

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.

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General Fund Revenues and Expenditures

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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
<i>Operating Funds</i>					
<i>Governmental Funds</i>					
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%
<i>Proprietary Funds - Internal Service Funds</i>					
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%
<i>Capital Funds</i>					
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%
<i>Successor Agency to the Los Gatos RDA Fund</i>					
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

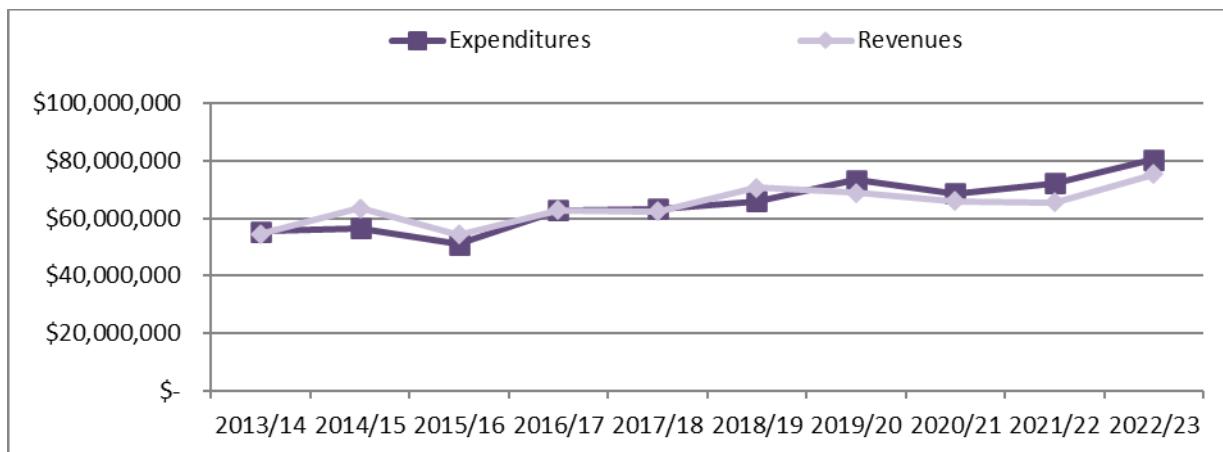
This Total Budgeted Fund Activity Summary schedule groups the Town's funds into three categories based on fund purpose:

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.

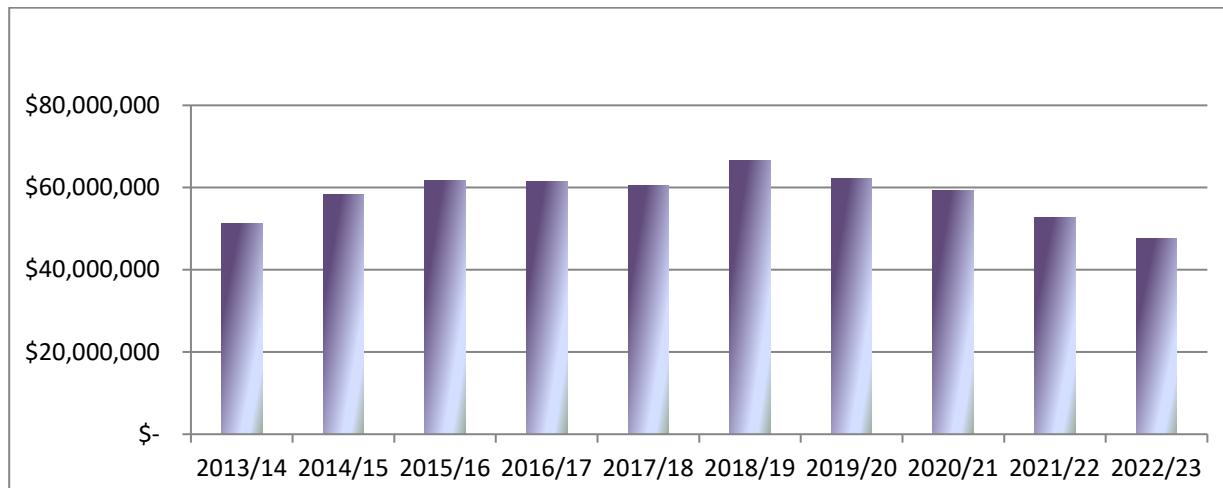
Fiduciary Funds - These funds include Trust funds and are held in a fiduciary capacity, with little variation in activity. RDA Successor Agency Private Purpose Trust Fund is established to account for the assets and liabilities transferred from the dissolution of the Town's former Redevelopment Agency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

Year End	Reference	Revenues & Transfers In	Expenditures & Transfers Out	Designated Fund Balance
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 reinstated 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 Srvc 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	2019/20	2020/21	2021/22	2022/23
	Actuals	Actuals	Actuals	Estimated	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	200,911	1,220,000	1,304,696
Town Services	345,280	- -	- -	- -	- -
Internal Srvc 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 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	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 Srvc 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	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	- -	- -	- -	- -	- -
Licenses & Permits	- -	- -	- -	- -	- -
Intergovernmental	1,945,763	1,949,284	1,946,787	2,006,602	1,902,713
Town Services	- -	- -	- -	- -	- -
Internal Srvc 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 Srvc 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

