,273,613
Total Beginning Fund Balance	12,175,078	8,519,000	13,861,090	15,433,853	15,433,853	14,273,613
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>ARPA Revenue Replacement</i>	-	-	-	-	-	2,900,000
<i>Intergovernmental</i>	188,475	1,516,438	201,732	2,004,346	570,497	750,497
<i>Town Services</i>	52,094	221,859	34,417	571,661	306,210	-
<i>Licenses & Permits</i>	675,116	1,026,893	1,219,102	905,676	584,356	981,800
<i>Interest</i>	3,984	3,205	2,654	-	-	-
<i>Other Revenues</i>	709,458	232,983	1,874,907	1,110,755	646,892	116,000
Total Revenues	1,629,127	3,001,378	3,332,812	4,592,438	2,107,955	4,748,297
Transfers In						
<i>Transfer from General Fund</i>	2,335,220	6,982,591	3,401,479	2,801,047	3,421,424	3,006,978
<i>Transfer from Grant</i>	-	-	-	-	-	-
<i>Transfer from Bulding Maint</i>	50,000	788,000	-	-	-	-
<i>Transfer from MIS Fund</i>	300,000	-	-	-	-	700,000
<i>Transfer from Equip Replacement</i>	-	525,000	-	-	-	-
<i>Transfer from Storm Basin Funds</i>	-	30,000	-	-	-	-
Total Transfers In	2,685,220	8,325,591	3,401,479	2,801,047	3,421,424	3,706,978
Total Revenues & Transfers In	4,314,347	11,326,969	6,734,291	7,393,485	5,529,379	8,455,275
TOTAL SOURCE OF FUNDS	\$ 16,489,425	\$ 19,845,969	\$ 20,595,381	\$ 22,827,338	\$ 20,963,232	\$ 22,728,888
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ 31,085	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Charges for Services</i>	-	-	-	-	-	-
<i>Grants</i>	-	-	-	1,498,776	-	-
<i>Interest Expense</i>	-	-	-	-	-	-
<i>Capital Projects - Carryfwd</i>	-	-	-	-	-	-
<i>Capital Projects - New</i>	7,552,809	5,567,263	4,712,827	19,009,125	6,272,003	8,982,941
Total Expenditures	7,552,809	5,567,263	4,743,912	20,507,901	6,272,003	8,982,941
Transfers Out						
<i>Transfers to General Fund</i>	417,616	417,616	417,616	417,616	417,616	417,616
<i>Transfer to SA Trust</i>	-	-	-	-	-	-
Total Transfers Out	417,616	417,616	417,616	417,616	417,616	417,616
Total Expenditures & Transfers Out	7,970,425	5,984,879	5,161,528	20,925,517	6,689,619	9,400,557
Ending Fund Balance						
<i>Designated for Parking</i>	1,460,210	1,460,210	1,460,210	1,460,210	-	-
<i>Undesignated</i>	7,058,790	12,400,880	13,973,643	441,611	14,273,613	13,328,331
Total Ending Fund Balance	8,519,000	13,861,090	15,433,853	1,901,821	14,273,613	13,328,331
TOTAL USE OF FUNDS	\$ 16,489,425	\$ 19,845,969	\$ 20,595,381	\$ 22,827,338	\$ 20,963,232	\$ 22,728,888

CAPITAL IMPROVEMENT PROGRAM

General Fund Appropriated Reserve

The following GFAR schedules identify projects completed, withdrawn, or not proceeding in FY 2022/23, projects carried forward into FY 2022/23, and new FY 2022/23 projects, as part of the FY 2022/23-2026/27 Capital Improvement Program:

