TOWN OF LOS GATOS
CALIFORNIA













OPERATING AND CAPITAL SUMMARY BUDGET

FISCAL YEAR 2023/24

COVER PHOTOS: NANCY BARRERRA, JEFF JANOFF, JULIAN, KARLAK, AND HUNTER

TOWN OF LOS GATOS

CALIFORNIA

Operating and Capital Summary Budget

for

Fiscal Year July 1, 2023 to June 30, 2024

Town Council

Maria Ristow..... Mayor
Mary Badame .....Vice Mayor
Matthew Hudes ..... Council Member
Rob Moore..... Council Member
Rob Rennie ..... Council Member

Prepared under the direction of:
Laurel Prevetti.....Town Manager
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110 E. Main Street, Los Gatos, CA 95030
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TOWN VISION STATEMENT

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

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

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TOWN OF
INCORPORATED 1887
LOS GATOS

Introduction

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Town of Los Gatos

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

April 17, 2023

Honorable Mayor and Town Council:

I am pleased to present to you a balanced Fiscal Year (FY) 2023/24 Proposed Operating Budget for the Town of Los Gatos. The Proposed Budget maintains high levels of service for the community while (1) absorbing new unfunded State and federal mandates, (2) recognizing the loss of franchise fees due to West Valley Solid Waste Management Authority's new hauler contract that goes into effect during the new fiscal year, (3) acknowledging inflationary impacts, and (4) reducing expenditures in certain line items. The Proposed Budget is balanced by closing a gap of approximately $1.6 million through the use of one-time Other Post-Employment Benefits (OPEB) Trust withdrawal resources to pay for retiree medical expenses.

On January 24, 2023, the Town Council determined the Strategic Priorities for 2023-2025, providing guidance to Town staff and Commissions on workload prioritization. Even with the budgetary challenges of the last several years, many of Council's primary goals and priorities have been programed in the FY 2023/24 Operating and Capital Budgets. Continued emphasis remains for wildfire protection, emergency preparedness, traffic calming/traffic safety for all users, parking study implementation, and prudent fiscal management among other items (see the following page).

Although the Town is recovering from the economic impacts of the COVID-19, the loss of previously projected future growth in revenues in conjunction with increasing expenses continues to illustrate persistent deficits in future years. The deficits are on the order of approximately $2.8 to $4.0 million per year with a 4% salary saving factor and can currently be resolved through a combination of expenditure controls and the use of one-time funds. The proposed Budget also reflects inflationary effects and the continued Departmental constraints after multiple years of status quo organizational budgets.

Even with areas of continued uncertainty, this Budget positions the organization well for continued excellence in service delivery to the community. The Town Council is commended for its stewardship of the Town and its careful allocation of fiscal resources.

In the event revenue growth projections do not return and/or new revenue sources are not identified, the current projected deficits may need to be addressed through service delivery reductions or service outsourcing. If this occurs, the Council will need significant input from the community to identify acceptable organizational changes and service levels.

The FY 2023/24 General Fund Budget (excluding restricted pension trust revenues) programs total revenues and reserve transfers of $56.1 million and expenditures and allocations of $56.1 million. The Budget does not include new programs and does maintain existing service with modest staffing adjustments. This Budget also provides for limited, continued strategic

investments toward important wildfire vegetation management as Federal grant funding allows and other necessary infrastructure improvements to protect our community's health and safety.



BUDGET DEVELOPMENT CONTEXT

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

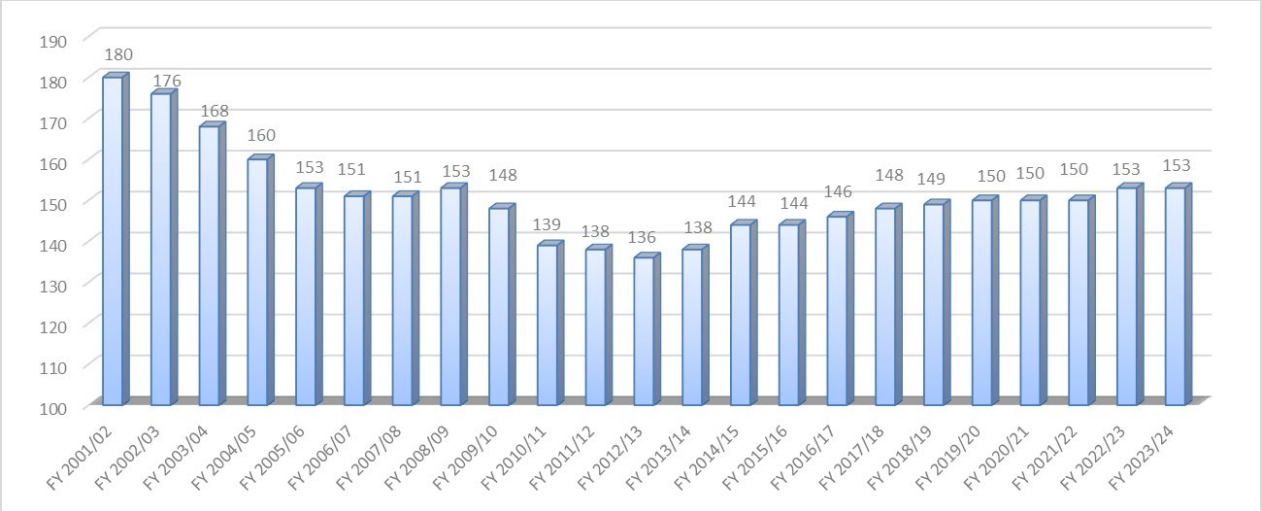
The Forecast takes a forward look at the Town's General Fund revenues and expenditures and is updated regularly. Its purpose is to identify financial trends, potential shortfalls, and other issues so the Town can proactively address them and budget accordingly. It does so by projecting out into the future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

As we consider the development of the FY 2023/24 Operating Budget and the Five-Year Forecast, it is helpful to provide context from the development and estimated results of the FY 2022/23 Operating Budget. On June 7, 2022, the Town Council, after considering the recommendations from the Finance Commission, adopted three strategies to close an estimated $3.2 M funding gap in the FY 2022/23 Operating Budget, including the use American Recovery Plan Act (ARPA) funding, Measure G Residuals, and OPEB Trust reimbursement for retiree medical expenses. On February 21, 2023, the Mid-Year Budget reflected a reduction in projected deficits and the possibility of a slight surplus of $700,00 at the close of FY 2022/23. As discussed in greater detail later, the primary drivers of this swing are attributable to increases in Educational Revenue Augmentation Funds (ERAF) property tax distributions, Transient Occupancy Tax (TOT), Franchise Fees, and continued increases in Sales Taxes.

ln addition to the improvements in revenue projections, staff is continuing to estimate a $1.6 million year-end operating expenditure savings in FY 2022/23. Savings are attributable to Departmental vacancies and lower cost structures associated with retiree replacements. In addition, vacant positions are often filled with temporary unbenefitted positions, which translate into additional benefit savings. The Town has experienced its share of the "great resignation" and has seen an increase in vacancies throughout the organization. While expenditure savings is welcome news, ultimately vacancies need to be filled to maintain the high level of services provided by the Town. Actual year end savings will be determined at the time of closing the fiscal year.

As with most municipalities, services are provided directly by employees to the Town's residents, businesses, and visitors. As a service delivery enterprise, the cost of salaries and benefits are a significant portion of the budget. The delivery of Town services is highly dependent on recruiting and retaining talent which comprises 64.4% of budgeted General Fund expenditures for FY 2023/24.

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



Even with the Town reducing its full-time employees by 15.0% to 153 FTE employees since 2001, costs per employee continue to escalate as evidenced by pension benefit costs having increased 35% in the last five years.

Mandated pension payments to CalPERS have consistently been one of the major cost drivers for the Town over the past decade with persistent unanticipated increases in pension costs. The Town's pension plans over the past several decades, like all other CalPERS participants, have experienced changes in actuarial assumptions, demographic changes, and volatile investment returns which have outweighed any positive plan experiences. The outcome of these unfavorable economic and demographic conditions is the creation of unfunded pension and Other Post-Employment Benefits (OPEB) obligations for the Town. According to the 2021 CalPERS actuarial valuations, the unfunded actuarial liability for pensions was $36.8 million and $5.5 million for OPEB as of June 30, 2021; however, the Town's actuary estimates that the pension liability for June 30, 2022 to be $62 million given that CalPERS did not realize its anticipated financial gains during FY 2021/22.

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 $22.6 million in OPEB assets from zero in 2009.

The Town has three bargaining units, including the Town Employees' Association (TEA), the American Federation of State, County and Municipal Employees (AFSCME), and the Police Officers' Association (POA). The unrepresented groups are Management and Confidential. The

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

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

FISCAL YEAR (FY) 2023/24 BUDGET BALANCING STRATEGIES

For FY 2023/24, the Proposed Operating Budget was balanced utilizing two primary budget balancing strategies. The first was direction to all Departments to develop a status quo budget. To that end, the Departments programmed existing resources by either maintaining current structures or realigning operations to remain effective. This proved exceptionally difficult as vendor, supply, and other costs rose beyond FY 2022/23 levels. In addition, Departments were provided guidance to enhance capacity where necessary through limit-dated non-benefited personnel options when possible.

The second strategy is the use of $1.6 million of the Town's Other Post-Employment Benefits resources to pay for retiree medical expenses.

The FY 2023/24 Proposed Budget endeavored to maintain essential public services while controlling operational costs in light of the Five-Year Financial Forecast, which predicts operating shortfalls in subsequent fiscal years. Providing current service levels to the community in future fiscal years will require a strong return to pre-pandemic performance of the Town's economically sensitive revenues and/or revenue enhancements as identified as one of the Town Council's Strategic Priorities.

FIVE-YEAR FINANCIAL FORECAST

Similar to prior years, the Five-Year Forecast serves as the foundation of the budget planning process. The Forecast includes updates to Town revenues and expenditures with the first year of the Forecast's revenue estimates being the most critical in the process as they ultimately define the expenditure limitations for the upcoming budget year. The revenue projections further refine the Town's planning for current and future expenditures based on future projections. The preliminary assumptions are used to forecast the Town's fiscal capacity and provide the financial framework within which the proposed Department service levels must be developed. They also serve as the basis to test the potential impacts of proposed policy and operational modifications based upon the Town Council's most recently adopted Strategic Priorities. All revenue and expenditure Forecast assumptions are summarized immediately after this letter.

The Five-Year Forecast (FY 2024/25 – 2028/29) is predicated on the estimated ending budget for FY 2022/23 and includes updates to Town revenues and expenditures. Like any forecast, the Forecast's revenue estimates for the first year is the most critical in the process as they ultimately define the expenditure limitations for the upcoming budget year.

The Town is highly dependent on three economically sensitive revenues comprising 64.8% of General Fund forecasted revenues. With that context, updated growth assumptions are provided for each revenue source, and the resultant projected revenues for the new Forecast period. The revenue assumptions provided are informed by the County Tax Assessor, the Town's sales tax consultant, and direct communication with the Town's hospitality industry. These assumptions are described in more detail later in this section.

On the expenditure side, the Forecast budgets positions at the actual rate of pay of employees including benefits as of June 30, 2023. Then, by position, salary costs are updated in accordance with the applicable Memorandum of Understanding (MOU) between the Town and its bargaining units. The current MOU for each bargaining unit included across the board market increases and cost of living adjustments (COLA) that went into effect in July 2022. Unrepresented Confidential and Temporary employees received these same increases. Management only received the COLA.

For FY 2023/24, the MOU for each bargaining include an additional COLA. This same COLA is assumed for the unrepresented, Confidential, Management, and Temporary employees. In addition, a 3% market increase is proposed for Management in contrast to an approximate 5% received by the other groups the previous year. The MOU that outline the individual agreements between the Town and each unit related to compensation, health benefits, leave time, and grievance procedures will expire on June 30, 2024.

In addition to the economic terms of the MOUs, the Forecast assumes step increases for employees in applicable positions, and merit increases for Management and Confidential employees. In addition, based on prior Council guidance, 2% cost of living wage adjustments (COLA) are included in the Forecast for each year from FY 2024/25 through FY 2028/29. In addition, the Forecast recognizes higher pension costs due to the continued annual payment for prior unfunded actuarial liability (UAL) amortization bases. This information was determined in coordination with the Town's actuarial consultant and CalPERS.

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

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

to reserve balances over the fiscal year are reported in the footnotes accompanying the financial statements in the ACFR.

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

Account	Revenue Category	FY 2022/23 Adjusted Budget	FY 2022/23 Estimates	FY 2023/24 Proposed Budget	FY 2024/25 Forecast	FY 2025/26 Forecast	FY 2026/27 Forecast	FY 2027/28 Forecast	FY 2028/29 Forecast
4100	Property Tax	$ 17.0	$ 17.2	$ 17.9	$ 17.8	$ 18.5	$ 18.9	$ 19.5	$ 20.1
4110	VLF Backfill Property Tax	4.6	4.6	4.7	4.8	5.0	5.1	5.3	5.4
4200	Sales & Use Tax	7.5	7.7	7.9	8.1	8.5	8.7	9.0	9.3
4200	Measure G District Sales Tax	1.3	1.3	1.3	1.3	1.3	1.4	1.4	1.4
4250	Franchise Fees	2.7	2.7	2.1	1.9	1.9	1.9	2.0	2.0
4251	Transient Occupancy Tax	2.0	2.3	2.4	2.5	2.6	2.6	2.6	2.7
4400	Business License Tax	2.4	2.3	2.4	2.5	2.5	2.6	2.6	2.7
4400	Licenses & Permits	2.9	2.9	2.9	2.9	3.0	3.1	3.2	3.3
4500	Intergovernmental	1.3	1.3	0.9	0.9	0.9	1.0	1.0	1.0
4600	Town Services	4.8	5.1	4.4	4.2	4.2	4.3	4.4	4.6
4700	Fines & Forfeitures	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
4800	Interest	0.4	0.7	1.0	0.9	0.9	0.9	0.9	0.9
4850	Other Sources	3.5	7.1	3.6	2.8	2.8	3.0	2.9	2.9
4900	Fund Transfers In	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
TOTAL OPERATING REVENUES & TRANSFERS*		$ 51.1	$ 55.9	$ 52.2	$ 51.3	$ 52.8	$ 54.2	$ 55.5	$ 57.0
	Capital	2.4	2.4	1.6	0.8	0.8	0.8	0.8	0.8
	Use of Pension/OPEB Reserve	0.3	0.3	-	-	-	-	-	-
	Use of OPEB Trust			1.6	-	-	-	-	-
	ARPA Replacement Revenue	1.6	-	-	-	-	-	-	-
	Vitalities	-	6.1	0.7	-	-	-	-	-
TOTAL REVENUES, TRANSFERS, AND USE OF RESERVES		$ 55.4	$ 64.7	$ 56.1	$ 52.1	$ 53.6	$ 55.0	$ 56.3	$ 57.8

Account	Expenditure Category	FY 2022/23 Adjusted Budget	FY 2022/23 Estimates	FY 2023/24 Proposed Budget	FY 2024/25 Forecast	FY 2025/26 Forecast	FY 2026/27 Forecast	FY 2027/28 Forecast	FY 2028/29 Forecast
5110	Salary	23.0	22.5	23.2	23.8	24.4	25.0	25.5	26.0
5120	CalPERS Benefits	7.7	6.8	8.2	8.6	8.9	9.6	10.2	11.1
5200	All Other Benefits	4.6	3.9	4.7	4.8	4.9	5.0	5.1	5.2
	4% Salary and Benefits Savings	-	-	-	(1.5)	(1.5)	(1.6)	(1.6)	(1.7)
6211	OPEB Pay as You Go	1.6	1.6	1.6	1.8	1.9	2.0	2.0	2.0
6000	Operating Expenditures	8.0	11.7	8.9	8.7	8.9	9.2	9.3	9.7
7200	Grants & Awards	0.5	1.2	0.7	0.6	0.3	0.2	0.2	0.3
7400	Utilities	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.7
8060	Internal Service Charges	2.7	2.6	3.4	3.6	3.7	3.9	4.1	4.2
8900	Debt Service	2.0	2.0	2.1	2.1	2.1	2.1	2.1	2.1
TOTAL OPERATING EXPENDITURES		$ 50.8	$ 53.0	$ 53.5	$ 53.0	$ 54.2	$ 56.0	$ 57.6	$ 59.6
	GASB 45 Retiree Medical Actuarial	-	-	-	-	-	-	-	-
	Additional Discretionary Payment - Pension	0.7	0.7	0.4	0.4	0.4	0.4	0.4	0.4
TOTAL OPERATING & DISCRETIONARY EXPENDITURES		$ 51.5	$ 53.7	$ 53.9	$ 53.4	$ 54.6	$ 56.4	$ 58.0	$ 60.0
	Capital Transfers Out to GFAR	2.4	2.4	1.6	1.1	1.1	1.1	1.1	1.1
	1/2 of Measure G Proceeds to Capital	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.7
	Fund	0.4	0.7	-	-	-	-	-	-
AMOUNTS AVAILABLE FOR RESERVE ALLOCATIONS									
	Recovery	-	5.7	-	-	-	-	-	-
TOTAL EXPENDITURES & RESERVE ALLOCATIONS		$ 54.9	$ 63.1	$ 56.1	$ 55.2	$ 56.4	$ 58.2	$ 59.8	$ 61.8
NET REVENUES RESERVE TRANSFERS LESS EXPENDITURES & RESERVE ALLOCATIONS FOR FINAL ALLOCATION AFTER YEAR END CLOSE		$ 0.5	$ 1.6	$ -	$ (3.1)	$ (2.8)	$ (3.2)	$ (3.5)	$ (4.0)

* Due to rounding of individual categories FY 2022/23 Estimated Total Expenditures and Reserve Allocations includes $0.1 million.
General Fund (111) Forecast does not include Pension Trust activities.

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

Account	Revenue Category	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2020/21 Actuals	FY 2021/22 Actuals
4100	Property Tax	$ 10.8	$ 11.5	$ 12.5	$ 13.6	$ 14.5	$ 15.8	$ 16.9
4110	VLF Backfill Property Tax	3.0	3.2	3.4	3.7	3.9	4.1	4.2
4200	Sales & Use Tax	7.5	9.2	7.6	8.0	6.5	6.8	7.2
4200	Measure G District Sales Tax	-	-	-	0.2	1.0	1.1	1.3
4250	Franchise Fees	2.3	2.4	2.5	2.5	2.5	2.5	2.8
4251	Transient Occupancy Tax	1.9	2.3	2.6	2.7	1.9	1.0	1.9
4400	Business License Tax	1.5	1.7	1.7	1.5	1.4	1.4	1.5
4400	Licenses & Permits	3.5	3.0	3.0	3.1	2.7	3.1	4.8
4500	Intergovernmental	1.0	0.9	1.0	0.9	1.0	1.6	1.3
4600	Town Services	4.0	3.3	4.4	4.4	4.4	4.6	5.3
4700	Fines & Forfeitures	0.9	0.9	0.7	0.5	0.3	0.1	0.3
4800	Interest	0.6	0.2	0.2	1.4	2.2	0.1	(1.4)
4850	Other Sources	2.3	4.3	3.2	4.6	2.7	3.7	7.0
4900	Fund Transfers In	2.4	0.3	0.8	1.6	0.6	0.7	0.6
TOTAL OPERATING REVENUES & TRANSFERS*		$ 41.7	$ 43.2	$ 43.6	$ 48.7	$ 45.6	$ 46.6	$ 53.7
	Use of Capital/Special Project Reserve - Capital	-	1.4	3.2	2.8	8.0	3.4	0.6
	Use of Pension/OPEB Reserve	-	-	-	-	-	4.5	0.3
	Use of Property Surplus Reserve	-	-	-	-	-	-	1.2
	Use of Almond Grove Reserve	-	5.9	-	-	-	-	-
	Use of Measure G Reserve	-	-	-	-	-	-	1.1
TOTAL REVENUES, TRANSFERS, AND USE OF RESERVES		$ 41.7	$ 50.5	$ 46.8	$ 51.5	$ 53.6	$ 54.5	$ 56.9

Account	Expenditure Category	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2020/21 Actuals	2021/22 Actuals
5110	Salary	14.5	14.8	16.0	17.9	19.3	20.2	20.0
5120	CalPERS Benefits	3.6	3.9	4.3	5.3	6.1	6.4	6.5
5200	All Other Benefits	3.2	3.2	3.3	3.6	3.6	3.7	3.7
6211	OPEB Pay as You Go	0.9	1.0	1.1	1.2	1.2	1.3	1.4
6000	Operating Expenditures	4.7	4.8	5.0	5.6	5.1	5.7	10.4
7200	Grants & Awards	0.7	0.2	0.2	0.3	0.3	0.3	1.8
7400	Utilities	0.4	0.6	0.5	0.5	0.5	0.6	0.6
8060	Internal Service Charges	3.5	3.6	3.9	2.5	2.2	2.3	2.6
8900	Debt Service	1.9	1.9	1.9	1.9	1.9	2.0	2.1
TOTAL OPERATING EXPENDITURES		$ 33.6	$ 34.0	$ 36.2	$ 38.8	$ 40.2	$ 42.4	$ 49.0
	GASB 45 Retiree Medical Actuarial	1.5	2.6	1.6	1.1	1.1	0.6	0.1
	Additional Discretionary Payment - Pension	-	-	-	-	-	5.6	0.7
TOTAL OPERATING & DISCRETIONARY EXPENDITURES		$ 35.1	$ 36.6	$ 37.8	$ 39.9	$ 41.3	$ 48.6	$ 49.8
	Capital Transfers Out to GFAR	0.5	7.3	2.6	2.3	7.0	3.4	1.2
	Operating Tranfer Out	0.1	-	0.6	0.5	1.1	-	-
	1/2 of Measure G Proceeds to Capital							0.7
	Fixed Assets/ Equipment	0.4	-	-	-	0.1	-	-
	Pension/OPEB Payment to Pension Trust Fund	-	-	1.2	3.6	0.4	-	-
AMOUNTS AVAILABLE FOR RESERVE ALLOCATIONS		$ 5.6	$ 6.6	$ 4.6	$ 5.2	$ 3.7	$ 2.5	$ 5.9
	Allocate to Almond Grove Reserve	2.5	-	-	-	-	-	-
	Allocate to Budget Stabilization/Catastrophic	-	-	-	-	-	0.1	1.1
	Allocate to Compensated Absences	-	-	-	-	-	0.1	(0.2)
	Allocate to Market Fluctuations Reserve	0.3	0.3	-	-	1.2	-	(0.4)
	Allocate to CalPERS/Pension Reserve	-	1.8	-	-	-	0.3	0.3
	Allocate to Measure G Reserve	-	-	-	-	1.2	-	-
	Allocate to VM & Stores Surplus Reserve	-	-	-	1.0	-	-	-
	Allocate to Authorized Carryforwards	0.1	-	-	-	-	-	0.03
	Sales Tax Prior - Year Adjusments	-	0.4	-	-	-	-	-
	Allocate to Property Surplus Reserve	-	-	-	1.9	-	1.2	-
TOTAL EXPENDITURES & RESERVE ALLOCATIONS		$ 39.0	$ 46.4	$ 42.2	$ 49.2	$ 52.2	$ 53.7	$ 52.2
NET REVENUES RESERVE TRANSFERS LESS EXPENDITURES & RESERVE ALLOCATIONS FOR FINAL ALLOCATION AFTER YEAR END CLOSE		$ 2.7	$ 4.1	$ 4.6	$ 2.3	$ 1.4	$ 0.8	$ 4.7

* Due to rounding of individual categories Total Expenditures and Reserve Allocations may include $0.1 million.

STRATEGIC PRIORITIES AND CORE GOALS

In January 2023, the Town Council determined the Strategic Priorities for 2023-2025, providing guidance to Town staff on workload prioritization. In 2022, the Town Council reaffirmed and redefined its Core Goals based on the adopted 2040 General Plan, including: Community Character, Good Governance, Fiscal Stability, Quality Public Infrastructure, Civic Enrichment, and Public Safety.

Several Strategic Priorities are not one-time projects, but rather are ongoing commitments due to their critical significance to ensure the Town's fiscal and infrastructure stability and the safety and quality of life for Los Gatos residents, businesses, and visitors. These commitments include continuing to address the Town's fiscal challenges; implementing the Comprehensive Parking Study; and fostering emergency preparedness and community wildfire resilience.

Other Strategic Priorities will position the Town well for its future while celebrating the special aspects of Los Gatos. Such Priorities include continuing to enhance economic and community vitality; focusing on traffic safety for all users; and investing in key wildfire mitigation.

UNDERSTANDING THE BUDGET DOCUMENT

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

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

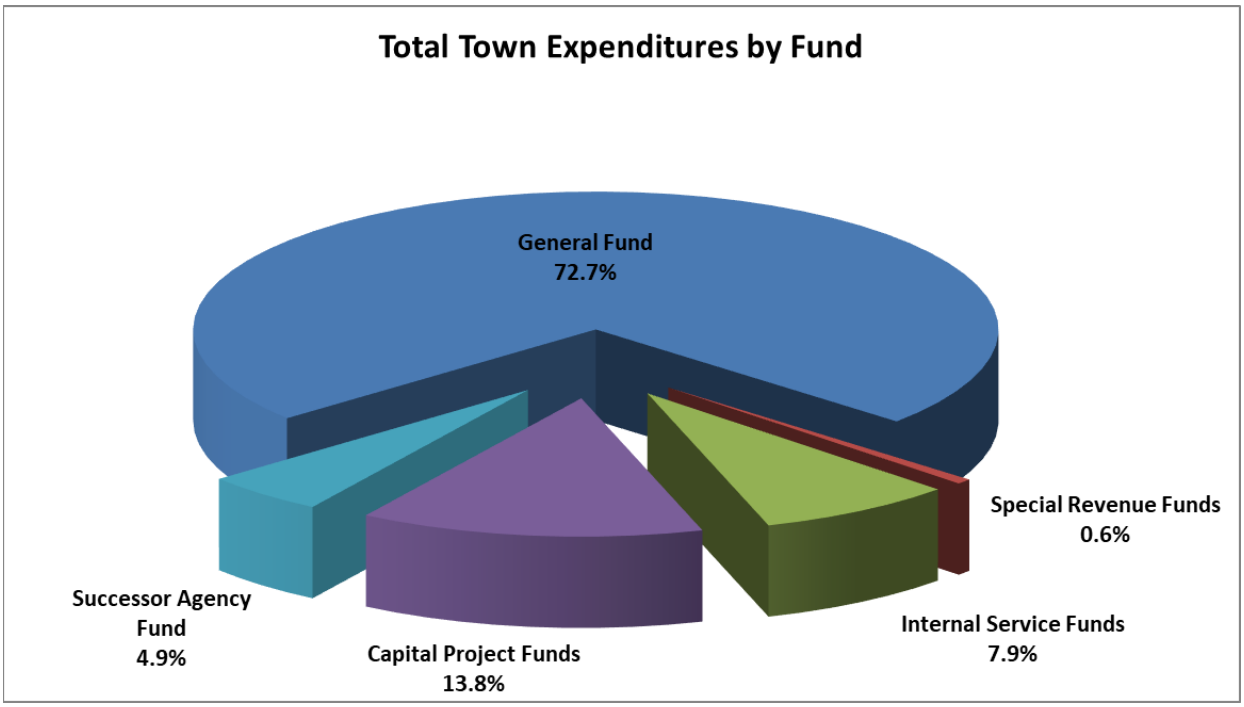
FY 2023/24 FISCAL OUTLOOK

Overview

The workload and budgetary prioritization process considered the Town's current economic reality and long-term fiscal picture, as well as high priority service delivery needs. Key principles include:

- Develop and recommend a balanced budget that maintains service levels;
- Position for multi-year return to pre pandemic revenue levels;
- Continue to make progress on Strategic Priorities identified by the Town Council;
- Identify opportunities to enhance service delivery through new revenue sources, technology, and open government; and
- Prepare for addressing future deficits in the event new revenue sources do not materialize.

As shown in the chart below, the Proposed Budget is largely funded by the General Fund (72.7%).



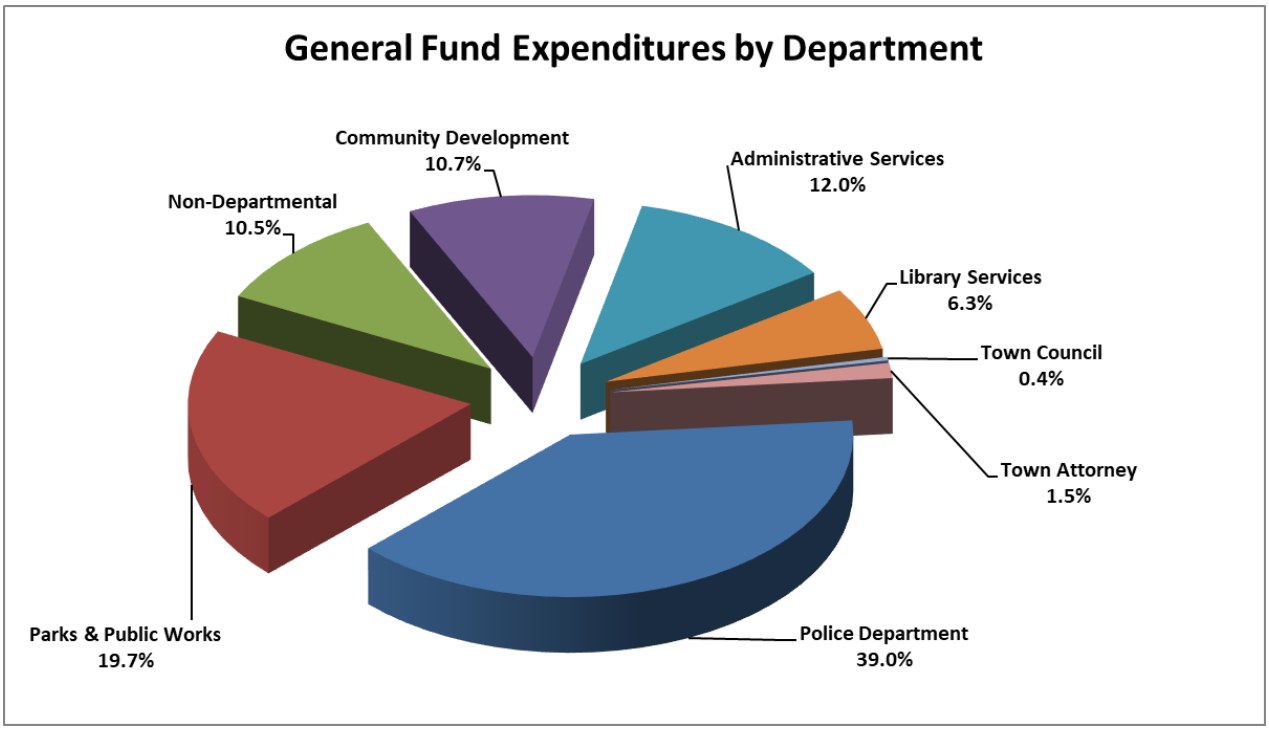
For Council's consideration, staff is recommending the following allocations:

- $1,608,226 withdrawal from Other Post-Employment Benefits (OPEB) Trust for retiree medical expenses to balance the budget.
- $746,000 from the Council Priorities – Economic Reserve created by recognizing American Recovery Act (ARPA) proceeds for lost revenue to provide a one-time 84% rent forgiveness to two non-profit organizations who are tenants of Town buildings and fund other Council priorities. The unallocated funds are placed in the Council Priorities-Economic Recovery Reserve.
- $1,615,000 from the General Fund Capital/Special Projects Reserve to fund to the proposed Capital Improvement Program.

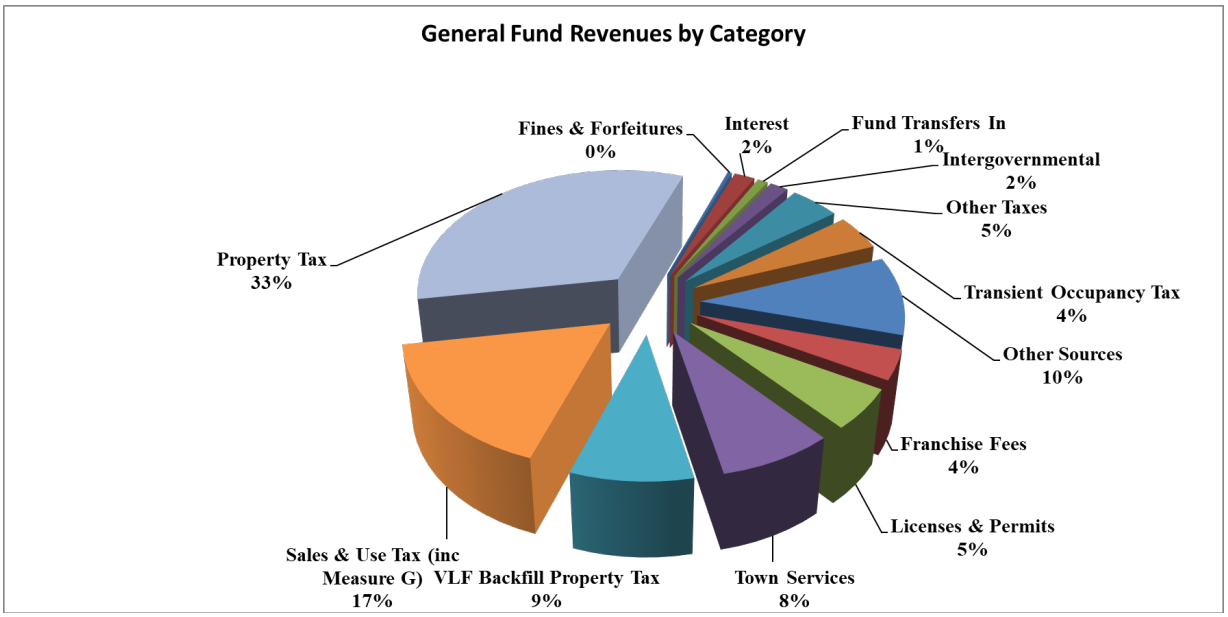
If the Town Council does not agree with these proposed recommendations, the Council should provide specific guidance as to the allocation of these funds.

General Fund

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



General Fund revenue is estimated at $49.2 million in the FY 2023/24 Proposed Budget, excluding debt service, OPEB withdrawal, ARPA related pass-through activities, restricted pension trust activity, and fund transfers. This is an increase of $3.5 million (7.7%) when compared to the FY 2022/23 estimated revenue excluding the above-mentioned items. Property Taxes, Vehicle License Fee (VLF) backfill property tax, Sales Tax, Transient Occupancy Tax, and Business License Tax are projected to increase., anticipated increases in Property Tax are primarily attributable to more favorable projections of Educational Revenue Augmentation Fund (ERAF) distributions and additional estimated North 40 housing sales. Revenues from Licenses and Permits are expected to increase.



The Town's General Fund operating budget expenditures for FY 2023/24 are projected to be $56.1million which is a $3.6 million increase compared to the prior year's Adjusted Budget (excluding fund transfers, Council approved ARPA pass throughs, and rent forgiveness, Pension Trust Fund activities, and debt service). The increase in FY 2023/24 is primarily attributable to merit step increases, employee promotions, cost of living increases in the approved Memoranda of Understanding with the Town's bargaining units, and increased pension costs. Other components of the expenditures include grants and awards, internal service charges, operating expenses for supplies and services, and debt service. The delivery of Town services is highly dependent on a talented and skilled labor, which makes up 64.4% of budgeted General Fund expenditures for FY 2023/24.

Internal Service Funds

Internal Service Funds are used for areas where goods or services are provided to other Town Departments. Internal Service Funds include funds and programs for Information Technology, Liability Insurance, Workers' Compensation, Facilities Maintenance, and Equipment Replacement. The total proposed Budget for Internal Service Funds for FY 2023/24 is $6.1 million.

Capital Projects Fund

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

The proposed FY 2023/24 Town-wide expenditures from the Capital Projects Fund is $10.7 million (excluding transfers out) which is inclusive of $5.9 million in General Fund Appropriated Reserve for the Town's CIP program.

Special Revenue Funds

Special Revenue Funds are a fund type used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes including four trusts established to provide for the servicing of donations and bequests to the Town's Library program. Special Revenue Funds account for 0.6% of the Town-wide expenditure budget. The Town's largest Special Revenue Funds are the Library Trust Funds and the Urban Run-Off Source Fund. The total proposed Budget for Special Revenue Funds for FY 2023/24 is $0.5 million.

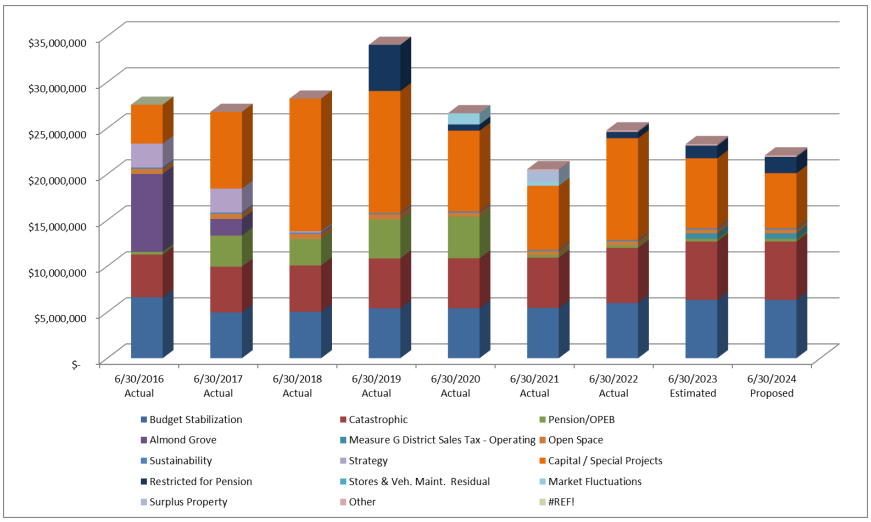
Successor Agency to the Los Gatos RDA Funds

The Successor Agency to the Los Gatos Redevelopment Agency (RDA) is a private purpose trust fund that accounts for the assets, liabilities, and operations transferred from the dissolution of the Town's RDA. These funds include Certificates of Participation issued to finance several capital improvement projects throughout the Town and repayment of obligations incurred by the Town's RDA prior to its dissolution. The FY 2023/24 budgeted expenditures in this trust fund total $3.8 million.

GENERAL FUND RESERVES

The total General Fund Reserves are forecasted at a balance of approximately $24.5 million as of June 30, 2024. Additional information on the estimated FY 2022/23 and FY 2023/24 year-end General Fund balances can be found in the Financial Summaries section. As indicated in the chart on the next page, the General Fund reserves are decreasing from prior years due primarily to previous programmed payments toward the Town's unfunded pension/OPEB obligations and transfers to the CIP program. Transfers to the CIP program over the last five years include $2.4 million (FY 2018/19), $5.7 million (FY 2019/20), $3.4 million (FY 2020/21), $2.8 million (FY 2021/22), and $2.4 million (FY 2022/23). The proposed transfer in FY 2023/24 is $1.6 million.

Pension/OPEB transfers of note include the $4.5 million California Public Employees Retirement System (CalPERS) side-fund payoff in June 2014 and a $4.8 million additional discretionary payment (ADP) in FY 2019/20. In FY 2020/21, additional ADPs of $3.6 million and $2.1 million were transferred in July and April, respectively.