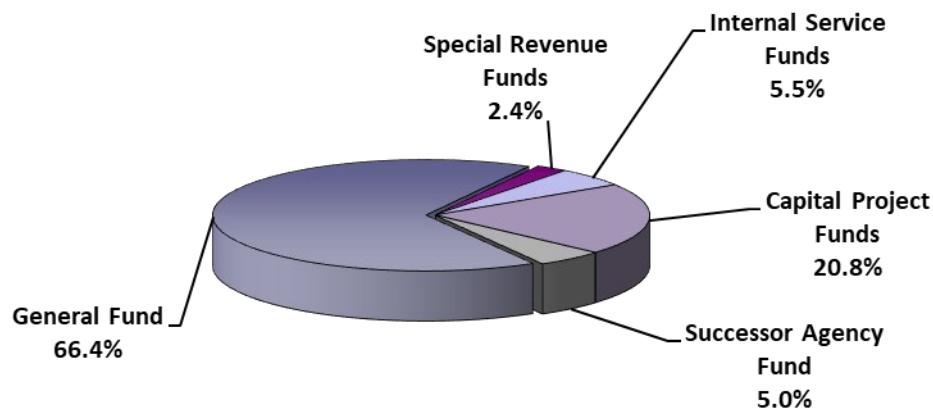
By FUND

(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%
<i>Successor Agency to the Los Gatos RDA Fund</i>								
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

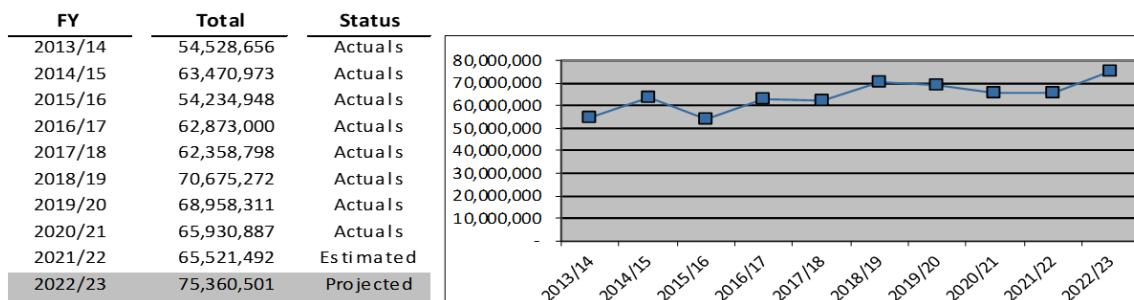
BY FUND



	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)



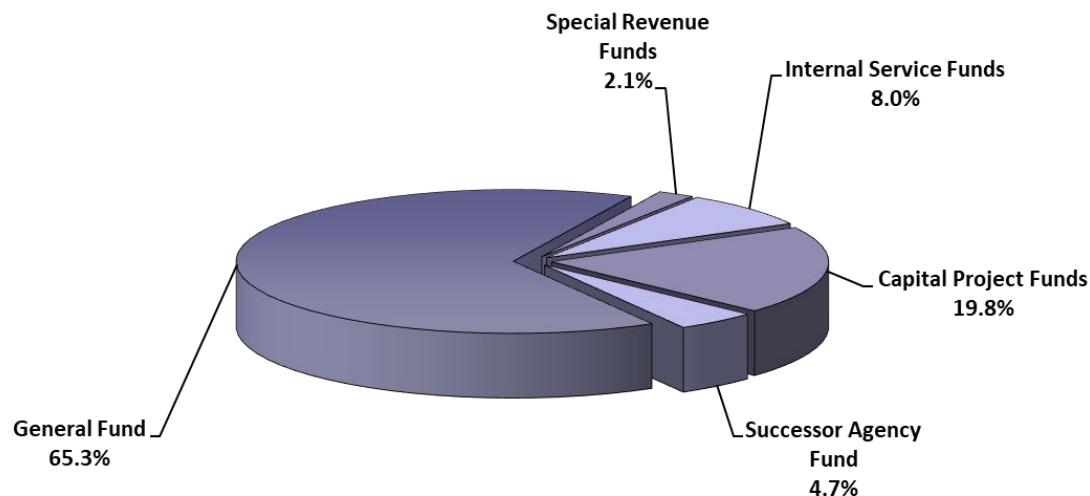
TOTAL TOWN EXPENDITURES

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 McClelland 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

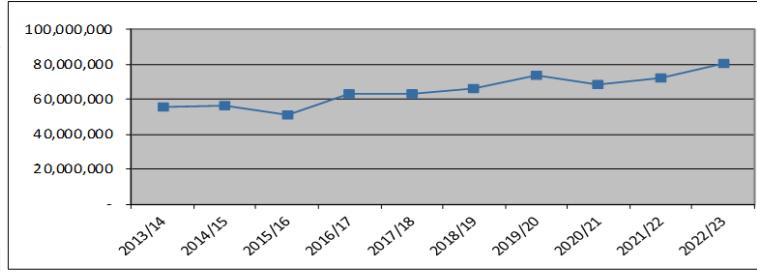


	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adjusted	2021/22 Estimated	2022/23 Adopted	% of Total
General Fund	\$ 46,267,156	\$ 54,890,314	\$ 53,732,226	\$ 49,919,818	\$ 48,752,452	\$ 52,644,910	65.3%
Special Revenue Funds	750,503	304,956	445,077	1,635,198	1,517,215	1,717,424	2.1%
Internal 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)