	Est Exp Prior To FY 2021/22	Expenditures During FY 2021/22	Estimated Carryforward	New Funding FY 2022/23	Total Budgeted
Completed or Withdrawn Projects					
Outdoor Fitness Equipment	\$ 43,938	\$ -	\$ -	\$ -	\$ 43,938
Audio/Video System Upgrade	68,048	-	-	-	68,048
Guardrail Replacement Projects	139,959	-	-	-	139,959
Massol Intersection Improvements	425,703	10,728	-	-	436,430
Total of Completed Projects	\$ 677,647	\$ 10,728	\$ -	\$ -	\$ 688,375
Carryforward Projects					
Street Repair & Resurfacing	\$ 10,722,975	\$ 1,842,791	\$ 2,471,318	\$ 1,845,480	\$ 16,882,564
Annual Street Restriping	180,228	-	194,772	25,000	400,000
Traffic Calming Projects	202,315	13,549	229,135	10,000	455,000
Curb, Gutter & Sidewalk Maintenance	3,915,992	399,206	581,550	300,000	5,196,748
Retaining Wall Repairs	1,596,618	264	465,895	50,000	2,112,777
Shannon Road Repair	97,891	409,582	992,527	-	1,500,000
Parking Lot 4 Repair/Waterproofing	20,430	74,720	54,850	-	150,000
Shannon Road Repair	499,815	575,185	-	-	1,075,000
E. Main St. Speed Table/Raised Crosswalk	-	-	15,000	-	15,000
Local Road Safety Plan	-	8,000	20,000	-	28,000
VMT Mitigation Program	-	-	250,000	-	250,000
Measure B Education & Encouragement	11,700	48,300	-	-	60,000
Shannon Road Ped & Bikeway Improvements	104	126,521	53,375	50,000	230,000
Sidewalk Improvements - Multiple Locations	-	-	60,000	-	60,000
Traffic Signal Modernization	-	-	-	-	-
Bicycle & Pedestrian Improvements	258,476	-	231,524	-	490,000
Downtown Streetscape Revitalization	715,441	145,344	1,952,854	-	2,813,640
State Route 17 Corridor Congestion Relief Project	-	-	-	867,000	867,000
Winchester Boulevard Complete Streets (Final Design)	124,401	75,651	543,198	-	743,250
Blossom Hill Road Traffic Safety	42,678	5,733	276,590	-	325,000
Winchester Class IV Bikeway	92,686	595,868	-	-	688,553
Kennedy Sidewalk - LGB to Englewood	-	-	-	59,460	59,460
Parking Program Implementation	-	157,563	440,937	-	598,500
Stormwater System - Pollution Prevention Compliance	1,422	-	286,578	-	288,000
Downtown Parking Lots Seal Coat & Restriping	44,481	43,346	12,173	-	100,000
Roadside Fire Fuel Reduction	-	-	250,000	-	250,000
Quito Road - Bridge Replacement	64,594	235,087	50,000	-	349,681
Oak Meadow Bandstand Area Improvements	-	-	90,000	-	90,000
Town Plaza Turf Repairs	8,116	-	28,000	-	36,116
Charter Oaks Trail Repair Project	109	-	474,891	-	475,000
Open Space Trail Upgrades	-	-	152,000	-	152,000
Los Gatos Creek Trail to Highway 9 Trailhead Connector Project	91,038	174,284	104,958	928,687	1,298,967
Forbes Mill Footbridge Improvements	27,942	2,522	27,478	-	57,942
Vegetation Management - Town-wide	211,069	17,777	21,861	-	250,707
Lynne Ave Pedestrian Path Design	-	-	75,000	-	75,000
Parks Playground Fibar Project	75,736	19,000	30,264	25,000	150,000
Pinehurst Community Garden	-	15,000	20,000	-	35,000
Town Beautification	110,109	9,462	10,055	10,000	139,625
Public Art Gateway Project	25,000	25,000	7,000	-	57,000
Waterproofing Town-wide	53,204	-	21,796	-	75,000
ADA Restrooms and HR Offices	-	65,000	535,000	-	600,000
Civic Center Security Improvements	-	-	110,000	-	110,000
Adult Recreation Center- Floor Repair	-	-	200,000	-	200,000
Adult Recreation Center HVAC	-	-	160,000	150,000	310,000
Building Replacement at Corporation Yard	1,057,783	222,637	1,371,361	-	2,651,781
Engineering Document Archiving	47,576	43,876	-	-	91,452
Sound Mitigation in Library Lobby	-	-	22,000	-	22,000
Battery Power Supply - Library	-	-	30,000	-	30,000
ADA Upgrade for Public Restrooms - Rec Building	-	-	183,000	-	183,000
Town-wide Document Imaging Project	198,011	-	16,990	-	215,000
Fire Suppression (Halon) for Server Rooms	70,378	47,727	26,291	-	144,396
Enterprise Resource Planning Upgrade	254,769	37,759	77,026	1,200,000	1,569,554
EOC Communications Upgrade	24,272	1,420	24,308	-	50,000
IT Disaster Recovery Improvements	78,980	40,000	81,020	-	200,000
Total of Carryforward Projects	\$ 20,926,338	\$ 6,245,273	\$ 13,511,686	\$ 6,042,941	\$ 46,726,238

CAPITAL IMPROVEMENT PROGRAM General Fund Appropriated Reserve

<i>New Projects</i>									
Belgatos Park Booster Pump Replacement	\$	-	\$	-	\$	-	\$	40,000	\$ 40,000
Total of New Projects	\$	-	\$	-	\$	-	\$	40,000	\$ 40,000
<i>GFAR Funding Project Totals</i>	\$	21,603,985	\$	6,256,001	\$	13,511,686	\$	6,082,941	\$ 47,454,613

FY 2022/23 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 2022/23.

- 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 treatments, and pavement overlays, with supplemental ongoing maintenance activities performed by the Town’s Parks and Public Works Department staff. The majority of the proposed FY 2022/23 - 2026/27 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) range of 70-79, which is considered in “Good Category” (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 3-year moving average PCI dropped from 74 to 69 as recently as 2019. 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 73, with a rating of 75 expected in 2027. 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 2022/23 budget.

- 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 ADA assessment and evaluation of Town infrastructure in the public right-of-way was completed in 2022, which identified additional long-term budgetary needs for repairs and upgrades.

CAPITAL IMPROVEMENT PROGRAM

General Fund Appropriated Reserve

The current allocation for the ongoing Curb, Gutter, and Sidewalk maintenance project is between \$200,000 and \$300,000 annually, which funds mostly ADA compliant curb ramp upgrades needed for the pavement maintenance program. Additional annual funding would be required to address all ADA deficiencies identified in the public right-of-way.

Operating Budget Impacts: Project oversight by the Engineering staff has been incorporated into the engineering Program Services FY 2022/23 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 2022/23 Parks and Public Works departmental budget.

- **Blossom Hill Road Traffic Safety** – This project is for the design and construction of traffic safety improvements on Blossom Hill Road between Camellia Terrace and Cherrystone Drive that would include modifications to the Blossom Hill Road and Cherry Blossom Lane intersection and improvements to bike lanes, pedestrian accessibility and safety, and storm drainage. Preliminary design would be funded with local funds, and staff would actively seek external grant sources for final design and construction funding.

Operating Budget Impacts: Project design and oversight by the Engineering staff has been incorporated into the Engineering Program Services FY 2022/23 budget.

CAPITAL IMPROVEMENT PROGRAM

General Fund Appropriated Reserve

- ***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 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 2021 schedule from the City of Saratoga, the construction of these bridges is anticipated to start in 2023.

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.

The CIP includes several facilities maintenance projects to address deferred maintenance needs. This includes new flooring in the Adult Recreation Center and continued work to replace a portable building at the Parks and Public Works Service Center that has reached the end of its serviceable life.