General Fund Reserve	6/30/2016 Actual	6/30/2017 Actual	6/30/2018 Actual	6/30/2019 Actual	6/30/2020 Actual	6/30/2021 Actual	6/30/2022 Actual	6/30/2023 Estimated	6/30/2024 Proposed
Restricted for:									
Pension	$ -	$ -	$ -	$ 5,015,316	$ 669,978	$ -	$ 690,000	$ 1,380,000	$ 1,770,000
Commited to:									
Budget Stabilization	$ 6,621,808	$ 4,969,847	$ 5,037,243	$ 5,419,222	$ 5,427,603	$ 5,460,485	$ 5,991,566	$ 6,337,731	$ 6,337,731
Catastrophic	4,637,406	4,969,847	5,037,243	5,419,222	5,427,603	$ 5,460,485	$ 5,991,566	$ 6,337,731	$ 6,337,731
Pension/OPEB	300,000	3,388,913	2,878,913	4,232,500	4,532,500	300,000	300,000	300,000	300,000
Almond Grove	8,459,973	1,801,318	-	-	-	-	-		
Measure G District Sales Tax - Operating								590,581	590,581
Assigned to:									
Open Space	$ 562,000	$ 562,000	$ 562,000	$ 562,000	$ 410,000	$ 410,000	$ 410,000	$ 410,000	$ 410,000
Sustainability	140,553	140,553	140,553	140,553	140,553	140,553	140,553	140,553	140,553
Strategy	2,600,000	2,600,000	129,090	-	-	-	-		-
Capital / Special Projects	4,222,405	8,332,953	14,421,203	13,262,303	8,787,958	6,965,356	11,071,231	7,604,432	5,989,432
Authorized Carryforward	99,284	34,852	99,927	413,729	-	-	33,145	33,145	33,145
Compensated Absences	-	350,329	2,122,512	1,232,653	1,539,408	1,649,917	1,519,147	1,519,147	1,519,147
To Workers' Compensation	-	-	-	1,232,654	-	-	-	-	-
Measure G District Sales Tax - Op/Cap	-	-	-	-	1,181,162	1,730,490	590,581	-	-
Stores & Veh. Maint. Residual	-	-	-	1,040,375	-	-	-	-	-
Market Fluctuations	-	-	-	-	1,218,732	438,333	-	-	-
Surplus Property	-	-	-	-	-	1,200,000	-	-	-
Council Priorities - Economic Recovery	-	-	-	-	-	-	-	1,645,281	899,281
Other	-	-	-	-	-	159,000	159,000	159,000	159,000
Total General Fund Reserve	**$ 27,643,429**	**$ 27,150,612**	**$ 30,428,684**	**$ 37,970,527**	**$ 29,335,497**	**$ 23,914,619**	**$ 26,896,789**	**$ 26,457,601**	**$ 24,486,601**

Catastrophic and Budget Stabilization Reserves

Consistent with the Town's General Fund Reserve Policy and reaffirmed by Council, the Catastrophic and Budget Stabilization Reserves are to be maintained at combined minimum funding level of 25% of General Fund ongoing operating expenditures. The funding requirement is equally divided between the Catastrophic Reserve (12.5%) and the Budget Stabilization Reserve (12.5%). Fund balance in these reserves is used to fund future fluctuations in the economy due to catastrophic events and mitigating cyclical changes in locally generated revenues from temporary downturns in the local economy. Staff recommends transferring $692,330 from available prior year-end savings to meet the required 25% funding level, or $12.7 million total for FY 2023/24.

Pension/OPEB Reserve

Committed fund balance in this reserve is used to fund pension and other post-employment benefits (OPEB) unfunded obligations. This reserve is primarily used to house additional discretionary payments budgeted for future allocation to CalPERS. The Town's Pension/OPEB Oversight Committee has determined that additional discretionary payments for pension obligations will be allocated directly to CalPERS. Until they are allocated, the funds earn interest in the California Employer's Pension Prefunding Trust (CEPPT).

With Council direction according to the General Fund Reserve Policy, upon the close of the fiscal year, the CalPERS/OPEB Reserve receives $300,000 of the available year-end savings. In FY 2018/19, the Council modified the General Fund Reserve Policy to reduce the amortization period for prior pension amortization bases from 30 years to 20 years. Initial annual programming of $390,000 was established subject to final adjustment based upon updated CalPERS actuarial valuations. The prior Council Finance Committee made recommendations for the allocation methodology for use of these funds for future Town Council/Oversight Committee consideration.

Capital/Special Projects

With Council direction according to the General Fund Reserve Policy, upon the close of the fiscal year, the Capital/Special Projects Reserve receives the Town's annual revenues above operating expenditures after funding all legally restricted reserves at their required levels. Fund balance is

assigned for the acquisition and construction of capital facilities or special projects as determined by the Town Council. In FY 2023/24, the amount being allocated to the Capital Improvement Program is $1.6 million. It is anticipated the Reserve will have approximately $6.0 million as of June 30, 2024.

Compensated Absences Reserve
A reserve is maintained annually to fund 50% of all vested hours of vacation earnings. It is anticipated the reserve will have approximately $1.5 million as of June 30, 2024.

Surplus Property Reserve
A reserve established for placing the proceeds from surplus property sales until further Town Council reallocation. It is anticipated the reserve will have approximately $0.0 million as of June 30, 2024.

Measure G District Sales Tax Reserve
A reserve was established to track the receipt and the usage of the 1/8 cents District Tax funds collected by the Town. Based on prior Council direction, 50% of this revenue is dedicated to the Operating Budget and 50% to the Capital Budget directly Staff recommends that Council reclassify the Assigned Residual Measure G Operating Reserve to a Committed Residual Measure G Operating Reserve. With this reclassification, it is anticipated the reserve will have approximately $0.6 million as of June 30, 2024. Staff is recommending that the residual and current year Measure G proceeds dedicated for capital should be programmed toward the Shannon Road Repair Project. Future year Measure G proceeds dedicated for Capital Improvement Projects should be programmed toward the State Route 17 Corridor Congestion Relief Project. At the time of the budget adoption, a resolution would memorialize the project(s) that are funded by the Measure G proceeds dedicated to the Capital Improvement Program and the proceeds should be held in a committed General Fund Appropriated Reserve until it is spent on the forementioned projects.

American Rescue Plan Act (ARPA)
The ARPA proceeds are accounted in a special revenue fund and revenues are recognized as eligible expenses occurred. The Town has received its expected ARPA allotment with the final payment to the Town in July 2022. The Town Council has leveraged these federal dollars to assist local non-profits, facilitate economic recovery, and pay for needed infrastructure improvements. Staff recommends that Council establish an assign General Fund Council Priorities – Economic Recovery Reserve to track the recognized ARPA revenues per Council Priorities. Additional information on the ARPA allocation can be found in the Financial Summaries section.

Other

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

KEY BUDGET ASSUMPTIONS

Revenues

The FY 2023/24 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, OPEB Trust Withdrawal, and ARPA related pass-through activities, and fund transfers in) expected to increase by $3.5 million to $49.2 million from prior year estimated revenues excluding the above-mentioned items. Revenue projections for each category were based upon estimates provided to the Town by the Santa Clara County Assessor, the Town's sales tax consultant, and careful examination of revenue trends, patterns, and industry research.

The net increase from FY 2022/23 in overall revenues is mostly due to forecasted increases in some revenues such as property tax, sales tax, business license tax, transient occupancy tax, and license and permits combined with the anticipated decline in the garbage franchise fee. The sales tax projections include the voter approved one-eighth general purpose sales tax dedicated to the Town of Los Gatos. Revenue collection began in April 2019. Additional details regarding the assumptions used in the development of revenue estimates can be found in the Forecast Assumptions at the end of this section.

Expenditures - Staffing

The proposed Budget includes minor adjustments to staffing.

Departments	FY 2022/23 Authorized/Funded Town Staff Position	FY 2023/24 Authorized/Funded Town Staff Position
Town Council	0.50	0.50
Town Attorney	2.13	2.13
Administrative Services	20.18	20.18
Community Development	20.20	20.45
Police Department	60.00	60.00
Parks & Public Works	36.75	35.75
Library	13.50	13.50
Total Position	153.25	152.50
All Hourly Employee Staff Converted to FTE's	11.46	10.33
	164.71	162.83

The FY 2023/24 Operating Budget has 152.5 full time employees and an additional 10.33 full time equivalent (FTE) hourly employees for a total of 162.83 budgeted FTEs, including temporary staff. This reflects an decrease of 1.88 FTE compared to the prior year. Two positions are recommended for funding for one year only to provide important hire ahead capacity in the Police Department. The two positions help bridge recent resignations and anticipated retirements. The recommended FY 2023/24 staffing levels also reflect the following changes from the prior year's Adopted Budget:

- *Administrative Services* - The FY 2023/24 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 2023/24 Budget also includes temporary hours to help with implementation of a new Enterprise Resource Planning system and to provide a cost effective way to augment the Town's limited Human Resources Department capacity.
- *Community Development Department (CDD)* –The FY 2023/24 Budget includes the part-time Code Compliance Officer position which will be continued for another year.
- *Police* – The FY 2023/24 Budget contains temporary staff hours for three Community Service Officer Interns, two Police Trainee recruit positions, and Background Investigation staff.
- *Parks and Public Works (PPW)* – The FY 2023/24 budget includes temporary staff hours to assist with capital project delivery and install/remove the holiday decorative light fixtures and displays.

Non-Personnel Operating Expenditures

Non-Personnel expenditure budgets were developed based on actual expenditures in prior years, adjusted for FY 2023/24 funding needs. In light of limited available resources, the FY 2023/24 proposed budgeted non-personnel expenditures are conservative, with additions primarily limited to non-discretionary, contractually obligated, or mandated increases. Additional details regarding the assumptions used in the development of the expenditure estimates can be found in the Forecast Assumptions discussion later in this section.

STATE BUDGET IMPACTS

Preliminary data for the State of California FY 2023/24 Proposed Budget anticipate a $24 billion deficit. The Governor's Proposed Budget intends to address the budget problem without using funds from the State's reserves, and instead relying on reductions and delays in spending.

The Town is monitoring the development of the State Budget and is watchful of potential attempts to utilize funds that ordinarily flow to local governments (namely VLF and ERAF).

The estimated Gas Tax revenue totals approximately $1.8 million for FY 2023/24 due to the Road Recovery and Repair Act of 2017 (SB1). These funds can only be used for new construction and reconstruction of Town streets.

ONGOING BUDGET CONSIDERATIONS:

Fire Protection Services

Fire Protection Services for the Town of Los Gatos are provided by the Santa Clara County Central Fire Protection District. These services have been provided under an annexation agreement effective March 18, 1970 in which the tax rate then in effect for Town's fire protection services was essentially transferred to the County's Central Fire Protection District. Based upon the latest assessed valuation reports provided by the County of Santa Clara, the property tax collected from

Los Gatos residents for FY 2022/23 and remitted to the Santa Clara County Central Fire Protection District for fire protection services is estimated to be approximately $20.4 million.

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

The Town's pension unfunded actuarial liability (UAL) as of June 30, 2021 (the "date of value" for the most up to date actuarial valuation from the California Public Employees Retirement System (or "CalPERS") is approximately $36.8 million; however, the Town's actuary projected the liability to be approximately $62 million in 2022 given that CalPERS did not realize its anticipated financial gains during FY 2021/22. The Town's unfunded actuarial OPEB liabilities are projected to total approximately $5.5 million as of June 30, 2021.

On November 3, 2020, voters of Los Gatos approved the Measure A ballot initiative establishing a new Finance Commission and disbanding both the Finance Committee and Sales Tax Oversight Committee. The Commission is comprised of five resident voting members and two non-voting Council Members. Among other things, the Commission is tasked with providing guidance to the Town Council and staff in the development of long-term strategies to pay down and manage OPEB and pension liabilities. The Commission will review the Proposed Budget and provide its recommendations to the Town Council prior to the Council's hearing on the Budget in May.

CONCLUSION

While the Town and the nation are emerging from the economic effects of the COVID-19 pandemic, we are also responding to inflationary pressures, interest rate increases, and the possibility of a recession. The Proposed Budget and Five-Year Forecast reflect these challenges. For this reason, the FY 2023/24 Budget is a status quo budget that necessitated using OPEB funds to pay for retiree medical expenses and close the budget gap. The Town's primary revenue sources will need to continue to strengthen and/or new revenue sources secured to ensure the Town's high service levels are maintained in future years, Council Strategic Priorities are addressed, and essential infrastructure investments are made.

Considering future anticipated deficits, opportunities to enhance service delivery, while lowering operating costs through resource and workload redeployments and organizational restructuring will continue to be explored, evaluated, and implemented. Even with these efforts, if revenues do not keep pace with expenses, the current projected deficits may need to be addressed through service delivery reductions or service outsourcing as one-time funding to resolve future gaps is becoming more constrained. If this occurs, the Council will need significant input from the community to identify acceptable organizational changes and service levels.

For now, due to the proactive and conservative fiscal policies of the past, the Town is able to weather the pandemic recovery and current economic conditions. With this Budget, the Town continues to fund both the Catastrophic and Budget Stabilization Reserves per the Town's General Fund Reserve Policy at a combined minimum funding level of 25% of General Fund ongoing operating expenditures. The funding requirement is equally divided between the Catastrophic Reserve (12.5%) and the Budget Stabilization Reserve (12.5%) and currently

approximates $12.7 million in reserves. These contingencies provide ample resources in the event a recession or other event affects the Town.

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

Gitta Ungvari, Finance Director
Melissa Ynegas, Administrative Analyst
Diane Howard, Administrative Analyst
Mark Gaeta, Accountant
Maurice De Castro, Accountant
Wayne Chen, Administrative Technician

Again, I wish to thank the Council for your fiscal stewardship of the Town as we continue to balance high quality services and cost containment.

Respectfully submitted,



Laurel Prevetti
Town Manager


TOWN OF
INCORPORATED 1887
LOS GATOS

SUMMARY OF CHANGES

FROM PROPOSED TO ADOPTED

Per Measure A, the Finance Commission received the Proposed FY 2023/24 Operating and Capital Budgets 21 business days before May 16, 2023, which was the first meeting at which the Proposed Budgets were considered by the Town Council. The Finance Commission held three public meetings at which Commissioners discussed the Proposed Budgets and provided recommendations to the Town Council per Measures A and G. On May 16, 2023, the Town Council conducted a public hearing to discuss the proposed FY 2023/24 Operating and Capital Summary Budget and Proposed FY 2023/24 – 2027/28 Capital Improvement Program. The Town Council considered public testimony, discussed both documents, considered the Finance Commission recommendations, and directed staff to bring back the documents for final approval incorporating the Council recommendations.

The Town Council adopted a balanced budget on June 6, 2023. The Adopted Budget includes a 4.6% vacancy factor, while Council directed that staff continue to hire for all vacant positions. The 4.6% salary savings represents approximately $1.7 million projected saving that eliminates a need for Other Post Employment Benefits (OPEB) Trust withdrawal. The Adopted Budget fully recognizes the Educational Revenue Augmentation Fund (ERAF) proceeds for FY 2023/24. The Council programmed 70% of the estimated revenue and reserved 30% as the “at risk” amount until the lawsuit between the State and the School Districts is resolved.

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

	2023/24 Proposed Budget	Estimated Budget Revision	2023/24 Recommended Budget	
REVENUES				
General Fund	$54,130,896	$ (914,326) (1)	$ 53,216,570	
Special Revenue Funds	542,380	-	$ 542,380	
Internal Service Funds	4,947,389	-	$ 4,947,389	
Capital Project Funds (does not include carryforwards)	8,547,920	-	$ 8,547,920	
Successor Agency Funds	3,811,664	-	$ 3,811,664	
TOTAL REVENUES	**$71,980,249**	**$ (914,326)**	**$ 71,065,923**	
OTHER FUNDING SOURCES				
Designated One-Time Use of General Fund Reserves	2,361,000	$ 33,000	2,394,000	(2)
TOTAL TOWN REVENUES & OTHER FUNDING SOURCES	**$74,341,249**	**$ (881,326)**	**$ 73,459,923**	
TOTAL TOWN EXPENDITURES, TRANSFERS OUT & CARRYFORWARD APPROPRIATION				
General Fund	$56,101,896	$ (1,586,649) (3)	$ 54,515,247	
Special Revenue Funds	469,381	(9,794) (4)	459,587	
Internal Service Funds	6,132,798	-	6,132,798	
Capital Project Funds (does not include carryforwards)	10,658,747	- (5)	10,658,747	
Successor Agency Funds	3,801,021	(87) (6)	3,800,934	
TOTAL TOWN EXPENDITURE & OTHER FUNDING USES	**$77,163,843**	**$ (1,596,530)**	**$ 75,567,313**	
GENERAL FUND SOURCE(USE) OF FUND BALANCES	$ 390,000	$ 660,900	$ 1,095,323	
OTHER FUNDS SOURCE(USE) OF FUND BALANCES	(3,212,594)		(3,202,713)	(7)
TOTAL SOURCE(USE) OF FUND BALANCES	$ (2,822,594)	$ 715,204	$ (2,107,390)	

(1) Additional General Fund Revenues
$1,608,226 Decreases OPEB Trust Reimbursement for Retiree Medical
$660,900 Increases Additional ERAF Proceeds to Reserve At Risk
$33,000 - Increase ARPA Replacement Pass Through Revenue - Tracking

(2) Designated One-Time Use of the General Fund Reserves during FY 2023/24
$1,615,000 - Transfer to Capital Projects (GFAR)
$779,000 - ARPA Revenue Replacement Tracking

(3) General Fund Expenditures
$1,663,649 - Decrease - 4.6% Salary Saving Factor
$11,000- Increase Project Based Boards and Commissions Support
$33,000 - Increase Chamber Agreement
$33,000 - Increase ARPA Replacement Pass Through Expenditure - Tracking

(4) Special Revenue Fund Expenditures
$9,794 - Decrease - 4.6% Salary Saving Factor

(5) Capital Project Funds Expenditures
No Change in Total Expenditures, $35,000 transferred from the Lynn Avenue Pedestrian Path Design Project (411-832-4510) to Emergency Preparedness Project (411-821-2012)

(6) Successor Agency Funds Expenditures
$87 - Decrease - 4.6% Salary Saving Factor

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

Numbers may differ between exhibits due to rounding.

While the Adopted Budget document reflects all of the approved changes, the Town Manager Transmittal Letter dated April 17, 2023 represents the proposed FY 2023/24 Operating and Capital Budgets as it was submitted on April 17, 2023. The five-year forecast on the following page has been updated to reflect the adjustments to revenues and expenditures in the FY 2023/24 Adopted Budget.

Account	Revenue Category	FY 2022/23 Adjusted Budget	FY 2022/23 Estimates	FY 2023/24 Adopted Budget	FY 2024/25 Forecast	FY 2025/26 Forecast	FY 2026/27 Forecast	FY 2027/28 Forecast	FY 2028/29 Forecast
4100	Property Tax	$ 17.0	$ 17.2	$ 17.9	$ 17.8	$ 18.5	$ 18.9	$ 19.5	$ 20.1
4110	VLF Backfill Property Tax	4.6	4.6	4.7	4.8	5.0	5.1	5.3	5.4
4200	Sales & Use Tax	7.5	7.7	7.9	8.1	8.5	8.7	9.0	9.3
4200	Measure G District Sales Tax	1.3	1.3	1.3	1.3	1.3	1.4	1.4	1.4
4250	Franchise Fees	2.7	2.7	2.1	1.9	1.9	1.9	2.0	2.0
4251	Transient Occupancy Tax	2.0	2.3	2.4	2.5	2.6	2.6	2.6	2.7
4400	Business License Tax	2.4	2.3	2.4	2.5	2.5	2.6	2.6	2.7
4400	Licenses & Permits	2.9	2.9	2.9	2.9	3.0	3.1	3.2	3.3
4500	Intergovernmental	1.3	1.3	0.9	0.9	0.9	1.0	1.0	1.0
4600	Town Services	4.8	5.1	4.4	4.2	4.2	4.3	4.4	4.6
4700	Fines & Forfeitures	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
4800	Interest	0.4	0.7	1.0	0.9	0.9	0.9	0.9	0.9
4850	Other Sources	3.5	7.1	3.6	2.8	2.8	3.0	2.9	2.9
4900	Fund Transfers In	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
TOTAL OPERATING REVENUES & TRANSFERS*		$ 51.1	$ 55.9	$ 52.2	$ 51.3	$ 52.8	$ 54.2	$ 55.5	$ 57.0
	Capital	2.4	2.4	1.6	0.8	0.8	0.8	0.8	0.8
	Use of Pension/OPEB Reserve	0.3	0.3	-	-	-	-	-	-
	Use of OPEB Trust			-	-	-	-	-	-
	ARPA Replacement Revenue	1.6	-	-	-	-	-	-	-
	Vitalities	-	6.1	0.7	-	-	-	-	-
TOTAL REVENUES, TRANSFERS, AND USE OF RESERVES		$ 55.4	$ 64.7	$ 54.5	$ 52.1	$ 53.6	$ 55.0	$ 56.3	$ 57.8

Account	Expenditure Category	FY 2022/23 Adjusted Budget	FY 2022/23 Estimates	FY 2023/24 Adopted Budget	FY 2024/25 Forecast	FY 2025/26 Forecast	FY 2026/27 Forecast	FY 2027/28 Forecast	FY 2028/29 Forecast
5110	Salary	23.0	22.5	23.2	23.8	24.4	25.0	25.5	26.0
5120	CalPERS Benefits	7.7	6.8	8.2	8.6	8.9	9.6	10.2	11.1
5200	All Other Benefits	4.6	3.9	4.7	4.8	4.9	5.0	5.1	5.2
	4.6% Salary and Benefits Savings	-	-	(1.7)	(1.7)	(1.8)	(1.8)	(1.9)	(1.9)
6211	OPEB Pay as You Go	1.6	1.6	1.6	1.8	1.9	2.0	2.0	2.0
6000	Operating Expenditures	8.0	11.7	9.0	8.8	8.9	9.2	9.3	9.7
7200	Grants & Awards	0.5	1.2	0.8	0.6	0.6	0.3	0.3	0.3
7400	Utilities	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.7
8060	Internal Service Charges	2.7	2.6	3.4	3.6	3.7	3.9	4.1	4.2
8900	Debt Service	2.0	2.0	2.1	2.1	2.1	2.1	2.1	2.1
TOTAL OPERATING EXPENDITURES		$ 50.8	$ 53.0	$ 51.9	$ 52.9	$ 54.2	$ 55.9	$ 57.4	$ 59.4
	GASB 45 Retiree Medical Actuarial	-	-	-	-	-	-	-	-
	Additional Discretionary Payment - Pension	0.7	0.7	0.4	0.4	0.4	0.4	0.4	0.4
TOTAL OPERATING & DISCRETIONARY EXPENDITURES		$ 51.5	$ 53.7	$ 52.3	$ 53.3	$ 54.6	$ 56.3	$ 57.8	$ 59.8
	Capital Transfers Out to GFAR	2.4	2.4	1.6	1.1	1.1	1.1	1.1	1.1
	1/2 of Measure G Proceeds to Capital	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.7
	Fund	0.4	0.7	-	-	-	-	-	-
AMOUNTS AVAILABLE FOR RESERVE ALLOCATIONS									
	Recovery	-	5.7	-	-	-	-	-	-
TOTAL EXPENDITURES & RESERVE ALLOCATIONS		$ 54.9	$ 63.1	$ 54.5	$ 55.1	$ 56.4	$ 58.1	$ 59.6	$ 61.6
NET REVENUES RESERVE TRANSFERS LESS EXPENDITURES & RESERVE ALLOCATIONS FOR FINAL ALLOCATION AFTER YEAR END CLOSE		$ 0.5	$ 1.6	$ -	$ (3.0)	$ (2.8)	$ (3.1)	$ (3.3)	$ (3.8)

* Due to rounding of individual categories FY 2022/23 Estimated Total Expenditures and Reserve Allocations includes $0.1 million.
General Fund (111) Forecast does not include Pension Trust activities.

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

Original 5 Year Forecast	2024/25 Forecast ($M)	2025/26 Forecast ($M)	2026/27 Forecast ($M)	2027/28 Forecast ($M)	2028/29 Forecast ($M)
Proposed Surplus/Deficit	($3.1)	($2.8)	($3.2)	($3.5)	($4.0)
Adopted Surplus/Deficit	($3.0)	($2.8)	($3.1)	($3.3)	($3.8)

FORECAST ASSUMPTIONS

REVENUE BASELINE AND PROJECTION FACTORS

Type of Revenue Base Line Estimate	FY2023/24 Budget	FY 2024/25 Forecast	FY 2025/26 Forecast	FY 2026/27 Forecast	FY2027/28 Forecast	FY 2028/29 Forecast
Property Tax/VLF Backfill SCC Assessor Office January 2023 report.	3%	3%	3%	3%	3%	3%
North 40 Property Sales Additional	$187K	$327K Cumulative	$467K Cumulative	3%	3%	3%
ERAF SCC Assessor Office March 2023 report	SCCAO Recommends 70% of FY 2023/24 Anticipated Proceeds	50% of FY 2023/24 Anticipated Proceeds $770K	50% of FY 2023/24 Anticipated Proceeds $770K	50% of FY 2023/24 Anticipated Proceeds $770K	50% of FY 2023/24 Anticipated Proceeds $770K	50% of FY 2023/24 Anticipated Proceeds $770K
Sales Tax	MuniServices March 2023 Most Likely Estimates	MuniServices March 2023 Most Likely Estimates	MuniServices March 2023 Most Likely Estimates	MuniServices March 2023 Most Likely Estimates	MuniServices March2023 Most Likely Estimates	MuniServices March 2023 Most Likely Estimates
Sales Tax - Measure G	MuniServices March 2023 Most Likely Estimates	MuniServices March 2023 Most Likely Estimates	MuniServices March 2023 Most Likely Estimates	MuniServices March 2023 Most Likely Estimates	MuniServices March 2023 Most Likely Estimates	MuniServices March 2023 Most Likely Estimates
Franchise Fee (Not Including Garbage Franchise Fees)	Current baseline set by FY 2022/23 Year End Estimates	3%	3%	3%	3%	3%
Garbage Franchise Fee	Partial proceeds from July 2023 – Feb 2024 $1.2M	50% of FY 2022/23 anticipated proceeds $940K	50% of FY 2022/23 anticipated proceeds $940K	50% of FY 2022/23 anticipated proceeds $940K	50% of FY 2022/23 anticipated proceeds $940K	50% of FY 2022/23 anticipated proceeds $940K

FORECAST ASSUMPTIONS

REVENUE BASELINE AND PROJECTION FACTORS

Type of Revenue Base Line Estimates	FY 2023/24 Budget	FY 2024/25 Forecast	FY 2025/26 Forecast	FY 2026/27 Forecast	FY2027/28 Forecast	FY 2028/29 Forecast
Transient Occupancy Tax Current baseline set by FY 2022/23 Year End Estimates	3%	3%	3%	3%	1%	1%
Business License Tax Current baseline set by FY 2022/23 Year End Estimates	2%	2%	2%	2%	2%	2%
License & Permits Current baseline set by FY 2022/23 Year End Estimates	4.4%	3%	3%	3%	3%	3%
Town Services Current baseline set by FY 2022/23 Year End Estimates	3%	3%	0%	3%	3%	3%
Fine & Forfeitures Current baseline set by FY 2022/23 Year End Estimates	1%	Varies	Varies	Varies	Varies	Varies
Interest	Varies based on portfolio	1%	1%	1%	1%	1%
Other Sources Current baseline set by FY 2022/23 Year End Estimates	Varies	Varies	Varies	Varies	Varies	Varies

FORECAST ASSUMPTIONS
EXPENDITURE BASELINE AND PROJECTION FACTORS

Beginning in FY 2020/21, the Town is budgeting salaries at the actual salary plus a one-step increase. 70% of the workforce is already at top step or one step below top step. In the Five-Year Forecast, positions are forecasted at the actual rate of pay including salaries and benefits as of March 1, 2022 and rate is increasing in the actual anniversary date. The FY 2024/25 – FY 2028/29 Forecast includes 4% salary savings. All positions are fully budgeted in FY 2023/24 Proposed Budget.

Type of Expenditure	FY2023/24 Budget	FY 2024/25 Forecast	FY 2025/26 Forecast	FY 2026/27 Forecast	FY2027/28 Forecast	FY 2028/29 Forecast
Salaries*	3%	2%	2%	2%	2%	2%
Benefit - Medical**	7%	7%	7%	7%	7%	7%
Salary Savings	0%	4%	4%	4%	4%	4%
Operating Expenditures***	Varies	3%	3%	3%	3%	3%
Grants & Awards	0%	0%	0%	0%	0%	0%
Utilities***	Varies	3%	3%	3%	3%	3%
Internal Service Charges***	Based on operating cost and scheduled replacement	Based on operating cost and scheduled replacement	Based on operating cost and scheduled replacement	Based on operating cost and scheduled replacement	Based on operating cost and scheduled replacement	Based on operating cost and scheduled replacement
Debt Service	Debt Service Schedules					

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

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

****Based on historical trends.*

The Town's required employer contribution rate estimates were developed using data provided by each plan's most recent CalPERS actuarial valuation. The employer contribution rates reflect percentages of covered payroll. Rates shown for FY 2023/24 are actual rates as prescribed by CalPERS. Forecasted rates for FY 2024/25 and subsequent years are based on the most recent CalPERS actuarial valuation Reports as adjusted by the impact related to the FY 2021/22 CalPERS negative 7.5% investment return and forecasted payroll.

FORECAST ASSUMPTIONS

Beginning in FY 2021/22, the estimates of employer contributions were credited with an anticipated reductions associated with the approximate $4.8 million additional discretionary payment (ADP) toward the 2016 unfunded amortization base paid off in October 2019 and the total of approximately $5.8 million in ADPs toward unfunded 2013 and 2015 amortization bases that were paid off in FY 2020/21.
Estimates were also informed by recent rate estimates developed by the Town's actuary using the most recent actuarial valuation updated with current year projections of covered payrolls by plan type.

Type of Expenditure	FY2023/24 Budget	FY 2024/25 Forecast	FY 2025/26 Forecast	FY 2026/27 Forecast	FY2027/28 Forecast	FY 2028/29 Forecast
Safety POA	81.30%	87.00%	90.90%	90.80%	99.30%	108.40%
Safety Management POA	84.30%	90.00%	93.90%	93.80%	102.30%	111.40%
Safety POA - PEPRA	14.50%	14.70%	15.00%	15.40%	15.90%	16.40%
Miscellaneous TEA/Confidential/ Management	29.97%	29.20%	28.30%	29.80%	31.00%	32.50%
Miscellaneous TEA/Confidential/ Management PEPRA Separate PEPRA rate for Miscellaneous has not been established yet by CalPERS.	29.97%	29.20%	28.30%	29.80%	31.00%	32.50%

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

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Town of Los Gatos
California

For the Fiscal Year Beginning

7/1/2022

Christopher P. Morrill

Executive Director

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

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


TOWN OF
INCORPORATED 1887
LOS GATOS

FUND DESCRIPTIONS

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

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

MAJOR AND NON-MAJOR GOVERNMENTAL FUNDS

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

General Fund

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

Special Revenue Funds

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

- **Non-Point Source Maintenance Fund** - budgets and accounts for environmental services such as storm water management.
- **Community Development Block Grant Fund** - budgets and accounts for federal Community Development Block Grant monies.
- **Landscape and Lighting Special Assessment District Funds** - budgets and accounts for revenues and expenditures within special districts. The Town provides maintenance of the trees, landscaping, irrigation systems, lighting, sound wall and fences for improvements in the public right-of-way, within specific district boundaries.
- **Library Trust Fund** - established to account for the accounts for assets held in trust, through receipt of donations and bequests. Funds received from individuals, services organizations, and a library specific non-profit organization.
- **Clelles Ness Trust Fund** – established to account for the accounts for a specific bequest subject to an agreement made for its use.

FUND DESCRIPTIONS

- **Susan McClendon Trust Fund** – established to account for the accounts for a specific bequest subject to an agreement made for its use.
- **Barbara Jones Cassin Trust Fund** – established to account for the accounts for a specific bequest subject to an agreement made for its use.
- **ARPA Fund** – established to account for monies received under the American Rescue Plan Act of 2021 to respond to the COVID19 emergency.
- **Los Gatos Theatre Fund** – established to account for monies received from rents on donated property and related expenditures.

Capital Project Funds

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

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

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

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

NON-MAJOR PROPRIETARY FUNDS

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

Internal Service Funds

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

- **Equipment Replacement Fund** – established to accumulate monies for the replacement of major Town equipment and vehicles. When vehicles and equipment are acquired at a cost greater than $10,000, a normal life span is calculated, and replacement costs are charged directly to the Departments over that life span with funds accruing to the Equipment Reserve Fund.
- **Facilities Maintenance Fund** – established to account for preventive maintenance and repair for all Town buildings.
- **Information Technology (IT) Fund** – established to budget and account for the cost of maintaining, replacing, and updating existing information technology used by Town Departments.

FUND DESCRIPTIONS

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

FIDUCIARY FUNDS

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

Trust Funds

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

- **RDA Successor Agency Private Purpose Trust Fund** – established to account for the assets and liabilities transferred from the dissolution of the Town's former Redevelopment Agency and the continuing operations related to the existing Redevelopment Agency obligations.

Debt Service Funds

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


TOWN OF
INCORPORATED 1887
LOS GATOS

FINANCIAL PRACTICES

REVENUE

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

BUDGETING and EXPENDITURE

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

FUND BALANCE RESERVES

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

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

FINANCIAL PRACTICES

- IRS 115 Trusts are established for management of the Town's unfunded pension and other post employment benefit obligations.

- The specific Fund Balance Reserves include but are not limited to a restricted Reserve for:

  - A fully funded workers' compensation and unemployment insurance
  - Liability insurance including one year's premium payment to the insurance carrier or pool

- Reserves are maintained at a minimum of 25% of General Fund ongoing operating expenditures, equally divided between the Catastrophic Reserve (12.5%) and the Budget Stabilization Reserve (12.5%).

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

- A Reserve is maintained for the depreciation and replacement of equipment.

- A Reserve is maintained for the maintenance of buildings.

- Pension/Other Post-Employment Benefits (Pension/OPEB) Reserve is maintained to use as a supplemental funding source to pay down unfunded pension and other post employment liabilities.

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

- Compensated Absences – A reserve is maintained annually to fund 50% of all vested hours of vacation earnings.

- Open Space – Town Council established this reserve in FY 1998/99 with an initial balance of $500,000 to be used for the preservation of open space, connection of open space trails, the definition of the southern boundary of the Town with passive open space, and protection of unique natural features.

- Sustainability – Established by Town Council in FY 2008/09 budget by closing the Solid Waste Management Fund and placing the initial residual fund balance of $296,554 in a General Fund reserve dedicated for conservation, recycling, and sustainability.

- Authorized Carry forward - A reserve is maintained for materials and services on approved purchase order and contracts which were issued but not finalized or fulfilled as of the end of the fiscal year but for which funds will be carried forward to the following fiscal year.

- Vehicle Maintenance and Stores Residual – A reserve established to hold the residual fund balances transferred to the Town's General Fund upon closing the Vehicle Maintenance and Stores Internal Service Funds for future Council reallocation.

- Surplus Property – A reserve established for placing the proceeds from surplus property sales until further Town Council reallocation.

- Capital/Special Projects Reserve – Funds reserved under this category are designated for key infrastructure and capital/special projects as identified in the Town's 5-year Capital Improvement Plan, as there is no ongoing funding source to support the Town's capital needs. The Council may also allocate funds from this Reserve for other purposes.

CAPITAL IMPROVEMENT

Capital Improvement Projects are funded by the following revenue sources:

- Available General Fund Reserves
- Gas Taxes
- Construction Fund Fees
  - Utility
  - Capital
  - Parks
- Storm Drain Basin Fees
- Grant Funding
- Other state and federal funding sources as they become available

- The multi-year plan for capital improvements is updated annually. Future capital expenditures will be projected annually for a 5-year period based on changes in Council priorities or replacement of the infrastructure.

- The annual Capital Improvement Plan is based on the multi-year Capital Improvement Program.

- The Town coordinates the development of the Capital Improvement Plan with the development of the Operating Budget.

- The Town identifies the estimated costs and potential funding sources for each capital project proposed prior to its submittal to the Town Council for approval.

- Capital projects financed by issuing bonds are paid back within a period not to exceed the useful life of the project.

- The Town Manager is authorized to implement the projects as approved in the adopted Capital Improvement Plan. Within a specific fund, the Town Manager may transfer appropriations between projects as needed to implement the adopted Capital Improvement Plan.


TOWN OF
INCORPORATED 1887
LOS GATOS

GENERAL FUND RESERVE POLICY

TOWN OF LOS GATOS CALIFORNIA

COUNCIL POLICY MANUAL

Small Town Service *Community Stewardship* *Future Focus*

TITLE: General Fund Reserve Policy	POLICY NUMBER: 4-03
EFFECTIVE DATE: 05/16/2011	PAGES: 6
ENABLING ACTIONS:	REVISED DATES: 02/21/2017; 05/15/2018; 06/04/2019; 09/21/2021
APPROVED:	

PURPOSE

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

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

BACKGROUND

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

GUIDING PRINCIPLES

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

- Diversity of revenue base
- Volatility of revenue structure

- Changes in political environment
- Frequency of operating surpluses/deficits
- Cash flow management practices

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

POLICY

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

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

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

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

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

Committed Fund Balance

The Town Council, as the Town's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal action taken, such as an ordinance or resolution. These committed amounts cannot be used for any other purpose,

unless the Town Council removes or changes the specific use through the same type of formal action taken to establish the commitment. The Town Council action to commit fund balance needs to occur within the fiscal reporting period; however, the amount can be determined subsequently at the final close of the fiscal year.

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

Catastrophic Reserve

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

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

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

Budget Stabilization Reserve

Funds reserved under this category shall be used to mitigate annual revenue shortfalls (actual revenues less than projected revenues) due to changes in the economic environment and/or one-time uses that will result in future efficiencies and/or budgetary savings. Examples of "economic triggers" and one-time uses include, but are not limited to:

- An unplanned, major event such as a catastrophic disaster requiring expenditures which exceed the General Fund Catastrophic Reserve;
- Drop in projected/actual revenue of more than five percent in property or sales tax, or other economically sensitive revenues;
- Budgeted revenue taken over by another entity exceeding $100,000;
- Loss of businesses considered to be significant sales tax generators;

- Reductions in projected/actual revenue of more than five percent due to actions by the state/federal government;
- Workflow/technical system improvements to reduce ongoing, personnel costs and enhance customer service;
- One-time maintenance of service levels due to significant economic/budget constraints; and
- One-time transitional costs associated with organizational restructuring to secure long-term personnel cost savings.

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

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

Pension/OPEB Reserve

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

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

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

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

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

Almond Grove Street Project Reserve

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

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

Assigned Fund Balance

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

- Encumbrances – material s and services on purchase order and contracts which are unperformed.

- Reappropriations – appropriated by the Council for specific projects or programs that were not completed and not encumbered by year end.

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

GENERAL FUND RESERVE POLICY

Capital and Special Projects Reserve

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

Unassigned Fund Balance

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

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

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

Replenishment of Unreserved Fund Balance

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

/S/ Robert Schultz, Town Attorney

LONG TERM DEBT POLICY

TOWN OF LOS GATOS CALIFORNIA

COUNCIL POLICY MANUAL

Small Town Service *Community Stewardship* *Future Focus*

TITLE: Long Term Debt Policy	POLICY NUMBER: 4-01
EFFECTIVE DATE: 11/2/16	PAGES: 3
ENABLING ACTIONS: 2016-062	REVISED DATES:
APPROVED:	

PURPOSE

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

SCOPE

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

POLICY

GENERAL PRACTICES

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

LONG TERM DEBT POLICY

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

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

PROCEDURES

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

/S/ Robert Schultz, Town Attorney

BOND RATING:

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


TOWN OF
INCORPORATED 1887
LOS GATOS

INVESTMENT POLICY

TOWN OF LOS GATOS CALIFORNIA

COUNCIL POLICY MANUAL

Small Town Service *Community Stewardship* *Future Focus*

TITLE: Investment Policy	POLICY NUMBER: 4-02
EFFECTIVE DATE: 11/1/16	PAGES: 8
ENABLING ACTIONS: 2016-063	REVISED DATES: 5/16/17;5/15/2018; 9/3/2019; 11/03/2020, 09/21/2021, 01/17/2023, 02/21/2023
APPROVED:	

PURPOSE

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

The Town Council has adopted this Investment Policy in order to establish the investment scope, objectives, delegation of authority, standards of prudence, reporting requirements, internal controls, eligible investments and transactions, diversification requirements, risk tolerance, and safekeeping and custodial procedures for the investment of the funds of the Town. All Town funds will be invested in accordance with this Investment Policy and with applicable sections of the California Government Code 53607 and 53646 (b).