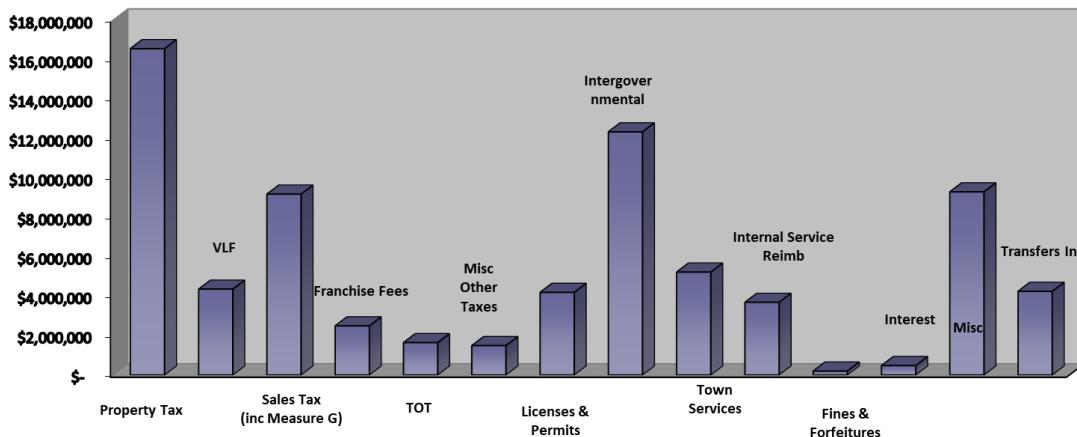
FY	Total	Status
2013/14	\$ 55,545,002	Actuals
2014/15	\$ 56,593,416	Actuals
2015/16	\$ 50,881,063	Actuals
2016/17	\$ 62,912,316	Actuals
2017/18	\$ 63,386,198	Actuals
2018/19	\$ 65,949,701	Actuals
2019/20	\$ 73,327,492	Actuals
2020/21	\$ 68,699,265	Actuals
2021/22	\$ 72,127,873	Estimated
2022/23	\$ 80,570,995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

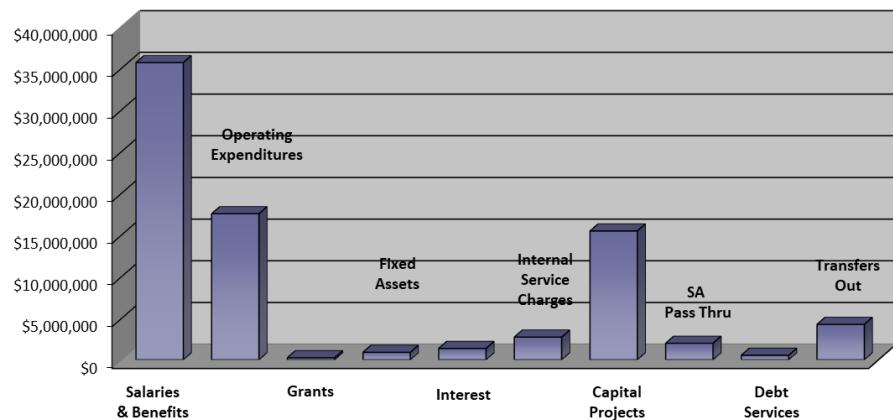
Transient Occupancy Tax – Transient Occupancy Tax (TOT) is expected to increase by 17.3% from FY 2021/22 adjusted budget. The Town's TOT revenue has historically been primarily driven by business travel. During the pandemic, TOT experienced the most significant percentage decline relative to historical 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.

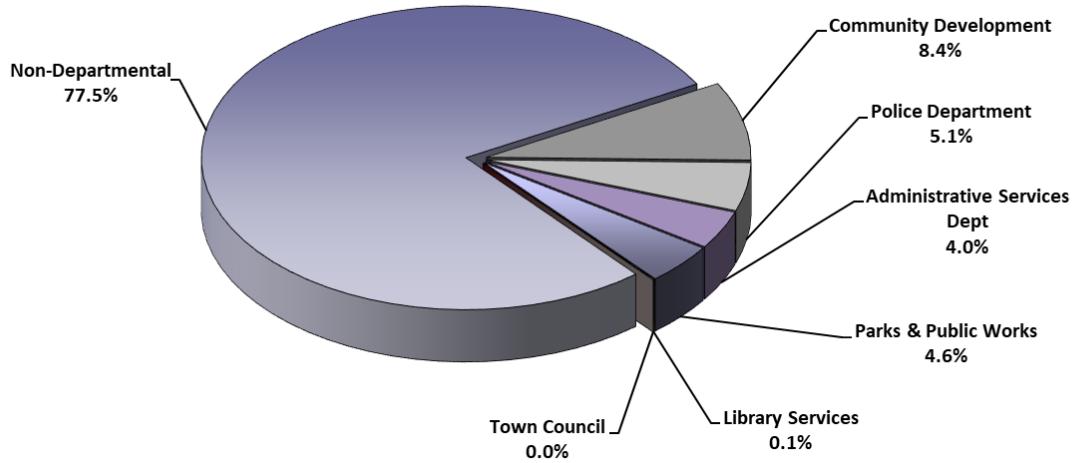
Internal Service Charges – These expenditures represent the service program costs charged back to the operational programs for Liability Insurance, Information Technology, Vehicle Replacement, and Building Maintenance services. The FY 2022/23 budget reflects a slight decrease in the Internal Service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