The Town continues to advance efforts in multi-modal transportation projects, such as the Winchester Complete Streets project, which will enhance the functionality of Winchester Boulevard from Blossom Hill Road to the northern Town limits. Other projects include the Shannon Road Pedestrian and Bikeway Improvements, Blossom Hill Road Traffic Safety, and Kennedy Road Sidewalk and Bike Lanes from Los Gatos Boulevard to Englewood Avenue.

Efforts to make the Town more resilient in the face of wildfire threats has led to the addition of a Roadside Fire Fuel Reduction project. Through this project, vegetation along roadways in the hillsides will be reduced to lessen the ability for fires to spread and to allow for safe evacuation routes for residents should they be needed.

Building on the completion of the Parking Study, the CIP includes funding to implement an employee parking permit program, and wayfinding signage, and other parking programs for the downtown as a resulting from the study.



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 VII of Chapter 15 also 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 improving traffic conditions for vehicles, bicycles, and pedestrians.

For several years, the Town has allowed fund balances to accrue to accumulate funding for future traffic mitigation projects. The following several projects, planned for upcoming years, are now in the design and construction stages to correct the heavily travelled and congested roadway junctions to improve safety features and accommodate proper vehicular movement:

- Los Gatos Blvd/Shannon Rd
- Traffic Signal Modernization
- Highway 17 Bicycle and Pedestrian Bridge Design

CAPITAL IMPROVEMENT PROGRAM
Traffic Mitigation Fund

FY 2022/23 KEY PROJECTS

The following key projects are budgeted in FY 2022/23:

- ***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 \$1,800,000 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. Mitigation funds will often be utilized as matching funds for grant funding.
- ***Highway 17 Bicycle and Pedestrian Bridge Design*** – Acknowledging the challenge for bicycles and pedestrians to cross Highway 17, this project will continue work on identifying alignment options for a new crossing and ongoing coordination with CalTrans.

Operating Budget Impacts: Engineering staff time for project management is addressed in the FY 2022/23 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

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adopted	2021/22 Estimated	2022/23 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Deferred Revenue</i>	\$ 2,298,987	\$ 2,277,362	\$ 2,246,440	\$ 2,287,554	\$ 2,287,554	\$ 1,736,239
<i>Undesignated</i>	260,486	304,647	348,660	381,317	381,317	381,317
Total Beginning Fund Balance	2,559,473	2,582,009	2,595,100	2,668,871	2,668,871	2,117,556
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses & Permits</i>	-	-	-	-	-	-
<i>Interest</i>	44,161	44,013	32,658	-	-	-
<i>Other Revenues</i>	74,626	92,626	364,435	1,441,246	551,315	-
Total Revenues	118,787	136,639	397,093	1,441,246	551,315	-
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	118,787	136,639	397,093	1,441,246	551,315	-
TOTAL SOURCE OF FUNDS	\$ 2,678,260	\$ 2,718,648	\$ 2,992,193	\$ 4,110,117	\$ 3,220,186	\$ 2,117,556
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	496	-	-	-
<i>Charges for Services</i>	-	-	-	-	-	-
<i>Interest Expense</i>	-	-	-	-	-	-
<i>Capital Projects - Carryfwd</i>	-	-	-	-	-	-
<i>Capital Projects - New</i>	64,626	76,290	353,940	1,431,246	541,315	-
Total Expenditures	64,626	76,290	354,436	1,431,246	541,315	-
Transfers Out						
<i>Transfers to General Fund</i>	10,000	16,336	10,000	10,000	10,000	10,000
<i>Transfers to Equip Repalcement</i>	-	-	-	-	-	-
	-	-	-	-	-	-
Total Transfers Out	10,000	16,336	10,000	10,000	10,000	10,000
Total Expenditures & Transfers Out	74,626	92,626	364,436	1,441,246	551,315	10,000
Ending Fund Balance						
<i>Deferred Revenue</i>	2,277,362	2,246,440	2,287,554	846,308	1,736,239	1,736,239
<i>Undesignated</i>	304,647	348,660	381,317	381,317	381,317	371,317
Total Ending Fund Balance	2,582,009	2,595,100	2,668,871	1,227,625	2,117,556	2,107,556
TOTAL USE OF FUNDS	\$ 2,656,635	\$ 2,687,726	\$ 3,033,307	\$ 2,668,871	\$ 2,668,871	\$ 2,117,556

CAPITAL IMPROVEMENT PROGRAM **Traffic Mitigation Fund**

	Est Exp Prior To FY 2021/22	Expenditures During FY 2021/22	Estimated Carryforward	New Funding FY 2022/23	Total Budgeted
<i>Carryforward Projects</i>					
Hwy 17 Bicycle & Pedestrian Bridge-Design	\$ 147,249	\$ -	\$ -	\$ -	\$ 147,249
Traffic Signal Modernization	305,693	541,315	256,282	-	1,103,289
Bicycle & Pedestrian Improvements	41,350	-	33,650	-	75,000
Highway 17/9 Interchange and Capacity Improvements	-	-	600,000	-	600,000
					-
<i>Total of Carryforward Projects</i>	\$ 494,292	\$ 541,315	\$ 889,932	\$ -	\$ 1,925,538
<i>New Projects</i>					
	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Total of New Projects</i>	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Traffic Mitigation Funding Project Totals</i>	\$ 494,292	\$ 541,315	\$ 889,932	\$ -	\$ 1,925,538

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, Parks and Water Bond Act of 2018 (Proposition 68), Santa Clara County 2016 Measure B, Transportation Fund for Clean Air (TFCA) Regional Fund, Vehicle Emissions Reduction Based at Schools (VERBS), Transportation Development Act (TDA) Article 3 Funds, , 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