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

SCOPE

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

General Fund

Special Revenue Funds

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

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

POLICY

OBJECTIVES

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

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

DELEGATION OF AUTHORITY

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

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

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

PRUDENCE

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

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

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

ETHICS AND CONFLICTS OF INTEREST

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

SOCIALLY RESPONSIBLE INVESTING

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

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

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

AUTHORIZED SECURITIES AND TRANSACTIONS

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

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

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

2. Federal Agency Obligations for which the faith and credit of the United States are pledged for the payment of principal and interest and which have a final maturity not exceeding five years from the date of trade settlement. There is no limit on the percentage of the portfolio that can be invested in this category, however, no more than 20% of the town's total portfolio shall be invested in the combination of Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA) and Federal Home Loan Mortgage Corporation (FHLMC) mortgage-backed securities.

3. Federal Instrumentality (government sponsored enterprise) debentures, discount notes, callable securities, step-up securities, and mortgage-backed securities (including FNMA and FHLMC) with a final maturity not exceeding five years from the date of trade settlement. There is no limit on the percentage of the portfolio that can be invested in this category, however, no more than 20% of the town's total portfolio shall be invested in the combination of GNMA, FNMA, and FHLMC mortgage-backed securities.

4. Prime Commercial Paper with a maturity not exceeding 270 days from the date of trade settlement with the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization (NRSRO). The entity that issues the commercial paper shall meet all of the following conditions in either sub-paragraph A. or sub-paragraph B. below:

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

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

Purchases of eligible commercial paper shall not exceed:

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

5. Eligible Bankers Acceptances with a maturity not exceeding 180 days from the date of trade settlement, issued by a state or national bank with combined capital and surplus of at least $250 million, whose deposits are insured by the FDIC, and whose senior long-term debt is rated at least A or the equivalent by a NRSRO at the time of purchase. No more than 5% of the Town's total portfolio shall be invested in banker's acceptances of any one issuer, and the aggregate investment in banker's acceptances shall not exceed 30% of the Town's total portfolio.
6. Medium Term Notes (Corporate Notes) issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States, with a final maturity not exceeding five years from the date of trade settlement and rated at least "A" or the equivalent by a NRSRO. No more than 5% of the Town's total portfolio shall be invested in the medium-term notes of any one issuer and the aggregate investment in medium term notes shall not exceed 30% of the Town's total portfolio.

7. Municipal & State Obligations:

   A. Municipal bonds including registered notes or bonds of any of the 50 states, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the 50 states.
   B. In addition, bonds, notes, warrants, or other evidences of indebtedness of any local agency in California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, operated by the local agency, or by a department, board, agency, or authority of the local agency.

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

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

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

   Non-Negotiable certificates of deposit issued by a nationally or state-chartered bank, or by a federally licensed or state-licensed branch of a foreign bank. Purchases of non-negotiable certificates of deposit are subject to the limitations of Sections 53601(n) and 53638 and shall be fully insured by the FDIC with a corresponding FDIC certification number. Private sector entities may be used to place certificates of deposit subject to the limitations of Section 53601.8.

9. State of California's Local Agency Investment Fund (LAIF), pursuant to California Government Code Section 16429.1. The aggregate amount invested in LAIF shall not exceed the maximum allowed by the fund.

10. Money Market Funds registered under the Investment Company Act of 1940 that (1) are "no-load" (meaning no commission or fee shall be charged on purchases or sales of shares); (2) have a constant net asset value per share of $1.00; (3) invest only in government securities, and (4) have a rating of at least AAA or the equivalent by at least two NRSROs. No more than 10% of the Town's total portfolio shall be invested in money market funds of any one issuer, and the aggregate investment in money market funds shall not exceed 20% of the Town's total portfolio.

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

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

PORTFOLIO MATURITIES AND LIQUIDITY

To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities. The Town will not invest in securities maturing more than five years from the date of trade settlement, unless the Town Council has by resolution granted authority to make such an investment at least three months prior to the date of investment.

SELECTION OF BROKER/DEALERS

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

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

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

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

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

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

COMPETITIVE TRANSACTIONS

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

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

SELECTION OF BANKS

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

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

SAFEKEEPING AND CUSTODY

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

Custodian banks will be selected on the basis of their ability to provide services for the Town's account and the competitive pricing of their safekeeping related services.
The purchase and sale of securities and repurchase agreement transactions shall be settled on a delivery versus payment basis. All securities shall be perfected in the name of the Town. Sufficient evidence to title shall be consistent with modern investment, banking and commercial practices.

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

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

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

PORTFOLIO PERFORMANCE

The investment portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles, taking into account prevailing market conditions, risk constraints for eligible securities, and cash flow requirements. The performance of the Town's investments shall be compared to the average yield on the U.S. Treasury security that most

closely corresponds to the portfolio's weighted average effective maturity. When comparing the performance of the Town's portfolio, its rate of return will be computed net of all fees and expenses.

REPORTING

Every month, the Treasurer shall prepare a report that conforms to Government Code Section 41004. The report shall be submitted to the Town Clerk within 45 days after the end of each month for inclusion as an agenda item at the next scheduled Town Council meeting. The report shall include the following information:

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

PROCEDURES

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

/S/ Gabrielle Whelan, Town Attorney

IRS SECTION 115 PENSION TRUST AND OPEB TRUST INVESTMENT POLICY

TOWN OF LOS GATOS CALIFORNIA

COUNCIL POLICY MANUAL

Small Town Service *Community Stewardship* *Future Focus*

TITLE: Town of Los Gatos IRS Section 115 Pension Trust and OPEB Trust Investment Policy	POLICY NUMBER: 4-04
EFFECTIVE DATE: 11/7/17	PAGES: 3
ENABLING ACTIONS: 2017-062	REVISED DATES: 12/18/2018; 12/03/2019
APPROVED:	

PURPOSE

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

COMPOSITION

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

FIDUCIARY DUTIES AND RESPONSIBILITIES

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

a) solely in the interest of, and for the exclusive purposes of providing for funding of benefits for participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the Trusts;

b) with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims; and

c) by diversifying the investments of the Trusts so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly prudent not to do so.

2. The work of the Oversight Committee shall be consistent with written statement of Investment Policy (i.e., this Investment Policy for the Trusts). At least once every three years, the Oversight Committee will evaluate the appropriateness of the Investment Policy and, based on such evaluation, either confirm the tenets of the Investment Policy as then in effect, or amend the 115 Trusts Investment Policy as appropriate. The Investment Policy must include the following:

   a) document investment objectives, performance expectations and investment guidelines for assets under the Trusts;

   b) establish an appropriate investment strategy for managing all assets under the Trusts, including an investment time horizon, risk tolerance ranges and asset allocation to provide sufficient diversification and overall return over the long-term time horizon of the Trusts; and

   d) establish periodic performance reporting requirements that will effectively monitor investment results and ensure that the investment policy is being followed.

INVESTMENT OBJECTIVES

1. The primary objective of the 115 Trusts investment portfolios is to satisfy the Pension Plans and OPEB Plan obligations to pay benefits to members and their beneficiaries. To do so, the 115 Trusts will seek to achieve long-term net returns in excess of the actuarial investment return assumption while maintaining a reasonable level of investment risk.

2. The funds will be managed as an ongoing concern with a long-term investment horizon, consistent with demographic profile of the members and beneficiaries of the plans.

3. A range of risks will be managed in connection with the trusts, with an emphasis on the following:

    a) The impact of the investment decisions on the funded status of the plans and the resulting volatility of contributions.

    b) Risk of loss of plan assets.

4. In determining the investment strategies of the 115 Trusts, various factors will be considered including, but not limited to:

    a) The structure and duration of the Pension Plans and OPEB Plan liabilities.

    b) Modern Portfolio Theory.

    c) The liquidity needs of Pension Plans and OPEB Plan.

INVESTMENT STRATEGY/ASSET ALLOCATION

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

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

MONITORING AND REPORTING

1. Monitor the 115 Trusts investment managers on an ongoing basis and may be terminated by Oversight Committee at any time due to performance or other developments that call into question the investment manager's ability to continue to effectively manage assets of the 115 Trusts.

2. Review and assess the performance of any Investment Manager(s) appointed by the Oversight Committee to perform services related to the Trusts quarterly.

3. Measure and evaluate the annual and quarterly performance of investment managers relative to appropriate long-term performance benchmark.

4. Measure and evaluate annual and quarterly fees.

5. Review quarterly cash flow statements associated with the Trusts.

6. Review the actuarial pension evaluation annually.

7. Review the actuarial OPEB evaluation biennially.

8. Monitor compliance with this Investment Policy for the Trusts.

/S/ Robert Schultz, Town Attorney

BUDGET PROCESS OVERVIEW

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

Budget Purpose

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

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

Basis of Budgeting and Accounting

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

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

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

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

Proprietary Fund budgets use the full accrual basis of accounting whereby revenue budget projections are developed recognizing revenues expected to be earned during the period, and

expenditures are developed for expenses anticipated to be incurred in the fiscal year. The Town maintains one type of proprietary fund: Internal Service Funds.

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

Summary of Budget Development

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

The Development Process

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

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

Through rounds of budget briefings and revisions, the final proposed program budget and work plans are developed by the end of April; operational and capital work plans are finalized, and the Finance/Budget staff prepares financial summary information. Per the Town Code, the Town Manager submits the entire proposed budget package to the Town Council for its consideration, including Departmental budgets and work plans. Beginning in 2021, per a recent voter initiative, the draft Budget documents are provided to the Town Finance Commission for its review and comment at least 20 days before the Council's first consideration of the Budgets. The Commission is advisory to the Town Council.

BUDGET PROCESS OVERVIEW

Budget Adoption

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

Under requirements established in Section 65401 of the State Government Code, the Town's Planning Commission also reviews the proposed Capital Improvement Plan and reports back to the Town Council as to the conformity of the CIP with the Town's Adopted General Plan.
Final Council-directed revisions to the proposed budget are made and the budget documents are resubmitted to the Town Council for adoption, consistent with Section 2.30.295(b) of the Los Gatos Town Code which requires the Town Manager to annually prepare and submit a budget to the Town Council. This is accomplished in June at a subsequent noticed public hearing.

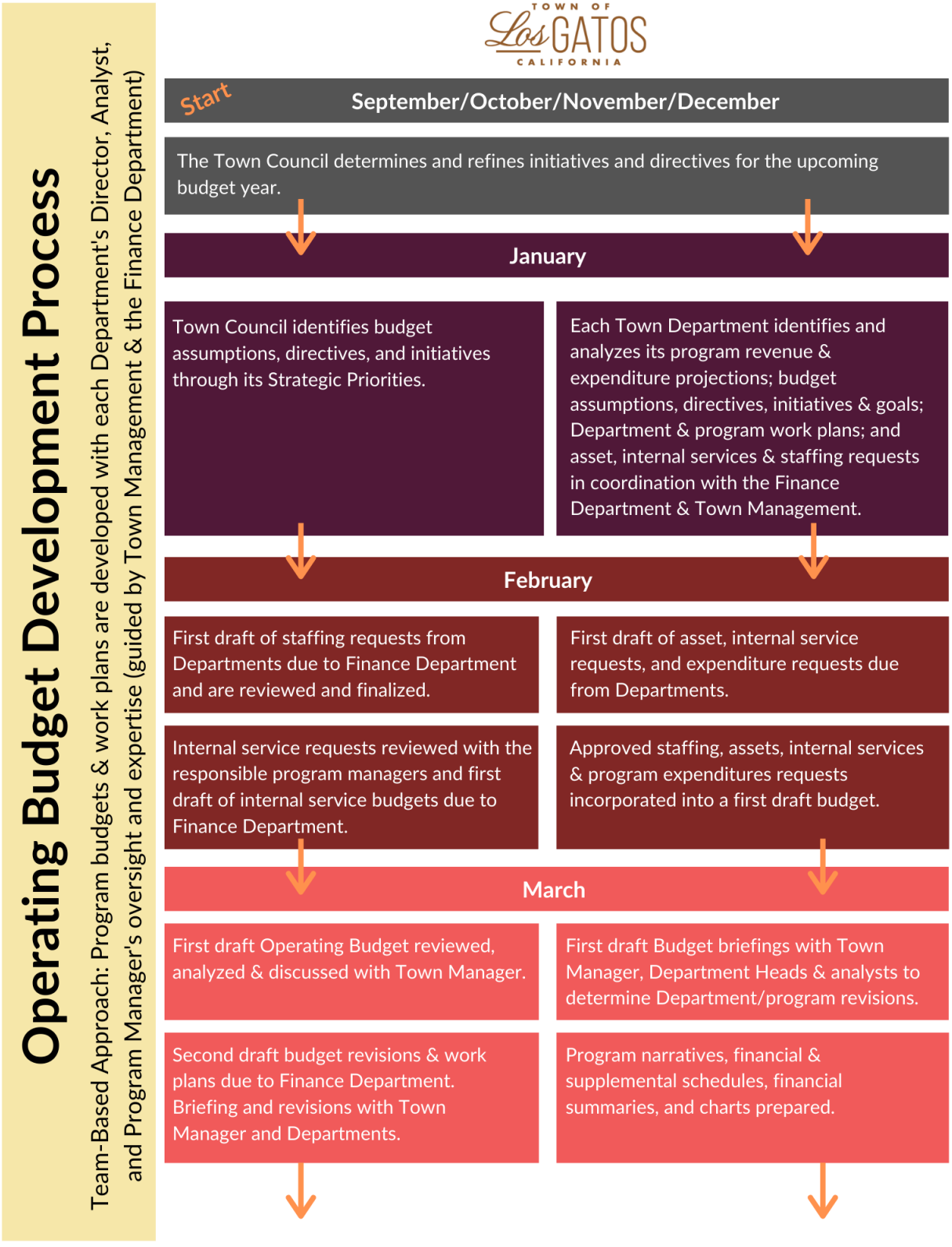
The approved resolutions to adopt the CIP and operating budgets and the appropriation limitation (aka Gann Limit) follow this section with the publication of the adopted budget.

Budget Amendments

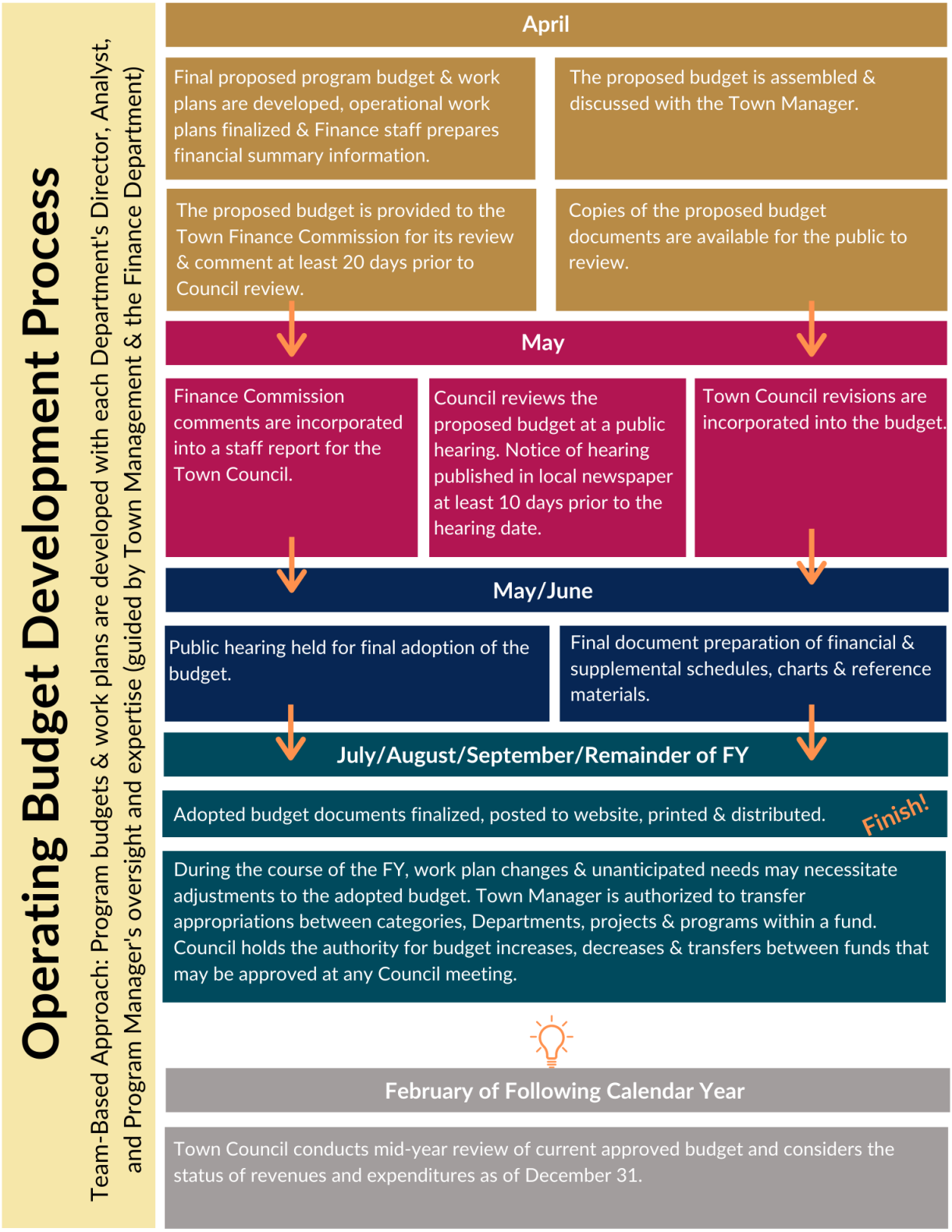
During the course of the fiscal year, work plan changes and unanticipated needs necessitate adjustments to the adopted budgets. The Town Manager is authorized to transfer appropriations between categories, Departments, projects, and programs within a fund in the adopted budget, whereas the Town Council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

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

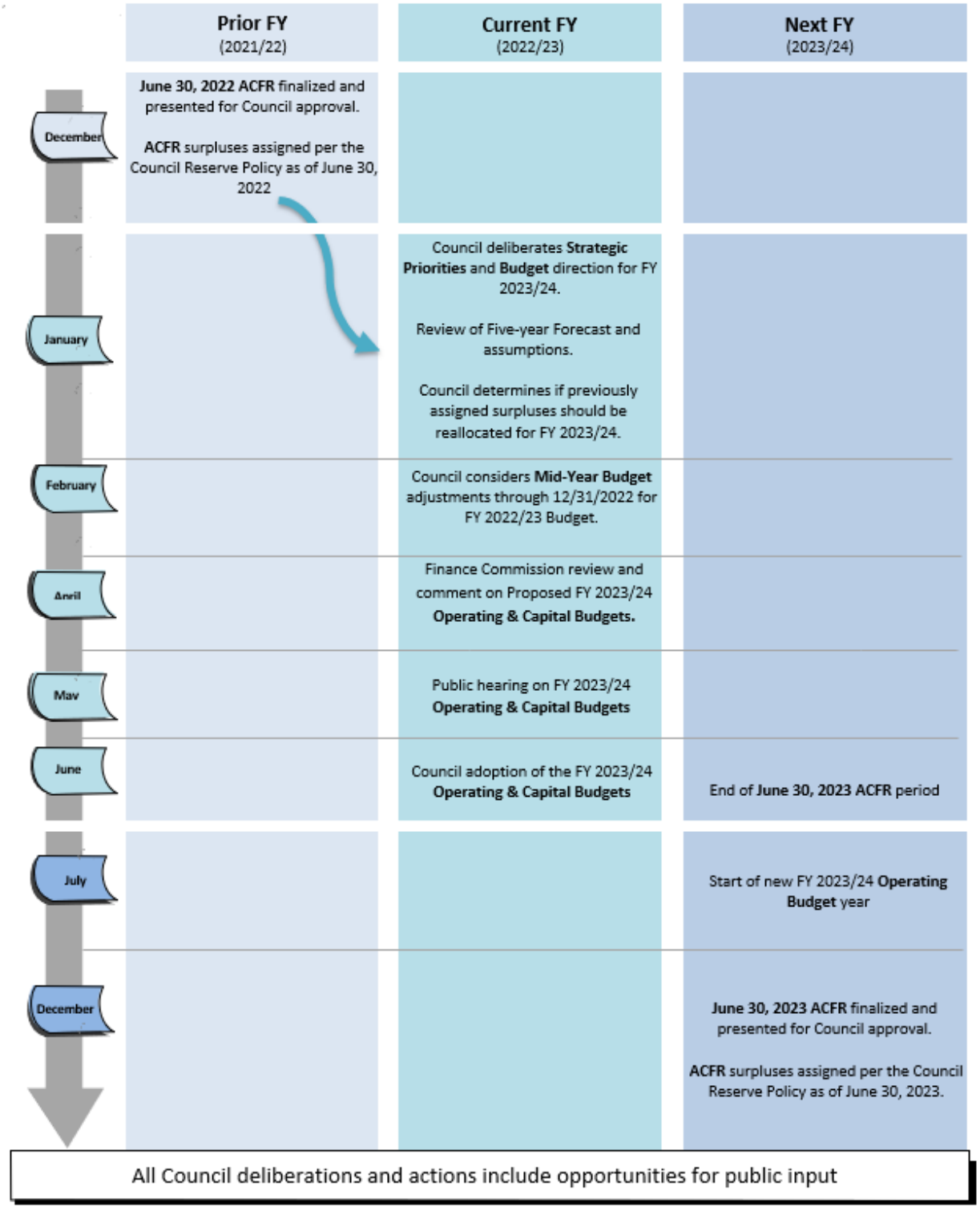
BUDGET CALENDAR



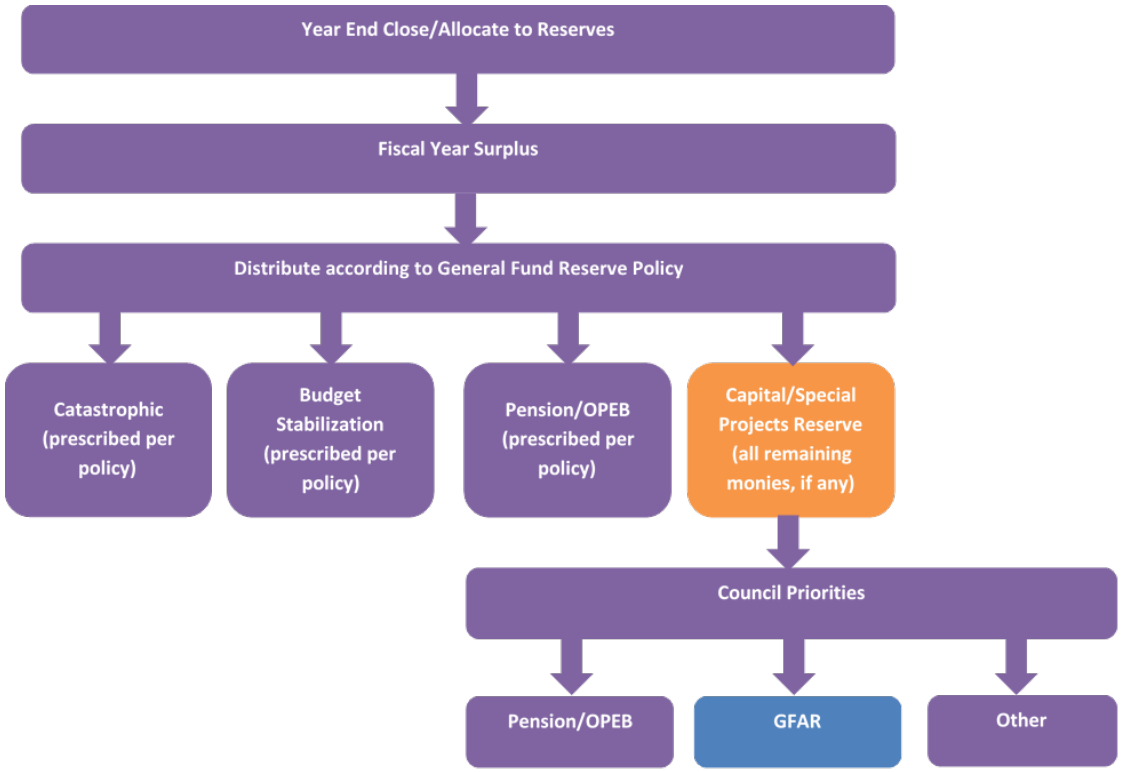
BUDGET CALENDAR



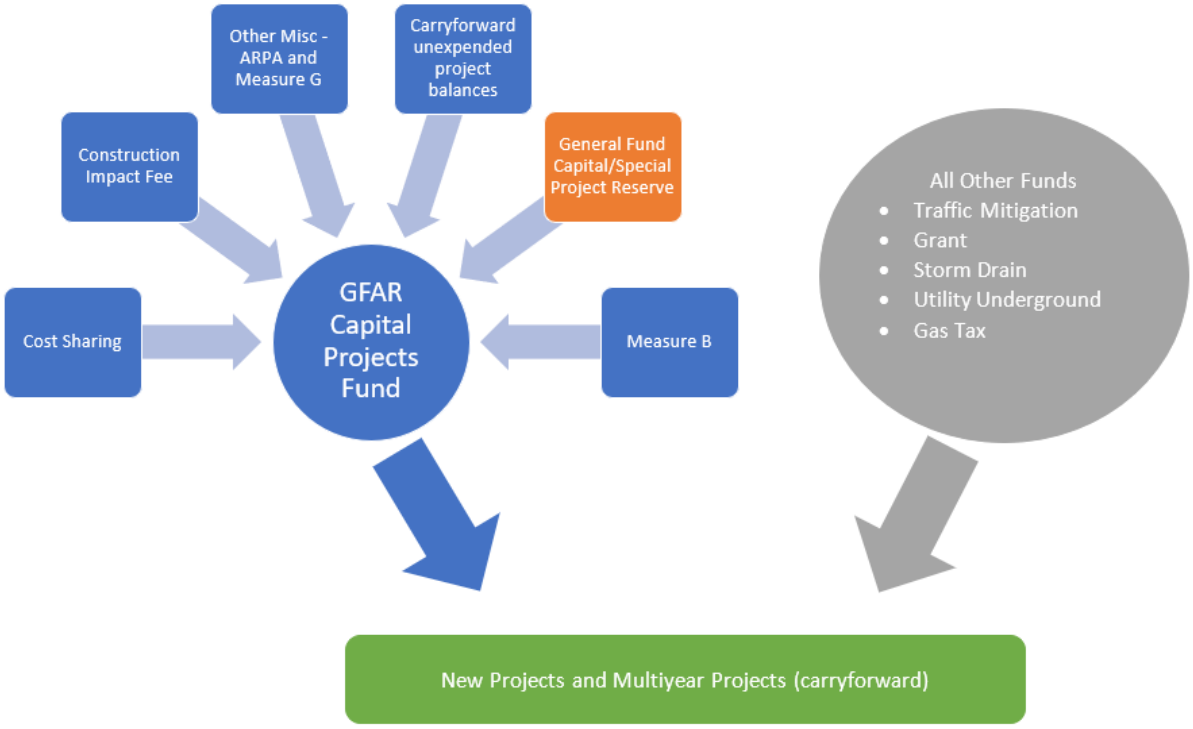
ANNUAL BUDGET/ACFR CYCLE



FISCAL YEAR SURPLUS FLOW OF FUNDS



CAPITAL IMPROVEMENT PROGRAM



GANN APPROPRIATION LIMIT

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

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

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

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

APPROPRIATION LIMIT CALCULATION

The following schedule reflects historical appropriation factors for the prior ten years, and the calculation for FY 2023/24:

GANN APPROPRIATION LIMIT

APPROPRIATION LIMIT FACTORS

For YE June 30	Beginning Appropriation Limit	County Population Factor	Town Population Factor	Per Capita Income Factor	Ending Appropriation Limit		% Limit Increase
2010	28,426,367	1.0156	1.0108	1.0062	29,048,811		2.19%
2011	29,048,811	1.0126	1.0101	0.9746	28,667,689		-1.31%
2012	28,667,689	1.0089	1.0096	1.0251	29,669,366		3.49%
2013	29,669,366	1.0124	1.0081	1.0377	31,169,671		5.06%
2014	31,169,671	1.0157	1.0147	1.0512	33,279,977		6.77%
2015	33,279,977	1.0150	1.0102	0.9977	33,701,485		1.27%
2016	33,701,485	1.0113	1.0020	1.0382	35,384,256		4.99%
2017	35,384,256	1.0126	1.0070	1.0537	37,754,174		6.70%
2018	37,754,174	1.0081	1.0040	1.0369	39,464,396		4.53%
2019	39,464,396	1.0099	1.0050	1.0367	41,317,775		4.70%
2020	41,317,775	1.0033	0.9998	1.0385	43,050,108		4.19%
2021	43,050,108	1.0037	1.0234	1.0373	45,831,327	*	6.46%
2022	45,831,327	0.9944	0.9919	1.0573	48,186,101	**	5.14%
2023	48,186,101	0.9931	0.9961	1.0755	51,622,037		7.13%
2024	51,622,037	0.9975	0.9980	1.0444	53,806,227		4.23%

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

***The State issued a list in December 2022 per State Subventions Pursuant to Government Code Section 7903(AN) that listed the Town of Los Gatos needing to report $7 million State Subvention pass through grant. The Town is still under the Gann Appropriation Limit with the additional $7 million pass through grant from FY 2021/22.*

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

The Town of Los Gatos' appropriation limit for fiscal year 2023/24 is calculated as follows:

FY 2023/24 Calculation

Town Population Factor		Per Capita Income Factor		Appropriation Factor		2022/23 Appropriation Limit		2023/24 Appropriation Limit
0.9980	X	1.0444	=	1.042311	X	$ 51,622,037	=	$ 53,806,227

GANN APPROPRIATION LIMIT

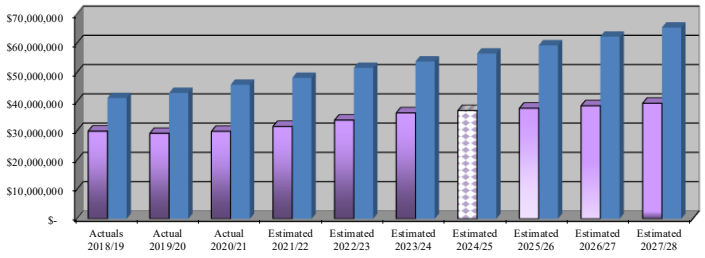
As illustrated, the total amount of tax revenues appropriated to the Town in FY 2023/24 is not to exceed $53,806,277. The FY 2023/24 budget anticipates $36,222,240 in tax revenues The Town of Los Gatos' appropriation limit for fiscal year 2020/21 is calculated as follows:

which equates to $17,538,987 less than, or approximately 67% of, the appropriation limit for FY 2023/24. Therefore, the Town's tax revenues fall substantially below the appropriation limit.

APPROPIATION TREND

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

Tax Revenues to Appropriation Limit
10 Year Trend



	Actuals 2018/19	Actual 2019/20	Actual 2020/21	Estimated 2021/22	Estimated 2022/23	Estimated 2023/24	Estimated 2024/25	Estimated 2025/26	Estimated 2026/27	Estimated 2027/28
Tax Revenues	$ 29,980,891	$ 29,221,395	$ 29,904,669	$ 31,598,666	$ 33,766,598	$ 36,222,240	$ 37,019,129	$ 37,833,550	$ 38,665,888	$ 39,516,538
Appropriation Limit	$ 41,317,775	$ 43,050,108	$ 45,831,327	$ 48,186,101	$ 51,622,037	$ 53,806,227	$ 56,496,539	$ 59,321,366	$ 62,287,434	$ 65,401,806
Revenue to Limit %	73%	68%	65%	66%	65%	67%	66%	64%	62%	60%

APPROPRIATION LIMIT ADOPTION

The resolution to adopt the appropriation limit of $53,806,227 was adopted by Council adoption on June 20, 2023.

GANN APPROPRIATION RESOLUTION

RESOLUTION 2023-34

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS ESTABLISHING THE FY 2023/24 APPROPRIATIONS LIMIT FOR THE TOWN OF LOS GATOS

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

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

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

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

THEREFORE, BE IT RESOLVED: that the Annual Appropriations Limit for the Town of Los Gatos for FY 2023/24 is $53,806,227 as reflected in Exhibit A.

GANN APPROPRIATION RESOLUTION

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California, held on the 20th day of June 2023 by the following vote:

COUNCIL MEMBERS:

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

NAYS: None

ABSENT: None

ABSTAIN: None

SIGNED: _____

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: 6-28-23

ATTEST: _____

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

DATE: 6-28-23

GANN APPROPRIATION RESOLUTION

APPROPRIATION LIMIT FACTORS

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FY 2023/24 Calculation

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Percentage of Appropriation

2023/24 Tax Revenues		2023/24 Appropriation Limit		Percentage of Limit
36,222,240	/	$ 53,806,227	=	67%

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

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EXHIBIT A

TOWN OF LOS GATOS
ANNUAL BUDGET RESOLUTION

RESOLUTION 2023-032

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS APPROVING THE FISCAL YEAR (FY) 2023/24 OPERATING BUDGET AND FY 2023/24–2027/28 CAPITAL BUDGET; NEW APPROPRIATIONS; OTHER ADJUSTMENTS; AMERICAN RESCUE PLAN ACT RECOGNITION; MINOR CORRECTIONS; AND CARRY-FORWARD APPROPRIATIONS

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

WHEREAS, the Town Manager submitted to the Town Council and Finance Commission a Proposed Operating Budget for FY2023/24 on April 17, 2023; and

WHEREAS, the Town Manager submitted to the Town Council and Finance Commission a Proposed Five-Year Capital Improvement Program for FY 2023/24 – 2027/28 on April 17, 2023; and

WHEREAS, the Town Council conducted a noticed public hearing on the Proposed Operating Budget and Capital Improvement Program on May 16, 2023; and

WHEREAS, per Measure A, the Town Council has considered and reviewed the Finance Commission written recommendations to the Town Council on the said proposed Budget and Capital Improvement Program during the public hearing on May 16, 2023; and

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

WHEREAS, the Town Council has continued the use of Measure G proceeds in the remainder of the forecast (FY 2023/24- FY 2027/28) to be 50% for operating expenditures and 50% for capital purposes; and

WHEREAS, the Town Council previously allocated residual Measure G proceeds for capital should pe programmed to the Shannon Road Repair Project; and

ANNUAL BUDGET RESOLUTION

RESOLUTION 2023-032

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS APPROVING THE FISCAL YEAR (FY) 2023/24 OPERATING BUDGET AND FY 2023/24–2027/28 CAPITAL BUDGET; NEW APPROPRIATIONS; OTHER ADJUSTMENTS; AMERICAN RESCUE PLAN ACT RECOGNITION; MINOR CORRECTIONS; AND CARRY-FORWARD APPROPRIATIONS

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

WHEREAS, the Town Manager submitted to the Town Council and Finance Commission a Proposed Operating Budget for FY2023/24 on April 17, 2023; and

WHEREAS, the Town Manager submitted to the Town Council and Finance Commission a Proposed Five-Year Capital Improvement Program for FY 2023/24 – 2027/28 on April 17, 2023; and

WHEREAS, the Town Council conducted a noticed public hearing on the Proposed Operating Budget and Capital Improvement Program on May 16, 2023; and

WHEREAS, per Measure A, the Town Council has considered and reviewed the Finance Commission written recommendations to the Town Council on the said proposed Budget and Capital Improvement Program during the public hearing on May 16, 2023; and

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

WHEREAS, the Town Council has continued the use of Measure G proceeds in the remainder of the forecast (FY 2023/24- FY 2027/28) to be 50% for operating expenditures and 50% for capital purposes; and

WHEREAS, the Town Council previously allocated residual Measure G proceeds for capital should pe programmed to the Shannon Road Repair Project; and

WHEREAS, the Town Council has continued the use of Measure G proceeds in the remainder of the forecast (FY 2023/24- FY 2027/28) to be 50% for operating expenditures and 50% for capital purposes; and

WHEREAS, the Town Council previously allocated residual Measure G proceeds for capital should pe programmed to the Shannon Road Repair Project; and

WHEREAS, the future year Measure G proceeds for capital should pe programmed to the State Route 17 Corridor Project; and

WHEREAS, the estimated FY 2023/24 Education Realignment Augmentation Fund (ERAF) revenue increased by $660,900 based on current estimates; and

WHEREAS, the Town Council has determined that 30% of the ERAF proceeds should be reserved in an ERAF Risk Reserve, until the lawsuit between the State and School Districts regarding the ERAF calculation distribution is concluded; and

WHEREAS, the estimated FY 2023/24 expenditures and pass through revenues and expenditures increased by $33,000 for additional money for the Chamber Agreement; and

WHEREAS, the estimated FY 2023/24 expenditures increased by $11,000 for additional money for supporting project based Commissions; and

WHEREAS, the Town Council has determined that the Town salary and expenditure will decrease by $1,618,107 by building in the 4.6 % salary saving factor; and

WHEREAS, the Town Council has determined that the Town reimbursement of $1,608,226 from available Other Post-Employment Benefits (OPEB) 115 Trust assets for retiree pay-as-you go expenses in FY 2023/24 in not necessary if the build in 4.6 % salary saving factor materialize; and

WHEREAS, the Town Council has determined to recognize the remainder of American Rescue Plan Act (ARPA) proceeds for FY 2023/24 under loss revenue; and

WHEREAS, the Town Council has determined that once the ARPA Revenues were fully recognized as loss revenue, it becomes the part of General Fund and available for Council direction for any lawful government service. Staff is tracking the $7.2 million total revenue received against Council directed use through pass through revenues and expenditures, and

WHEREAS, the Town Council has determined that the remainder of the $7.2 million

ANNUAL BUDGET RESOLUTION

TOTAL TOWN REVENUES AND EXPENDITURES BY FUND

	2023/24 Proposed Budget	Estimated Budget Revision	2023/24 Recommended Budget
REVENUES			
General Fund	$54,130,896	$ (914,326) (1)	$ 53,216,570
Special Revenue Funds	542,380	-	$ 542,380
Internal Service Funds	4,947,389	-	$ 4,947,389
Capital Project Funds (does not include carryforwards)	8,547,920	-	$ 8,547,920
Successor Agency Funds	3,811,664	-	$ 3,811,664
TOTAL REVENUES	**$71,980,249**	**$ (914,326)**	**$ 71,065,923**
OTHER FUNDING SOURCES			
Designated One-Time Use of General Fund Reserves	2,361,000	$ 33,000	2,394,000 (2)
TOTAL TOWN REVENUES & OTHER FUNDING SOURCES	**$74,341,249**	**$ (881,326)**	**$ 73,459,923**
TOTAL TOWN EXPENDITURES, TRANSFERS OUT & CARRYFORWARD APPROPRIATION			
General Fund	$56,101,896	$ (1,586,649) (3)	$ 54,515,247
Special Revenue Funds	469,381	(9,794) (4)	459,587
Internal Service Funds	6,132,798	-	6,132,798
Capital Project Funds (does not include carryforwards)	10,658,747	- (5)	10,658,747
Successor Agency Funds	3,801,021	(87) (6)	3,800,934
TOTAL TOWN EXPENDITURE & OTHER FUNDING USES	**$77,163,843**	**$ (1,596,530)**	**$ 75,567,313**
GENERAL FUND SOURCE(USE) OF FUND BALANCES	$ 390,000	$ 660,900	$ 1,095,323
OTHER FUNDS SOURCE(USE) OF FUND BALANCES	(3,212,594)		(3,202,713) (7)
TOTAL SOURCE(USE) OF FUND BALANCES	$ (2,822,594)	$ 715,204	$ (2,107,390)

(1) Additional General Fund Revenues
$1,608,226 Decreases OPEB Trust Reimbursement for Retiree Medical
$660,900 Increases Additional ERAF Proceeds to Reserve At Risk
$33,000 - Increase ARPA Replacement Pass Through Revenue - Tracking

(2) Designated One-Time Use of the General Fund Reserves during FY 2023/24
$1,615,000 - Transfer to Capital Projects (GFAR)
$779,000 - ARPA Revenue Replacement Tracking

(3) General Fund Expenditures
$1,663,649 - Decrease - 4.6% Salary Saving Factor
$11,000 - Increase Project Based Boards and Commissions Support
$33,000 - Increase Chamber Agreement
$33,000 - Increase ARPA Replacement Pass Through Expenditure - Tracking

(4) Special Revenue Fund Expenditures
$9,794 - Decrease - 4.6% Salary Saving Factor

(5) Capital Project Funds Expenditures
No Change in Total Expenditures, $35,000 transferred from the Lynn Avenue Pedestrian Path Design Project (411-832-4510) to Emergency Preparedness Project (411-821-2012)

(6) Successor Agency Funds Expenditures
$87 - Decrease - 4.6% Salary Saving Factor

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

Numbers may differ between exhibits due to rounding.