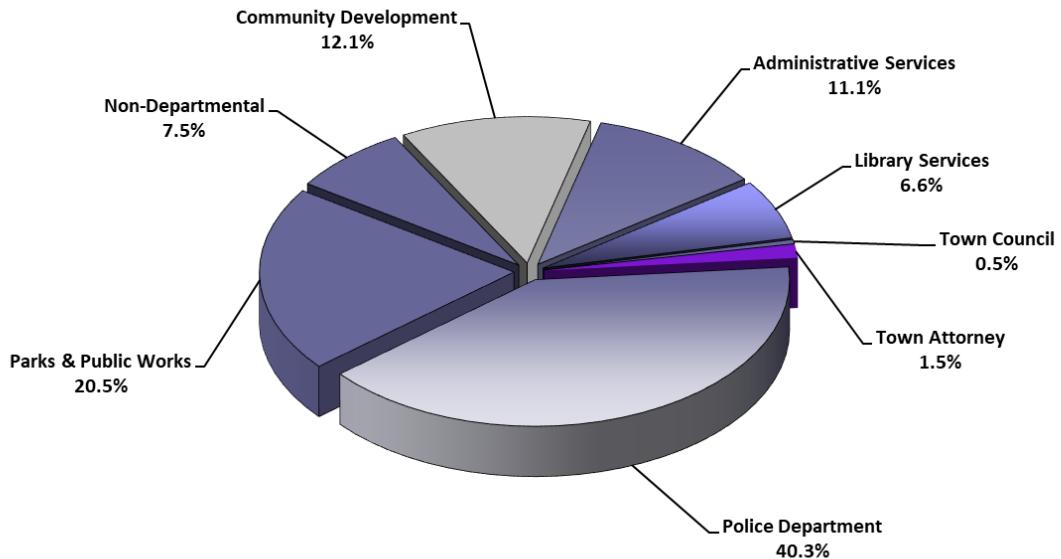
FY 2022/23 Departmental Revenues

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



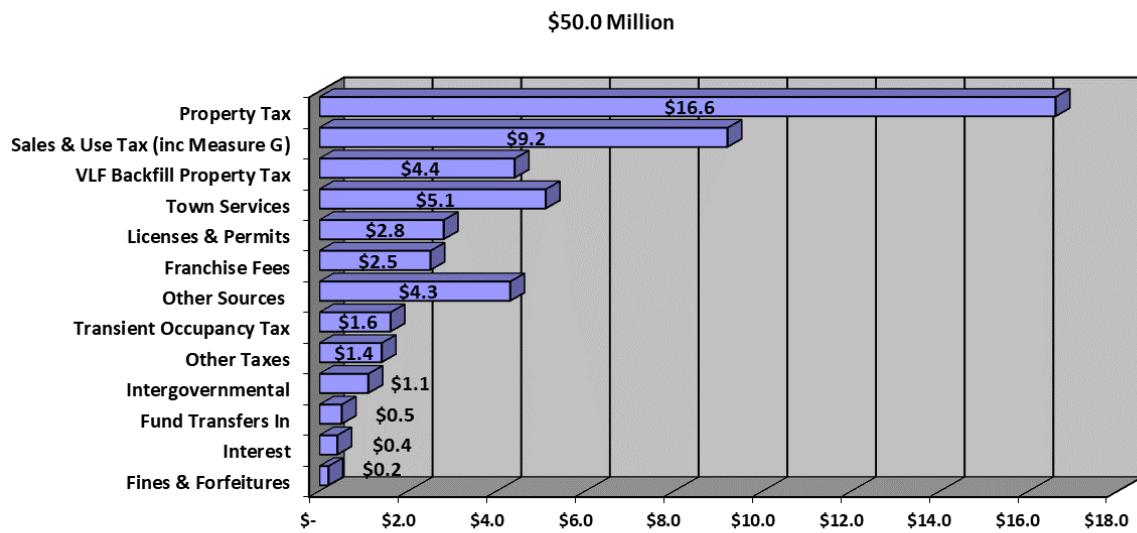
FY 2022/23 Departmental Expenditures

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.