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

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adopted	2021/22 Estimated	2022/23 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	(134,113)	(255,639)	(343,708)	(699,247)	(699,247)	(3,689,294)
Total Beginning Fund Balance	(134,113)	(255,639)	(343,708)	(699,247)	(699,247)	(3,689,294)
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	257,968	394,876	342,973	7,887,549	1,136,360	5,437,041
<i>Town Services</i>	-	1,458	-	-	-	-
<i>Licenses & Permits</i>	-	-	-	-	-	-
<i>Interest</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	257,968	396,334	342,973	7,887,549	1,136,360	5,437,041
Transfers In						
<i>Transfer from General Fund</i>	-	-	-	-	-	-
<i>Transfer from Workers Comp</i>	-	-	-	35,000	-	-
<i>Transfers from Bulding Maint</i>	-	-	-	-	-	-
<i>Transfer from MIS Fund</i>	-	-	-	-	-	-
<i>Transfer from Equip Replacement</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	35,000	-	-
Total Revenues & Transfers In	257,968	396,334	342,973	7,922,549	1,136,360	5,437,041
TOTAL SOURCE OF FUNDS	\$ 123,855	\$ 140,695	\$ (735)	\$ 7,223,302	\$ 437,113	\$ 1,747,747
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>	379,494	484,403	698,512	7,869,300	4,126,407	4,967,041
Total Expenditures	379,494	484,403	698,512	7,869,300	4,126,407	4,967,041
Transfers Out						
<i>Transfers to General Fund</i>	-	-	-	-	-	-
<i>Transfers to Grant Fund</i>	-	-	-	-	-	-
<i>Transfers to Equip Repalcement</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	379,494	484,403	698,512	7,869,300	4,126,407	4,967,041
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	(255,639)	(343,708)	(699,247)	(645,998)	(3,689,294)	(3,219,294)
Total Ending Fund Balance	(255,639)	(343,708)	(699,247)	(645,998)	(3,689,294)	(3,219,294)
TOTAL USE OF FUNDS	\$ 123,855	\$ 140,695	\$ (735)	\$ 7,223,302	\$ 437,113	\$ 1,747,747

CAPITAL IMPROVEMENT PROGRAM Grants and Awards Project Fund

The following schedule summarizes carryforward, and new Grants and Awards Project Fund CIP Projects:

	Est Exp Prior To FY 2021/22	Expenditures During FY 2021/22	Estimated Carryforward	New Funding FY 2022/23	Total Budgeted
Completed Projects					
Guardrail Replacement Projects	\$ 221,799	\$ 558,045	\$ -	\$ -	\$ 779,844
Total of Completed Projects	\$ 221,799	\$ 558,045	\$ -	\$ -	\$ 779,844
Carryforward Projects					
Street Repair & Resurfacing	\$ -	\$ 230,000	\$ -	\$ -	\$ 230,000
Curb, Gutter & Sidewalk Maintenance	-	-	62,884	-	62,884
ADA Transition Plan	35,000	-	-	-	35,000
E. Main St. Speed Table/Raised Crosswalk	-	-	-	-	-
Local Road Safety Plan	27,558	44,442	-	-	72,000
Measure B Education & Encouragement	-	129	98,215	28,301	126,645
Shannon Road Class 1 Multi-use Path	-	-	1,114,350	-	1,114,350
Traffic Signal Modernization	337,597	735,439	446,626	-	1,519,662
Bicycle & Pedestrian Improvements	281,527	-	-	-	281,527
Winchester Boulevard Complete Streets (Final Design)	-	-	-	-	-
Winchester Class IV Bikeway	-	293,900	-	-	293,900
Kennedy Sidewalk - LGB to Englewood	-	-	-	138,740	138,740
Hwy 17 Bicycle & Pedestrian Bridge-Design	95,419	2,224,476	521,634	-	2,841,529
Battery Power Supply - Library	-	-	513,000	-	513,000
ADA Upgrade Public Restrooms - Adult Recreation Bldg.	51,882	35,000	43,979	-	130,861
Oak Meadow Bandstand Area Improvements	-	-	196,730	-	196,730
Charter Oaks Trail Repair Project	72,833	-	-	-	72,833
Trailhead Connector	338,024	4,976	-	4,800,000	5,143,000
Total of Carryforward Projects	\$ 1,239,839	\$3,568,363	\$ 2,997,418	\$ 4,967,041	\$12,772,661
New Projects					
	\$ -	\$ -	\$ -	\$ -	\$ -
Total of New Projects	\$ -	\$ -	\$ -	\$ -	\$ -
Grant and Awards Project Totals:	\$ 1,461,638	\$4,126,408	\$ 2,997,418	\$ 4,967,041	\$13,552,506

FY 2022/23 KEY PROJECTS

The following Capital Improvement Plan projects are funded with grant funding and are expected to be Key Projects in FY 2022/23:

- **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 totaling \$1.8M for this project. 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 2022/23 Operating Budget.

CAPITAL IMPROVEMENT PROGRAM
Grants and Awards Project Fund

- ***Trailhead Connector Project*** – This project will fund the design and construction of a trailhead connection for Los Gatos Creek Trail to Highway 9. The project is ‘shovel ready’ 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 2022/23 Operating Budget with additional temporary staffing required to deliver the project included in the project budget.

- ***Highway 17 Bicycle and Pedestrian Bridge Design*** – Acknowledging the challenge for bicycles and pedestrians to cross Highway 17, this project will continue work on identifying alignment options for a new crossing and ongoing coordination with CalTrans. This is the suggested path included in the Safe Routes to School Phase 1 Study and the feasibility study for the project.