EXHIBIT A

Town Profile

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History and Culture of Los Gatos

Location

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



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

History

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

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



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

Because of its distance from other centers of population, Los Gatos developed as a complete community including residential, business, and industrial elements. Preserving Los Gatos as a complete and well-balanced community has been and remains a prominent goal of residents. From the first 100-acre town site in 1890 with a population of 1,652, Los Gatos grew

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



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

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



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

Community

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

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



Climate

Los Gatos enjoys a mild Mediterranean climate, making it ideal for business, residential, and recreational opportunities. Summers are dry and warm in the 80 degrees to 100 degrees range. Winters are temperate

and semi-moist in the 40 degrees to 60 degrees range. Los Gatos receives most of its precipitation from December through March. It is rare to see raindrops in the summer months.

Transportation



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

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

Economy



Historically innovation-based economies like Silicon Valley have benefited from the constant change of technological advances and globalization. Silicon Valley's unique mix of talent, technology, and capital have often translated into a genuine comparative advantage nationally. These factors propelled the region out of previous recessions and allowed for a quicker and continued rebound from the global health challenges of the COVID-19 Pandemic, with patterns of growth typically outperforming the nation.

Los Gatos has a diverse economic base of office, high tech, light industry, retail, and restaurants. The Town remains forward thinking and flexible in commercial use permits to allow for current businesses to flex with the dynamic market while attracting new business models. As online demand for retail and services has increased, the Town continues to offer commercial office space, high quality dining, experiential retail, and service-based businesses. The Town's historic downtown is a draw for residents and visitors alike.

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

The FY 2023/24 Budget currently anticipates no significant new programming and does maintain existing service with modest staffing additions. This Budget also provides for limited, continued strategic investments toward wildfire protection, emergency preparedness, traffic calming/traffic safety for all users, parking study implementation, and prudent fiscal management among other items.

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

Town of Los Gatos Vision

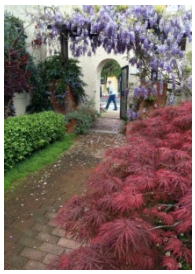


The Town of Los Gatos is a welcoming, family-oriented, and safe community nestled in the beautiful foothills of the Santa Cruz Mountains. The Town is a sustainable community that takes pride in its small-town character and provides a range of housing opportunities, historic neighborhoods, local culture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

What makes Los Gatos Special?

The desire to protect the Town's high quality of life is demonstrated by extensive citizen engagement in many service groups and community issues. While residents may disagree over specific issues, they share a common appreciation for Los Gatos. The overall community consensus is that Los Gatos:

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









STATISTICS SECTION

Town of Los Gatos Statistics

TOWN DEMOGRAPHICS:

Current Town Area	15 Square Miles
Incorporated	August 10, 1887
Elevation	428 ft.
Miles of Streets	112
Number of Traffic Signals	31
Number of Registered Voters	22,289
Form of Government	Council Manager
Town Employee/Resident Ratio	1:217

COMMUNITY FACILITIES

12 Neighborhood Parks

Los Gatos Creek Trail

161 Acres of Designated Open Space

Los Gatos-Saratoga Recreation District

- Adult Recreation Center
- Youth Recreation Center

Los Gatos Library

New Museum Los Gatos

HOSPITALS

Good Samaritan Hospital - Mission Oaks Campus

El Camino Hospital

PUBLIC EDUCATION

4 Elementary Schools

1 Middle School

1 High School

1 Continuation Program

1 Independent Study

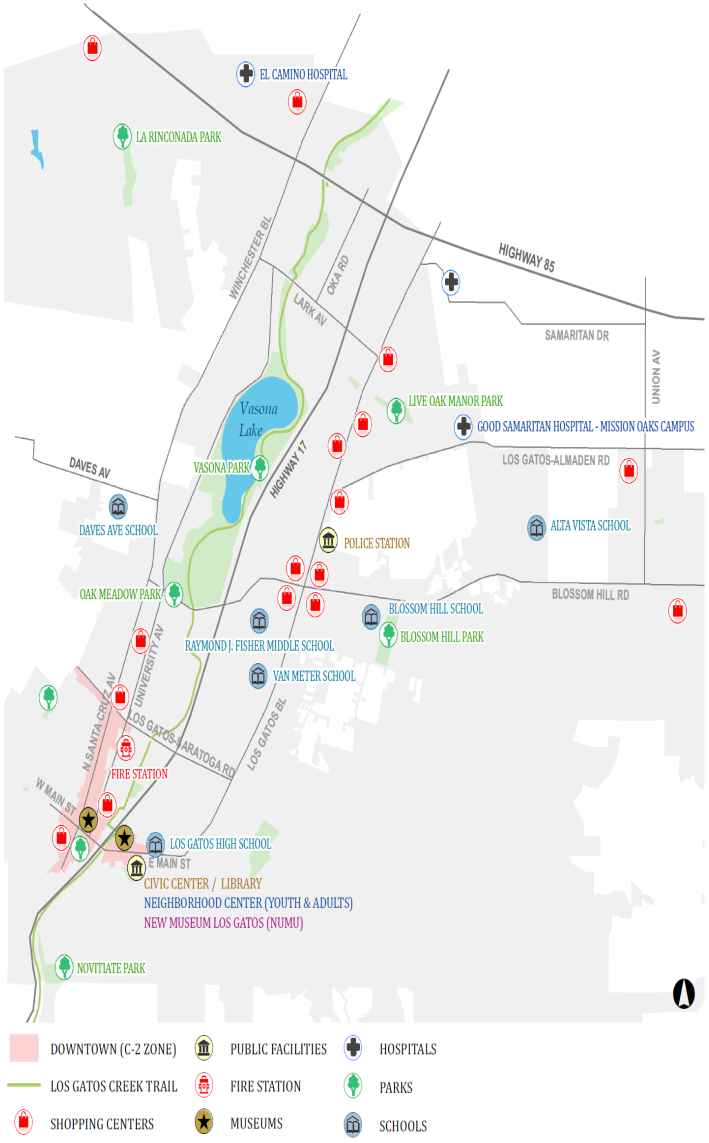
POLICE SERVICES

1 Police Station

1 Police Services Building

39 Police Officers

21 Support Personnel



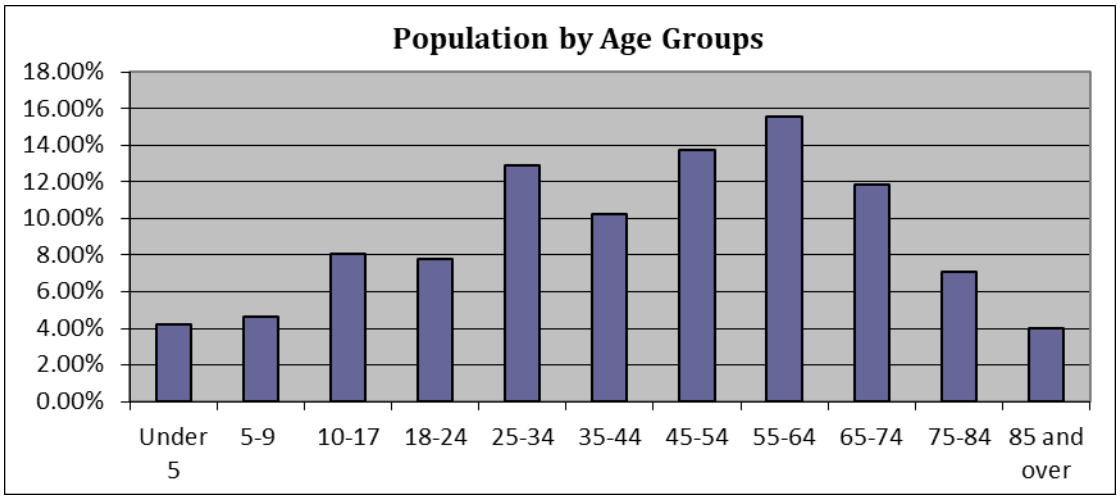
Town of Los Gatos Statistics

WEATHER:

Average Temperatures (degrees Fahrenheit)	
Winter	40/59
Spring	45/70
Summer	54/83
Fall	48/73
Average Sunny Days	330 per year
Average precipitation	23.08 inches
Annual snowfall	0.00 inches

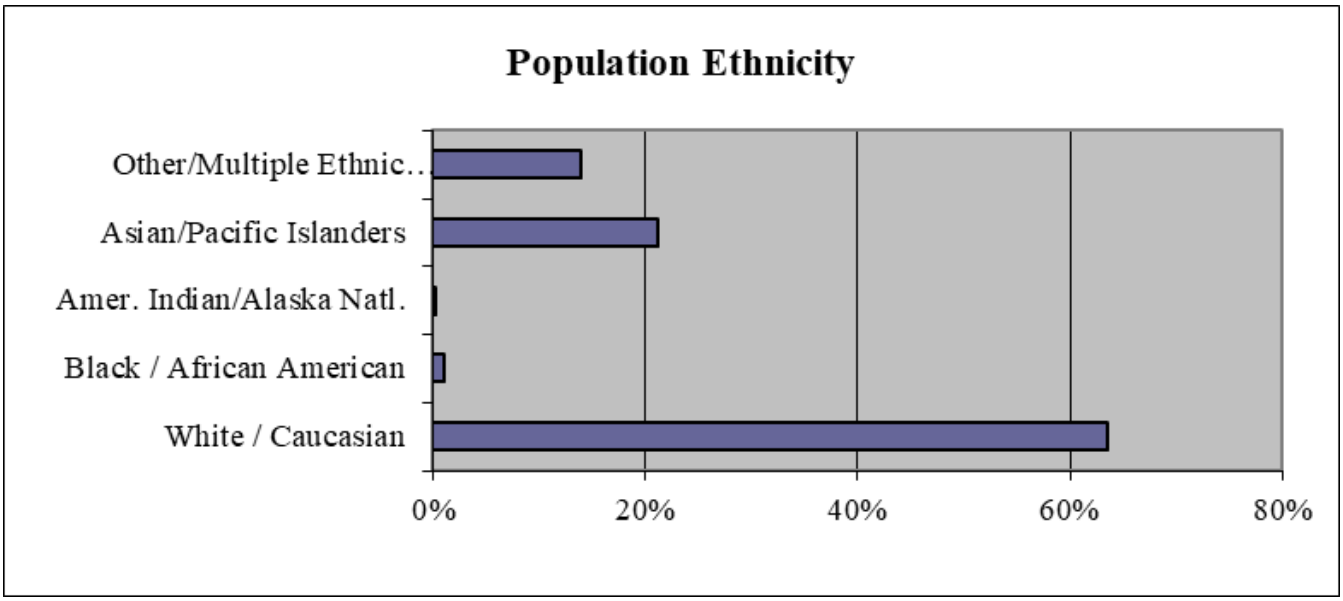
POPULATION:

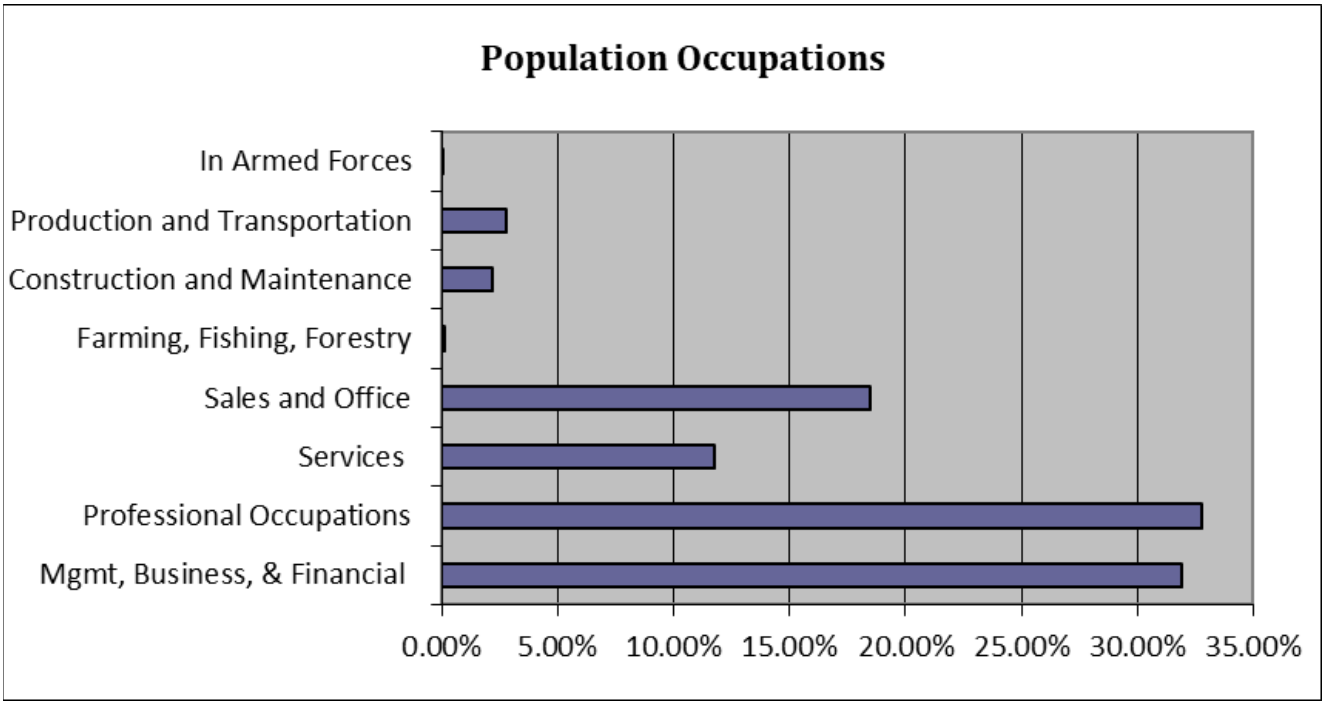
1990 Census	28,013
2000 Census	28,523
2010 Census	29,413
2023 Estimates	33,102
State Ranking in Population	228 of 482



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

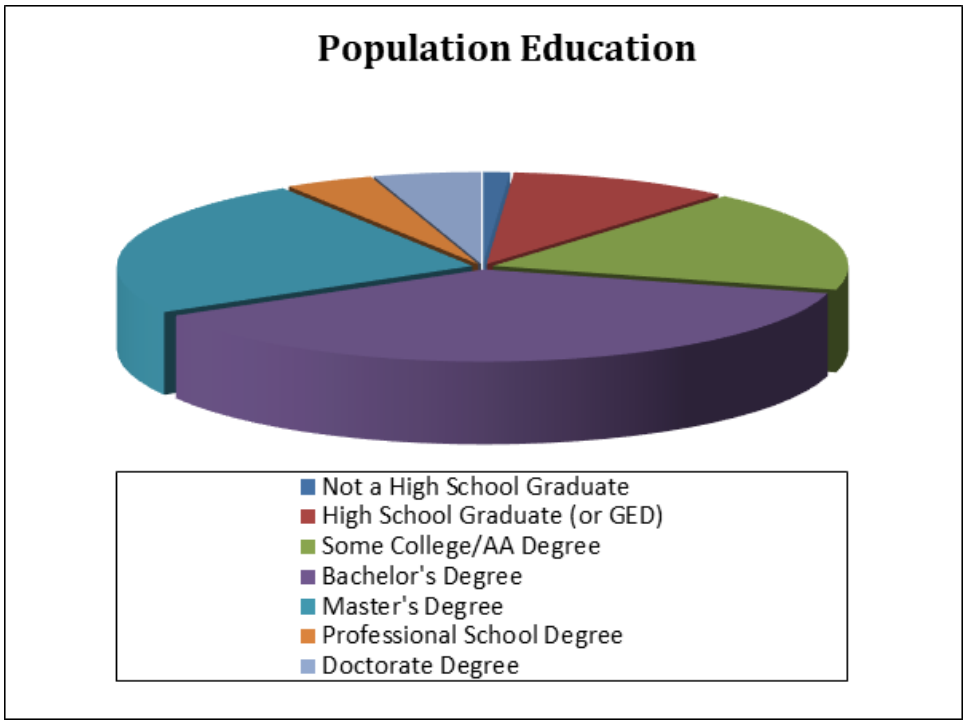
Town of Los Gatos Statistics

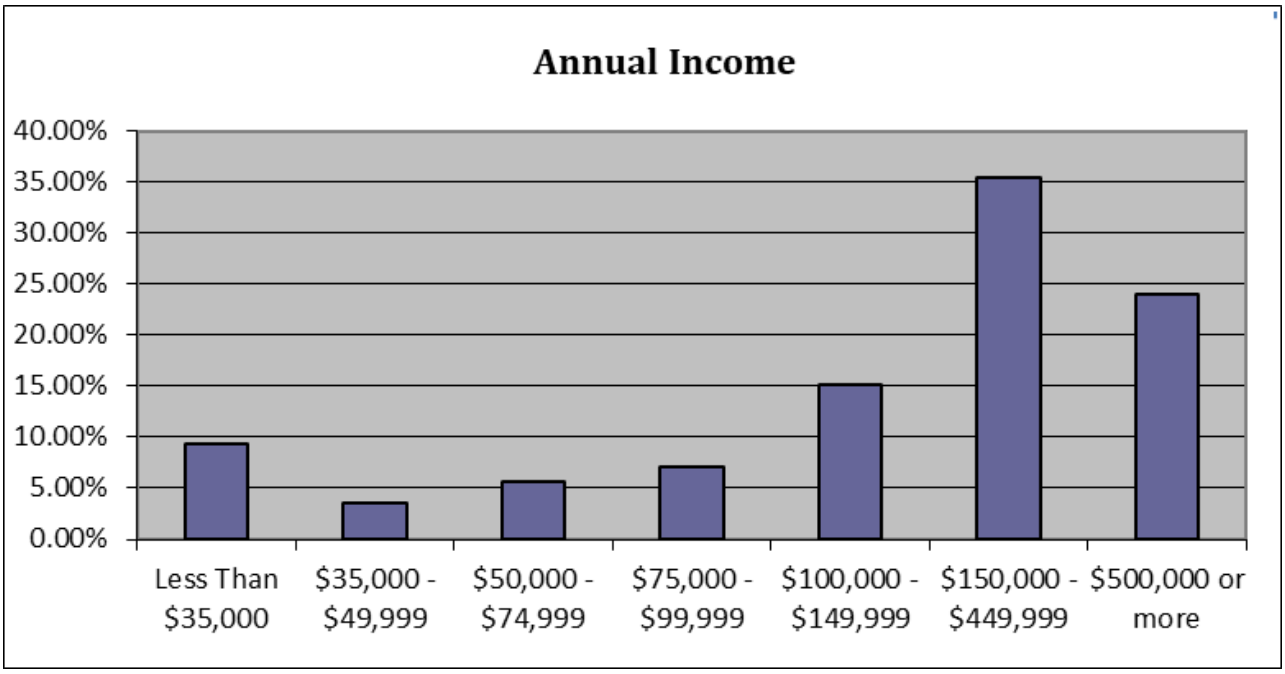




Note: Demographic figures obtained from State of California and Claritas LLC

Town of Los Gatos Statistics

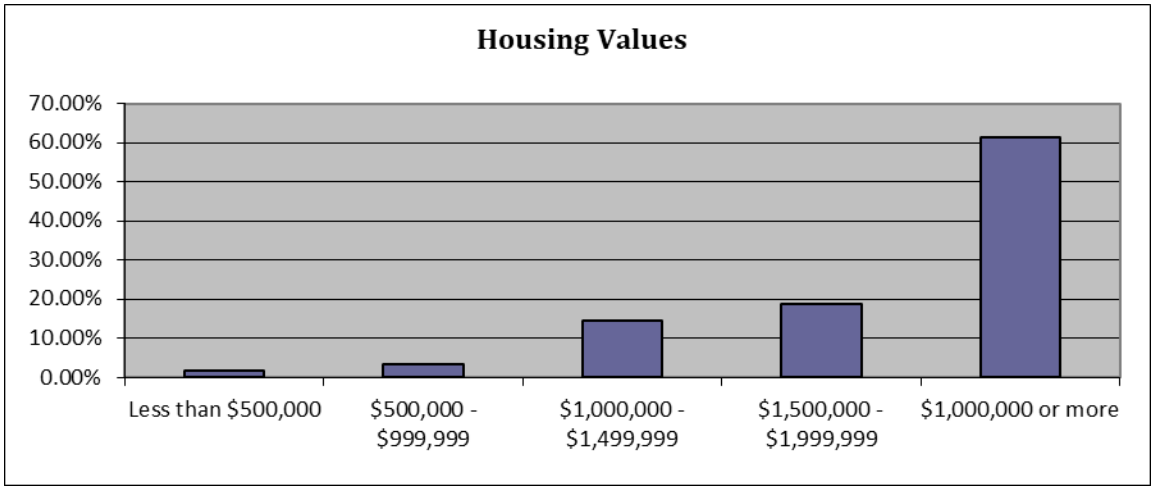




Note: Demographic figures obtained from State of California and Claritas LLC

Town of Los Gatos Statistics

Housing Units	Units	Percentage
Owner Occupied	8,670	64.0%
Renter Occupied	4,102	36.1%
Total Housing Units	**12,772**	**100%**



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

Economic Factors

FY 2022/23 Twenty Local Secured Taxpayers

Property Owner	Land Use	Assessed Value	% of Total (1)
Serramonte Corporate Center LLC	Business Park	$215,346,008	1.31%
SI 32 LLC	Apartments	159,929,209	0.97%
Wealthcap Los Gatos 121	Business Park	121,703,128	0.74%
Preylock Los Gatos LLC	Business Park	98,810,782	0.60%
Summerhill N40 LLC	Residential Development	71,006,795	0.43%
Donahue Schriber Realty Group LP	Shopping Center	60,440,222	0.37%
Knowles Los Gatos LLC	Industrial	55,684,072	0.34%
San Jose Water Works	Water Company	51,657,625	0.31%
Sobrato Interests IV LLC	Apartments	47,067,863	0.29%
El Camino Hospital	Medical Buildings	43,379,731 (2)	0.26%
SRI Old Town LLC	Shopping Center	35,951,333	0.22%
140 Toll House Hotel LLC	Hotel	34,808,066	0.21%
KSL Capital Partners	Athletic Club	32,098,542	0.20%
Kay K. & Go Sasaki Sr., Trustee	Apartments	28,020,326	0.17%
750 University LLC	Office Building	27,605,660	0.17%
Fox Creek Fund LLC	Athletic Club	27,078,255	0.17%
Equestrian 3 Investments LLC	Office Building	26,832,251	0.16%
A W Los Gatos LLC	Office Building	26,749,500	0.16%
Good Samaritan Hospital LP	Hospital	24,569,780	0.15%
Boccardo Corporation	Office Building	24,268,078	0.15%
		$ 1,213,007,226	7.39%

(1) 2022-23 Local Secured Assessed Valuation: $16,403,289,146

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

Source: California Municipal Statistics, Inc.

Economic Factors

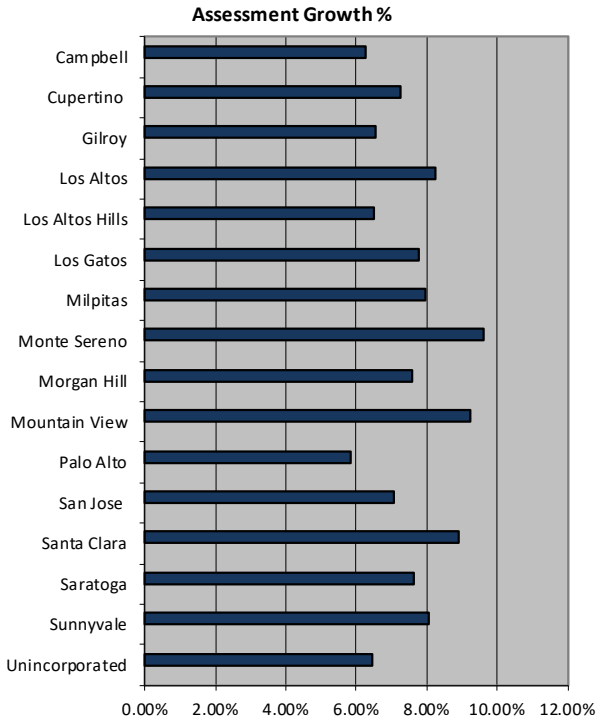
Santa Clara County
Assessment Roll Growth by City

(Values in $Billions*)

Santa Clara County Cities	Total Roll 2022	Total Roll 2021	Percent Growth**
Campbell	$ 13.15	$ 12.37	6.28%
Cupertino	30.90	28.81	7.24%
Gilroy	10.94	10.27	6.55%
Los Altos	20.38	18.83	8.24%
Los Altos Hills	9.93	9.33	6.52%
Los Gatos	16.76	15.55	7.77%
Milpitas	24.12	22.35	7.96%
Monte Sereno	2.81	2.57	9.62%
Morgan Hill	12.35	11.48	7.60%
Mountain View	41.05	37.58	9.24%
Palo Alto	46.59	44.03	5.82%
San Jose	231.11	215.86	7.07%
Santa Clara	56.92	52.26	8.92%
Saratoga	18.88	17.54	7.62%
Sunnyvale	62.23	57.58	8.07%
Unincorporated	21.82	20.50	6.44%
TOTALS	**$ 619.94**	**$ 576.91**	**7.46%**

*Net of nonreimbursable exemptions

**Percentage based on non-rounded values



Source: Santa Clara County's Office of the County Assessor 2022/23 Annual Report

Major Employers

Organization	Product/Services	Employees
Netflix	Internet Services	2263
El Camino Hospital, Los Gatos	Health Industry	509
Courtside Tennis Club*	Leisure/Recreation	542
Los Gatos -Saratoga Union High School District*	Education	320
Safeway (3 locations)	Food Industry	314
Los Gatos Elementary School District	Education	281
Vasona Creek Health Care Ctr*	Health Industry	250
Terraces of Los Gatos	Health Industry	200
Good Samaritan Regional Cancer Center	Health Industry	200
Whole Foods Market*	Food Industry	132
Town of Los Gatos*	Town Government	163

**Includes full and part time employees*

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

Town Management

Town Manager ..... Laurel Prevetti

Assistant Town Manager ..... Katy Nomura

Town Attorney ..... Gabriella Wheelan

Chief of Police ..... Jamie Field

Community Development Director ..... Joel Paulson

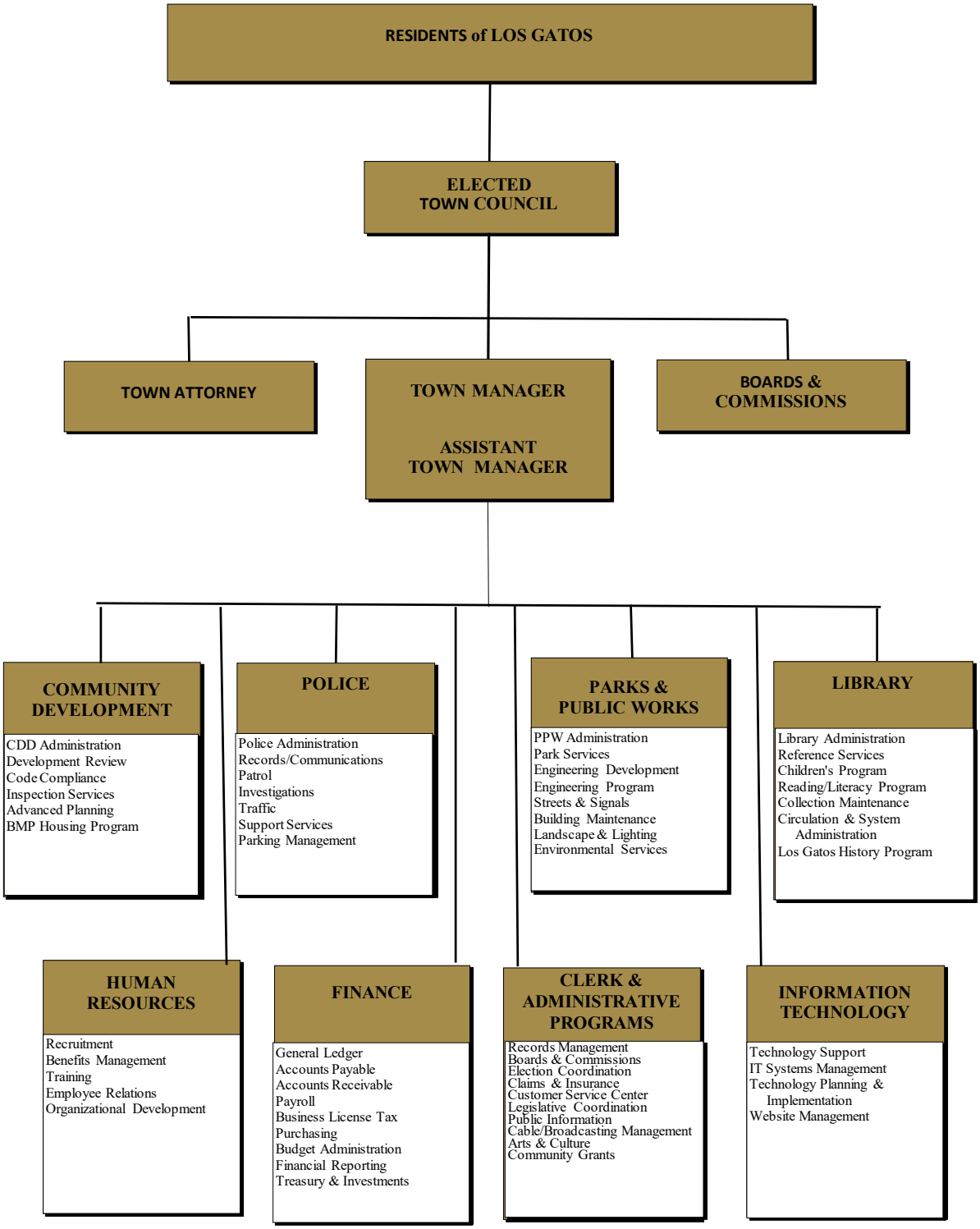
Parks and Public Works Director ..... Nicolle Burnham

Library Director ..... Ryan Baker

Finance Director ..... Gitta Ungvari

Human Resources Director ..... Salina Flores

Town of Los Gatos
Organizational Structure



Town of Los Gatos
Commissions, Committees, and Advisory Boards

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

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

Building Board of Appeals
Hears appeals of Building regulations.

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

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

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

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

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

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

Historic Preservation Committee

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

Library Board
Represents the community in making recommendations regarding Library services.

Town of Los Gatos
Commissions, Committees, and Advisory Boards

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

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

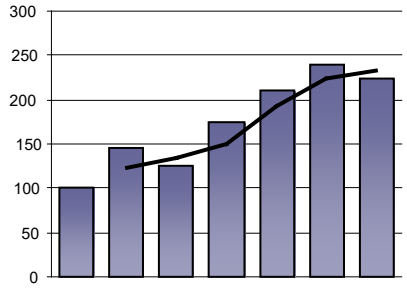
Planning Commission
Takes actions and makes recommendations to the Town Council regarding planning, zoning administration, and other land use issues.

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

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

Financial Summaries

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FINANCIAL SUMMARIES

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TOTAL BUDGETED FUND ACTIVITY SUMMARY
FY2023/24

	Estimated Fund Balance 7/1/2023	Revenues, Prior Year Carryfwds & Transfers	Expenditures, Prior Year Carryfwds & Transfers	Estimated Fund Balance 6/30/2024	Fund Balance Change From Prior Year
Operating Funds					
Governmental Funds					
General Fund*	$ 27,147,209	$ 53,216,570	$ 54,515,247	$ 25,848,532	-4.8% *(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	616,787	359,950	271,103	705,634	14.4% *(2)*
Blackwell Assessment District Fund	13,506	3,210	3,444	13,272	-1.7% *(3)*
Kennedy Assessment District Fund	7,150	10,605	14,795	2,960	-58.6%
Gemini Assessment District Fund	29,398	4,750	2,152	31,996	8.8% *(3)*
Santa Rosa Assessment District Fund	22,371	4,550	12,887	14,034	-37.3% *(3)*
Vasona Assessment District Fund	28,083	10,075	9,502	28,656	2.0% *(3)*
Hillbrook Assessment District Fund	10,274	6,040	4,904	11,410	11.1% *(3)*
Los Gatos Theatre	32,086	68,400	40,000	60,486	88.5%
Library Trust Fund	58,873	70,000	75,000	53,873	-8.5% *(3)*
Ness Bequest Trust Fund	22,417	-	21,000	1,417	-93.7% *(3)*
Betty McClendon Trust Fund	88,214	900	900	88,214	0.0%
Barbara J Cassin Trust Fund	362,173	3,900	3,900	362,173	0.0%
Proprietary Funds - Internal Service Funds					
Liability Self-Insurance Fund	395,250	779,024	1,161,313	12,961	-96.7% *(4)*
Worker's Comp Self-Insurance Fund	706,512	1,123,448	1,773,264	56,696	-92.0% *(4)*
Information Technology Fund	2,136,398	735,656	1,018,679	1,853,375	-13.2% *(5)*
Equipment Replacement Fund	1,582,113	1,056,738	927,021	1,711,830	8.2% *(5)*
Facilities Maintenance Fund	947,235	1,252,523	1,252,521	947,237	0.0% *(3)*
Total Operating Funds	**$ 34,372,703**	**$ 58,706,339**	**$ 61,107,632**	**$ 31,971,410**	**-7.0%**
Capital Funds					
GFAR*	$ 19,263,962	$ 4,101,737	$ 5,903,424	$ 17,462,275	-9.4%
Grant Funded CIP Projects Fund	(2,980,232)	2,427,810	2,427,810	(2,980,232)	0.0%
Storm Drain #1 Fund	1,198,112	49,990	200,000	1,048,102	-12.5%
Storm Drain #2 Fund	2,032,829	54,790	250,000	1,837,619	-9.6%
Storm Drain #3 Fund	(151,742)	890	-	(150,852)	0.6% *(3)*
Traffic Mitigation Fund	395,570	80,000	90,000	385,570	-2.5%
Construction Tax-Undergrounding Fund	3,385,331	45,190	-	3,430,521	1.3% *(3)*
Gas Tax Fund	1,644,728	1,787,514	1,787,514	1,644,728	0.0% *(3)*
Total Capital Projects Funds	**$ 24,788,558**	**$ 8,547,921**	**$ 10,658,748**	**$ 22,677,731**	**-8.5%**
Successor Agency to the Los Gatos RDA Fund					
SA- Trust Fund (Budgetary Fund Balance)	$ 3,903,403	$ 3,811,664	$ 3,800,934	$ 3,914,133	0.3%
Total Successor Agency of the Los Gatos RDA Fund	**$ 3,903,403**	**$ 3,811,664**	**$ 3,800,934**	**$ 3,914,133**	**0.3%**
TOTAL ALL FUNDS	**$ 63,064,664**	**$ 71,065,924**	**$ 75,567,314**	**$ 58,563,274**	**-7.1%**

** Major Funds*

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

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

(3) One-time Capital Project budgeted for FY 2023/24

(4) Based on estimated claims and insurance premium activity

(5) Equipment Replacement and Information Technology Fund reflects acquisition activities for FY 2023/24

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

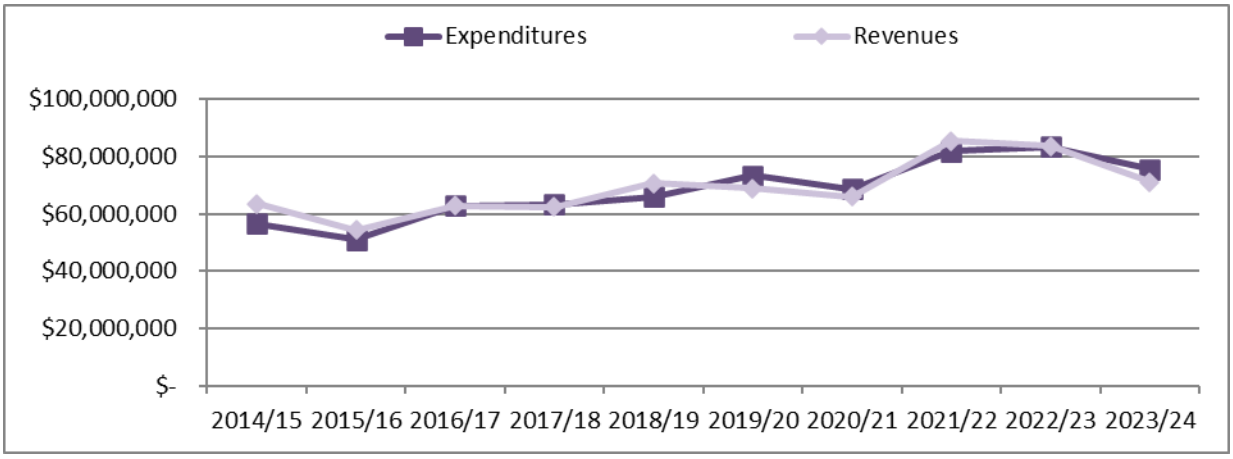
Operating Funds - Ongoing operations are funded out of the various Operating Funds. This includes the Town's General Fund Departmental program operations, as well as special revenue activities and internal service functions. The Library Trusts are held for special uses for the Library.

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.

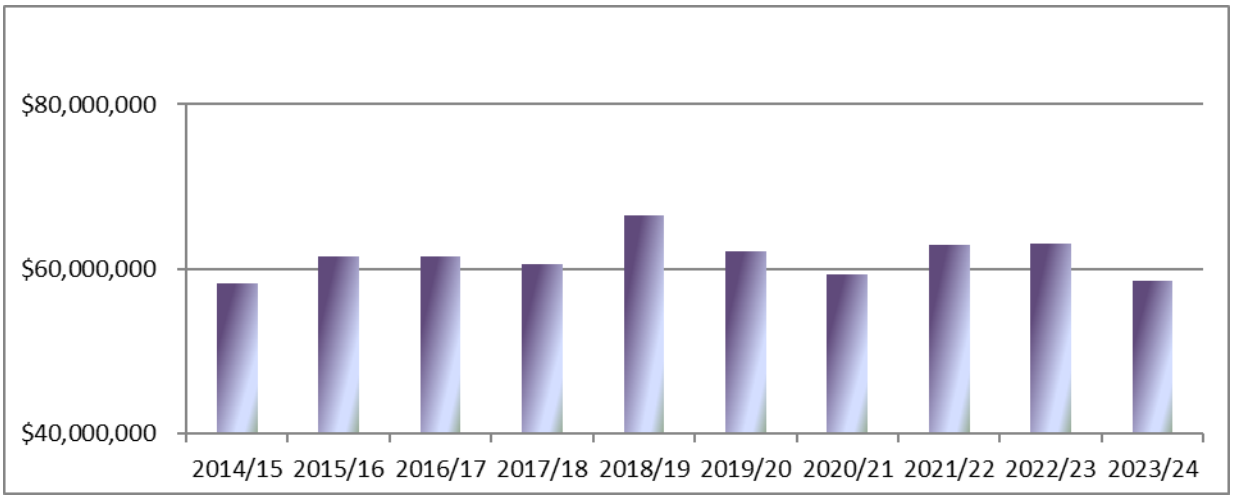
Capital Funds - Representing the capital improvement program activity, the Capital Funds reflect the significant progress to complete capital projects and the resulting decrease in fund balances.