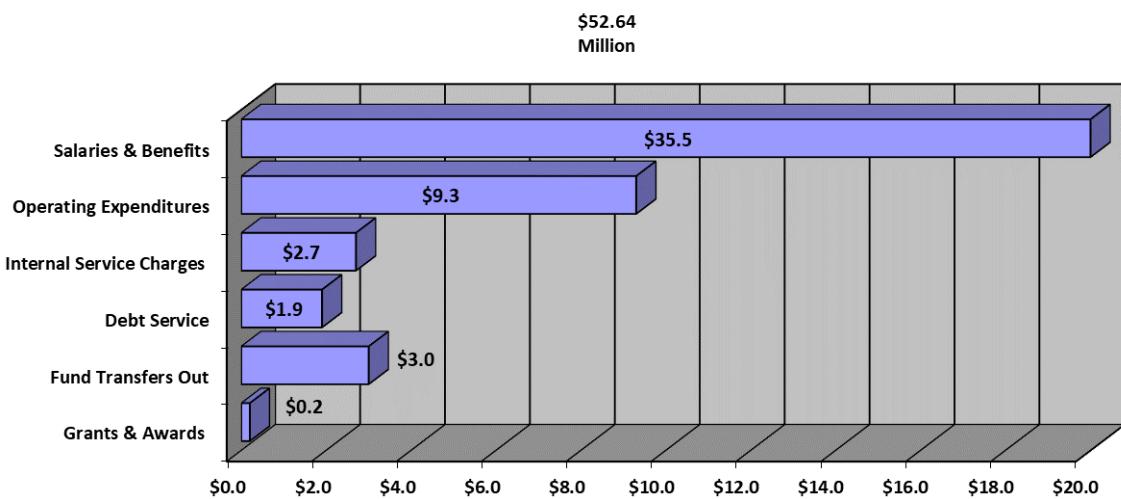
Transient Occupancy Tax – Transient Occupancy Tax (TOT) is expected to increase by 17.3% from FY 2021/22 adjusted budget. The Town’s TOT revenue has historically been primarily driven by business travel. During the pandemic, TOT experienced the most significant percentage decline relative to historical 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.

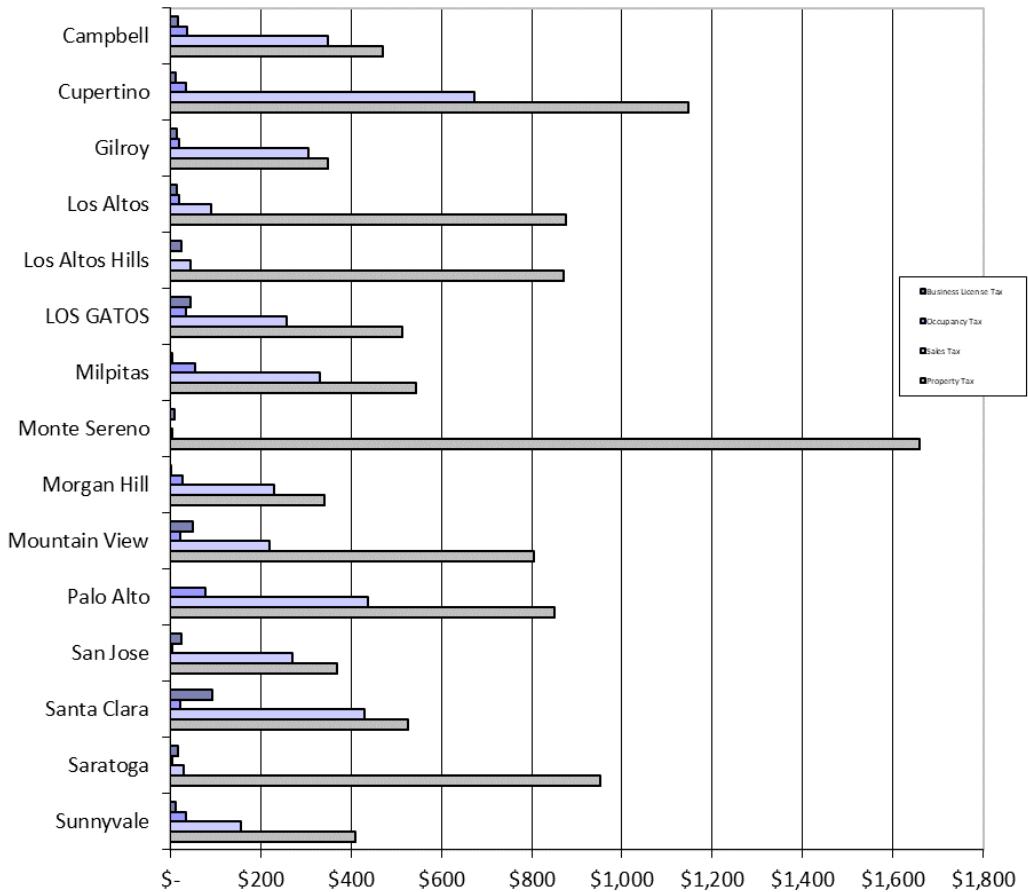
GENERAL FUND EXPENDITURES BY CATEGORY

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)