Operating Budget Impacts: Engineering staff time for project management is addressed in the FY 2022/23 Operating Budget.

- ***Shannon Road Pedestrian and Bikeway Improvements*** – This project will fund the sidewalk and bikeway improvements on Shannon Road between Los Gatos Boulevard and Cherry Blossom Lane. The grant funds will supplement the construction cost of the project. Local funds are used to fund the design phase.

Operating Budget Impacts: Engineering staff time for project management is addressed in the FY 2022/23 Operating Budget.

- ***Kennedy Road Sidewalks and Bike Lanes*** – LGB to Englewood – This project will fund the design and construction of sidewalks and bike lanes on Kennedy Road between Los Gatos Boulevard and Englewood Avenue. Measure B funds will supplement the costs for design and construction.

Operating Budget Impacts: Engineering staff time for project management is addressed in the FY 2022/23 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 improving a designated local drainage area. Expenditures from storm drain fees are limited to new construction only, not repair or maintenance work

FY 2022/23 KEY PROJECTS

Annual Storm Drain Improvements is scheduled for FY 2022/23, and Hernandez Avenue Storm Drain Improvements is scheduled for FY 2024/25.

CAPITAL IMPROVEMENT PROGRAM

Storm Drain Fund - 461

STATEMENT OF SOURCE AND USE OF FUNDS

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adopted	2021/22 Estimated	2022/23 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	809,379	932,418	1,034,523	1,078,288	1,078,288	1,135,468
Total Beginning Fund Balance	809,379	932,418	1,034,523	1,078,288	1,078,288	1,135,468
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses & Permits</i>	121,427	95,259	30,212	45,000	52,510	45,000
<i>Interest</i>	1,612	16,846	13,553	4,670	4,670	4,680
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	123,039	112,105	43,765	49,670	57,180	49,680
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	123,039	112,105	43,765	49,670	57,180	49,680
TOTAL SOURCE OF FUNDS	\$ 932,418	\$ 1,044,523	\$ 1,078,288	\$ 1,127,958	\$ 1,135,468	\$ 1,185,148
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>	-	-	-	200,000	-	-
Total Expenditures	-	-	-	200,000	-	-
Transfers Out						
<i>Transfers to General Fund</i>	-	-	-	-	-	-
<i>Transfers to GFAR</i>	-	10,000	-	-	-	-
Total Transfers Out	-	10,000	-	-	-	-
Total Expenditures & Transfers Out	-	10,000	-	200,000	-	-
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	932,418	1,034,523	1,078,288	927,958	1,135,468	1,185,148
Total Ending Fund Balance	932,418	1,034,523	1,078,288	927,958	1,135,468	1,185,148
TOTAL USE OF FUNDS	\$ 932,418	\$ 1,044,523	\$ 1,078,288	\$ 1,127,958	\$ 1,135,468	\$ 1,185,148

CAPITAL IMPROVEMENT PROGRAM
Storm Drain Fund - 462

STATEMENT OF SOURCE AND USE OF FUNDS

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adopted	2021/22 Estimated	2022/23 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	1,752,775	1,800,549	1,853,118	1,968,245	1,968,245	2,090,579
Total Beginning Fund Balance	1,752,775	1,800,549	1,853,118	1,968,245	1,968,245	2,090,579
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses & Permits</i>	44,657	31,188	90,442	45,000	126,804	45,000
<i>Interest</i>	3,117	31,381	24,685	8,930	8,930	9,520
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	47,774	62,569	115,127	53,930	135,734	54,520
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	47,774	62,569	115,127	53,930	135,734	54,520
TOTAL SOURCE OF FUNDS	\$ 1,800,549	\$ 1,863,118	\$ 1,968,245	\$ 2,022,175	\$ 2,103,979	\$ 2,145,099
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>	-	-	-	200,000	13,400	-
Total Expenditures	-	-	-	200,000	13,400	-
Transfers Out						
<i>Transfers to General Fund</i>	-	-	-	-	-	-
<i>Transfers to GFAR</i>	-	10,000	-	-	-	-
Total Transfers Out	-	10,000	-	-	-	-
Total Expenditures & Transfers Out	-	10,000	-	200,000	13,400	-
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	1,800,549	1,853,118	1,968,245	1,822,175	2,090,579	2,145,099
Total Ending Fund Balance	1,800,549	1,853,118	1,968,245	1,822,175	2,090,579	2,145,099
TOTAL USE OF FUNDS	\$ 1,800,549	\$ 1,863,118	\$ 1,968,245	\$ 2,022,175	\$ 2,103,979	\$ 2,145,099