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
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	Actuals	$ 85,427,742	$ 81,762,775	$ 62,994,885
2022/23	Estimated	$ 83,573,265	$ 83,503,486	$ 63,064,664
2023/24	Adopted	$ 71,065,923	$ 75,567,313	$ 58,563,274

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 responded to issues associated with the pandemic and its economic consequences. Fortunately, the Town's 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.

The FY 20232/24 Budget maintains high levels of service for the community while (1) absorbing new unfunded State and federal mandates, (2) recognizing the loss of franchise fees due to West Valley Solid Waste Management Authority's new hauler contract that goes into effect during the new fiscal year, (3) acknowledging inflationary impacts, and (4) reducing expenditures in certain line items. The Budget is balanced by closing a gap of approximately $1.7 million building in a 4.6% town wide salary and benefits saving.

The Budget addresses the Council identified Strategic Priorities and considers other areas of importance to our community and the Council. 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 foster emergency preparedness and community wildfire resilience, address traffic calming and traffic safety, and focus on community and economic vitality.

In terms of capital projects, the Town Council stated its capital budget priorities to continue implementation of the Downtown Parking Roadmap, continue mobility improvements for all transportation modes, manage the vegetation on Town lands to protect against wildfire, and advance other needed improvements. All of these efforts support improving and enhancing transportation options, public safety, and quality of life within the context of prudent fiscal management.

Specific trends affecting the fund balance forecast include:

REVENUES

General Fund revenues (excluding debt payments. restricted pension trust activity, anticipated ARPA proceeds, OPEB Trust withdrawals and fund transfers in) expected to decrease by $83K million to $51.3 million from prior estimated revenues. Revenue projections for each category were based upon estimates provided to the Town by the Santa Clara County Assessor, the Town's sales tax consultant, and careful examination of revenue trends, patterns, and industry research. The net change in overall revenues is mostly due to forecasted increases in some revenues such as property tax, sales tax, licenses and permits, and transient occupancy tax (TOT) combined with the significant decrease in Garbage Franchise Fees.

Franchise fees are expected to decrease. As the Town previously disclosed in the FY 2021/22 Annual Comprehensive Financial Report (ACFR), the California Supreme Court recently issued an opinion in a case challenging the franchise fees that the City of Oakland charges to certain waste hauling companies. In Zolly v. City of Oakland, the court concluded that it did not have enough evidence to rule as a matter of law that the fees are exempt from the voter approval requirements that apply to taxes under Proposition 26, Article XIII C of the California Constitution. However, there are several exceptions to the general rule that a tax must be approved by the voters. One exception (Article IIIC, section 1 (e)(1)) is for "a charge imposed for a specific benefit conferred or privileged granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege." In the event the Town is unable to utilize one of the exceptions, the potential impact is a loss of approximately $2.4 million annually. The impact starts on March 1, 2024 when the new garbage hauler contract goes into effect. The Town has a seat on the Board of the West Valley Solid Waste Management Authority (WVSWMA), a Joint Powers Authority (JPA) that manages the

solid waste contracts.

The FY 2023/24 Budget includes an increase in costs payable to the West Valley Solid Waste Management Authority. The increase in costs is attributed to ongoing requirements for SB 1383 compliance (the cost of which were previously grant funded) and a one-time expense of $150,000 for a Franchise Fee Valuation Study. Completion of the Franchise Fee Valuation Study is critical to ensuring that the Town recovers appropriate costs that are incurred by providing solid waste management services to residents.

The JPA will hold all Garbage Franchise Fees after March 1, 2024 until the Franchise Fee Valuation Study is complete and it determines if any exceptions apply. The five-year forecast includes 50% of the historical Garbage Franchise Fee collected beginning in FY 2024/25.

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 45.9% of the Town's total expenditures in FY 2023/24 (and 63.2% of General Fund expenditures). FY 2023/24 adopted budget includes 4.6% salary savings factor. The Town recognizes fiscal constraints while it endeavors to attract and retain skilled personnel to manage a 21st century municipality. The Town has Memoranda of Understanding with three bargaining units: Police Officers Association (POA), Town Employees Association, and American Federation of State, County and Municipal Employees (AFSCME).

The Town and its employee bargaining groups renewed agreements until 6/30/2024. The first year (FY 2022/23) of the agreements includes one-time non-pensionable bonuses, a combined market adjustment and cost of living adjustment for sworn (7.25%), TEA (8%), and AFSCME (7.5%). For this same year, the non-represented Confidential received one-time non-pensionable bonuses and a combined market adjustment and cost of living adjustment (COLA) of 8%, while Temporary classifications received a market adjustment and COLA totaling 8%. The non-represented Management group received a 3% COLA and one-time non-pensionable bonus.

The second year (FY 2023/24) of the agreement includes a 3% across the board COLA for all three bargaining units, Confidential, Management, and Temporary classifications. The proposed budget also includes 3% market rate adjustment effective April 2, 2023 for the non-represented Management group. All other groups received an approximate 5% market rate adjustment effective July 1, 2023. The Town Manager and Town Attorney are under contract to the Town Council and any COLA or other modification for these positions is considered in the fall of every year. 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.

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 2021 actuarial valuations, the unfunded actuarial liability for pensions was $36.8 million and $5.5 million for OPEB as of June 30, 2021; however, the Town's actuary estimates that due to CalPERS' poor investment returns, the pension liability would grow back to approximately $62 million as of June 30, 2022.

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 69.44% in FY 2022/23 to 81.3% in FY 2023/24 for classic sworn employees. For all other employees, the rate will increase from 29.92% in FY 2022/23 to 29.97% in FY 2023/24. The Public Employees' Pension Reform Act (PEPRA), effective January 1, 2013, implemented lower pension tiers for employees who are new to the CalPERS 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 14.6% in FY 2022/23 to 14.5% in FY 2023/24 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 $22.6 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

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Estimated	2023/24 Adopted
REVENUES					
Property Tax	$ 14,454,513	$ 15,826,162	$ 16,899,618	$ 17,928,118	$ 18,556,631
VLF Backfill	3,875,914	4,052,672	4,229,462	4,556,000	4,692,680
Sales & Use Tax	6,535,034	6,794,218	7,177,597	7,681,444	7,878,061
Measure G - District Sales Tax	996,391	1,139,386	1,306,076	1,277,690	1,274,717
Franchise Fees	2,495,792	2,499,463	2,822,515	2,716,470	2,116,470
Transient Occupancy Tax	1,869,685	1,044,820	1,895,064	2,348,547	2,419,000
Other Taxes	1,357,080	1,386,943	1,481,667	2,346,847	2,440,766
Licenses & Permits	2,696,457	2,999,711	4,839,489	2,863,374	2,947,230
Intergovernmental	1,104,075	1,573,697	1,263,352	1,260,731	913,094
Town Services	4,447,213	4,835,962	5,435,769	5,083,801	4,394,250
Internal Srvc Reimbursement	-	-	-	-	-
Fines & Forfeitures	271,117	103,467	319,170	232,129	203,450
Interest	2,266,134	96,061	(1,404,526)	670,021	1,035,097
Other Sources	1,381,187	2,217,072	5,649,767	5,887,554	1,912,038
Debt Service Reimbursement	1,905,024	1,908,494	1,899,850	1,893,713	1,894,550
Transfers In	599,669	1,833,218	633,352	538,536	538,536
TOTAL REVENUES	$ 46,255,285	$ 48,311,346	$ 54,448,222	$ 57,284,975	$ 53,216,570
EXPENDITURES					
Salaries	$ 18,546,018	$ 19,330,626	$ 18,847,234	$ 20,882,547	$ 20,969,978
Overtime	708,955	882,421	1,134,177	1,568,744	578,856
Benefits- Pension	6,059,646	6,374,119	6,531,958	6,846,834	8,237,154
Benefits- All Other	3,618,950	3,710,338	3,679,378	3,931,663	4,716,655
Retiree - Medical	1,203,101	1,286,285	1,391,296	1,571,930	1,609,200
Operating Expenditures	12,193,929	12,990,318	12,860,383	13,966,816	10,598,891
Grants & Awards	274,249	298,303	606,449	592,600	774,000
Fixed Assets	138,384	2,365	-	-	-
Interest	-	52,011	156,034	156,034	156,034
Internal Service Charges	2,188,211	2,314,305	2,607,506	2,636,316	3,364,929
Capital Projects	-	-	-	-	-
Capital Acquisitions	-	-	-	-	-
Debt Service	1,905,024	1,908,494	1,899,850	1,893,713	1,894,550
Transfers Out	8,053,847	4,582,641	1,751,787	2,987,359	1,615,000
TOTAL EXPENDITURES	$ 54,890,314	$ 53,732,226	$ 51,466,052	$ 57,034,556	$ 54,515,247
Net Increase (Decrease)	(8,635,029)	(5,420,880)	2,982,170	250,419	(1,298,677)
Beginning Fund Balance	37,970,526	29,335,497	23,914,617	26,896,787	27,147,206
Ending Fund Balance	$ 29,335,497	$ 23,914,617	$ 26,896,787	$ 27,147,206	$ 25,848,529

** 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 incorported in FY 2018/19).*

TOTAL TOWN

REVENUES AND EXPENDITURES

SPECIAL REVENUE FUNDS

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Estimated	2023/24 Adopted
REVENUES					
Property Tax	$ 29	$ 28	$ 29	$ -	$ -
VLF Backfill	-	-	-	-	-
Sales & Use Tax	-	-	-	-	-
Measure G - District Sales Tax					
Franchise Fees	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	-
Other Taxes	38,012	38,566	38,609	38,220	38,220
Licenses & Permits	231,323	231,323	231,323	359,950	359,950
Intergovernmental	-	200,911	3,413,961	3,614,872	-
Town Services	-	-	-	-	-
Internal Srvc Reimbursement	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-
Interest	13,180	9,174	8,067	6,122	5,810
Other Sources	61,809	106,547	134,425	148,575	138,400
Debt Service Reimbursement	-	-	-	-	-
Transfers In	10,000	-	-	-	-
TOTAL REVENUES	$ 354,353	$ 586,549	$ 3,826,414	$ 4,167,739	$ 542,380
EXPENDITURES					
Salaries	$ 82,781	$ 87,878	$ 99,269	$ 105,276	$ 125,498
Overtime	-	-	696	-	3,334
Benefits- Pension	30,256	25,584	29,131	26,237	38,852
Benefits- All Other	21,274	22,163	25,329	27,727	35,437
Retiree - Medical	-	-	-	-	-
Operating Expenditures	137,628	301,302	3,559,501	3,853,794	222,750
Grants & Awards	-	-	-	-	-
Fixed Assets	25,079	-	-	55,000	21,000
Interest	-	-	-	-	-
Internal Service Charges	3,019	3,229	3,492	4,001	7,795
Capital Projects	-	-	-	-	-
Capital Acquisitions	-	-	-	-	-
Debt Service	-	-	-	-	-
Transfers Out	4,920	4,920	4,920	4,920	4,920
TOTAL EXPENDITURES	$ 304,957	$ 445,076	$ 3,722,338	$ 4,076,955	$ 459,586
Net Increase (Decrease)	49,396	141,473	104,076	90,784	82,794
Beginning Fund Balance	1,072,258	1,121,654	1,263,127	1,367,203	1,457,987
Ending Fund Balance	$ 1,121,654	$ 1,263,127	$ 1,367,203	$ 1,457,987	$ 1,540,781

TOTAL TOWN

REVENUES AND EXPENDITURES

INTERNAL SERVICE FUNDS

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Estimated	2023/24 Adopted
REVENUES					
Property Tax	$ -	$ -	$ -	$ -	$ -
VLF Backfill	-	-	-	-	-
Sales & Use Tax	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	-
Other Taxes	34,437	67,146	66,382	40,000	40,000
Licenses & Permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Town Services	115,314	147,121	172,373	85,000	85,000
Internal Srvc Reimbursement	3,094,669	3,235,094	3,507,735	3,548,038	4,496,191
Fines & Forfeitures	-	-	-	-	-
Interest	7	5	5	-	-
Other Sources	762,404	654,601	1,355,582	449,788	326,199
CIP Proj Reimbursement	-	-	-	-	-
Transfers In	1,061,256	33,000	1,787	-	-
TOTAL REVENUES	$ 5,068,087	$ 4,136,967	$ 5,103,864	$ 4,122,826	$ 4,947,390
EXPENDITURES					
Salaries	$ -	$ -	$ -	$ -	$ -
Overtime	-	-	-	-	-
Benefits- Pension	-	-	-	-	-
Benefits- All Other	-	-	-	-	-
Retiree - Medical	-	-	-	-	-
Operating Expenditures	3,779,285	3,803,452	4,221,802	4,535,484	5,205,777
Grants & Awards	-	-	-	-	-
Fixed Assets	644,366	307,272	157,761	1,327,119	927,021
Interest	-	-	-	-	-
Internal Service Charges	-	-	-	-	-
Capital Projects	-	-	-	-	-
Capital Acquisitions	-	-	-	-	-
Debt Service	-	-	-	-	-
Transfers Out	1,367,797	146,520	94,816	733,000	-
TOTAL EXPENDITURES	$ 5,791,448	$ 4,257,244	$ 4,474,379	$ 6,595,603	$ 6,132,798
Net Increase (Decrease)	(723,361)	(120,277)	629,485	(2,472,777)	(1,185,408)
Beginning Fund Balance	8,454,440	7,731,079	7,610,802	8,240,287	5,767,510
Ending Fund Balance	$ 7,731,079	$ 7,610,802	$ 8,240,287	$ 5,767,510	$ 4,582,102

TOTAL TOWN

REVENUES AND EXPENDITURES

CAPITAL PROJECT FUNDS

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Estimated	2023/24 Adopted
REVENUES					
Property Tax	$ -	$ -	$ -	$ -	$ -
VLF Backfill	-	-	-	-	-
Sales & Use Tax	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	-
Other Taxes	34,437	67,146	66,382	11,327	30,000
Licenses & Permits	1,153,364	1,340,530	1,599,199	510,383	1,074,300
Intergovernmental	3,161,010	1,818,494	10,634,858	4,110,719	4,974,585
Town Services	223,318	34,417	395,919	-	-
Internal Srvc Reimbursement	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-
Interest	158,756	122,705	117,483	36,405	29,762
Other Sources	325,607	2,239,342	3,632,197	5,797,712	824,273
CIP Proj Reimbursement	-	-	-	-	-
SCC RPTTF Reimbursement	-	-	-	-	-
Transfers In	8,325,591	3,401,479	1,750,001	3,720,359	1,615,000
TOTAL REVENUES	$ 13,382,083	$ 9,024,113	$ 18,196,039	$ 14,186,905	$ 8,547,920
EXPENDITURES					
Salaries	$ -	$ 29,924	$ -	$ -	$ -
Overtime	-	-	-	-	-
Benefits- Pension	-	-	-	-	-
Benefits- All Other	-	1,161	-	-	-
Retiree - Medical	-	-	-	-	-
Operating Expenditures	-	496	-	-	-
Grants & Awards	-	-	8,389,778	-	-
Fixed Assets	-	-	-	-	-
Interest	-	-	-	-	-
Internal Service Charges	-	-	-	-	-
Capital Projects	7,907,339	5,833,758	9,334,506	11,462,886	10,125,131
Capital Acquisitions	-	-	-	-	-
Debt Service	-	-	-	-	-
Transfers Out	569,952	533,616	533,616	533,616	533,616
TOTAL EXPENDITURES	$ 8,477,291	$ 6,398,955	$ 18,257,900	$ 11,996,502	$ 10,658,747
Net Increase (Decrease)	4,904,792	2,625,158	(61,861)	2,190,403	(2,110,827)
Beginning Fund Balance	15,130,063	20,034,855	22,660,013	22,598,152	24,788,555
Ending Fund Balance	$ 20,034,855	$ 22,660,013	$ 22,598,152	$ 24,788,555	$ 22,677,728

TOTAL TOWN

REVENUES AND EXPENDITURES

SUCCESSOR AGENCY TO THE TOWN OF LOS GATOS RDA

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Estimated	2023/24 Adopted
REVENUES					
Property Tax	$ -	$ -	$ -	$ -	$ -
VLF Backfill	-	-	-	-	-
Sales & Use Tax	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	-
Other Taxes	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Intergovernmental	1,949,284	1,946,787	1,937,791	1,902,713	1,903,000
Town Services	-	-	-	-	-
Internal Srvc Reimbursement	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-
Interest	32,531	4,967	3,897	2,750	3,000
Other Sources	11,664	11,664	11,665	11,644	11,664
CIP Proj Reimbursement	1,905,024	1,908,494	1,899,850	1,893,713	1,894,000
SCC RPTTF Reimbursement	-	-	-	-	-
Transfers In	-	-	-	-	-
TOTAL REVENUES	$ 3,898,503	$ 3,871,912	$ 3,853,203	$ 3,810,820	$ 3,811,664
EXPENDITURES					
Salaries	$ 1,150	$ 1,168	$ 1,174	$ 1,264	$ 1,214
Overtime	12	4	-	-	-
Benefits- Pension	329	337	329	378	390
Benefits- All Other	163	166	172	183	192
Retiree - Medical	-	-	-	-	-
Operating Expenditures	110,337	106,788	105,213	10,020	10,020
Grants & Awards	-	-	-	-	-
Fixed Assets	-	-	-	-	-
Interest	888,703	964,610	1,036,645	1,355,000	1,415,000
Internal Service Charges	5	5	5	-	18
Capital Projects	-	-	-	-	-
Capital Acquisitions	-	-	-	-	-
Debt Service	2,862,783	2,792,688	2,698,566	2,433,026	2,374,100
Transfers Out	-	-	-	-	-
TOTAL EXPENDITURES	$ 3,863,482	$ 3,865,766	$ 3,842,104	$ 3,799,871	$ 3,800,934
Net Increase (Decrease)	35,021	6,146	11,099	10,949	10,730
Beginning Fund Balance	3,840,187	3,875,208	3,881,354	3,892,453	3,903,402
Ending Fund Balance	$ 3,875,208	$ 3,881,354	$ 3,892,453	$ 3,903,402	$ 3,914,132

TOTAL TOWN

REVENUES AND EXPENDITURES

TOTAL ALL FUNDS

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Estimated	2023/24 Adopted
REVENUES					
Property Tax	$ 14,454,542	$ 15,826,190	$ 16,899,647	$ 17,928,118	$ 18,556,631
VLF Backfill	3,875,914	4,052,672	4,229,462	4,556,000	4,692,680
Sales & Use Tax	6,535,034	6,794,218	7,177,597	7,681,444	7,878,061
Measure G - District Sales Tax	996,391	1,139,386	1,306,076	1,277,690	1,274,717
Franchise Fees	2,495,792	2,499,463	2,822,515	2,716,470	2,116,470
Transient Occupancy Tax	1,869,685	1,044,820	1,895,064	2,348,547	2,419,000
Other Taxes	1,463,966	1,559,801	1,653,040	2,436,394	2,548,986
Licenses & Permits	4,081,144	4,571,564	6,670,011	3,733,707	4,381,480
Intergovernmental	6,214,369	5,539,889	17,249,962	10,889,035	7,790,679
Town Services	4,785,845	5,017,500	6,004,061	5,168,801	4,479,250
Internal Srvc Reimbursement	3,094,669	3,235,094	3,507,735	3,548,038	4,496,191
Fines & Forfeitures	271,117	103,467	319,170	232,129	203,450
Interest	2,470,608	232,912	(1,275,074)	715,298	1,073,669
Other Sources	2,542,671	5,229,226	10,783,636	12,295,273	3,212,574
CIP Proj Reimbursement	3,810,048	3,816,988	3,799,700	3,787,426	3,788,550
SCC RPTTF Reimbursement	-	-	-	-	-
Transfers In	9,996,516	5,267,697	2,385,140	4,258,895	2,153,536
TOTAL REVENUES	$ 68,958,311	$ 65,930,887	$ 85,427,742	$ 83,573,265	$ 71,065,924
EXPENDITURES					
Salaries	$ 18,629,949	$ 19,449,596	$ 18,947,677	$ 20,989,087	$ 21,096,690
Overtime	708,967	882,425	1,134,873	1,568,744	582,190
Benefits- Pension	6,090,231	6,400,040	6,561,418	6,873,449	8,276,396
Benefits- All Other	3,640,387	3,733,828	3,704,879	3,959,573	4,752,284
Retiree - Medical	1,203,101	1,286,285	1,391,296	1,571,930	1,609,200
Operating Expenditures	16,221,179	17,202,356	20,746,899	22,366,114	16,037,438
Grants & Awards	274,249	298,303	8,996,227	592,600	774,000
Fixed Assets	807,829	309,637	157,761	1,382,119	948,021
Interest	888,703	1,016,621	1,192,679	1,511,034	1,571,034
Internal Service Charges	2,191,235	2,317,539	2,611,003	2,640,317	3,372,742
Capital Projects	7,907,339	5,833,758	9,334,506	11,462,886	10,125,131
Capital Acquisitions	-	-	-	-	-
Debt Service	4,767,807	4,701,182	4,598,416	4,326,739	4,268,650
Transfers Out	9,996,516	5,267,697	2,385,139	4,258,895	2,153,536
TOTAL EXPENDITURES	$ 73,327,492	$ 68,699,267	$ 81,762,773	$ 83,503,487	$ 75,567,312
Net Increase (Decrease)	(4,369,181)	(2,768,380)	3,664,969	69,778	(4,501,388)
Beginning Fund Balance	66,467,476	62,098,295	59,329,915	62,994,884	63,064,662
Ending Fund Balance	$ 62,098,295	$ 59,329,915	$ 62,994,884	$ 63,064,662	$ 58,563,274

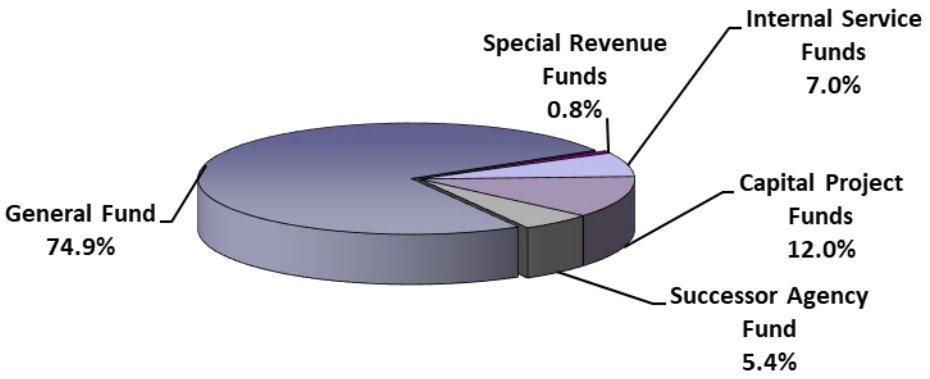
TOTAL TOWN REVENUES

BY FUND

(Includes Transfers In)

Fund	Fund Name	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted	Change from PY
General Fund								
111	General Fund	$ 46,255,285	$ 48,311,347	$ 54,448,223	$ 53,490,817	$ 57,284,975	$ 53,216,570	-0.5%
Special Revenue Funds								
211	Housing Conservation Program	-	-	-	-	-	-	0.0%
212	Community Dev Block Grant	-	-	-	-	-	-	0.0%
222	Urban Run-Off Source Fund	241,323	299,478	275,290	359,950	359,950	359,950	0.0%
231	Blackwell Assessment District	3,389	3,336	3,310	3,210	3,210	3,210	0.0%
232	Kennedy Assessment District	10,926	10,768	10,593	10,605	10,605	10,605	0.0%
233	Gemini Assessment District	5,109	5,051	4,991	4,750	4,750	4,750	0.0%
234	Santa Rosa Assessment District	5,299	5,313	5,204	4,965	4,550	4,550	-8.4%
235	Vasona Assessment District	10,693	10,205	10,145	10,075	10,075	10,075	0.0%
236	Hillbrook Assessment District	6,187	6,310	6,232	6,040	6,040	6,040	0.0%
241	ARPA	-	200,911	3,413,961	1,304,696	3,614,872	-	-100.0%
251	Los Gatos Theatre	-	-	19,500	68,400	68,400	68,400	0.0%
711	Library Trust	63,388	39,159	72,076	75,500	80,175	70,000	-7.3%
713	Ness Bequest Trust	368	279	239	250	239	-	-100.0%
714	Betty McClendon Trust	1,487	1,128	954	1,000	954	900	-10.0%
716	Barbara J Cassin Trust	6,182	4,610	3,919	4,500	3,919	3,900	-13.3%
Internal Service Funds								
611	Liability Self-Insurance	378,133	376,963	366,134	429,249	419,197	779,024	81.5%
612	Worker's Comp Self-Insurance	2,491,249	1,245,328	1,155,211	1,033,315	1,043,634	1,123,448	8.7%
621	Information Technology	881,936	973,254	998,157	714,309	710,791	735,656	3.0%
622	Office Stores Fund	-	-	-	-	-	-	0.0%
631	Equipment Replacement	236,083	327,398	589,441	686,837	686,837	1,056,738	53.9%
632	Facilities Maintenance	-	-	-	-	-	-	0.0%
633	Vehicle Maintenance	1,080,686	1,214,024	1,994,920	1,262,247	1,262,367	1,252,523	-0.8%
Capital Projects Funds								
411	GFAR	11,326,970	6,734,293	7,311,731	12,269,750	10,701,534	4,101,736	-66.6%
421	Grant Funded CIP Projects	396,335	342,973	8,505,080	12,374,439	994,808	2,427,810	-80.4%
461	Storm Drain #1	112,105	43,765	89,739	49,680	30,087	49,990	0.6%
462	Storm Drain #2	62,569	115,127	250,881	54,520	52,419	54,790	0.5%
463	Storm Drain #3	(1,955)	(868)	(251)	880	3,198	890	1.1%
471	Traffic Mitigation	136,639	397,094	552,042	633,650	731,021	80,000	-87.4%
472	Construction Tax-Undergrounding	87,489	107,763	101,630	52,490	82,817	45,190	-13.9%
481	Gas Tax	1,261,933	1,283,966	1,385,187	1,536,413	1,591,021	1,787,514	16.3%
Successor Agency to the Los Gatos RDA Fund								
942	SA - Recognized Obligation Retirement	3,898,503	3,871,912	3,853,202	3,799,926	3,810,820	3,811,664	0.3%
TOTAL Fund Rev & Transfers In		**$ 68,958,311**	**$ 65,930,887**	**$ 85,427,742**	**$ 90,242,463**	**$ 83,573,265**	**$ 71,065,923**	**-21.3%**

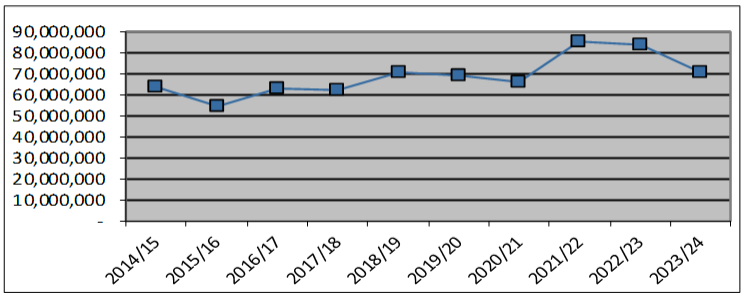
TOTAL TOWN REVENUES
BY FUND



	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted	% of Total
General Fund	$ 46,255,285	$ 48,311,347	$ 54,448,223	$ 53,490,817	$ 57,284,975	$ 53,216,570	74.9%
Special Revenue Funds	354,351	586,548	3,826,414	1,853,941	4,167,739	542,380	0.8%
Internal Service Funds	5,068,087	4,136,967	5,103,863	4,125,957	4,122,826	4,947,389	7.0%
Capital Project Funds	13,382,085	9,024,113	18,196,039	26,971,822	14,186,905	8,547,920	12.0%
Successor Agency Fund	3,898,503	3,871,912	3,853,203	3,799,926	3,810,820	3,811,664	5.4%
Total Rev & Transfers In	**$ 68,958,311**	**$ 65,930,887**	**$ 85,427,742**	**$ 90,242,463**	**$ 83,573,265**	**$ 71,065,923**	**100.0%**

TOWN REVENUE HISTORICAL TREND
(Includes Transfers In)

FY	Total	Status
2014/15	63,470,973	Actuals
2015/16	54,234,948	Actuals
2016/17	62,873,000	Actuals
2017/18	62,358,798	Actuals
2018/19	70,675,272	Actuals
2019/20	68,958,311	Actuals
2020/21	65,930,887	Actuals
2021/22	85,427,742	Actuals
2022/23	83,573,265	Estimated
2023/24	71,065,923	Projected



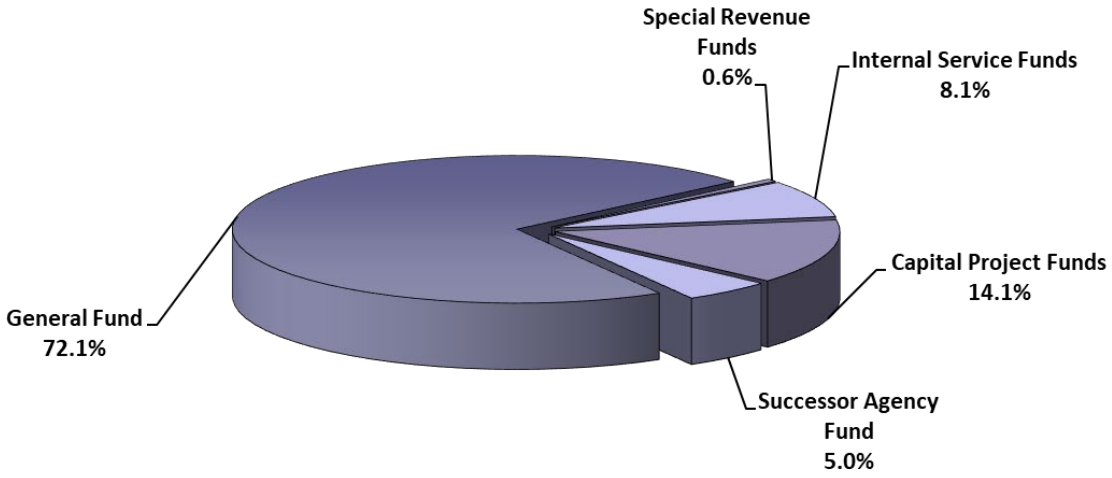
TOTAL TOWN EXPENDITURES

BY FUND

(Includes Transfers Out)

Fund	Fund Name	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted	Change from PY
General Fund								
111	General Fund	$ 54,890,314	$ 53,732,226	$ 51,466,052	$ 54,480,135	$ 57,034,555	$ 54,515,247	0.1%
Special Revenue Funds								
211	Housing Conservation Program	-	-	-	-	-	-	0.0%
212	Community Dev Block Grant	-	-	-	-	-	-	0.0%
222	Urban Run-Off Source Fund	162,838	166,173	194,972	198,371	194,721	271,103	36.7%
231	Blackwell Assessment District	3,101	3,027	3,654	10,944	3,444	3,444	-68.5%
232	Kennedy Assessment District	8,457	30,748	9,668	24,795	24,795	14,795	-40.3%
233	Gemini Assessment District	2,244	2,423	2,607	12,152	12,152	2,152	-82.3%
234	Santa Rosa Assessment District	9,172	10,129	10,466	22,887	22,887	12,887	-43.7%
235	Vasona Assessment District	32,746	7,657	7,362	19,502	19,502	9,502	-51.3%
236	Hillbrook Assessment District	3,772	4,894	4,837	19,904	19,904	4,904	-75.4%
241	ARPA	-	200,911	3,413,961	1,304,696	3,614,872	-	-100.0%
251	los Gatos Theatre	-	-	-	55,814	55,814	40,000	-28.3%
711	Library Trust	72,637	17,895	71,613	100,000	103,364	75,000	-25.0%
713	Ness Trust Bequest	-	-	-	20,755	-	21,000	1.2%
714	Betty McClendon Trust	-	609	700	1,000	1,000	900	-10.0%
716	Barbara J Cassin Trust	9,989	611	2,500	4,500	4,500	3,900	-13.3%
Internal Service Funds								
611	Liability Self-Insurance	400,823	646,495	583,924	846,940	827,239	1,161,313	37.1%
612	Worker's Comp Self-Insurance	1,525,589	1,381,049	1,533,045	1,840,000	1,632,307	1,773,264	-3.6%
621	Information Technology	796,201	706,634	878,049	1,741,242	1,565,325	1,018,679	-41.5%
622	Office Stores Fund	-	-	-	-	-	-	0.0%
631	Equipment Replacement	1,119,833	362,915	256,582	1,351,124	1,327,119	927,021	-31.4%
632	Facilities Maintenance	-	-	-	-	-	-	0.0%
633	Vehicle Maintenance	1,949,003	1,160,152	1,222,780	1,248,952	1,243,613	1,252,521	0.3%
Capital Projects Funds								
411	GFAR	5,984,879	5,161,527	7,961,779	25,178,840	6,221,367	5,903,423	-76.6%
421	Grant Funded CIP Projects	484,403	698,512	8,754,439	11,374,377	3,026,437	2,427,810	-78.7%
461	Storm Drain #1	10,000	-	-	200,000	-	200,000	0.0%
462	Storm Drain #2	10,000	-	13,400	300,000	225,316	250,000	-16.7%
463	Storm Drain #3	21,000	611	25,848	170,300	-	-	-100.0%
471	Traffic Mitigation	92,626	364,435	527,791	923,455	741,021	90,000	-90.3%
472	Construction Tax-Undergrounding	49,000	24,626	427	347,576	-	-	-100.0%
481	Gas Tax	1,825,384	149,241	974,215	3,258,618	1,782,361	1,787,514	-45.1%
Successor Agency to the Los Gatos RDA Fund								
942	SA- Trust Fund	3,863,481	3,865,765	3,842,104	3,799,877	3,799,871	3,800,934	
TOTAL Fund Exp & Transfers Out		**$ 73,327,492**	**$ 68,699,265**	**$ 81,762,775**	**$ 108,856,756**	**$ 83,503,486**	**$ 75,567,313**	**-30.6%**

TOTAL TOWN EXPENDITURES
BY FUND

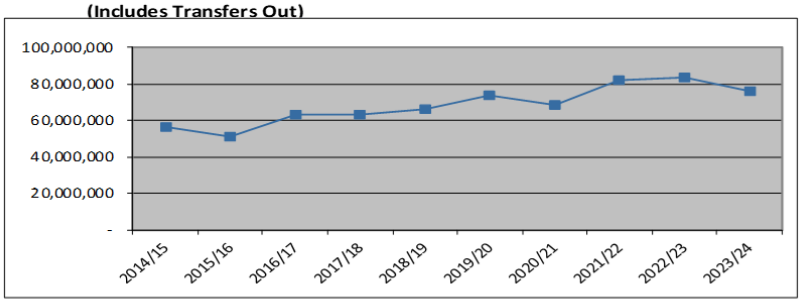


	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted	% of Total
General Fund	$ 54,890,314	$ 53,732,226	$ 51,466,052	$ 54,480,135	$ 57,034,555	$ 54,515,247	72.1%
Special Revenue Funds	304,956	445,077	3,722,340	1,795,320	4,076,955	459,587	0.6%
Internal Service Funds	5,791,449	4,257,245	4,474,380	7,028,258	6,595,603	6,132,798	8.1%
Capital Project Funds	8,477,292	6,398,952	18,257,899	41,753,166	11,996,502	10,658,747	14.1%
Successor Agency Fund	3,863,481	3,865,765	3,842,104	3,799,877	3,799,871	3,800,934	5.0%
Total Exp & Transfers Out	**$ 73,327,492**	**$ 68,699,265**	**$ 81,762,775**	**$ 108,856,756**	**$ 83,503,486**	**$ 75,567,313**	**100.0%**

TOWN EXPENDITURE HISTORICAL TREND

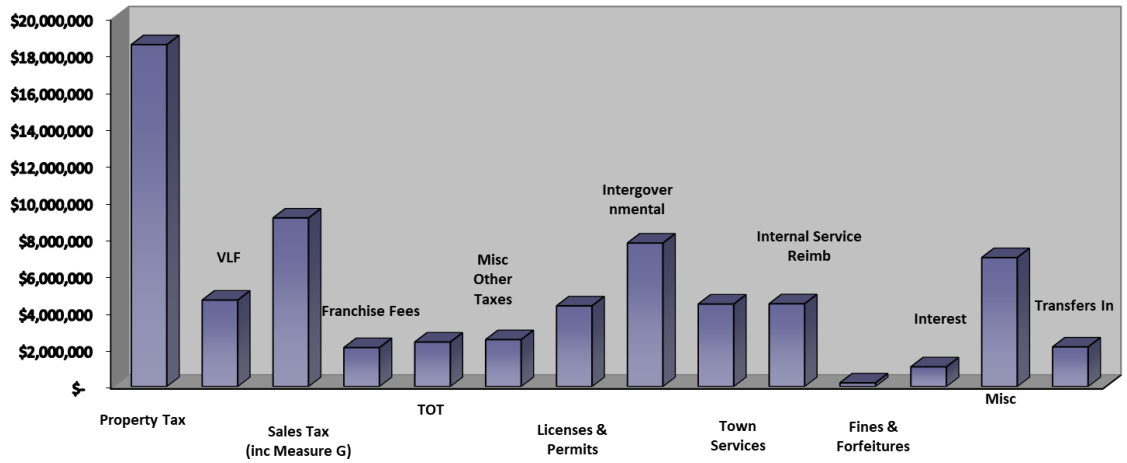
(Includes Transfers Out)

FY	Total	Status
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	$ 81,762,775	Actuals
2022/23	$ 83,503,486	Estimated
2023/24	$ 75,567,313	Projected



TOTAL TOWN REVENUES
BY CATEGORY

FY 2023/24
Revenues



Revenues	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted	% of Total
Property Tax	$ 14,454,542	$ 15,826,190	$ 16,899,647	$ 16,969,226	$ 17,928,118	$ 18,556,631	26.1%
VLF Backfill Property Tax	3,875,914	4,052,672	4,229,462	4,556,000	4,556,000	4,692,680	6.6%
Sales & Use Tax	6,535,034	6,794,218	7,177,597	7,559,566	7,684,417	7,876,233	11.1%
Measure G - District Sales Tax	996,391	1,139,386	1,306,076	1,277,690	1,274,717	1,276,545	1.8%
Franchise Fees	2,495,792	2,499,463	2,822,515	2,716,470	2,716,470	2,116,470	3.0%
Transient Occupancy Tax	1,869,685	1,044,820	1,895,064	2,000,000	2,348,547	2,419,000	3.4%
Miscellaneous Other Taxes	1,463,966	1,559,800	1,653,041	2,552,220	2,436,394	2,548,986	3.6%
Licenses & Permits	4,081,143	4,571,564	6,670,012	4,286,824	3,733,707	4,381,480	6.2%
Intergovernmental Revenues	6,214,369	5,539,889	17,249,962	20,643,937	10,889,035	7,790,679	11.0%
Town Services	4,785,845	5,017,499	6,004,060	5,121,884	5,168,801	4,479,250	6.3%
Internal Service Reimbursements	3,094,669	3,235,094	3,507,735	3,687,202	3,548,038	4,496,191	6.3%
Fines & Forfeitures	271,117	103,467	319,170	226,750	232,129	203,450	0.3%
Interest	2,470,608	232,912	(1,275,074)	480,527	715,298	1,073,669	1.5%
Miscellaneous Other Sources	6,352,720	9,046,216	14,583,336	13,850,652	16,082,699	7,001,124	9.9%
Total Revenues	**$ 58,961,795**	**$ 60,663,190**	**$ 83,042,603**	**$ 85,928,948**	**$ 79,314,370**	**$ 68,912,388**	
Plus Transfers In	9,996,516	5,267,697	2,385,139	4,313,514	4,258,895	2,153,536	3.0%
Total Revenues & Other Sources	**$ 68,958,311**	**$ 65,930,887**	**$ 85,427,742**	**$ 90,242,462**	**$ 83,573,265**	**$ 71,065,924**	**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, and Business License Tax.

Total Budgeted Revenues (exclusive of Transfers In) have decreased from the prior year mainly due to the American Rescue Plan Act (ARPA) not expected to be received anymore staring in FY 2023/24. Amidst this significant decrease, several revenue sources are anticipated to increase to dampen this situation.