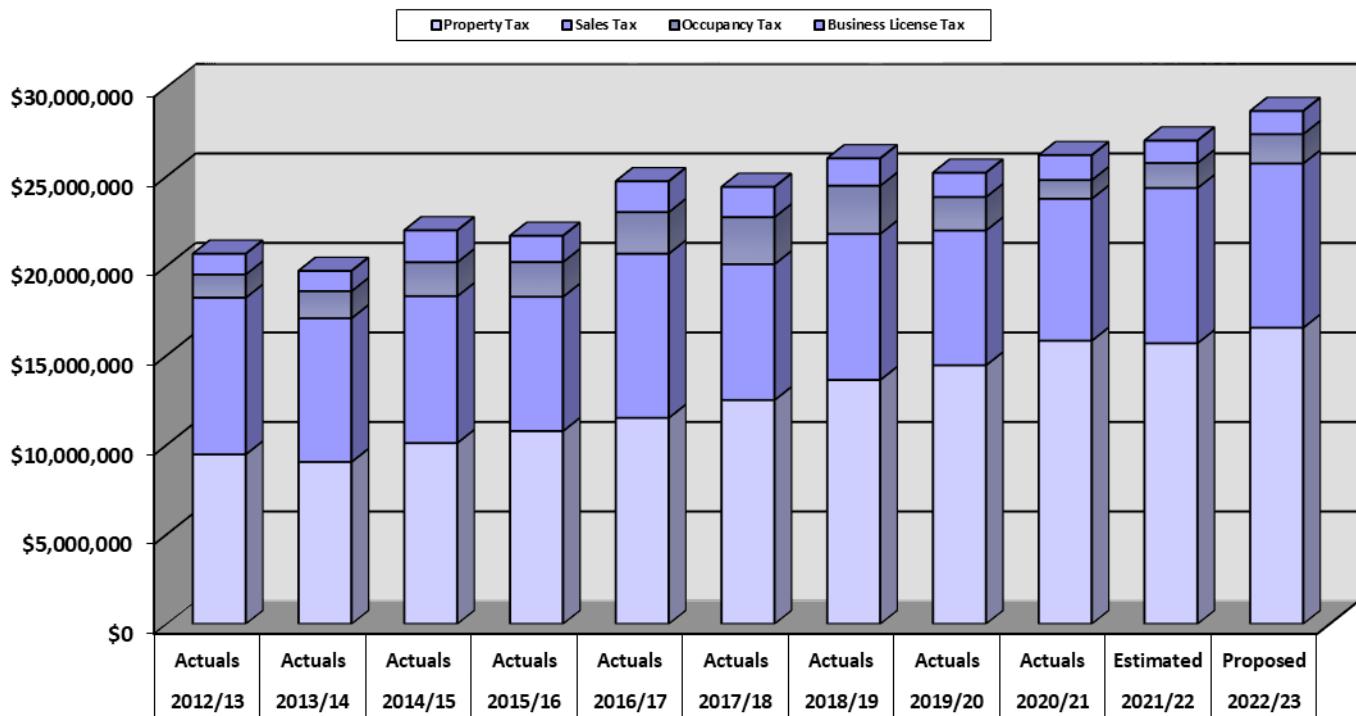
Actual Tax Revenue Amounts and Per Capita as of June 30, 2021

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

		FY 2021/22 ACTIONS		ADOPTED FY 2022/23 ACTIONS	
		Actual General Fund Balance June 30, 2021	\$ 5,460,485	Estimated General Fund Balance June 30, 2022	\$ 5,991,566
Additional Capital Projects			\$ 300,000	\$ 410,000	\$ 410,553
Additional Capital Projects per 6/1/2021 Budget Adoption					
Regular Payment to IRS 115 Pension Trust (CEPPT)	390,000				
Pension/OPEB Reserve to IRS 115 Pension Trust (CEPPT)	300,000				
FY 2021/22 Estimated to be Allocated					
Reserve 25% of FY 2021/22 GF Operating Expenditure <i>(per General Fund Reserve Policy)</i>	531,081	531,081			
To Pension OPEB Reserve <i>(per General Fund Reserve Policy)</i>			300,000		
Capital/Special Projects Reserve <i>(per General Fund Reserve Policy)</i>				329,258	
Estimated General Fund Balance June 30, 2022	\$ 690,000	\$ 5,991,566	\$ 300,000	\$ 410,000	\$ 410,553
Additional Capital Projects per Proposed Budget					
Regular Payment to IRS 115 Pension Trust (CEPPT)	390,000				
FY 2022/23 Estimated to be Allocated					
FY 2022/23 One-time Uses <i>Measure G Residual</i>					
FY 2022/23 One-time Uses <i>Replace Lost Revenue</i>					
Estimated General Fund Balance June 30, 2023	\$ 1,080,000	\$ 5,991,566	\$ 300,000	\$ 410,000	\$ 140,553
Market Fluctuations					
Carryforward Encumbrances					
Compensated Absences					
Measure G District Sales Tax					
Surplus Property Reserve					
Rehab loan (Non-Spendable)					
Estimated Available to be Appropriated					
Total GF Balance					

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

Fund Description	Estimated		Adopted	Budget
	2021/22	2021/22		
	Transfers In	Transfers Out	2022/23	2022/23
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