CAPITAL IMPROVEMENT PROGRAM

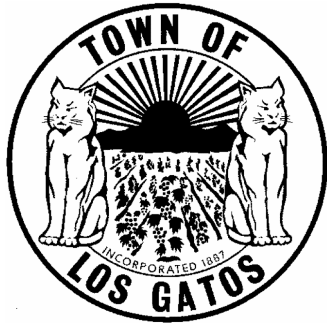
Storm Drain Fund - 463

STATEMENT OF SOURCE AND USE OF FUNDS

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adopted	2021/22 Estimated	2022/23 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	(76,153)	(104,406)	(127,361)	(128,229)	(128,840)	(155,453)
Total Beginning Fund Balance	(76,153)	(104,406)	(127,361)	(128,229)	(128,840)	(155,453)
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses & Permits</i>	2,864	24	774	2,500	795	2,500
<i>Interest</i>	(1,417)	(1,979)	(1,642)	(1,560)	(1,560)	(1,620)
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	1,447	(1,955)	(868)	940	(765)	880
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	1,447	(1,955)	(868)	940	(765)	880
TOTAL SOURCE OF FUNDS	\$ (74,706)	\$ (106,361)	\$ (128,229)	\$ (127,289)	\$ (129,605)	\$ (154,573)
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>	29,700	11,000	611	259,447	25,848	-
Total Expenditures	29,700	11,000	611	259,447	25,848	-
Transfers Out						
<i>Transfers to General Fund</i>	-	-	-	-	-	-
<i>Transfers to GFAR</i>	-	10,000	-	-	-	-
Total Transfers Out	-	10,000	-	-	-	-
Total Expenditures & Transfers Out	29,700	21,000	611	259,447	25,848	-
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	(104,406)	(127,361)	(128,840)	(386,736)	(155,453)	(154,573)
Total Ending Fund Balance	(104,406)	(127,361)	(128,840)	(386,736)	(155,453)	(154,573)
TOTAL USE OF FUNDS	\$ (74,706)	\$ (106,361)	\$ (128,229)	\$ (127,289)	\$ (129,605)	\$ (154,573)

CAPITAL IMPROVEMENT PROGRAM **Storm Drain Funds**

	Est Exp Prior To FY 2021/22	Expenditures During FY 2021/22	Estimated Carryforward	New Funding FY 2022/23	Total Budgeted
Completed Projects					
Bicknell Road Storm Drain Improvements	\$ 157,043	\$ 25,848	\$ -	\$ -	\$ 182,891
Total of Completed Projects	\$ 157,043	\$ 25,848	\$ -	\$ -	\$ 182,891
Carryforward Projects					
Hernandez Avenue Storm Drain Improvements	\$ 17,180	\$ -	\$ -	\$ -	\$ 17,180
Annual Storm Drain Improvements	59,700	13,400	556,900	-	630,000
Total of Carryforward Projects	\$ 76,880	\$ 13,400	\$ 556,900	\$ -	\$ 647,180
New Projects					
	\$ -	\$ -	\$ -	\$ -	\$ -
Total of New Projects	\$ -	\$ -	\$ -	\$ -	\$ -
Storm Drain Project Totals:	\$ 233,923	\$ 39,248	\$ 556,900	\$ -	\$ 830,071



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 Improvements (along Los Gatos Boulevard from Lark Avenue to Chirco Drive) funded the Pacific Gas and Electric Company's (PG&E) Rule 20A credits accumulated from electrical rates collected for the Town will be completed in summer 2022. This corridor with a heavy concentration of overhead electric lines in areas used extensively by the general public was nominated by the Town to PG&E. The Town's allocation typically is in the range of \$60,000 to \$110,000 annually. This program will be phased out, with the current Town project likely the last to receive funding from this source.

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 \$3.3 million at FY 2021/22 year-end. In addition, the Town is currently utilizing \$4.6 million in Rule 20A funds allocated from a percentage of electric bills for a project on Los Gatos Boulevard. PG&E retains and tracks those funds.

CAPITAL IMPROVEMENT PROGRAM

Utility Underground Fund

The Town's allocation of Rule 20A credits grown to approximately \$4.6M. PG&E and other overhead utility companies will complete the Rule 20A utility undergrounding project on Los Gatos Boulevard between Lark Avenue and Chirco Drive in winter 2023.

STATEMENT OF SOURCE AND USE OF FUNDS

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adopted	2021/22 Estimated	2022/23 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	2,997,984	3,079,685	3,118,174	3,201,312	3,201,312	3,257,937
Total Beginning Fund Balance	2,997,984	3,079,685	3,118,174	3,201,312	3,201,312	3,257,937
Revenues						
<i>Other Taxes</i>	28,390	34,437	67,146	30,000	34,562	30,000
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses & Permits</i>	-	-	-	-	-	-
<i>Interest</i>	53,311	53,052	40,618	22,490	22,490	22,490
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	81,701	87,489	107,764	52,490	57,052	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	81,701	87,489	107,764	52,490	57,052	52,490
TOTAL SOURCE OF FUNDS	\$ 3,079,685	\$ 3,167,174	\$ 3,225,938	\$ 3,253,802	\$ 3,258,364	\$ 3,310,427
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>	-	49,000	24,626	348,003	427	-
Total Expenditures	-	49,000	24,626	348,003	427	-
Transfers Out						
<i>Transfers to General Fund</i>	-	-	-	-	-	-
<i>Transfers to Equip Replacment</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	-	49,000	24,626	348,003	427	-
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	3,079,685	3,118,174	3,201,312	2,905,799	3,257,937	3,310,427
Total Ending Fund Balance	3,079,685	3,118,174	3,201,312	2,905,799	3,257,937	3,310,427
TOTAL USE OF FUNDS	\$ 3,079,685	\$ 3,167,174	\$ 3,225,938	\$ 3,253,802	\$ 3,258,364	\$ 3,310,427

CAPITAL IMPROVEMENT PROGRAM
Utility Underground Fund

	Est Exp Prior To FY 2021/22	Expenditures During FY 2021/22	Estimated Carryforward	New Funding FY 2022/23	Total Budgeted
<i>Carryforward Projects</i>					
Shannon Road Class 1 Multi-use Path	\$ 71,201	\$ -	\$ 48,003	\$ -	\$ 119,204
Utility Undergrounding Improvements	2,425	427	299,573	-	302,425
<i>Total of Carryforward Projects</i>	\$ 73,626	\$ 427	\$ 347,576	\$ -	\$ 421,629
<i>New Projects</i>					
	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Total of New Projects</i>	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Total of Utility Underground Projects</i>	# \$ 73,626	\$ 427	\$ 347,576	\$ -	\$ 421,629



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 work 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 landslides 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

CAPITAL IMPROVEMENT PROGRAM

Gas Tax Fund

The estimated Gas Tax revenue totals approximately \$1.6 million for FY 2022/23 reflecting the recently enacted Road Recovery and Repair Act of 2017 (SB1). The ongoing Street Repair and Resurfacing project was carried forward from FY202/22, as is typical. There are no new Gas Tax funded projects scheduled for FY 2022/23.