Key revenue highlights include:

Property Tax – Property Tax revenues are projected to increase by 3.6% compared to the FY 2022/23 estimated revenues as property tax collection is based on the January 2023 assessment roll for FY 2023/24.

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 2023/24 budget reflects $7.9 million in sales tax revenue and $1.3 million in dedicated sales tax revenue. Combined this represents 2.2% increase from the FY 2022/23 estimate for these revenues.

TOTAL TOWN REVENUES
BY CATEGORY

Licenses and Permits – FY 2023/24 Licenses and Permits reflect a 17.3% increase compared to the FY 2022/23 estimated revenues.

Intergovernmental Revenues – Decreases in intergovernmental revenues are due to changes in available grant funding. Significant decrease in this category mainly due to ARPA funding was fully recognized as revenues related to recovery of revenue loss ending FY 2022/23.

Transient Occupancy Tax – Transient Occupancy Tax (TOT) is expected to increase by 3% from FY 2022/23 estimated revenues. The Town's TOT revenue, like other municipalities, was impacted heavily by the pandemic. Since FY 2021/22, people started to travel again, increasing the revenues year by year.

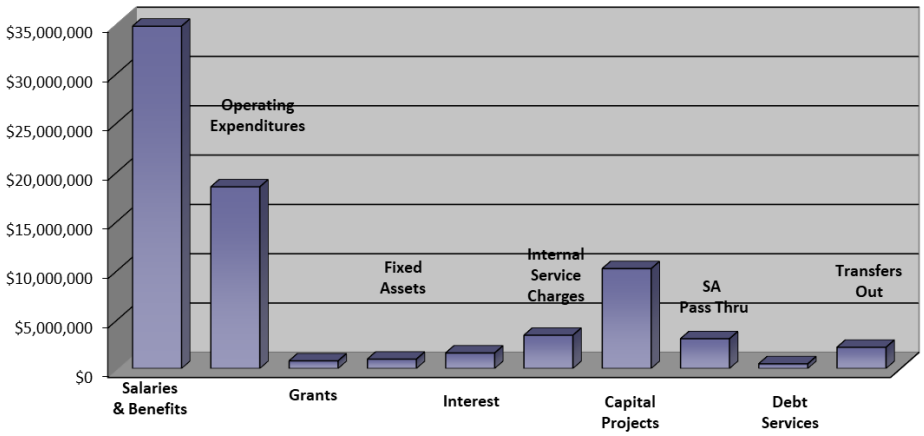
The Town's TOT revenue has historically been primarily driven by business travel. During the pandemic, TOT experienced the most significant percentage decline. Due to a rebound in leisure "staycation" travel and modest improvements in business travel, current TOT collections are trending higher than anticipated and average occupancy rates are increasing as well.

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 2023/24
Expenditures



Expenditures	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted	% of Total
Salaries and Benefits	$ 29,069,532	$ 30,465,889	$ 30,348,848	$ 35,427,010	$ 33,390,852	$ 34,707,560	45.9%
Operating Expenditures	20,372,090	20,517,152	17,703,532	19,044,785	18,704,772	18,421,170	24.4%
Grants	274,249	298,303	8,996,228	241,000	592,600	774,000	1.0%
Fixed Assets	807,829	309,637	157,762	1,430,374	1,382,119	948,021	1.3%
Interest	888,703	1,016,621	1,192,679	1,511,034	1,511,034	1,571,034	2.1%
Internal Service Charges	2,191,235	2,317,539	2,611,003	2,715,659	2,640,317	3,372,742	4.5%
Capital Projects	7,907,341	5,833,756	9,334,505	41,219,550	11,462,886	10,125,131	13.4%
Pass Thru	862,238	1,788,477	8,234,362	2,450,118	9,021,298	3,014,569	4.0%
Debt Services	957,759	884,194	798,716	538,713	538,713	479,550	0.6%
Total Expenditures	**$ 63,330,976**	**$ 63,431,568**	**$ 79,377,635**	**$ 104,578,243**	**$ 79,244,591**	**$ 73,413,777**	
Transfers Out	9,996,516	5,267,697	2,385,139	4,278,514	4,258,895	2,153,536	2.8%
Total Uses of Funds	**$ 73,327,492**	**$ 68,699,265**	**$ 81,762,774**	**$ 108,856,757**	**$ 83,503,486**	**$ 75,567,313**	**100%**

Total Budgeted Expenditures (exclusive of Transfers Out) include budgeted Capital Improvements, which can vary significantly from year to year. Net of Capital Projects, CalPERS payments, and pass-through activities, total expenditures reflect a 1.7% decrease for FY 2023/24 compared to the prior year adjusted budget numbers. Prior year adjusted budget numbers include capital project carryforwards. Expenditures of note include:

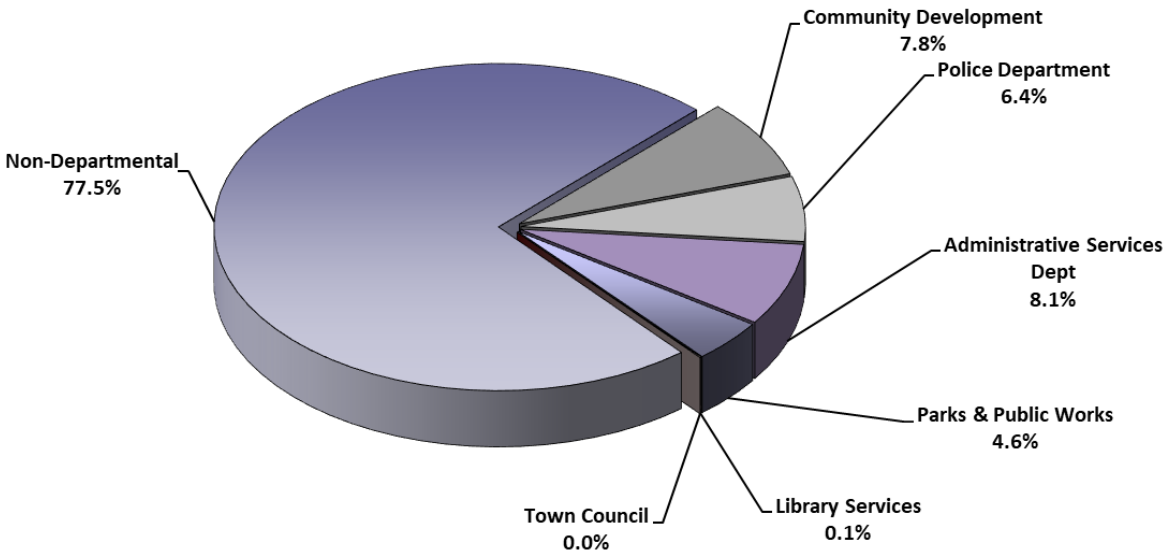
Salaries and Benefits – The FY 2023/24 budget, including 4.6% salary saving, reflects an anticipated 2% decrease in salaries and benefit cost compared to prior year adjusted budget and a 3.9% increase from the FY 2022/23 estimated numbers. The increase is attributed to anticipated increases in CalPERS and medical benefits rates, current bargaining unit agreements, anticipated merit step increases, and a delayed market increase for Management. Staff will closely monitor salary and benefits cost and will return to Council if anticipated salary savings do not materialize.

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 2023/24 budget reflects increase in the in the Internal Service Charges reflecting scheduled replacements and increased liability premiums.

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.

GENERAL FUND REVENUES
BY DEPARTMENT



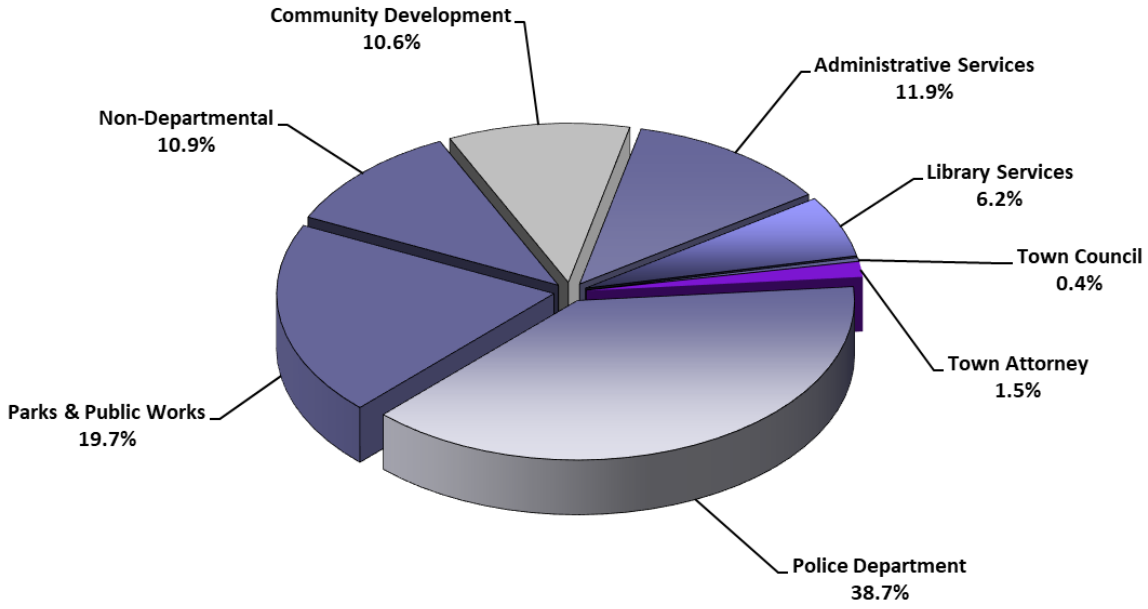
FY 2023/24 Departmental Revenues

Departments	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
Town Council	$ 2,509	$ 33,646	$ 1,099	$ -	$ 1,557	$ -
Non-Departmental	30,578,565	32,989,617	34,400,997	37,683,124	36,837,434	36,984,269
Administrative Services*	3,714,199	1,601,417	594,557	2,965,997	3,404,378	4,097,863
Community Development	3,345,105	4,020,060	5,678,733	4,591,352	5,061,161	3,914,890
Police Department	2,543,720	2,989,902	6,877,241	2,550,531	6,158,455	3,237,475
Parks & Public Works	2,814,634	2,881,159	3,627,872	2,433,783	2,555,497	2,123,737
Library Services	62,428	16,022	44,521	143,781	144,244	35,250
Total General Fund Revenues	**$ 43,061,160**	**$ 44,531,823**	**$ 51,225,020**	**$ 50,368,568**	**$ 54,162,726**	**$ 50,393,484**
Town Debt Payments	$ 1,905,024	$ 1,908,494	$ 1,899,850	$ 1,893,713	$ 1,893,713	$ 1,894,550
Pension Trust**	689,432	37,811	690,000	690,000	690,000	390,000
Compensated Absences**	-	-	-	-	-	-
Transfers In	599,669	1,833,218	633,352	538,536	538,536	538,536
Net Operating Revenues	**$ 46,255,285**	**$ 48,311,346**	**$ 54,448,222**	**$ 53,490,817**	**$ 57,284,975**	**$ 53,216,570**

**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



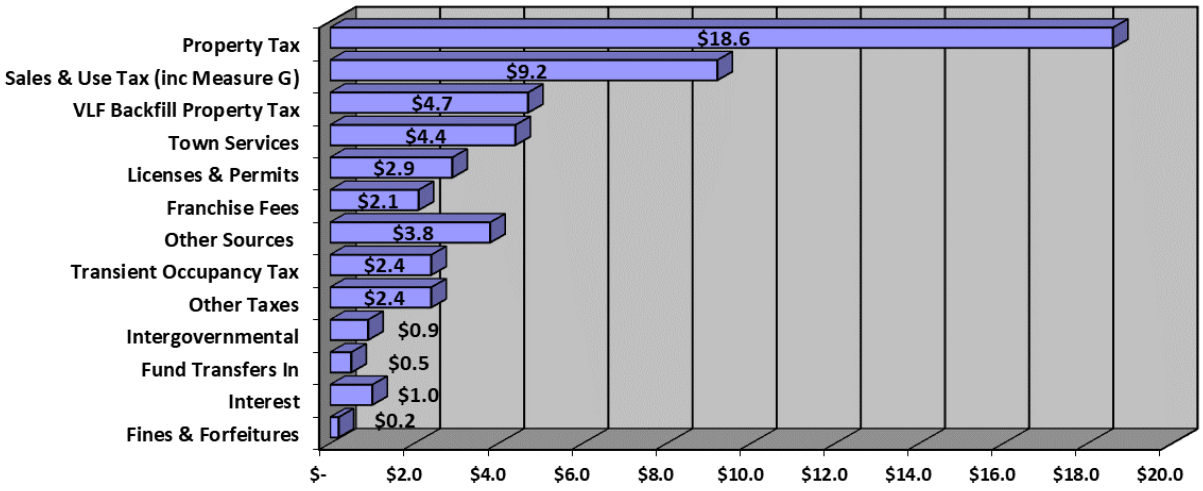
FY 2023/24 Departmental Expenditures

Departments	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
Police Department	$ 15,895,008	$ 16,570,836	$ 16,451,189	$ 19,253,136	$ 18,838,442	$ 19,685,258
Parks & Public Works	8,168,040	8,179,757	8,605,455	10,074,618	9,484,083	10,028,853
Non-Departmental	3,505,097	8,432,090	7,274,722	4,024,930	7,860,959	5,552,023
Community Development	4,473,790	5,009,798	6,313,505	6,417,341	6,329,886	5,390,624
Administrative Services*	4,388,762	4,730,360	5,441,605	5,376,990	5,512,996	6,061,730
Library Services	2,700,802	2,828,873	2,752,401	3,247,731	3,085,289	3,175,170
Town Council	206,163	192,280	189,569	217,238	194,385	184,395
Town Attorney	559,010	537,296	629,935	811,426	691,409	771,611
Total General Fund Exp	**$ 39,896,672**	**$ 46,481,290**	**$ 47,658,381**	**$ 49,423,410**	**$ 51,997,449**	**$ 50,849,664**
Town Debt Payments	$ 1,905,024	$ 1,960,505	$ 2,055,884	$ 2,049,747	$ 2,049,747	$ 2,050,584
Pension Trust**	5,034,771	707,789	-	-	-	-
Compensated Absences**	-	-	-	-	-	-
Transfers Out	8,053,847	4,582,641	1,751,787	3,006,978	2,987,359	1,615,000
Net Operating Expenditures	**$ 54,890,314**	**$ 53,732,225**	**$ 51,466,052**	**$ 54,480,135**	**$ 57,034,555**	**$ 54,515,248**

** 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	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted	% of Total
Property Tax	$ 14,454,513	$ 15,826,162	$ 16,899,618	$ 16,969,226	$ 17,928,118	$ 18,556,631	34.9%
VLF Backfill Property Tax	3,875,914	4,052,672	4,229,462	4,556,000	4,556,000	4,692,680	8.8%
Sales & Use Tax	6,535,034	6,794,218	7,177,597	7,559,566	7,684,417	7,876,233	14.8%
Measure G - District Sales Tax	996,391	1,139,386	1,306,076	1,277,690	1,274,717	1,276,545	2.4%
Franchise Fees	2,495,792	2,499,463	2,822,515	2,716,470	2,716,470	2,116,470	4.0%
Transient Occupancy Tax	1,869,685	1,044,820	1,895,064	2,000,000	2,348,547	2,419,000	4.5%
Other Taxes	1,357,080	1,386,943	1,481,667	2,444,000	2,346,847	2,440,766	4.6%
Licenses & Permits	2,696,457	2,999,711	4,839,489	2,852,574	2,863,374	2,947,230	5.5%
Intergovernmental	1,104,075	1,573,697	1,263,352	1,273,910	1,260,731	913,094	1.7%
Town Services	4,447,213	4,835,962	5,435,769	4,837,189	5,083,801	4,394,250	8.3%
Fines & Forfeitures	271,117	103,467	319,170	226,750	232,129	203,450	0.4%
Interest	2,266,134	96,061	(1,404,526)	432,947	670,021	1,035,097	1.9%
Other Sources	3,286,211	4,125,566	7,549,617	5,805,959	7,781,267	3,806,588	7.2%
Total Revenues	**$ 45,655,616**	**$ 46,478,128**	**$ 53,814,870**	**$ 52,952,281**	**$ 56,746,439**	**$ 52,678,034**	
Transfers In:	$ 599,669	$ 1,833,218	$ 633,352	$ 538,536	$ 538,536	$ 538,536	1.0%
Total Revenues & Transfers In	**$ 46,255,285**	**$ 48,311,346**	**$ 54,448,222**	**$ 53,490,817**	**$ 57,284,975**	**$ 53,216,570**	**100%**

FY 2023/24 General Fund revenues (excluding debt payments. restricted pension trust activity, OPEB Trust withdrawals, and fund transfers in) expected to increase by $25K to $50.4 million from prior year adjusted budget revenues. FY 2022/23 estimated revenues includes $3.6 million ARPA Income replacement revenue for public safety services. 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 2023/24 budget reflects $7.9 million in sales tax revenue and $1.3 million in dedicated sales tax revenue. Combined, this represents 2.2% increase from the FY 2022/23 estimated revenues.

GENERAL FUND REVENUES
BY CATEGORY

Property Tax – Property Tax revenues are still projected to increase by 3.6% compared to the prior year estimated revenues as property tax collection is based on the January 2023 assessment roll for FY 2023/24 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 13.3% compared to FY 2022/23 estimated revenues, reflecting decreasing land use development and construction activity.

Licenses & Permits – Licenses and Permits increased by 2.9% compared to FY 2022/23 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 decreased by 22.1% compared to FY 2022/23 estimated revenues.

Transient Occupancy Tax – Transient Occupancy Tax (TOT) is expected to increase by 3% from FY 2022/23 estimated revenues. The Town's TOT revenue, like other municipalities, was impacted heavily by the pandemic. Since FY 2021/22, people started to travel again, increasing the revenues year by year.

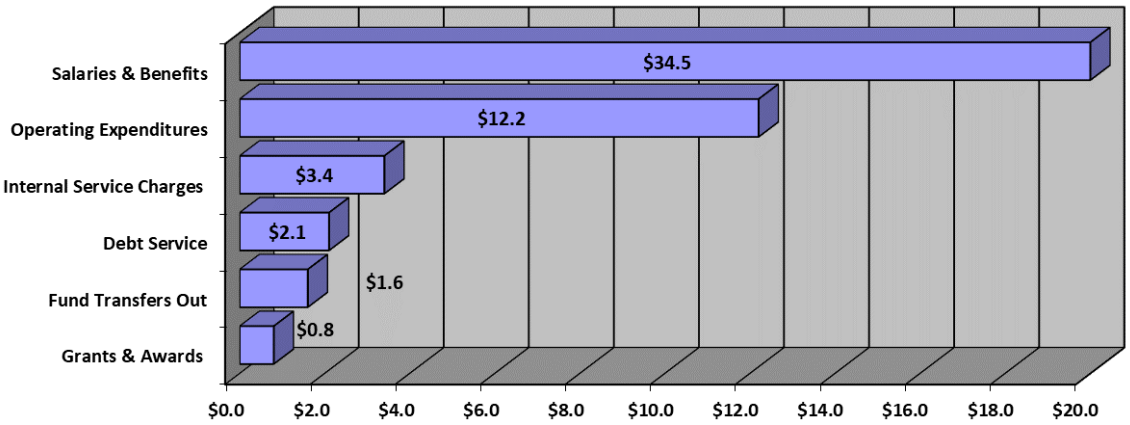
The Town's TOT revenue has historically been primarily driven by business travel. During the pandemic, TOT experienced the most significant percentage decline. Due to a rebound in leisure "staycation" travel and modest improvements in business travel, current TOT collections are trending higher than anticipated and average occupancy rates are increasing as well.

Fines and Forfeitures – Fines and Forfeitures include traffic fines and administrative citations which are expected to decrease by 12.4% compared to FY 2022/23 estimated revenues.

Transfers In – Transfers in stayed the same as FY 2022/23 estimates.

Other Sources – Other sources includes the Town "Pass Through" programs and restricted pension trust fund activities, which decreased from FY 2022/23 estimates.

GENERAL FUND EXPENDITURES
BY CATEGORY



Expenditure Category	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted	% of Total
Salaries & Benefits	$ 28,933,568	$ 30,297,504	$ 30,192,747	$ 35,261,025	$ 33,229,787	$ 34,502,643	63.2%
Operating Expenditures	13,397,031	14,276,602	14,251,679	11,209,734	15,538,746	12,208,091	22.4%
Fixed Assets	138,384	2,365	-	-	-	-	0.0%
Grants & Awards	274,249	298,303	606,449	241,000	592,600	774,000	1.4%
Debt Service	1,905,024	1,960,505	2,055,884	2,049,747	2,049,747	2,050,584	3.8%
Internal Service Charges	2,188,211	2,314,305	2,607,506	2,711,652	2,636,316	3,364,929	6.2%
Total Expenditures	**$ 46,836,467**	**$ 49,149,584**	**$ 49,714,265**	**$ 51,473,158**	**$ 54,047,196**	**$ 52,900,247**	
Transfers Out	$ 8,053,847	$ 4,582,641	$ 1,751,787	$ 3,006,978	$ 2,987,359	$ 1,615,000	3.0%
Total Exp & Transfers Out	**$ 54,890,314**	**$ 53,732,225**	**$ 51,466,052**	**$ 54,480,136**	**$ 57,034,555**	**$ 54,515,247**	**100.0%**

The FY 2023/24 General Fund Operating Budget (net of transfers out and ARPA revenue recovery pass throughs) represents a 4.2% increase compared to the net FY 2022/23 estimated operating expenditures (net of transfers out and ARPA related pass throughs).

Salaries & Benefits **–** The delivery of Town services is highly dependent on talented staff which comprises 63.2% of budgeted General Fund expenditures for FY 2023/24. The FY 2023/24 budget, including 4.6% salary savings, reflects increases in salary and benefit costs attributed to cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, a delayed market increase for Management, and higher benefit and CalPERS pension rates. The FY 2023/24 salaries and benefits decreased by 2.2% when compared to the FY 2022/23 adjusted budget, and 3.8% compared to the FY 2022/23 estimates. FY 2022/23 adjusted budget does not include salary saving factor.

Operating Expenditures **–** The FY 2023/24 operating expenditures increased by 8.9% when compared to the FY 2023/24 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. In FY 2023/24, Town Council increased the Community Grant funding to $300,000 up from $150,000 in prior years.

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. These costs increased to reflect higher Workers' Compensation rates and Town liability insurance premiums.

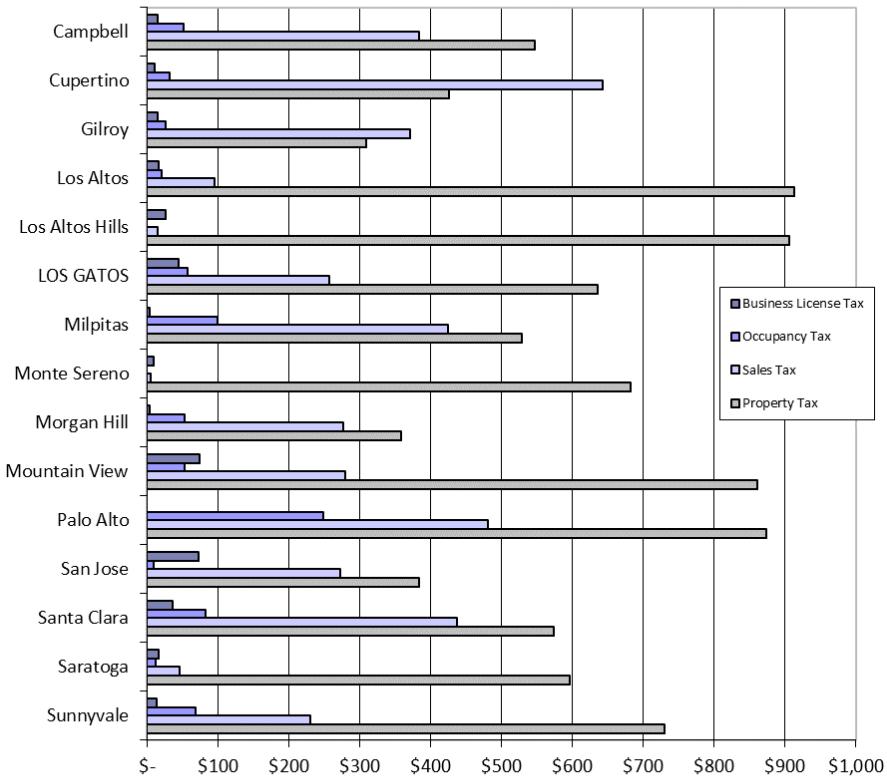
Debt Service **–** The Town facilitates the Successor Agency (SA) to the Los Gatos Redevelopment Agency's two Certificates of Participation (COPs) through a leasing expense and reimbursement revenue which nets to zero for the Town, while SA funds provide the actual debt payment for the bond issues.

Transfers Out **–** The General Fund Transfers Out include $1,615,000 to the Capital Projects Fund.

GENERAL FUND TAX REVENUES

CITIES OF SANTA CLARA COUNTY – TAX REVENUES PER CAPITA

(JUNE 30, 2022 DATA AVAILABLE AT THE TIME OF PUBLICATION)



Actual Tax Revenue Amounts and Per Capita as of June 30, 2022

		Property Tax		Sales Tax		Occupancy Tax		Business License Tax	
Cities	**Population**	**Amount**	**Per Capita**	**Amount**	**Per Capita**	**Amount**	**Per Capita**	**Amount**	**Per Capita**
Campbell	42,833	$ 23,464,393	548	$ 16,419,362	$ 383	$ 2,240,547	$ 52	$ 659,094	$ 15
Cupertino*	66,274	28,278,000	427	42,581,000	642	2,141,000	32	730,932	11
Gilroy	59,520	18,404,499	309	22,131,283	372	1,545,721	26	880,406	15
Los Altos*	31,190	28,464,193	913	2,996,325	96	660,000	21	537,089	17
Los Altos Hills	8,400	7,611,087	906	122,819	15	-	-	218,387	26
LOS GATOS	33,062	21,036,867	636	8,483,673	257	1,895,064	57	1,481,267	45
Milpitas	80,839	42,758,866	529	34,364,274	425	8,012,001	99	320,623	4
Monte Sereno*	3,500	2,386,696	682	22,366	6	-	-	34,034	10
Morgan Hill	46,451	16,662,896	359	12,832,736	276	2,494,220	54	188,254	4
Mountain View	83,864	72,255,912	862	23,456,153	280	4,437,081	53	6,277,126	75
Palo Alto	67,973	59,353,109	873	32,704,761	481	16,946,050	249	-	-
San Jose	1,029,782	395,500,000	384	280,200,000	272	10,000,000	10	74,500,000	72
Santa Clara	130,127	74,630,557	574	56,901,656	437	10,812,400	83	4,758,477	37
Saratoga	30,546	18,218,780	596	1,393,853	46	372,717	12	502,009	16
Sunnyvale	155,326	113,499,852	731	35,801,316	230	10,584,492	68	2,045,190	13
Average	**124,646**	**$ 61,501,714**	**$ 493**	**$ 38,027,438**	**$ 305**	**$ 4,809,420**	**$ 39**	**$ 6,208,859**	**$ 50**

**Based on FY 2020/21 data*

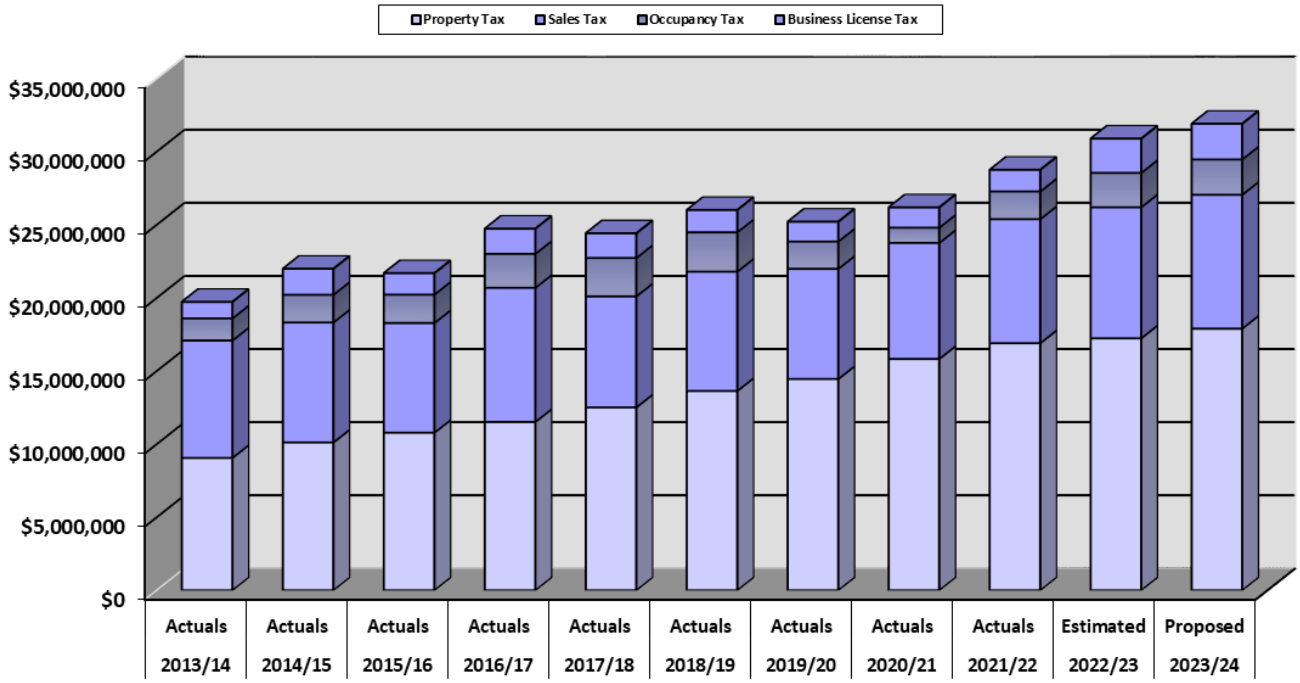
Source: City of Morgan Hill 2022 Comprehensive Annual Financial Report

Source: Cities of Santa Clara County

**Based on FY 2020/21 data*

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
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	Actuals	$ 16,899,618	$ 8,483,673	$ 1,895,064	$ 1,481,667	$ 28,760,022	9.8%
2022/23	Estimated	$ 17,238,510	$ 8,959,134	$ 2,348,547	$ 2,346,847	$ 28,656,448	(0.4%)
2023/24	Proposed	$ 17,895,731	$ 9,152,778	$ 2,419,000	$ 2,440,766	$ 31,908,275	11.3%

GENERAL FUND

FY 2023/24 ESTIMATED FUND BALANCE ACTIVITY

Use of / Addition to GF Reserves:	Estimated July 1, 2023 Balance	Revenues & Transfers In	Expenditures and Transfers Out	Fund Balance Sources (Uses)	Estimated June 30, 2024 Balance
Unreserved Fund Balances					
Undesignated Reserves	$ -	$ -	$ -	$ -	$ -
Available to be Appropriated	-	53,216,570	54,515,247	1,343,100	44,423
Restricted Fund Balances					
Pension	1,380,000	-	-	390,000	1,770,000
Committed to:					
Budget Stabilization Reserve	6,129,774			-	6,129,774
Catastrophic Reserves	6,129,774				6,129,774
Pension/OPEB Reserve	300,000	-	-	-	300,000
Measure G District Sales Tax - Operating	590,581	-	-	-	590,581
Assigned to:					
Open Space Reserve	410,000			-	410,000
Sustainability	140,553			-	140,553
Strategy Reserve	-			-	-
Capital/Special Projects	8,020,346			(1,615,000)	6,405,346
Authorized Carryforwards	33,145			-	33,145
Compensated Absences*	1,519,147			-	1,519,147
Market Fluctuations	-	-	-	-	-
Measure G District Sales Tax - Op/Cap	-	-	-	-	-
Rehab Loan (Nonspendabe)	159,000	-	-	-	159,000
Council Priorities - Economic Recovery	1,645,281	-	-	(779,000)	866,281
Total Use of and Addition To Reserves	$ 27,147,209	**$ 53,216,570**	**$ 54,515,247**	$ -	**$ 25,848,532**

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

GENERAL FUND

FY 2022/23 & FY 2023/24 ESTIMATED FUND BALANCE ACTIVITY

		Restricted for Pension	Budget Stabilization	Catastrophic	Pension/OPEB	Open Space	Sustainability	Capital/Special Projects	Carryforward Encumbrances	Compensated Absences	Measure G District Sales Tax - Operating	Council Priorities - Economic Recovery	ERAF Risk	Rehab Loan (Non-Spendable)	Estimated FY 2022/23 Balance to be Allocated	Total GF Balance
Actual General Fund Balance June 30, 2022		$ 690,000	$ 5,991,566	$ 5,991,566	$ 300,000	$ 410,000	$ 140,553	$ 11,071,231	$ 33,145	$ 1,519,147	$ 590,581	$ -		$ 159,000	$ -	$ 26,896,789
Estimated FY 2022/23 Actions	Additional Capital Projects							(2,350,000)								
	Regular Payment to IRS 115 Pension Trust (CEPPT)	390,000														
	Pension/OPEB Reserve to IRS 115 Pension Trust (CEPPT)	300,000			(300,000)											
	Council Priorities - Economic Recovery (Assign the Reserve)							(2,065,302)				2,065,302				
	FY 2022/23 ARPA Proceeds (Recognized as Lost Revenue)											3,614,872				
	Council Priorities - Economic Recovery (FY 2022/23 Estimated Use)											(4,034,893)				
	FY 2022/23 Estimated Surplus to be Allocated														1,640,833	
	Reserve 25% of FY 2021/22 GF Operating Expenditure *(per General Fund Reserve Policy)*		138,208	138,208											(276,416)	
	To Pension OPEB Reserve *(per General Fund Reserve Policy)*				300,000									-		
	Capital/Special Projects Reserve *(per General Fund Reserve Policy)*							1,364,417							(1,364,417)	
Estimated General Fund Balance June 30, 2023		$ 1,380,000	$ 6,129,774	$ 6,129,774	$ 300,000	$ 410,000	$ 140,553	$ 8,020,346	$ 33,145	$ 1,519,147	$ 590,581	$ 1,645,281	$ 689,608	$ 159,000	$ -	$ 27,147,209
Proposed FY 2023/24 Actions	Additional Capital Projects per Proposed Budget							(1,615,000)								
	Council Priorities - Economic Recovery (FY 2023/24 Estimated Use)											(779,000)				
	30% of ERAF Proceeds to ERAF Risk Reserve												660,900			
	Regular Payment to IRS 115 Pension Trust (CEPPT)	390,000														
	FY2023/24 Estimated Surplus to be Allocated														44,423	
Estimated General Fund Balance June 30, 2024		$ 1,770,000	$ 6,129,774	$ 6,129,774	$ 300,000	$ 410,000	$ 140,553	$ 6,405,346	$ 33,145	$ 1,519,147	$ 590,581	$ 866,281	$ 1,350,508	$ 159,000	$ 44,423	$ 25,848,532

SCHEDULE OF INTERFUND TRANSFERS
FISCAL YEAR 2022/23 & 2023/24

	Estimated		Adopted Budget	
	2022/23	2022/23	2023/24	2023/24
Fund Description	**Transfers In**	**Transfers Out**	**Transfers In**	**Transfers Out**
General Funds				
General Fund	$ 538,536	$ 2,987,359	$ 538,536	$ 1,615,000
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	-	733,000	-	-
Equipment Fund	-	-	-	-
Facilities Maintenance Fund	-	-	-	-
Capital Project Funds				
GFAR	3,720,359	417,616	1,615,000	417,616
Grant Funded CIP Projects	-	-	-	-
Storm Drain #1	-	-	-	-
Storm Drain #2	-	-	-	-
Storm Drain #3	-	-	-	-
Traffic Mitigation	-	10,000	-	10,000
Construction Utility Underground	-	-	-	-
Gas Tax - Street & Signal	-	106,000	-	106,000
Total Transfers	$ 4,258,895	$ 4,258,895	$ 2,153,536	$ 2,153,536

FUND BALANCE ACTIVITY SUMMARY
FISCAL YEAR 2023/24

	7/1/23 Estimated Fund Balance	Fiscal Year 2023/24 Proposed Budget: Plus Revenues & Carryforwards	Plus Transfers In	Less Expenditures & Carryforwards	Less Transfers Out	Less Use of Reserves	6/30/24 Estimated Fund Balance
GENERAL FUND							
Unreserved Fund Balances							
Undesignated Reserves							
Available to be Appropriated	$ -	$ 52,678,034	$ 538,536	$ 52,900,247	$ 1,615,000	$ 1,343,100	$ 44,423
Restricted Fund Balances							
Pension Trust	1,380,000	-	-	-	-	390,000	1,770,000
Committed to:							
Budget Stabilization Reserve	6,129,774	-	-	-	-	-	6,129,774
Catastrophic Reserves	6,129,774	-	-	-	-	-	6,129,774
Pension/OPEB Reserve	300,000	-	-	-	-	-	300,000
Measure G District Sales Tax - Operating	590,581	-	-	-	-	-	590,581
Assigned to:							
Open Space Reserve	410,000	-	-	-	-	-	410,000
Sustainability	140,553	-	-	-	-	-	140,553
Capital/Special Projects	8,020,346	-	-	-	-	(1,615,000)	6,405,346
Compensated Absences*	1,519,147	-	-	-	-	-	1,519,147
ERAF Risk	689,608	-	-	-	-	660,900	1,350,508
Rehab Loan (Nonspendabe)	159,000	-	-	-	-	-	159,000
Council Priorities - Economic Recovery	1,645,281	-	-	-	-	(779,000)	866,281
Total General Fund Reserves	**$ 27,147,209**	**$ 52,678,034**	**$ 538,536**	**$ 52,900,247**	**$ 1,615,000**	**$ -**	**$ 25,848,532**

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.

- ***FY2023/24 Budgeted revenue (includes $1.6 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 2023/24 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 remianing 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	616,787	359,950	-	271,103	-	-	705,634
Blackwell Assessment District	13,506	3,210	-	2,984	460	-	13,272
Kennedy Assessment District	7,150	10,605	-	13,285	1,510	-	2,960
Gemini Assessment District	29,398	4,750	-	1,542	610	-	31,996
Santa Rosa Assessment District	22,371	4,550	-	12,227	660	-	14,034
Vasona Assessment District	28,083	10,075	-	8,072	1,430	-	28,656
Hillbrook Assessment District	10,274	6,040	-	4,654	250	-	11,410
Los Gatos Theatre	32,086	68,400	-	40,000	-	-	60,486
Library Trust	58,873	70,000	-	75,000	-	-	53,873
Ness Trust Bequest	22,417	-	-	21,000	-	-	1,417
Betty McClendon Trust	88,214	900	-	900	-	-	88,214
Barbara J Cassin Trust	362,173	3,900	-	3,900	-	-	362,173
Total Special Revenue Funds Reserves	**$ 1,457,986**	**$ 542,380**	**$ -**	**$ 454,667**	**$ 4,920**	**$ -**	**$ 1,540,779**

FUND BALANCE ACTIVITY SUMMARY
FISCAL YEAR 2023/24

	7/1/23 Estimated Fund Balance	Fiscal Year 2023/24 Proposed Budget: Plus Revenues & Carryforwards	Plus Transfers In	Less Expenditures & Carryforwards	Less Transfers Out	Use of Reserves	6/30/24 Estimated Fund Balance
INTERNAL SERVICE FUNDS							
Liability Self-Insurance	$ 395,250	$ 779,024	$ -	$ 1,161,313	$ -	$ -	$ 12,961
Worker's Comp Self-Insurance	706,512	1,123,448	-	1,773,264	-	-	56,696
Information Technology	2,136,398	735,656	-	1,018,679	-	-	1,853,375
Equipment Replacement	1,582,113	1,056,738	-	927,021	-	-	1,711,830
Facilities Maintenance	947,235	1,252,523	-	1,252,521	-	-	947,237
Total Internal Service Funds Reserves	**$ 5,767,508**	**$ 4,947,389**	**$ -**	**$ 6,132,798**	**$ -**	**$ -**	**$ 4,582,099**

Equipment Replacement Fund Balance is the accumulation of replacement funding-to-date for assets. Revenues are the pro-rated annual charges to departments for asset replacement, and expenditures reflect the cost of equipment up for replacement in this fiscal year. The Fund will continue to reallocate Fund Balance as a transfer to the General Fund for assets that have accumulated replacement costs and have been identified as no longer being part of the Replacement Schedule.