	7/1/22 Estimated Fund Balance	Fiscal Year 2022/23 Proposed Budget						6/30/23 Estimated Fund Balance					
		Plus		Less		Transfers Out	Use of Reserves						
		Revenues & Carryforwards	Transfers In	Expenditures & Carryforwards									
GENERAL FUND													
<i>Unreserved Fund Balances</i>													
<i>Undesignated Reserves</i>													
Available to be Appropriated		\$ -	\$ 49,466,931	\$ 538,536	\$ 49,637,932	\$ 3,006,978	\$ 2,639,443	\$ -					
<i>Restricted Fund Balances</i>													
Pension Trust	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					
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.													
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

	7/1/22 Estimated Fund Balance	Fiscal Year 2022/23 Proposed Budget						6/30/23 Estimated Fund Balance	
		Plus		Less		Use of Reserves			
		Revenues & Carryforwards	Transfers In	Expenditures & Carryforwards	Transfers Out				
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		
<i>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.</i>									
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		
<i>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.</i>									
<i>Successor Agency of the Los Gatos RDA Fund</i>									
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		

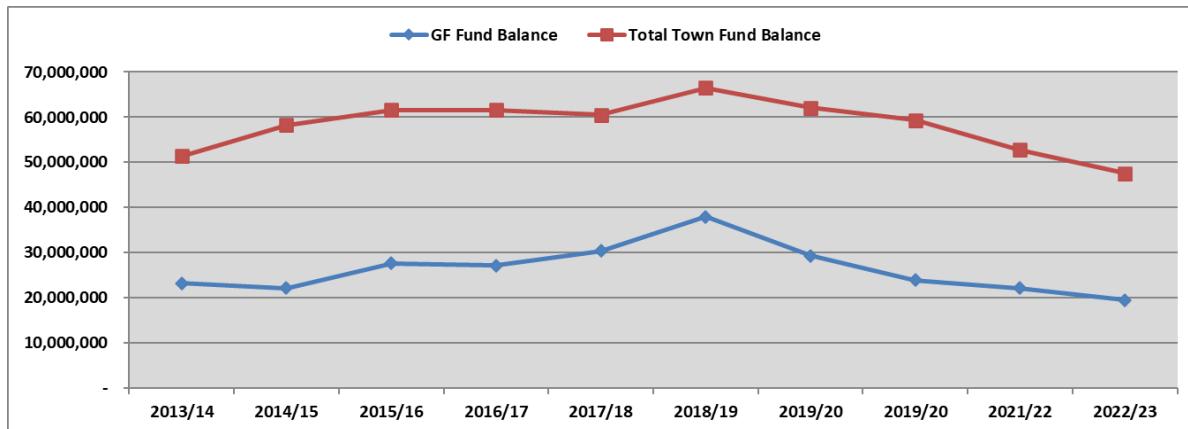
FUND BALANCE RESERVES
5 YEAR COMPARATIVE BALANCES

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
<i>INTERNAL SERVICE FUNDS</i>					
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
<i>CAPITAL PROJECTS FUNDS</i>					
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
<i>Successor Agency Trust of the Los Gatos RDA</i>					
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
<i>Town Offices</i>						
1101 Town Council	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1301 Town Attorney	1,527	2,509	33,646	- -	165	- -
<u>1302 Liability Self-Insurance Fund</u>	<u>657,152</u>	<u>378,133</u>	<u>376,963</u>	<u>423,332</u>	<u>377,923</u>	<u>429,249</u>
Total Town Offices	\$ 658,679	\$ 380,642	\$ 410,609	\$ 423,332	\$ 378,088	\$ 429,249
<i>Administrative Services Department</i>						
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	- -	- -	- -	- -	- -
<u>2501 Information Technology Systems</u>	<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 Administrative Services	\$ 44,628,146	\$ 39,569,564	\$ 39,385,968	\$ 42,700,426	\$ 40,869,286	\$ 44,384,486
<i>Community Development</i>						
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
<i>Police Department</i>						
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 Acquisitions & 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 Celles Ness Bequest Trust	736	368	279	- -	250	250
7304 Betty McLendon 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
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 Through	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	Clellies 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.

Location	NUMU (LG Museums)	Adult Recreation Center	Recreation Department
	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.

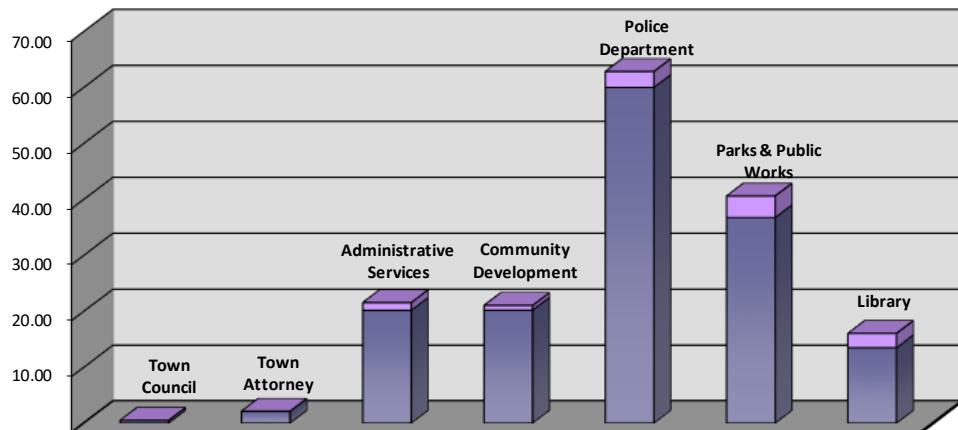
Source: Town of Los Gatos.