BUDGET OVERVIEW

STATEMENT OF SOURCE AND USE OF FUNDS

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adopted	2021/22 Estimated	2022/23 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	703,148	853,819	290,369	1,425,094	1,425,094	1,898,588
Total Beginning Fund Balance	703,148	853,819	290,369	1,425,094	1,425,094	1,898,588
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	1,195,069	1,249,696	1,273,788	1,400,594	1,446,438	1,602,354
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses & Permits</i>	-	-	-	-	-	-
<i>Interest</i>	22,483	12,238	10,178	1,271	1,271	1,335
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	1,217,552	1,261,934	1,283,966	1,401,865	1,447,709	1,603,689
Transfers In						
<i>Transfer from General Fund</i>	-	-	-	-	-	-
<i>Transfer from CDBG</i>	-	-	-	-	-	-
<i>Transfers from Building Maint</i>	-	-	-	-	-	-
<i>Transfer from MIS Fund</i>	-	-	-	-	-	-
<i>Transfer from Equip Replacement</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
Total Revenues & Transfers In	1,217,552	1,261,934	1,283,966	1,401,865	1,447,709	1,603,689
TOTAL SOURCE OF FUNDS	\$ 1,920,700	\$ 2,115,753	\$ 1,574,335	\$ 2,826,959	\$ 2,872,803	\$ 3,502,277
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>	960,881	1,719,384	43,241	2,544,576	868,215	1,497,689
Total Expenditures	960,881	1,719,384	43,241	2,544,576	868,215	1,497,689
Transfers Out						
<i>Transfers to General Fund</i>	106,000	106,000	106,000	106,000	106,000	106,000
<i>Transfers to Equip Replacement</i>	-	-	-	-	-	-
Total Transfers Out	106,000	106,000	106,000	106,000	106,000	106,000
Total Expenditures & Transfers Out	1,066,881	1,825,384	149,241	2,650,576	974,215	1,603,689
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	853,819	290,369	1,425,094	176,383	1,898,588	1,898,588
Total Ending Fund Balance	853,819	290,369	1,425,094	176,383	1,898,588	1,898,588
TOTAL USE OF FUNDS	\$ 1,920,700	\$ 2,115,753	\$ 1,574,335	\$ 2,826,959	\$ 2,872,803	\$ 3,502,277

**CAPITAL IMPROVEMENT PROGRAM
Gas Tax Fund**

	Est Exp Prior To FY 2021/22	Expenditures During FY 2021/22	Estimated Carryforward	New Funding FY 2022/23	Total Budgeted
<i>Carryforward Projects</i>					
Street Repair & Resurfacing	\$ 9,643,291	\$ 868,215	\$ 1,676,425	\$ 1,497,689	\$ 13,685,620
					-
<i>Total of Carryforward Projects</i>	\$9,643,291	\$ 868,215	\$1,676,425	\$1,497,689	\$ 13,685,620
<i>New Projects</i>					
	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Total of New Projects</i>	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Total of Gas Tax Projects</i>	\$9,643,291	\$ 868,215	\$1,676,425	\$1,497,689	\$ 13,685,620

FY 2022/23 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 26 if certain “voluntary” payments were made to the State in FY 2012 and in each fiscal year

SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY

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. The Successor Agency currently pays debt service on two Certificates of Participation (COPs):

SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY

- **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)

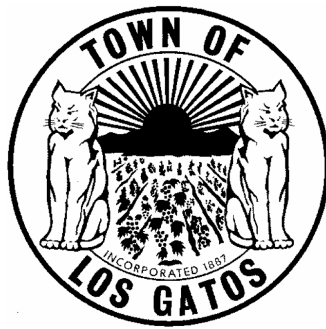
	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted
SOURCES OF FUNDS						
Beginning Budgetary Fund Balance						
<i>Designated</i>	\$ 1,963,658	\$ 1,963,657	\$ 1,963,660	\$ 1,967,496	\$ 1,967,496	\$ 1,963,327
<i>Undesignated</i>	1,840,123	1,876,532	1,911,550	1,913,861	1,913,861	2,116,803
Total Beginning Fund Balance	3,803,781	3,840,189	3,875,210	3,881,357	3,881,357	4,080,130
Revenues						
<i>Property Tax</i>	-	-	-	-	-	-
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Lease Income - COP's</i>	1,909,073	1,905,024	1,908,494	1,999,850	1,999,850	1,893,713
<i>County RPTTF Reimbursement</i>	1,945,763	1,949,284	1,946,787	1,908,850	2,006,602	1,902,713
<i>Interest</i>	43,706	32,531	4,967	3,500	3,500	3,500
<i>Other Revenues</i>	11,664	11,664	11,664	-	-	-
Total Revenues	3,910,206	3,898,503	3,871,912	3,912,200	4,009,952	3,799,926
Transfers In						
<i>Transfer from SA Administration</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
Total Revenues and Transfer Ins	\$ 3,910,206	\$ 3,898,503	\$ 3,871,912	\$ 3,912,200	\$ 4,009,952	\$ 3,799,926
TOTAL SOURCE OF FUNDS	\$ 7,713,987	\$ 7,738,692	\$ 7,747,122	\$ 7,793,557	\$ 7,891,309	\$ 7,880,056
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	1,555	1,654	1,674	1,738	1,654	1,825
<i>Operating Expenditures</i>	111,712	110,337	106,788	10,020	9,820	10,020
<i>RDA - Loss on Sale</i>	-	-	-	-	-	-
<i>Debt Service</i>	3,760,522	3,751,486	3,757,298	3,799,700	3,799,700	3,788,026
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	9	5	5	5	5	6
Total Expenditures	3,873,798	3,863,482	3,865,765	3,811,463	3,811,179	3,799,877
Transfers Out						
<i>Transfer to Capital Projects</i>	-	-	-	-	-	-
<i>Transfer to General Funds</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	3,873,798	3,863,482	3,865,765	3,811,463	3,811,179	3,799,877
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>	1,876,532	1,911,550	1,913,861	2,018,767	2,116,803	2,116,852
Total Ending Fund Balance	3,840,189	3,875,210	3,881,357	3,982,094	4,080,130	4,080,179
TOTAL USE OF FUNDS	\$ 7,713,987	\$ 7,738,692	\$ 7,747,122	\$ 7,793,557	\$ 7,891,309	\$ 7,880,056

SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY

SUCCESSOR AGENCY TO THE LOS GATOS RDA PROGRAM STAFFING

Full Time Equivalent (FTE)

	2018/19	2019/20	2020/21	2020/21	2022/23
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Adopted
Accountant/Finance Analyst	0.01	0.01	0.01	0.01	0.01
Total SA FTEs	0.01	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 2022/23 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.

SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY
Debt Service

The first agreement lease 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 \$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

<u>Fiscal Year</u>	<u>Principal Maturing August 1st</u>	<u>Interest Due August 1st</u>	<u>Interest Due February 1st</u>	<u>Total Debt Service</u>	<u>Principal Balance</u>
<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 2002 issue. 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 2022/23

Assessed Secured Property Valuation for FY 2022/23		\$ 15,254,242,604
Debt Limitation (15% of assessed value)		15%
Bonded Debt Limit		\$ 2,288,136,391
Outstanding Bonded Debt at 6/30/2022		
2002 Certificates of Participation	5,280,000	
2010 Certificates of Participation	7,505,000	
TOTAL Outstanding Debt	\$ 12,785,000	
LESS Debt not subject to limit:		
Special Assessment Bonds	-	
Special Revenue Bonds	-	
Certificate of Participation Debt	12,785,000	
Amounts held in Sinking Funds	-	
TOTAL Debt not subject to limit:	\$ 12,785,000	
Amount of Debt Subject to Limit:	\$ -	\$ -
LEGAL DEBT MARGIN		\$ 2,288,136,391



Reference Materials

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ADA Upgrade Public Restrooms – Adult Recreation Building	411-821-2601
Adult Recreation Center – Floor Repair	411-821-2206
Annual Street Restriping	411-811-9902

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CAPITAL PROJECT FUNDS CONTINUED

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ADA Upgrade for Public Restrooms – Rec Building	411-821-2601
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Battery Power Supply – Library	411-821-2505
Bicycle & Pedestrian Improvements	411-813-0231
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Building Replacement at Corporation Yard	411-821-2302
Charter Oaks Trail Repair	411-832-4503
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Bicycle & Pedestrian Improvements	421-813-0231
Charter Oaks Trail Repair	421-832-4503
Curb, Gutter & Sidewalk Maintenance	421-813-9921
East Main Street Crosswalk Improvements	421-812-0131
Guardrail Replacement Projects	421-812-0120
Highway 17 Bicycle & Pedestrian Bridge - Design	421-818-0803
Kennedy Sidewalk between LGB and Englewood	421-813-0241
Local Road Safety Plan	421-818-0803
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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.

Amortization - A gradual elimination of an asset or liability, such as a bond premium, over a specified period of time.

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.

Arbitrage - A reinvestment of the proceeds of tax-exempt securities in materially higher-yielding taxable securities.

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.

GLOSSARY

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.

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.

GLOSSARY

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 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).

GLOSSARY

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.

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.

GLOSSARY

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.

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.

GLOSSARY

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.

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.

GLOSSARY

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 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.

Permanent Funds – Governmental fund type used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting governments' programs (for the benefit of the government or its citizenry).

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.

GLOSSARY

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.

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.

GLOSSARY

Sales Tax - 1% is returned to the Town by the State Board of Equalization on a monthly direct deposit basis.

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, expendable 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
ARPA	American Rescue Plan Act
ARS	Automated Reporting System
BMP	Below Market Price (Housing)
CAFR	Comprehensive Annual Financial Report
CDBG	Community Development Block Grant
CEPPT	California Employers' Pension Prefunding Trust
CEQA	California Environmental Quality Act
CERBT	California Employers' Retiree Benefit Trust
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
HHW	Household Hazardous Waste
HUD	Housing & Urban Development
HVAC	Heating / Ventilation & Air Conditioning

ACRONYMS

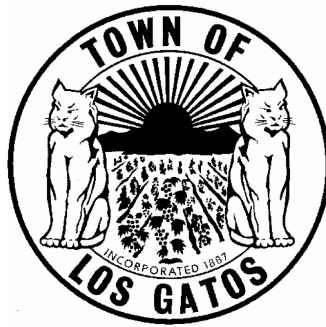
IT	Information Technology
JPA	Joint Powers Authority
LAIF	Local Agency Investment Fund
LAWCX	Local Agency Workers Compensation Excess (JPA)
LLD	Landscaping & Lighting District
LT	Long-Term (as in Long-Term Notes Receivable)
MIS	Management Information Systems
MOU	Memorandum of Understanding
MVLF	Motor 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
PEMHCA	Public Employees' Medical & Hospital Care Act
PEPRA	Public Employees' Pension Reform Act
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
UAAL	Unfunded Actuarial Accrued Liability
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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