CAPITAL PROJECTS FUNDS							
GFAR	$ 19,263,962	$ 2,486,736	$ 1,615,000	$ 5,485,807	$ 417,616	$ -	$ 17,462,275
Grant Funded CIP Projects	(2,980,232)	2,427,810	-	2,427,810	-	-	(2,980,232)
Storm Drain #1	1,198,112	49,990	-	200,000	-	-	1,048,102
Storm Drain #2	2,032,829	54,790	-	250,000	-	-	1,837,619
Storm Drain #3	(151,742)	890	-	-	-	-	(150,852)
Traffic Mitigation	395,570	80,000	-	80,000	10,000	-	385,570
Construction Tax-Undergrounding	3,385,331	45,190	-	-	-	-	3,430,521
Gas Tax	1,644,728	1,787,514	-	1,681,514	106,000	-	1,644,728
Total Capital Projects Funds Reserves	**$ 24,788,558**	**$ 6,932,920**	**$ 1,615,000**	**$ 10,125,131**	**$ 533,616**	**$ -**	**$ 22,677,731**

GFAR, Grant Fund, Storm Drain Funds, and Gas Tax Fund Balances reflect the spending down of available funds in FY 2023/24 in line with the planned Capital Improvement Program. The GFAR and Grant Funds also include transfers-in to fund these planned projects. Traffic Mitigation Fund reflects a transfer out of $10,000 for estimated annual administration fees. Grant Funded Projects Fund Balance reflects appropriations for incoming revenues and prior year carryforwards, which will result in either positive or negative fund balance depending on timing of receipts and budget. All grant projects net to zero at completion.

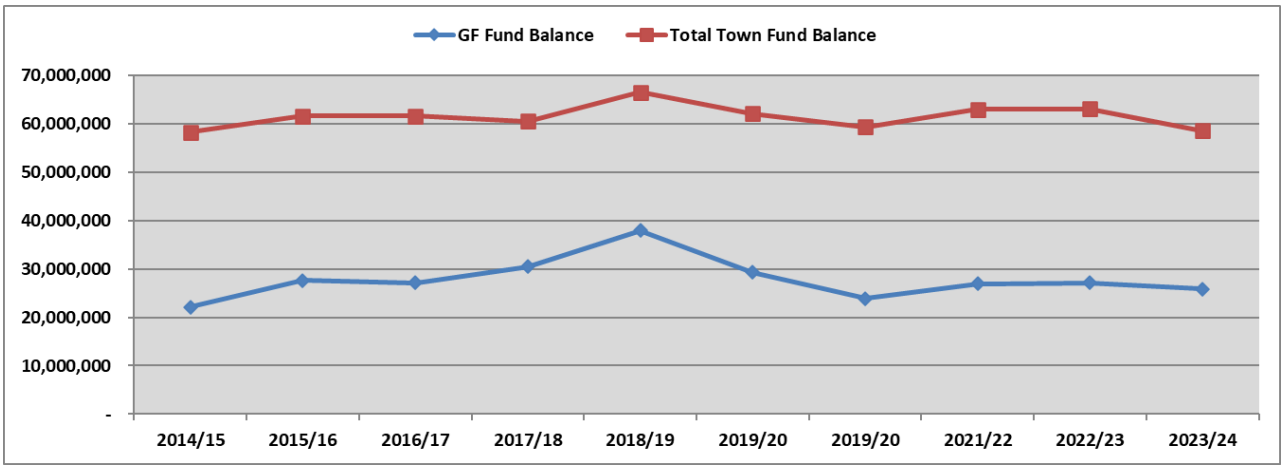
Successor Agency of the Los Gatos RDA Fund							
SA- Trust Fund	$ 3,903,403	$ 3,811,664	$ -	$ 3,800,934	$ -	$ -	$ 3,914,133
Total SA of the Los Gatos RDA Funds Reserves	**$ 3,903,403**	**$ 3,811,664**	**$ -**	**$ 3,800,934**	**$ -**	**$ -**	**$ 3,914,133**
TOTAL RESERVES	**$ 63,064,664**	**$ 68,912,387**	**$ 2,153,536**	**$ 73,413,777**	**$ 2,153,536**	**$ -**	**$ 58,563,274**

FUND BALANCE RESERVES
5 YEAR COMPARATIVE BALANCES

Fund Balance Reserves	6/30/2020 Actual YE Balance	6/30/2021 Actual YE Balance	6/30/2022 Actual YE Balance	6/30/2023 Estimated YE Balance	6/30/2024 Budgeted YE Balance
GENERAL FUND					
Restricted Fund Balances					
Pension	$ 669,978	$ -	$ 690,000	$ 1,380,000	$ 1,770,000
Unreserved Fund Balances					
Undesignated Reserves					
Available to be Appropriated	-	-	-	-	44,423
Committed to:					
Budget Stabilization Reserve	5,427,603	5,460,485	5,991,566	6,129,774	6,129,774
Catastrophic Reserves	5,427,603	5,460,485	5,991,566	6,129,774	6,129,774
Pension/OPEB Reserve	4,532,500	300,000	300,000	300,000	300,000
Measure G District Sales Tax - Operating	-	-	-	590,581	590,581
Assigned to:					
Open Space Reserve	410,000	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	8,787,958	6,965,356	11,071,231	8,020,346	6,405,346
Authorized Carryforwards	-	-	33,145	33,145	33,145
Compensated Absences*	1,539,408	1,649,917	1,519,147	1,519,147	1,519,147
To Workers Comp	-	-	-		-
Market Fluctuations	1,218,732	438,333	-	-	-
Measure G District Sales Tax - Op/Cap	1,181,162	1,730,490	590,581	-	-
Stores and Vehicle Maintenance	-	-	-	-	-
Surplus Property Reserve	-	1,200,000	-	689,608	1,350,508
Rehab Loan (Nonspendabe)	-	159,000	159,000	159,000	159,000
Council Priorities - Economic Recovery	-	-	-	1,645,281	866,281
Total General Fund Reserves*	**$ 29,335,497**	**$ 23,914,619**	**$ 26,896,789**	**$ 27,147,209**	**$ 25,848,532**
SPECIAL REVENUE FUNDS					
Housing Conservation Program	$ 177,240	$ 177,241	$ 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	237,935	371,240	451,558	616,787	705,634
Blackwell Assessment District	13,776	14,085	13,740	13,506	13,272
Kennedy Assessment District	40,396	20,416	21,340	7,150	2,960
Gemini Assessment District	31,787	34,415	36,800	29,398	31,996
Santa Rosa Assessment District	50,785	45,970	40,708	22,371	14,034
Vasona Assessment District	32,180	34,727	37,510	28,083	28,656
Hillbrook Assessment District	21,326	22,743	24,138	10,274	11,410
Los Gatos Theatre	-	-	19,500	32,086	60,486
Library Trust	60,333	81,598	82,062	58,873	53,873
Ness Trust Bequest	21,660	21,939	22,178	22,417	1,417
Betty McClendon Trust	87,487	88,005	88,260	88,214	88,214
Barbara J Cassin Trust	357,336	361,335	362,754	362,173	362,173
Total Special Revenue Funds Reserves	**$ 1,121,654**	**$ 1,263,127**	**$ 1,367,202**	**$ 1,457,986**	**$ 1,540,779**

FUND BALANCE RESERVES
5 YEAR COMPARATIVE BALANCES

Fund Balance Reserves	6/30/2020 Actual YE Balance	6/30/2021 Actual YE Balance	6/30/2022 Actual YE Balance	6/30/2023 Estimated YE Balance	6/30/2024 Budgeted YE Balance
INTERNAL SERVICE FUNDS					
Liability Self-Insurance	$ 1,290,614	$ 1,021,083	$ 803,292	$ 395,250	12,961
Worker's Comp Self-Insurance	1,808,740	1,673,019	1,295,185	706,512	56,696
Information Technology	2,604,203	2,870,823	2,990,932	2,136,398	1,853,375
Equipment Replacement	1,925,053	1,889,536	2,222,395	1,582,113	1,711,830
Facilities Maintenance	102,469	156,340	928,481	947,235	947,237
Total Internal Service Funds Reserves	**$ 7,731,079**	**$ 7,610,801**	**$ 8,240,285**	**$ 5,767,508**	**$ 4,582,099**
CAPITAL PROJECTS FUNDS					
GFAR	$ 12,400,872	$ 13,973,631	$ 14,783,795	$ 19,263,962	17,462,275
GFAR - Designated for Parking	1,460,210	1,460,210	-	-	-
Grant Funded CIP Projects	(343,705)	(699,245)	(948,603)	(2,980,232)	(2,980,232)
Storm Drain #1	1,034,521	1,078,286	1,168,025	1,198,112	1,048,102
Storm Drain #2	1,853,117	1,968,245	2,205,726	2,032,829	1,837,619
Storm Drain #3	(127,362)	(128,840)	(154,940)	(151,742)	(150,852)
Traffic Mitigation	348,661	381,319	405,570	395,570	385,570
Construction Tax-Undergrounding	3,118,173	3,201,311	3,302,514	3,385,331	3,430,521
Gas Tax	290,370	1,425,096	1,836,068	1,644,728	1,644,728
Total Capital Projects Funds Reserves	**$ 20,034,857**	**$ 22,660,013**	**$ 22,598,155**	**$ 24,788,558**	**$ 22,677,731**
Successor Agency Trust of the Los Gatos RDA					
SA - Trust Fund (Budgetary Fund Balance)	$ 3,875,208	$ 3,881,357	$ 3,892,454	$ 3,903,403	$ 3,914,133
Total Successor Agency Fund Reserves	**$ 3,875,208**	**$ 3,881,357**	**$ 3,892,454**	**$ 3,903,403**	**$ 3,914,133**
TOTAL RESERVES	**$ 62,098,295**	**$ 59,329,917**	**$ 62,994,885**	**$ 63,064,664**	**$ 58,563,274**



DEPARTMENT REVENUES
BY PROGRAM

		2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
Town Offices							
1101	Town Council	$ -	$ -	$ -	$ -	$ -	$ -
1301	Town Attorney	2,509	33,646	1,099	-	1,557	-
1302	Liability Self-Insurance Fund	378,133	376,963	366,134	429,249	419,197	779,024
Total Town Offices		**$ 380,642**	**$ 410,609**	**$ 367,233**	**$ 429,249**	**$ 420,754**	**$ 779,024**
Administrative Services Department							
1201	Non-Departmental	$ 32,854,004	$ 35,327,247	$ 36,711,281	$ 39,892,453	$ 39,046,763	$ 39,194,435
1231	Pension Trust- PARS	19,398	-	-	-	-	-
1232	Pension Trust- CEPPT	670,034	37,811	690,000	690,000	690,000	390,000
2101	Town Manager Administration	27,974	3,216	72,911	1,500	93,928	60,000
2102	Community Grants	-	60,000	344,597	-	206,582	475,000
2201	Human Resources	-	-	-	-	-	-
2202	Workers' Compensation Fund	1,429,993	1,245,328	1,155,211	1,033,315	1,043,634	1,123,448
2301	Finance & Administrative Services	3,685,775	1,538,201	177,048	2,964,497	3,103,868	3,562,863
2401	Clerk Administation	450	-	-	-	-	-
2502	Information Technology Management	-	-	-	-	-	-
2501	Information Technology Systems	881,936	973,254	998,157	714,309	710,791	735,656
Total Administrative Services		**$ 39,569,564**	**$ 39,385,968**	**$ 43,563,166**	**$ 46,600,770**	**$ 48,510,438**	**$ 45,541,402**
Community Development							
3101	Administration	$ -	$ -	$ -	$ -	$ -	$ -
3201	Developmental Review	500,952	677,472	796,811	594,500	594,500	640,000
3202	Advanced Planning	498,433	590,875	725,051	776,153	776,153	240,000
3301	Inspection Services	1,884,409	2,049,840	2,188,499	2,219,000	2,262,964	2,264,914
3401	Code Compliance	9,600	3,300	18,543	5,000	7,500	5,000
3501	BMP Housing Program	130,111	190,741	1,369,864	464,199	805,544	190,476
3999	Pass Thru Accounts	321,600	507,833	579,965	532,500	614,500	574,500
Total Community Development		**$ 3,345,105**	**$ 4,020,061**	**$ 5,678,733**	**$ 4,591,352**	**$ 5,061,161**	**$ 3,914,890**
Police Department							
4101	Administration	$ 13,155	$ 20,575	$ 18,005	$ 20,830	$ 20,830	$ 20,670
4201	Records & Communication	7,892	4,449	5,868	4,122	4,372	4,372
4202	Personnel & Community Services	401,096	485,554	526,481	539,600	539,500	561,000
4301	Patrol	976,460	1,534,407	5,267,978	1,161,354	4,793,351	1,866,263
4302	Traffic	452,907	493,610	429,270	316,293	317,921	329,943
4303	Investigations	201,069	188,692	168,360	225,912	205,012	168,749
4304	Parking Program	294,203	147,729	304,786	233,050	233,000	208,000
4800	Grants Program - Police	135,481	1,366	57,139	12,000	12,000	36,500
4999	Pass Thru Accounts	6,661	-	4,538	37,370	32,469	41,978
Total Police Department		**$ 2,488,924**	**$ 2,876,382**	**$ 6,782,425**	**$ 2,550,531**	**$ 6,158,455**	**$ 3,237,475**

DEPARTMENT REVENUES
BY PROGRAM

		2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
Parks & Public Works							
5101	Administration	$ -	$ 2,094	$ 727	$ -	$ -	$ -
5201	Engineering Program Services	170,855	74,835	143,021	-	-	-
5202	Engineering Development Srvcs	1,160,960	1,274,661	1,789,775	812,100	812,100	812,100
5203	Non-Point Source Fund	231,323	299,478	275,290	359,950	359,950	359,950
5301	Park Services	228,232	243,074	296,778	189,165	189,165	188,467
5302	Environmental Services	181,106	225,022	348,303	296,563	296,563	301,109
5401	Street & Signals	280,026	261,532	263,663	221,764	221,764	126,445
5402	Equipment Replacement	236,083	327,398	589,441	686,837	686,837	1,056,738
5404	Facilities Maintenance	1,080,686	1,181,024	1,993,133	1,262,247	1,262,367	1,252,523
5405	Property Damage	25,682	2,345	12,850	-	515	-
5408	Los Gatos Theatre	-	-	19,500	68,400	68,400	68,400
5501	Lighting & Landscape Districts	41,604	40,984	40,476	39,645	39,230	39,230
5999	Pass Thru Accounts	452,157	481,981	457,138	598,575	719,774	380,000
8011	GFAR	3,001,375	3,332,812	5,561,730	8,529,771	6,981,175	2,486,737
8021	Grant Funded CIP Projects	396,334	342,973	8,505,080	12,339,439	994,808	2,427,810
8031	Storm Drain #1	112,105	43,765	89,739	49,680	30,087	49,990
8032	Storm Drain #2	62,569	115,127	250,881	54,520	52,419	54,790
8033	Storm Drain #3	(1,955)	(868)	(251)	880	3,198	890
8041	Traffic Mitigation	136,639	397,093	552,042	633,650	731,021	80,000
8042	Utility Undergrounding	87,489	107,764	101,629	52,490	82,817	45,190
8051	Gas Tax - Street & Signals	1,261,934	1,283,966	1,385,187	1,536,413	1,591,021	1,787,514
Total Parks & Public Works		**$ 9,145,204**	**$ 10,037,060**	**$ 22,676,132**	**$ 27,732,089**	**$ 15,123,211**	**$ 11,517,883**
Library							
7101	Administration	$ 6,686	$ -	$ 50	$ -	$ -	$ -
7201	Adult Services	26,250	-	35,000	35,000	35,000	35,000
7202	Children's Services	-	-	-	-	-	-
7203	Acquisitons & Cataloging	-	-	-	-	-	-
7204	Circulation Services	6,391	-	471	500	963	250
7801	Operating Grant	23,101	16,022	9,000	108,281	108,281	-
7301	Library Trust	63,388	39,159	72,077	75,500	80,175	70,000
7302	Clelles Ness Bequest Trust	368	279	239	250	239	-
7304	Betty McClendon Trust	1,487	1,128	954	1,000	954	900
7305	Barbara J Cassin Trust	6,182	4,610	3,919	4,500	3,919	3,900
Total Library		**$ 133,853**	**$ 61,198**	**$ 121,710**	**$ 225,031**	**$ 229,531**	**$ 110,050**
Successor Agency to the Los Gatos RDA							
9403	SA- Admin Services	$ 28,292	$ 27,414	$ 25,999	$ 9,000	$ 20,644	$ 20,664
9404	SA- Debt to 2002 COP	1,369,114	1,360,662	1,357,508	1,346,376	1,346,126	1,343,350
9405	SA-Debt to 2010 COP	2,501,097	2,483,836	2,469,695	2,444,550	2,444,050	2,447,650
Total SA to the Los Gatos RDA		**$ 3,898,503**	**$ 3,871,912**	**$ 3,853,203**	**$ 3,799,926**	**$ 3,810,820**	**$ 3,811,664**
	Transfers In	9,996,516	5,267,697	2,385,140	4,313,514	4,258,895	2,153,536
Total Revenues by Department:		**$ 68,958,311**	**$ 65,930,887**	**$ 85,427,742**	**$ 90,242,462**	**$ 83,573,265**	**$ 71,065,924**

DEPARTMENTAL EXPENDITURES
BY PROGRAM

		2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
Town Offices							
1101	Town Council	$ 206,163	$ 192,280	$ 189,569	$ 217,239	$ 194,385	$ 184,395
1301	Town Attorney	559,010	537,296	629,935	811,426	- 691,409	771,611
1302	Liability Self-Insurance Fund	400,823	646,495	583,924	846,940	827,239	1,161,313
Total Town Offices		**$ 1,165,996**	**$ 1,376,071**	**$ 1,403,428**	**$ 1,875,605**	**$ 1,713,033**	**$ 2,117,319**
Administrative Services Department							
1201	Non-Departmental	$ 5,410,121	$ 10,392,595	$ 9,330,607	$ 6,074,677	$ 9,910,706	7,602,607
1231	Pension Trust - PARS	5,034,715	-	-	-	-	-
1232	Pension Trust - CEPPT	56	707,789	-	-	-	-
1241	ARPA	-	200,911	3,413,961	1,304,696	3,614,872	-
2101	Town Manager Administration	1,271,552	1,257,889	1,362,014	1,505,772	1,568,632	1,605,245
2102	Community Grants	182,303	207,801	464,610	151,000	502,600	651,000
2201	Human Resources	713,842	782,478	1,008,583	865,569	860,486	889,503
2301	Finance & Administrative Services	1,293,793	1,436,560	1,594,731	1,694,574	1,492,657	1,798,571
2401	Clerk Administration	387,470	416,204	430,781	484,180	486,216	463,689
2502	Information Technology Management	539,802	629,427	580,887	675,894	602,406	653,721
2803	Tobacco Prevention Initiatitves	-	-	-	-	-	-
2999	Pass Through	-	-	-	-	-	-
2202	Workers' Compensation Fund	1,525,589	1,381,049	1,533,045	1,840,000	1,632,307	1,773,264
2501	Information Technology Systems	796,201	668,834	878,049	1,008,242	832,325	1,018,679
Total Administrative Services		**$ 17,155,444**	**$ 18,081,537**	**$ 20,597,268**	**$ 15,604,604**	**$ 21,503,207**	**$ 16,456,279**
Community Development							
3101	Administration	$ 256,531	$ 275,911	$ 252,082	$ 286,174	$ 247,500	$ 292,196
3201	Developmental Review	1,376,229	1,519,572	1,426,338	1,735,770	1,613,767	1,737,988
3202	Advanced Planning	772,817	847,375	871,233	1,092,885	1,060,533	684,497
3301	Inspection Services	1,360,872	1,416,644	1,557,244	1,956,212	1,696,680	1,596,050
3401	Code Compliance	253,630	251,723	256,780	344,117	291,363	319,196
3501	BMP Housing Program	130,111	190,740	1,369,863	469,683	805,544	186,199
3999	Pass Thru Accounts	323,600	507,833	579,965	532,500	614,500	574,500
Total Community Development		**$ 4,473,790**	**$ 5,009,798**	**$ 6,313,505**	**$ 6,417,341**	**$ 6,329,887**	**$ 5,390,626**
Police Department							
4101	Administration	$ 1,248,607	$ 1,464,151	$ 1,412,229	$ 1,871,334	$ 1,547,525	$ 1,528,435
4201	Records & Communication	2,205,471	2,296,959	2,205,889	2,903,437	2,549,493	2,995,733
4202	Personnel & Community Services	874,807	993,941	1,058,453	1,116,904	1,251,291	1,245,816
4301	Patrol	7,371,256	7,653,773	7,725,035	8,906,255	9,174,084	8,835,599
4302	Traffic	798,833	887,706	937,506	1,026,033	1,176,858	1,213,980
4303	Investigations	2,705,333	2,739,071	2,610,044	2,896,711	2,587,253	3,238,220
4304	Parking Program	551,918	524,970	477,441	495,092	510,968	548,998
4800	Grants Program - Police	132,058	10,178	19,962	-	8,500	36,500
4999	Pass Thru Accounts	6,723	87	4,631	37,370	32,469	41,978
Total Police Department		**$ 15,895,006**	**$ 16,570,836**	**$ 16,451,190**	**$ 19,253,136**	**$ 18,838,441**	**$ 19,685,259**

DEPARTMENTAL EXPENDITURES
BY PROGRAM

		2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
Parks & Public Works							
5101	Administration	$ 614,753	$ 636,015	$ 628,200	$ 634,932	$ 649,782	$ 622,525
5201	Engineering Program Services	1,480,068	1,385,830	1,467,361	1,660,365	1,536,684	1,451,311
5202	Engineering Development Srvcs	757,990	759,203	832,149	900,111	791,807	969,829
5203	Non-Point Source Fund	162,839	166,173	194,972	198,372	194,721	271,103
5301	Park Services	1,965,843	2,013,263	2,029,309	2,473,871	2,376,664	2,249,196
5302	Environmental Services	278,918	362,378	466,658	457,972	404,221	656,051
5401	Street & Signals	2,084,477	1,950,873	2,090,776	2,579,679	2,206,369	2,926,413
5402	Equipment Replacement	540,036	254,194	161,766	1,351,124	1,327,119	927,021
5404	Facilities Maintenance	1,161,003	1,160,152	1,222,780	1,248,952	1,243,613	1,252,521
5405	Property Damage	18,632	5,197	3,543	25,000	25,000	25,000
5406	Vehicle Maintenance Management	199,072	251,390	268,728	300,755	338,460	299,338
5407	Facilities Maintenance Management	316,130	333,628	361,594	443,357	435,323	449,190
5408	Los Gatos Theatre	-	-	-	55,814	55,814	40,000
5501	Lighting & Landscape Districts	54,572	53,958	33,674	105,264	97,764	42,764
5999	Pass Thru Accounts	452,157	481,981	457,138	598,575	719,774	380,000
8011	GFAR	5,567,265	4,743,911	7,544,156	24,761,223	5,803,749	5,485,804
8021	Grant Funded CIP Projects	484,403	698,512	8,754,439	11,374,377	3,026,437	2,427,810
8031	Storm Drain #1	-	-	-	200,000	-	200,000
8032	Storm Drain #2	-	-	13,400	300,000	225,316	250,000
8033	Storm Drain #3	11,000	611	25,848	170,300	-	-
8041	Traffic Mitigation	76,290	354,436	517,791	913,455	731,021	80,000
8042	Utility Undergrounding	49,000	24,626	427	347,576	-	-
8051	Gas Tax - Street & Signals	1,719,384	43,241	868,215	3,152,618	1,676,361	1,681,514
Total Parks & Public Works		**$ 17,993,830**	**$ 15,679,572**	**$ 27,942,924**	**$ 54,253,692**	**$ 23,865,999**	**$ 22,687,390**
Library							
7101	Administration	$ 469,563	$ 512,166	$ 505,444	$ 548,989	$ 545,230	$ 557,756
7201	Adult Services	544,326	643,929	698,827	894,440	831,370	854,016
7202	Children's Services	510,064	570,048	546,777	647,187	610,696	627,071
7204	Circulation Services	1,149,220	1,091,598	990,969	1,048,836	1,009,732	1,116,327
7801	Operating Grant	27,629	11,133	10,385	108,281	88,261	20,000
7301	Library Trust	72,637	17,895	71,613	100,000	103,364	75,000
7302	Clelles Ness Bequest Trust	-	-	-	20,755	-	21,000
7304	Betty McClendon Trust	-	609	700	1,000	1,000	900
7305	Barbara J Cassin Trust	9,989	611	2,500	4,500	4,500	3,900
Total Library		**$ 2,783,428**	**$ 2,847,989**	**$ 2,827,215**	**$ 3,373,988**	**$ 3,194,153**	**$ 3,275,970**
Successor Agency to the Los Gatos RDA							
9402	SA- Housing Trust Others	$ -	$ -	$ -	$ -	$ -	$ -
9403	SA- Admin Services	108,276	104,747	103,373	8,131	8,125	8,114
9404	SA- Debt to 2002 COP	1,342,984	1,347,180	1,338,926	1,347,236	1,347,236	1,345,310
9405	SA-Debt to 2010 COP	2,412,222	2,413,838	2,399,805	2,444,510	2,444,510	2,447,510
Total SA to the Los Gatos RDA		**$ 3,863,482**	**$ 3,865,765**	**$ 3,842,104**	**$ 3,799,877**	**$ 3,799,871**	**$ 3,800,934**
Total Operating Expenditures		**$ 63,330,976**	**$ 63,431,568**	**$ 79,377,634**	**$ 104,578,243**	**$ 79,244,591**	**$ 73,413,777**
	Transfers Out	9,996,516	5,267,697	2,385,140	4,278,514	4,258,895	2,153,536
Total Expenditures by Department:		**$ 73,327,492**	**$ 68,699,265**	**$ 81,762,774**	**$ 108,856,757**	**$ 83,503,486**	**$ 75,567,313**

AMERICAN RECOVERY PLAN ACT (ARPA) & GENERAL FUND COUNCIL PRIORITIES – ECONOMIC RECOVERY RESERVE TRACKING
FY 2023/24 SUMMARY

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law by President Biden. The Act allocated $7,229,744 to the Town over a two-year period. For FY 2020/21, the Town recognized the initial $200,911 of ARPA proceeds as revenue to reimburse the Town for qualifying expenses. During FY 2021/22, the Town recognized $3,413,961 as operating grant revenue in the ARPA special revenue fund and transferred $3,413,961 to other funds, reimbursing the Town for qualifying expenditures under the provisions of the Act. The Town will recognize $3,614,862 in FY 2022/23 the same manner as FY 2021/22. The Town tracks all the remainder of the proceeds spending in the Assigned General Fund Council Priorities – Economic Recovery Reserve from FY 2022/23.

The following table summarizes the Council approved priorities to date:

		FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Estimated	FY 2023/24 Adopted
General Fund Council Priorities – Economic Recovery Reserve Tracking	**$ 7,229,744**				
Less Council Approved Uses					
Parklets (Downtown Economic Recovery Efforts)	$ 930,000		$ 466,428	$ 463,572	
Rent Waivers	746,463	121,255	341,452	283,756	
CUP/ADA Fee Waivers	75,000	19,656	27,672	7,018	
Destination Marketing	55,000		55,000	-	
K-Rails (Downtown Economic Recovery Efforts)	68,000		88,654	-	
Promenades	200,000		69,855	130,145	
Direct Grants	110,000	60,000	50,000	-	
Enhanced Senior Services	500,000		249,597	250,403	
Capital Improvement Program Support Transfers	2,900,000			2,900,000	
One-Time Community Grant (Council Action 2-21-2023)	150,000				$ 150,000
One-Time to LGS REC 55+ Program (Council Action 2-21-2023)	225,000				225,000
One-Time to KCAT Producers (Council Action 2-21-2023)	100,000				100,000
One-Time Unhoused Residents Efforts (Council Action 2-21-2023)	25,000				25,000
One-Time Rent Forgiveness LGS REC (Council Action 3-21-2023)	200,000				200,000
One-Time Rent Forgiveness NUMU (Council Action 3-21-2023)	21,000				21,000
One-Time Unhoused Residents Efforts (Council Action 4-4-2023)	25,000				25,000
One-Time - Additional Chambers of Commerce (Council Action 5-2-2023)	33,000				33,000
Total	**$ 6,363,463**	**$ 200,911**	**$ 1,348,659**	**$ 4,034,894**	**$ 779,000**
Available Funding After Council Recent Actions	**$ 866,281**				

The following table tracks the FY actual and estimated spending based on Council approved priorities:

General Fund Council Priorities – Economic Recovery Reserve Tracking	
ARPA Funds Lost Revenue Recognized	$ 7,229,744
Less Actual and Estimated Spending	
FY 2020/21 Actual Spending	200,911
FY 2021/22 Actual Spending	1,348,659
FY 2022/23 Estimated Spending	4,034,893
FY 2023/24 Estimated Spending	779,000
FY 2023/24 Estimated Council Priorities - Economic Recovery Reserve	**$ 866,281**

AMERICAN RECOVERY PLAN ACT (ARPA) & GENERAL FUND COUNCIL PRIORITIES – ECONOMIC RECOVERY RESERVE TRACKING
FY 2023/24 SUMMARY

The Council allocated $2.9 million ARPA for capital projects as already approved or recommended with the Proposed Capital Improvement based on Council priorities:

General Fund Council Priorities – $2.9 Million Capital Allocation Tracking			
Project Name		**Funding Obligated**	
East Main Street Crosswalk Improvements	$	300,000	*Prior Council Action*
Downtown Restroom Feasibility Study/Design		25,000	*Prior Council Action*
Rehabilitate Automatic Gates - 41 Miles Avenue		25,000	*Prior Council Action*
Termite Abatement at Water Tower – 41 Miles Avenue		25,000	*Prior Council Action*
Civic Center Plumbing Repair – 110 E. Main Street		40,000	*Prior Council Action*
HVAC Improvements – Police Operations Building		25,000	*Prior Council Action*
Engineering Counter Modifications – 41 Miles Avenue		40,000	*Prior Council Action*
Unanticipated Repairs		100,000	*Prior Council Action*
Pinehurst Community Garden - 30% Design		100,000	*Prior Council Action*
Gateway Art Project		112,500	*Prior Council Action*
Roadside Fire Fuel Reduction - FEMA Match		750,000	*Prior Council Direction 3-21-2023*
Shannon Road Repair - Additional Needed		295,720	*Adopted with FY 2023/24 - 2027/28 CIP*
Pinehurst Community Garden Project		250,000	*Adopted with FY 2023/24 - 2027/28 CIP*
Lynn Avenue		215,000	*Adopted with FY 2023/24 - 2027/28 CIP*
Creekside Park Turf Replacement		500,000	*Adopted with FY 2023/24 - 2027/28 CIP*
Emergency Preparedness		96,780	*Adopted with FY 2023/24 - 2027/28 CIP*
Total Funding	**$**	**2,900,000**	

IN-KIND DONATIONS
FY 2023/24 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)*** 110 E. Main St 10-Year Lease	***Adult Recreation Center*** 208 E. Main St. 20-Year Lease	***Youth Recreation Center*** 123 E. Main St. Month to Month
Market Price Per Square Foot/Month	*$3.7 **	*$3.7 ***	*$3.7 **
Square Footage	10,630	12,000	6,479
Value of Rent- Annual	*$474,230*	*$527,537*	*$289,044*
Utilities - Annual	*$53,386*	*Paid Directly*	*Paid Directly*
Rent Owed- Annual *(Under Current Lease Agreement)*	*$25,000*	*$237,537*	*$28,905*
FY 2023/24 One-Time Rent Forgiveness	*-$21,000*	*-$200,000*	
Total Rent Expected after Rent Forgiveness	*$4,000*	*$37,537*	*$28,905*
Utilities Paid - Annual	*$0*	*Paid Directly*	*Paid Directly*
Landscaping Services Paid - Annual	*$0*	*$0*	*$4,206*
Elevator Maintenance	*$0*	*$510*	*$0*
Total value of Annaul Town Donation/Subsidy	***$ 523,616***	***$ 489,490***	***$ 255,933***

** 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, SanFrancisco-Oakland - San Jose, California as identified in the lease term.*

*** Market rate is based on an appraisal completed on every five years with CPI in the intervening years.*

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 and FY 2021/22. The Rent forgiveness continued for NUMU and LGS Recreation in FY 2022/23. With this Budget, one-time partial rent forgiveness is included for NUMU and LGS Recreation for the 110 E. Main Street and 208 E Main Street Facilities in FY 2023/24 with backfilling this revenue loss with ARPA funds.

In addition to providing subsidized leases, the Town provides in-kind staffing support during the following events.

Events	Event Type	Police Hours	PPW Hours	Total Staff Hours	Total Cost
Spring into Green	Town Event	64	20	84	$ 12,997
Music in the Park	Special Event	80	20	100	$ 15,656
4th of July	Town Event	18	18	36	$ 5,115
Screen on the Green	Town Event	0	5	5	$ 590
Halloween	Town Event	60	0	60	$ 9,973
Holiday Light Display	Town Event	0	280	208	$ 33,029
Holiday Tree Lighting	Town Event	90	23	113	$ 17,672
Children's Holiday Parade	Special Event	510	400	910	$ 131,951
Total					**$ 226,983**

The estimated total of all in-kind expenses for FY 2023/24 is $1,496,022

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 (2023$)	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**

Construction Impact Activity Project List

Source	Description	Estimated Project Cost (2023$)	Construction Impact Fee Eligible Cost
CIP	Street Repair and Resurfacing Projects (5 year-plan)	$ 22,115,290	$ 22,115,290
Total		**$ 22,115,290**	**$ 22,115,290**

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

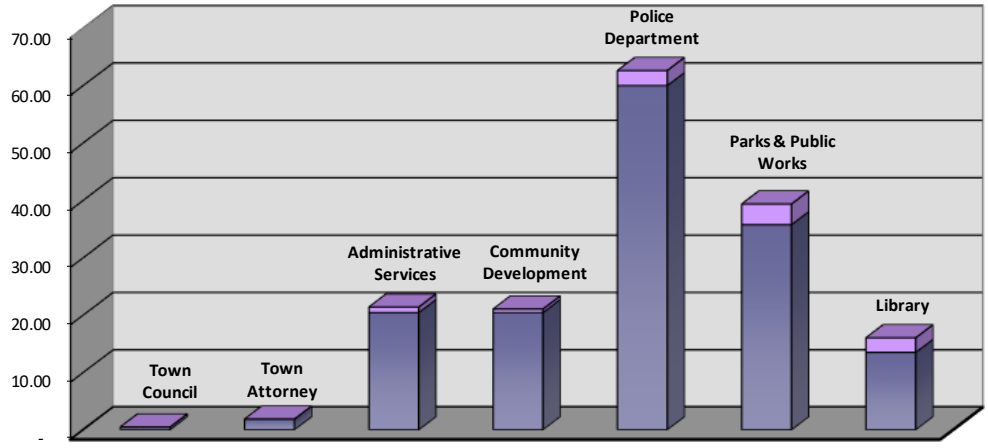
Departmental Staff By Fund

	2019/20 Funded	2020/21 Funded	2021/22 Funded	2022/23 Funded	2023/24 Adopted
General Fund					
Town Council	0.50	0.50	0.50	0.50	0.50
Town Attorney	1.88	1.88	2.13	2.13	1.88
Administrative Services*	20.17	20.17	20.17	20.17	20.42
Community Development	20.08	20.20	20.20	20.20	20.45
Police Department	60.00	60.00	60.00	60.00	60.00
Parks & Public Works	33.50	33.75	33.75	35.75	34.75
Library	12.50	12.50	12.50	13.50	13.50
Total General Fund Staff	**148.61**	**148.98**	**149.23**	**152.24**	**151.49**
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	**149.63**	**150.00**	**150.25**	**153.25**	**152.50**

**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 – Authorized/Funded Ongoing Positions
Purple Bar – Hourly Employees, including Temporary and Part-Time Employees

FY 2023/24

Budgeted FTEs by Department

(Includes Converted Hourly Employees)

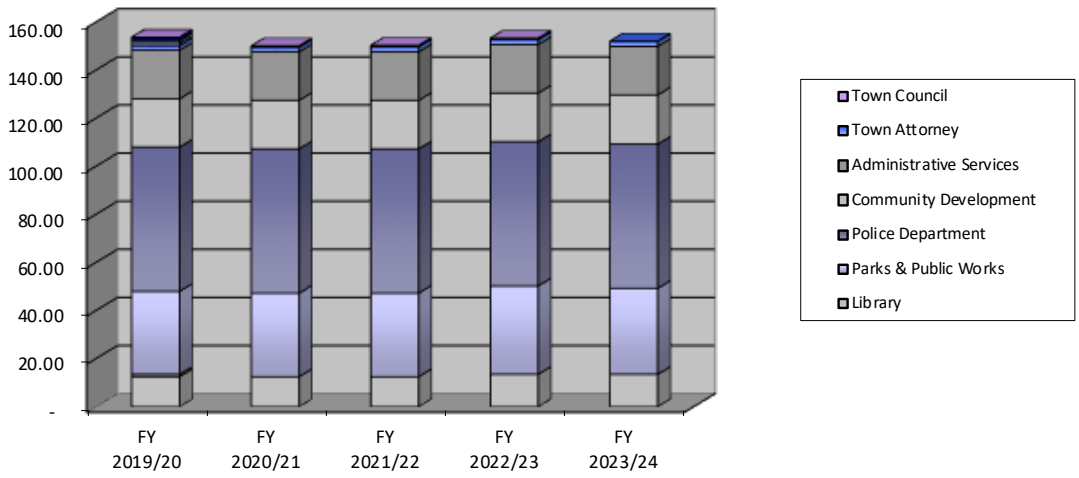
Departments	Authorized/ Funded Town Staff Positions	Hourly Emp Staff converted to FTEs	Total Budgeted Positions
Town Council	0.50	-	0.50
Town Attorney	1.88	-	1.88
Administrative Services	20.43	0.97	21.40
Community Development	20.45	0.61	21.06
Police Department	60.00	2.61	62.60
Parks & Public Works	35.75	3.60	39.35
Library	13.50	2.54	16.04
Total Positions	**152.50**	**10.33**	**162.83**

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	2019/20 Funded	2020/21 Funded	2021/22 Funded	2022/23 Funded	2023/24 Adopted
Town Council	0.50	0.50	0.50	0.50	0.50
Town Attorney	1.88	1.88	2.13	2.13	1.88
Administrative Services	20.18	20.18	20.18	20.18	20.43
Community Development	20.08	20.20	20.20	20.20	20.45
Police Department	60.00	60.00	60.00	60.00	60.00
Parks & Public Works	34.50	34.75	34.75	36.75	35.75
Library	12.50	12.50	12.50	13.50	13.50
Total Budgeted FTEs	**149.63**	**150.00**	**150.25**	**153.25**	**152.50**

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 2023/24

The Town's total budgeted personnel costs for FY 2023/24 increased to $36.4 million ($35.4 million in FY 2022/23 adjusted budget) and accounts for 47.1% 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 35% 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). The Town's bargaining units are Police Officers Association (POA), American Federation of State, County and Municipal Employees (AFSCME), and Town Employees Association (TEA). Confidential and Management employees are not represented. 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)

Town and its employee bargaining groups renewed agreements until 6/30/2024. The first year (FY 2022/23) of the agreements includes one-time non-pensionable bonuses, a combined market adjustment and cost of living adjustment for POA(7.25%), TEA (8%), and AFSCME (7.5%). For this same year, the non-represented Confidential received one-time non-pensionable bonuses and a combined market adjustment and cost of living adjustment (COLA) of 8%, while Temporary classifications received a market adjustment and COLA totaling 8%. The non-represented Management group received a 3% COLA and one-time non-pensionable bonus.