SUMMARY OF POSITIONS
DEPARTMENTAL STAFF BY FUND

	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Funded	2022/23 Adopted
General Fund					
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
Total General Fund Staff	147.98	148.61	148.98	149.23	152.24
Special Revenue Funds					
Parks & Public Works	1.00	1.00	1.00	1.00	1.00
Total Special Revenue Fund Staff	1.00	1.00	1.00	1.00	1.00
Successor Agency to the Los Gatos RDA					
Administrative Services	0.01	0.01	0.01	0.01	0.01
Total Redevelopment Agency Staff	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

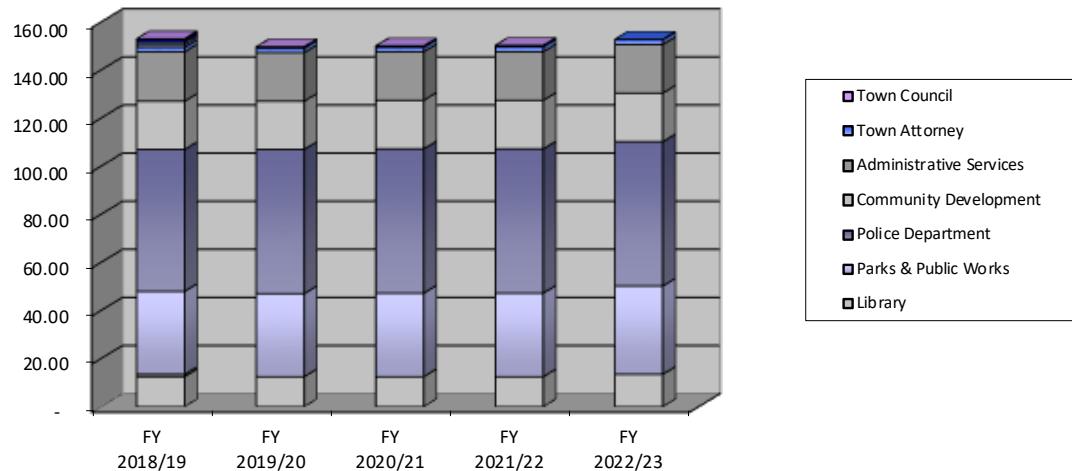
Purple Bar – Hourly Employees

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.

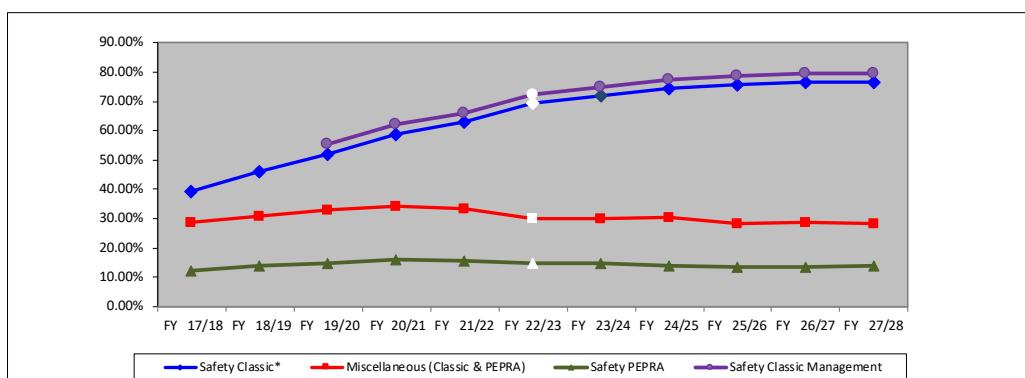
In 2016, the Town's bargaining groups approved the introduction of dependent cost sharing and a reimbursement cap to Medicare eligible employees, and in 2018 the elimination of the Town's existing retiree healthcare benefit prospectively.

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%
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	<i>CY add 1.0 FTE</i>
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	<i>CY add 1.0 FTE</i>
Executive Assistant	1.00	1.00	1.00	1.00	-	<i>CY delete 1.0 FTE</i>
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	<i>CY add 1.0 FTE</i>
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	<i>CY add 1.0 FTE</i>
Library Specialist	1.75	1.75	1.75	1.75	0.75	<i>CY delete 1.0 FTE</i>
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	<i>CY add 1.0 FTE</i>
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 <u>Funded</u>	2019/20 <u>Funded</u>	2020/21 <u>Funded</u>	2021/22 <u>Funded</u>	2022/23 <u>Adopted</u>
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

<i>Temporary Hours by Department</i>	2018/19 <u>Funded</u>	2019/20 <u>Funded</u>	2020/21 <u>Funded</u>	2021/22 <u>Funded</u>	2022/23 <u>Adopted</u>
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>