The second year (FY 2023/24) of the agreement includes a 3% across the board COLA for all three bargaining units, Confidential, Management, and Temporary classifications. The proposed budget also includes 3% market rate adjustment effective April 2, 2023 for the non-represented Management group. All other groups received an approximate 5% market rate adjustment effective July 1, 2023. The Town Manager and Town Attorney are under contract to the Town Council and any COLA or other modification for these positions is considered in the fall of every year. 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 San Francisco 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 2023, Kaiser rates increased 6.6% from the prior year. As evidenced by this fluctuation, national health care costs continue to 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 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.

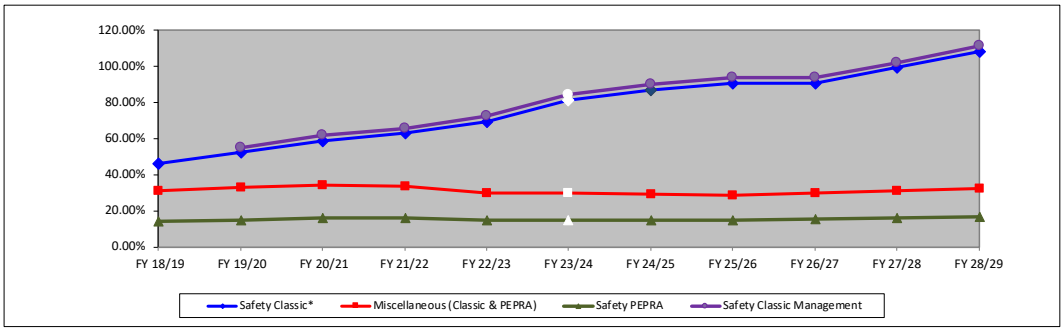
In 2016, the Town's bargaining groups approved the introduction of dependent cost sharing and a reimbursement cap to Medicare eligible employees, and in 2018 the elimination of the Town's existing retiree healthcare benefit prospectively.

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 $22.6 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 2023/24, the Town's miscellaneous employee rate is projected to decrease to 29.97%; the safety rate is projected to increase to 81.34%; and the PEPRA safety rate is projected to be 14.5%.

The current estimates indicate that these changes would result in the Town increasing from the FY 2023/24 rate of 81.30% to 108.40% in FY 2028/29 of pay rate for safety employees and changing the FY 2023/24 rate of 29.97% to approximately 35.5% in FY 2028/29.

The following schedule reflects the Town's actual CalPERS pension rate for FY 2023/24 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 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	FY 28/29
Safety Classic*	46.09%	52.22%	58.98%	62.94%	69.44%	81.30%	87.00%	90.90%	90.80%	99.30%	108.40%
Safety Classic Management		55.22%	61.98%	65.94%	72.44%	84.30%	90.00%	93.90%	93.80%	102.30%	111.40%
Safety PEPRA	13.96%	15.02%	15.95%	15.74%	14.62%	14.50%	14.70%	15.00%	15.40%	15.90%	16.40%
Miscellaneous (Classic & PEPRA)	30.87%	33.18%	34.23%	33.54%	29.92%	29.97%	29.20%	28.30%	29.80%	31.00%	32.50%

** 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 2023/24

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 non-benefited personnel options when possible.

Limited staffing changes and one-time additions have been included in the FY 2023/24 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 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 budgeted overtime cost remains the same level approximately $580,000. Due to vacancies and unforeseen activities actual overtime are significantly higher. The Departments absorb the additional overtime expenses from the anticipated salary savings.

Staffing Changes

The FY 2023/24 Proposed Budget has 162.83 budgeted FTEs, including temporary staff. This reflects a decrease of 1.88 of FTEs compared to the prior year. The recommended FY 2023/24 staffing levels also reflect the following changes from the prior year's Adopted Budget:

- *Administrative Services and Town Offices* - The FY 2023/24 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 2023/24 Budget also includes one-time temporary hours to help with special projects in the Information Technology, Human Resources, and Finance Programs. The 2023/24 budget also includes the reclassification of a Legal Administrative Assistant to an Administrative Technician an Administrative Analyst to Senior Administrative Analyst, a Finance and Budget Manager to a Finance and Accounting Manager, and an Administrative Assistant to a Deputy Town Clerk in the Clerk Program to better meet organization needs.

- *Community Development Department (CDD)* –The FY 2023/24 Budget includes a 0.25 FTE increase to an Associate Planner position to bring it to full time and a reduction of 360 temporary hours for a temporary Associate Planner. Also included is 900 one-time temporary hours for a part-time Code Compliance Officer.

- *Police* – The FY 2023/24 Budget includes the reclassification of several positions to enhance career development and retain current staffing. This includes an Administrative Analyst to a Senior Administrative Analyst, two Communication Dispatchers to Senior Communication Dispatchers, two Police Records Specialists to one Senior Records Specialist Lead and one Senior Records Specialist. The FY 23/24 Budget also includes the reclassification of a vacant Police and Records Communications Manager to an Administrative Analyst to assist in reporting requirements with State unfunded mandates. In addition, 5,420 temporary hours cover two one-time Police Trainees, a one-time increase to Temporary Police Officer hours for background investigations, and a one-time increase of three Community Services Officer Interns.

- *Parks and Public Works (PPW)* – The FY 2023/24 Budget includes a decrease of the one-time (1 FTE) Urban Forest Manager, the reclassification of an Administrative Assistant position to a Permit Technician, and reclassification of a Parks & Maintenance Worker to a Facility Technician. In addition, 7,493 one-time temporary hours are used to add a Grant Administrator and Equipment Mechanic along with an Intern 1 and Maintenance Assistants.

SUMMARY OF PERSONNEL CHANGES
FY 2023/24

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

Liability Insurance

The Town is a member of the Joint Powers Authority Pooled Liability Assurance Network (PLAN) insurance pool, a self-insurance program established in 1986 to provide general liability, property insurance, and risk management services to 28 cities within the Bay Area. Due to increased premium costs experienced in this insurance pool, the Town's service charge to all Departments doubled. The Town has a very low fund balance for this Program. To meet the possibility of a future claim, departmental service charges will likely continue to rise. Staff is evaluating and monitoring the performance of the PLAN.

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 2023/24 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

	2019/20 Funded	2020/21 Funded	2021/22 Funded	2022/23 Funded	2023/24 Adopted	Comments
TOWN ATTORNEY'S OFFICE						
Town Attorney	1.00	1.00	1.00	1.00	1.00	
Administrative Technician	-	-	-	-	1.00	*CY add 1.0 FTE*
Deputy Town Attorney	0.75	0.75	-	-	-	
Legal Administrative Assistant	-	-	1.00	1.00	-	*CY delete 1.0 FTE*
TOTAL DEPARTMENT FTEs	**1.75**	**1.75**	**2.00**	**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	
Senior Administrative Analyst	-	-	-	-	1.00	*CY add 1.0 FTE*
Administrative Anaylst	1.00	1.00	1.00	1.00	-	*CY delete 1.0 FTE*
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 & Accounting Manager	-	-	-	-	1.00	*CY add 1.0 FTE*
Finance & Budget Manager	1.00	1.00	1.00	1.00	-	*CY delete 1.0 FTE*
Accountant/Finance Analyst	2.00	2.00	2.00	2.00	2.00	
Payroll Technician	1.00	-	-	-	-	
Administrative Analyst	2.00	3.00	3.00	3.00	3.00	
TOTAL DEPARTMENT FTEs	**7.00**	**7.00**	**7.00**	**7.00**	**7.00**	
CLERK ADMINISTRATION						
Town Clerk	1.00	1.00	1.00	1.00	1.00	
Deputy Town Clerk	1.00	1.00	1.00	1.00	2.00	*CY add 1.0 FTE*
Administrative Assistant	1.00	1.00	1.00	1.00	-	*CY delete 1.0 FTE*
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	
IT Systems Administrator	1.00	1.00	1.00	1.00	1.00	
IT Technician	1.00	1.00	1.00	1.00	1.00	
TOTAL DEPARTMENT FTEs	**3.00**	**3.00**	**3.00**	**3.00**	**3.00**	

TOWN STAFF
POSITIONS BY HOME DEPARTMENT

	2019/20 Funded	2020/21 Funded	2021/22 Funded	2022/23 Funded	2023/24 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	2.75	2.75	2.75	3.00	*CY add .25 FTE*
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**	**19.75**	**19.75**	**19.75**	**20.00**	
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	-	*CY delete 1.0 FTE*
Senior Administrative Analyst	1.00	1.00	1.00	1.00	3.00	*CY add 1.0 FTE*
Administrative Analyst	-	1.00	1.00	1.00	1.00	*CY delete 1.0 FTE/add 1.0 FTE*
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	
Senior Communications Dispatcher	-	-	-	-	2.00	*CY add 2.0 FTE*
Communications Dispatcher	7.00	7.00	7.00	7.00	5.00	*CY delete 2.0 FTE*
Senior Parking Control Officer	-	1.00	1.00	1.00	1.00	
Parking Control Officer	2.00	1.00	1.00	1.00	1.00	
Senior Records Specialist Lead	-	-	-	-	1.00	*CY add 1.0 FTE*
Senior Records Specialist	-	-	-	-	1.00	*CY add 1.0 FTE*
Police Records Specialist	4.00	4.00	4.00	4.00	2.00	*CY delete 2.0 FTE*
Administrative Technician	1.00	-	-	-	-	
IT Systems Administrator	1.00	1.00	1.00	1.00	1.00	
TOTAL DEPARTMENT FTEs	**60.00**	**60.00**	**60.00**	**60.00**	**61.00**	

TOWN STAFF
POSITIONS BY HOME DEPARTMENT

	2019/20 Funded	2020/21 Funded	2021/22 Funded	2022/23 Funded	2023/24 Adopted	Comments
PARKS and PUBLIC WORKS DEPARTMENT						
Parks & Public Works Director	1.00	1.00	1.00	1.00	1.00	
Asst PPW Dir/Town Engineer	1.00	1.00	-	-	-	
Town Engineer	-	-	1.00	1.00	1.00	
Urban Forest Manager	-	-	-	1.00	-	*CY delete 1.0 FTE*
Superintendent	1.00	1.00	1.00	1.00	1.00	
Transportation & Mobility Mgr	1.00	1.00	1.00	1.00	1.00	
Park & Public Works Operations Mgr	2.00	2.00	2.00	2.00	2.00	
Senior Civil Engineer	1.00	1.00	2.00	2.00	2.00	
Senior Administrative Analyst	1.00	1.00	1.00	1.00	1.00	
Administrative Technician	-	-	-	1.00	1.00	
Executive Assistant	1.00	1.00	1.00	-	-	
Administrative Assistant	2.50	2.75	2.75	2.75	1.75	*CY delete 1.0 FTE*
Permit Technician	-	-	-	-	1.00	*CY add 1.0 FTE*
Environmental Programs Specialist	1.00	1.00	1.00	1.00	1.00	
Associate Engineer	2.00	2.00	1.00	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	1.00	
Engineering Technician	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	
Lead Parks & Maint. Worker	3.00	3.00	3.00	4.00	4.00	
Facility Technician	-	-	-	-	1.00	*CY add 1.0 FTE*
Parks & Maintenance Worker	9.00	9.00	9.00	9.00	8.00	*CY delete 1.0 FTE*
Supervising Equipment Mechanic	-	-	1.00	1.00	1.00	
Equipment Mechanic	1.00	1.00	-	-	-	
TOTAL DEPARTMENT FTEs	**34.50**	**34.75**	**34.75**	**36.75**	**35.75**	
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	1.00	
Library Specialist	1.75	1.75	1.75	0.75	0.75	
Customer Service Specialist	1.75	1.75	1.75	1.75	1.75	
Sr Library Page	1.00	1.00	1.00	2.00	2.00	
TOTAL DEPARTMENT FTEs	**12.50**	**12.50**	**12.50**	**13.50**	**13.50**	
TOTAL TOWN FTEs	**149.62**	**150.00**	**150.25**	**153.25**	**153.50**	

TOWN STAFF
POSITIONS BY HOME DEPARTMENT

ELECTED OFFICIALS	2019/20 Funded	2020/21 Funded	2021/22 Funded	2022/23 Funded	2023/24 Adopted	
Town Council	5.00	5.00	5.00	5.00	5.00	
TOTAL ELECTED OFFICIALS	**5.00**	**5.00**	**5.00**	**5.00**	**5.00**	

HOURLY EMPLOYEES	2019/20	2020/21	2021/22	2022/23	2023/24	
Temporary Hours by Department	**Funded**	**Funded**	**Funded**	**Funded**	**Adopted**	
Town Council	175	175	-	-	-	
Administrative Services	2,350	2,350	4,030	2,860	2,020	
Community Development	1,695	1,955	1,760	1,760	1,260	
Police Department	3,035	4,350	2,880	5,920	5,420	
Parks & Public Works	5,661	5,661	5,917	7,997	7,493	
Library Department	9,294	8,450	8,450	5,290	5,290	
Total Temporary Hours by Department	**22,210**	**22,941**	**23,037**	**23,827**	**21,483**	
CONVERTED HOURLY EMPLOYEES	**10.68**	**11.03**	**11.09**	**11.46**	**10.33**	*(1.00 FTE = 2080 hours)*


TOWN OF
INCORPORATED 1887
LOS GATOS

Departmental Budgets

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FY 2023/24

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Town Offices

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Town Offices

PROGRAM PURPOSE

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

BUDGET OVERVIEW

The FY 2023/24 budget includes increases in salary and benefit costs attributed to cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and decreases reflecting the 4.6% salary saving factor.

TOWN OFFICES

DEPARTMENTAL SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Service Charge	$ -	$ -	$ 305	$ -	$ -	$ -
Interest	-	-	-	-	-	-
Fines & Forfeutires	2,050	3,646	794	-	1,551	-
Other Revenues	459	30,000	-	-	6	-
TOTAL REVENUES	**$ 2,509**	**$ 33,646**	**$ 1,099**	**$ -**	**$ 1,557**	**$ -**
EXPENDITURES						
*Salaries and Benefits**	$ 701,723	$ 675,228	$ 640,376	$ 766,667	$ 642,503	$ 640,963
Operating Expenditures	48,379	38,839	163,427	246,694	228,400	295,856
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	15,071	15,509	15,701	15,304	14,891	19,187
TOTAL EXPENDITURES	**$ 765,173**	**$ 729,576**	**$ 819,504**	**$ 1,028,665**	**$ 885,794**	**$ 956,006**

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
PROGRAM						
Town Council	$ 206,163	$ 192,280	$ 189,569	$ 217,239	$ 194,385	$ 184,395
Town Attorney	559,010	537,296	629,935	811,426	691,409	771,611
TOTAL EXPENDITURES	**$ 765,173**	**$ 729,576**	**$ 819,504**	**$ 1,028,665**	**$ 885,794**	**$ 956,006**

TOWN OFFICES

DEPARTMENT STAFFING

Full Time Equivalents (FTE)

General Fund	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Funded**	**2022/23 Funded**	**2023/24 Adopted**
Town Attorney	1.00	1.00	1.00	1.00	1.00
Deputy Town Attorney	0.75	0.75	-	-	-
Administrative Technician	-	-	-	-	0.75
Deputy Town Clerk	0.13	-	-	-	0.13
Executive Asst to the Town Mgr	0.50	0.50	0.50	0.50	0.50
Administrative Assistant	-	0.13	0.13	0.13	-
Legal Administrative Assistant	-	-	1.00	1.00	-
Total General Fund FTEs	**2.38**	**2.38**	**2.63**	**2.63**	**2.38**
Elected Officials					
Councilmembers	5.00	5.00	5.00	5.00	5.00
TOTAL ELECTED OFFICIALS	**5.00**	**5.00**	**5.00**	**5.00**	**5.00**
Temporary Staff					
Intern	175	175	-	-	-
TOTAL ANNUAL HOURS	**175**	**175**	**-**	**-**	**-**


TOWN OF
INCORPORATED 1887
LOS GATOS

Town Council

TOWN COUNCIL ADMINISTRATION
PROGRAM 1101

PROGRAM PURPOSE

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

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

BUDGET OVERVIEW

The FY 2023/24 budget includes increases in salary and benefit costs attributed to cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and decreases reflecting the 4.6% salary saving factor. The FY 2023/24 Council budget includes general administrative services, constituent services, elected official support, official meetings and events, and Council policy/program analysis.

TOWN COUNCIL

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Service Charge	$ -	$ -	$ -	$ -	$ -	$ -
Interest	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
EXPENDITURES						
Salaries and Benefits	$ 191,749	$ 179,176	$ 173,215	$ 196,826	$ 174,585	$ 163,130
Operating Expenditures	14,081	12,727	15,959	20,000	19,800	20,000
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	333	377	395	413	-	1,265
TOTAL EXPENDITURES	**$ 206,163**	**$ 192,280**	**$ 189,569**	**$ 217,239**	**$ 194,385**	**$ 184,395**

KEY PROGRAM SERVICES

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

TOWN COUNCIL

TOWN COUNCIL STAFFING

Full Time Equivalents (FTE)

Town Staff	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Funded**	**2022/23 Funded**	**2023/24 Adopted**
Executive Asst. to the Town Mgr.	0.50	0.50	0.50	0.50	0.50
TOTAL PROGRAM FTEs	**0.50**	**0.50**	**0.50**	**0.50**	**0.50**
Elected Officials					
Councilmembers	5.00	5.00	5.00	5.00	5.00
TOTAL ELECTED OFFICIALS	**5.00**	**5.00**	**5.00**	**5.00**	**5.00**
Temporary Staff Hours					
Intern	175	175	-	-	-
TOTAL ANNUAL HOURS	**175**	**175**	**-**	**-**	**-**


TOWN OF
INCORPORATED 1887
LOS GATOS

Town Attorney

TOWN ATTORNEY ADMINISTRATION
PROGRAM 1301

PROGRAM PURPOSE

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

BUDGET OVERVIEW

The FY 2023/24 budget includes increases in salary and benefit costs attributed to cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and decreases reflecting the 4.6% salary saving factor.

TOWN ATTORNEY

ACCOMPLISHMENTS

Core Goals	Accomplishments
Community Character Preserve and enhance the appearance character and environment quality of the community	• Amended parcel map ordinance and assisted with business license tax Ordinance. • Assisted with the enforcement of social host ordinance, animals running at large, and smoking ordinances. • Helped with buy-back of a Below Market Price unit.
Good Governance Ensure responsive, accountable and collaborate government	• Prepared for and supported Council and Planning Commission meetings. • Prepared for and supported various Committee, Commission, and Board meetings as requested by staff and/or Council. • Proposed amendments to the Code of Conduct Policy.
Fiscal Stability Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community	• Advised on the legal and financial matters associated with the Council Finance Commission. • Provided administrative and analytical support in staff report development and review. • Collected for subpoena expenses. • Ensured fair insurance payments for damage to a Town vehicle.

TOWN ATTORNEY

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Service Charge	$ -	$ -	$ 305	$ -	$ -	$ -
Interest	-	-	-	-	-	-
Fines & Forfeitures	2,050	3,646	794	-	1,551	-
Other Revenues	459	30,000	-	-	6	-
TOTAL REVENUES	**$ 2,509**	**$ 33,646**	**$ 1,099**	**$ -**	**$ 1,557**	**$ -**
EXPENDITURES						
*Salaries and Benefits**	$ 509,974	$ 496,052	$ 467,161	$ 569,841	$ 467,918	$ 477,833
Operating Expenditures	34,298	26,112	147,468	226,694	208,600	275,856
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	14,738	15,132	15,306	14,891	14,891	17,922
TOTAL EXPENDITURES	**$ 559,010**	**$ 537,296**	**$ 629,935**	**$ 811,426**	**$ 691,409**	**$ 771,611**

FY 2023/24 KEY PROJECTS

Core Goals	Key Projects
Community Character Preserve and enhance the appearance character and environment quality of the community	***Policy Development*** • Assist and advise on the review and revision of numerous policies including but not limited to ordinance rewrite and amendments, implementation of the General Plan, and environmental issues related to development proposals. • Update various ordinances. (ebike ordinance, Accessory Dwelling Unit ordinances, density bonus ordinance, and sensitive places ordinance) • Update the Concealed Carry Weapons Ordinance and process.
Good Governance Ensure responsive, accountable and collaborate government	***Process Improvements*** • Respond to the needs of the Town Council and Town staff. Without compromising this key focus, the Town Attorney will continue to assist in streamlining administrative functions, including contract management, Council action, and code enforcement. • Continue to explore and implement measures to reduce the cost of legal services and overall Town liability. • Update the sworn Police personnel complaint procedure.

TOWN ATTORNEY

FY 2023/24 KEY PROJECTS

Core Goals	Key Projects
Fiscal Stability Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community	***Improved Efficiencies*** • Continue to seek improved efficiencies in providing legal services as necessary to meet budget constraints. • Ensuring that Joint Powers Authority Pooled Liability Assurance Network (PLAN) risk management grant funds are used. • Utilize the PLAN for initial claims review.

KEY PROGRAM SERVICES

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

TOWN ATTORNEY

TOWN ATTORNEY STAFFING

Full Time Equivalents (FTE)

Town Staff	2019/20 Funded	2020/21 Funded	2021/22 Funded	2022/23 Funded	2023/24 Adopted
Town Attorney	1.00	1.00	1.00	1.00	1.00
Deputy Town Attorney	0.75	0.75	-	-	-
Administrative Technician	-	-	-	-	0.75
Administrative Assistant	-	0.13	0.13	0.13	-
Deputy Town Clerk	0.13	-	-	-	0.13
Legal Administrative Assistant	-	-	1.00	1.00	-
TOTAL PROGRAM FTEs	**1.88**	**1.88**	**2.13**	**2.13**	**1.88**

Performance Objectives and Measures	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. *To reduce the legal and financial consequences of claims and lawsuits against the Town.*					
a. Claims for denial or approval processed within 45 days of filing:	95%	90%	90%	95%	75%
2. *To protect the Town from legal exposure through the timely review of contracts, staff reports, and Town policies and practices.*					
a. Staff reports reviewed within 24 hours of receipt:	90%	95%	95%	95%	75%
b. Contracts reviewed and signed within 48 hours of receipt:	90%	90%	90%	95%	75%
c. Staff questions and referrals responded to within 3 working days:	95%	95%	95%	95%	75%

Activity and Workload Highlights	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. Number of incident reports processed:	10	10	10	10	10
2. Number of property loss reports processed:	10	22	16	25	20
3. Number of subpoenas handled:	5	13	8	10	10
4. Number of cases closed:	2	2	1	1	1
5. Number of claims closed:	10	15	16	25	20
6. Number of Town Council and Advisory Body meetings attended:	100	100	24	55	36


TOWN OF
INCORPORATED 1887
LOS GATOS

Town Attorney

LIABILITY SELF-INSURANCE FUND
PROGRAM 1302

FUND PURPOSE

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

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

BUDGET OVERVIEW

The Self-Insurance Program is funded through departmental charges based on established assessment rates per labor dollar expended. Due to increased premium costs experienced in this insurance pool, the Town's service charge to all Departments doubled. The Town has a very low fund balance for this Program. To meet the possibility of a future claim, departmental service charges will likely continue to rise. Staff is evaluating and monitoring the performance of the PLAN.

TOWN ATTORNEY
Liability Self-Insurance Program

STATEMENT OF SOURCE AND USE OF FUNDS

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignated	1,313,305	1,290,615	1,021,083	803,293	803,293	395,251
Total Beginning Fund Balance	1,313,305	1,290,615	1,021,083	803,293	803,293	395,251
Revenues						
Service Charge	$ 378,133	$ 376,963	$ 366,134	$ 429,249	$ 419,197	$ 779,024
Interest	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
Total Revenues	**$ 378,133**	**$ 376,963**	**$ 366,134**	**$ 429,249**	**$ 419,197**	**$ 779,024**
TRANSFERS IN						
Transfer from Equipment Replacement	$ -	$ -	$ -	$ -	$ -	-
TOTAL TRANSFERS IN	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
TOTAL REVENUES & TRANSFERS	**378,133**	**376,963**	**366,134**	**429,249**	**419,197**	**779,024**
TOTAL SOURCE OF FUNDS	**$ 1,691,438**	**$ 1,667,578**	**$ 1,387,217**	**$ 1,232,542**	**$ 1,222,490**	**$ 1,174,275**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	400,823	646,495	583,924	846,940	827,239	1,161,313
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	-	-	-	-	-	-
Total Expenditures	**$ 400,823**	**$ 646,495**	**$ 583,924**	**$ 846,940**	**$ 827,239**	**$ 1,161,313**
Transfers Out						
Transfer to Grant Fund	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	**$ 400,823**	**$ 646,495**	**$ 583,924**	**$ 846,940**	**$ 827,239**	**$ 1,161,313**
Designated	-	-	-	-	-	-
Undesignated	1,290,615	1,021,083	803,293	385,602	395,251	12,962
Total Ending Fund Balance	1,290,615	1,021,083	803,293	385,602	395,251	12,962
TOTAL USE OF FUNDS	**$ 1,691,438**	**$ 1,667,578**	**$ 1,387,217**	**$ 1,232,542**	**$ 1,222,490**	**$ 1,174,275**

TOWN ATTORNEY
Liability Self-Insurance Program

FY 2023/24 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable and collaborate government	***Premium Management*** • Proactively work with defense council as needed. • Advise departments on recommended insurance requirements and surety bonds.

KEY PROGRAM SERVICES

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


TOWN OF
INCORPORATED 1887
LOS GATOS

Administrative Services

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Administrative Services

DEPARTMENT PURPOSE

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

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

BUDGET OVERVIEW

The majority of revenues which support Town wide services are accounted for in the Non-Departmental program within Administrative Services.

ADMINISTRATIVE SERVICES

For FY 2023/24, revenues captured in Administrative Services reflect positive changes in Transient Occupancy Tax (TOT), Sales Tax, and Property Tax as the impacts from the COVID-19 pandemic and the corresponding mandated Public Health Orders have significantly decreased. These revenue modifications are informed by the Town's sales tax consultant MuniServices, the County Tax Assessor, communications with Los Gatos hoteliers, and other sources.

The FY 2023/24 budget includes increases in salary and benefit costs attributed to cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and decreases reflecting the 4.6% salary saving factor. The FY 2023/24 budget reflects the proposed continuation of a part time, three-year position to assist with the Town's emergency preparedness activities and regional emergency management engagement, and one-time temporary Project Manager hours to assist with IT needs as the Town implements a new Enterprise Resource Planning system for financial and human resources functions.

ADMINISTRATIVE SERVICES

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adopted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Other Taxes	$ 1,357,080	$ 1,386,943	$ 1,481,667	$ 2,444,000	$ 2,346,847	$ 2,440,766
Licenses and Permits	2,444	851	3,056	1,500	3,300	3,000
Intergovernmental Revenues	8,258	2,365	-	-	-	-
Service Charges	90,593	-	-	-	-	7,000
Interest	2,238,102	93,008	99,907	87,550	87,000	87,000
Other Revenues	17,722	118,250	(990,074)	432,947	967,231	1,560,097
TOTAL REVENUES	**$ 3,714,199**	**$ 1,601,417**	**$ 594,556**	**$ 2,965,997**	**$ 3,404,378**	**$ 4,097,863**
EXPENDITURES						
Salaries and Benefits	$ 3,742,818	$ 4,093,118	$ 4,234,583	$ 4,556,184	$ 4,180,462	$ 4,581,468
Operating Expenditures	319,300	285,911	597,493	528,931	689,660	658,400
Grants	182,303	207,801	464,610	151,000	502,600	651,000
Pass Through Accounts	-	-	-	-	-	-
Fixed Assets	8,258	2,365	-	-	-	-
Internal Service Charges	136,083	141,164	144,920	140,874	140,275	170,861
TOTAL EXPENDITURES	**$ 4,388,762**	**$ 4,730,359**	**$ 5,441,606**	**$ 5,376,989**	**$ 5,512,997**	**$ 6,061,729**

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adopted	2022/23 Estimated	2023/24 Proposed
PROGRAM						
Town Manager's Office	$ 1,271,552	$ 1,257,889	$ 1,362,014	$ 1,505,772	$ 1,568,632	$ 1,605,245
Community Grants	182,303	207,801	464,610	151,000	502,600	651,000
Human Resources	713,842	782,478	1,008,583	865,569	860,486	889,503
Finance & Admin Services	1,293,793	1,436,560	1,594,731	1,694,574	1,492,657	1,798,571
Clerk Administration	387,470	416,204	430,781	484,180	486,216	463,689
Information Technolgy Management	539,802	629,427	580,887	675,894	602,406	653,721
Smoking Restriction Implemantation	-	-	-	-	-	-
Pass Through	-	-	-	-	-	-
TOTAL EXPENDITURES	**$ 4,388,762**	**$ 4,730,359**	**$ 5,441,606**	**$ 5,376,989**	**$ 5,512,997**	**$ 6,061,729**

ADMINISTRATIVE SERVICES

DEPARTMENT STAFFING

Full Time Equivalents (FTE)	2019/20	2020/21	2021/22	2022/23	2023/24
General Fund	**Funded**	**Funded**	**Funded**	**Funded**	**Adopted**
Town Manager	1.00	1.00	1.00	1.00	1.00
Assistant Town Manager	1.00	1.00	1.00	1.00	1.00
Senior Administrative Analyst	-	-	-	-	1.00
Executive Asst. to Town Mgr.	0.50	0.50	0.50	0.50	0.50
Economic Vitality Manager	0.30	0.30	0.30	0.30	0.30
Administrative Assistant	1.00	1.00	0.88	0.88	-
Human Resources Director	1.00	1.00	1.00	1.00	1.00
Administrative Analyst	4.00	4.00	5.00	5.00	4.00
Administrative Technician	-	-	-	-	0.25
Human Resources Technician	1.00	1.00	1.00	1.00	1.00
Finance Director	1.00	1.00	1.00	1.00	1.00
Finance & Accounting Manager	-	-	-	-	1.00
Finance & Budget Manager	1.00	1.00	1.00	1.00	-
Accountant/Finance Analyst	1.99	1.99	1.99	1.99	1.99
Payroll Technician	1.00	1.00	-	-	-
Town Clerk	1.00	1.00	1.00	1.00	1.00
Deputy Town Clerk	0.88	0.88	1.00	1.00	1.88
Events & Marketing Specialist	0.50	0.50	0.50	0.50	0.50
IT Manager	1.00	1.00	1.00	1.00	1.00
IT Systems Administrator	1.00	1.00	1.00	1.00	1.00
IT Technician	1.00	1.00	1.00	1.00	1.00
Total General Fund FTEs	**20.17**	**20.17**	**20.17**	**20.17**	**20.42**
Non-General Fund FTEs (located in Administrative Services programs unless otherwise noted)					
Successor Agency to the Los Gatos RDA					
Accountant/Finance Analyst	0.01	0.01	0.01	0.01	0.01
Total Successor Agency FTEs	**0.01**	**0.01**	**0.01**	**0.01**	**0.01**

ADMINISTRATIVE SERVICES

ADMINISTRATIVE SERVICES STAFFING

	2019/20 Funded	2020/21 Funded	2021/22 Funded	2022/23 Funded	2023/24 Adopted
Temporary Staff Hours					
Intern I	1,050	1,050	-	-	-
Office Assistant	-	-	1,040	1,040	-
Facility Attendant	50	50	50	50	50
Mail Room Clerk (Library Dept Temps)	250	250	250	250	-
Emergency Management	1,000	1,000	1,000	1,000	960
Human Resources Technician	-	-	1,040	-	400
Finance Project Manager	-	-	-	-	350
IT Project Manager	-	-	650	520	260
Total Annual Hours	**2,350**	**2,350**	**4,030**	**2,860**	**2,020**


TOWN OF
INCORPORATED 1887
LOS GATOS

Administrative Services

TOWN MANAGER'S OFFICE ADMINISTRATION
PROGRAM 2101

PROGRAM PURPOSE

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

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

BUDGET OVERVIEW

The FY 2023/24 budget includes increases in salary and benefit costs attributed to cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and decreases reflecting the 4.6% salary saving factor. The FY 2023/24 Town Manager's Office budget is programmed to maintain existing staffing and service levels with the continuation of a part time, two-year position to assist with the Town's emergency preparedness activities and regional emergency management engagement.

ADMINISTRATIVE SERVICES
Town Manager's Office

In FY 2023/24, the Leadership Los Gatos program will return for the first time since before the pandemic. In previous years, the Chamber of Commerce managed the program in partnership with the Town, but due to the Chamber's limited capacity stemming from a transition in their management this year, the Town will solely manage Leadership Los Gatos. There is an added revenue line and expense line in the Town Manager's Office budget this year to accommodate management of both the tuition and costs for the program. The Town will continue to supplement the program as in prior years.

Additionally, in FY 2023/24, the Town will transition away from the holiday valet parking program due to low usage. The $35,000 previously allocated to the valet parking program will move to Special Events to support planned street closures and traffic management for Halloween and the Children's Holiday Parade as directed by Town Council.

As in prior years, the Town Manager's Office will continue to direct its attention in managing key special projects and policies as reflected in the 2023-2025 Town Council Strategic Priorities.

ADMINISTRATIVE SERVICES
Town Manager's Office

FY 2022/23 ACCOMPLISHMENTS

Core Goals	Accomplishments
Community Character Preserve and enhance the appearance, character, and environmental quality of the community	• Provided support to the Council Policy Committee as it evaluated a variety of policies and good government practices. • Assisted businesses to locate, expand, or stay in Los Gatos, including support through the Council-adopted Economic Recovery Initiatives, providing a variety of process streamlining, reduced fees, and other business opportunities to create a more flexible business environment. • Continued work on the downtown Semi-Permanent Parklet Program, completing the transition from the Temporary KRail Parklet Program. • Continued administration of a grant match program for businesses to provide platforms, ramps, and other essential items that allow the parklets to become accessible and meet Americans with Disabilities Act requirements. • Provided strategic guidance for the Town's General Plan and Housing Element update processes, involving all Town Departments and Boards, Commissions, and Committees. • Justice, Equity, Diversity, and Inclusion (JEDI) work, including maintaining the "Becoming an Inclusive Community" website and working on the development of a JEDI Plan with the Town's consultant in conjunction with Town Boards, Committees, and Commissions; staff; and the greater Los Gatos community. • Led the creation of an inter-Departmental staff Equity Team to form a foundation to advance equity within Departments and Town service delivery. • Coordinated a staff, Council, and Commissioner JEDI training regarding how we can create a welcoming workplace where everyone can learn and contribute and in turn, provide high quality services for our community and a better Los Gatos for everyone. • Led an Executive Leadership Team Retreat and discussed how the Town's Mission, Customer Service Commitment, and Organizational Values have evolved in order to best serve the community.

ADMINISTRATIVE SERVICES
Town Manager's Office

FY 2022/23 ACCOMPLISHMENTS

Core Goals	Accomplishments
Good Governance Ensure responsive, accountable, and collaborative government	• Supported the Town Council in its decision making. • Led streamlining efforts to improve the efficiency of Town processes. • Provided administrative support to the Pension and OPEB Trusts Oversight Committee to manage the additional discretionary monies deposited into the Town's IRS 115 Pension and healthcare accounts. • Led an inter-Departmental Communications Team in creating a Town Communication Administrative Plan, a revised Social Media Policy, an updated staff presentation template, and discussing other related topics to increase community engagement, access, and transparency. • Led a seven-month process to redesign the Town website with increased responsiveness on mobile devices, improved functionality for accessibility, updated Town branding logo and colors, and a cleaner and modern look to be more user friendly. • Coordinated training for all staff website users to improve website content, accessibility, and stay up to date with best practices. • Worked closely with a consultant to complete a scientific community survey to gather resident feedback and measure satisfaction with Town services, quality of life, and other information to help the Town better understand the community's priorities, concerns, and needs. Continued work with the consultant on a pulse survey to drill deeper into some of the topics explored by the initial survey. • Represented the Town in County-wide and regional forums.

ADMINISTRATIVE SERVICES
Town Manager's Office

FY 2022/23 ACCOMPLISHMENTS

Core Goals	Accomplishments
Good Governance Ensure responsive, accountable, and collaborative government	• Supported the Town Council as it took positions on pending legislation and regional/Statewide items affecting Los Gatos. • Continued to enhance community awareness and engagement through increased social media content on the Town's Facebook, Instagram, Nextdoor, LinkedIn, and Twitter accounts. • Promoted community participation in Town matters by signing up for the weekly Town newsletter and other notifications through a dedicated email, by phone, or on the Town's website. • Utilized teleconferencing technology for fully remote and remote/in-person hybrid public meetings in compliance with Public Health Orders. • Provided oversight of the Town's new Enterprise Resource Planning System implementation.
Fiscal Stability Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community	• Led a series of Town Council discussions and in-depth examinations of municipal financial practices. • Led the development of a comprehensive, balanced Town-wide budget. • Provided technical and administrative support to the Finance Commission. • Continued to increase transparency and community access to Town financial information through work on dedicated Fiscal Transparency webpages. • Oversaw Federal American Recovery Plan Act (ARPA) COVID-19 recovery assistance. • Provided community outreach and support for the development of Business License Modernization Ballot Measure J and support for implementation after the measure passed in the November 2022 election, increasing the Town's business license taxes and revenue for the first time in over 30 years.

ADMINISTRATIVE SERVICES
Town Manager's Office

FY 2022/23 ACCOMPLISHMENTS

Core Goals	Accomplishments
Quality Public Infrastructure Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	• Supported respective Council Members as they serve on regional boards governing transportation, clean energy, and other topics. • Supported the economic vitality and infrastructure elements of the downtown parklet programs, and other economic recovery efforts.
Civic Enrichment Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	• Supported the Arts and Culture Commission in the implementation of the Gateway Art Project, the Utility Art Box Program, and obtaining funding sources for Town art. • Supported the Footbridge Art Project. • Oversaw the reopening, selection of an operator, and ongoing management of the Los Gatos Theatre, a fixture downtown since 1915, on behalf of the Town. • Facilitated a large number of special events offered by local organizations and returned to hosting Town events. • Worked with the Chamber of Commerce to provide large festive lighting displays throughout Los Gatos in the winter months to provide additional holiday cheer and promote economic vitality. • Oversaw the continuation of the Town's action items in support of its World Health Organizations Age-Friendly Community Designation. • Oversaw the development of a Senior Services Roadmap by the Senior Service Committee. • Provided support to bring a free San Francisco Opera weekend pop-up event to Los Gatos.

ADMINISTRATIVE SERVICES
Town Manager's Office

FY 2022/23 ACCOMPLISHMENTS

Core Goals	Accomplishments
Public Safety Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness	• Continued to participate in County-led Emergency Management training programs and exercises. • Continued to implement a comprehensive training plan for all Town staff involved in the activation of the Emergency Operation Center. • Expanded communication and coordination with County Fire and other agencies regarding wildfire prevention and preparedness. • Led the Town's response to the COVID-19 emergency including coordinating and staffing COVID pop-up testing sites at the Los Gatos Recreation Center in partnership with Santa Clara County. • Continued working to implement the Council Ad Hoc Wildfire Committee's Report and vegetation and tree management. • Managed crisis communications including storm and flooding safety, hot and cold weather resources, and general emergency preparedness.

ADMINISTRATIVE SERVICES
Town Manager's Office

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Other Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and Permits	2,444	851	3,056	1,500	3,300	3,000
Intergovernmental Revenues	8,258	2,365	-	-	-	-
Service Charges	-	-	-	-	-	7,000
Interest	-	-	-	-	-	-
Other Revenues	17,272	-	69,855	-	90,628	50,000
TOTAL REVENUES	**$ 27,974**	**$ 3,216**	**$ 72,911**	**$ 1,500**	**$ 93,928**	**$ 60,000**
EXPENDITURES						
Salaries and Benefits	$ 1,105,538	$ 1,160,885	$ 1,161,830	$ 1,293,020	$ 1,271,563	$ 1,320,584
Operating Expenditures	90,491	25,699	129,532	143,550	227,868	206,900
Grants	-	-	-	-	-	-
Pass Through Accounts	-	-	-	-	-	-
Fixed Assets	8,258	2,365	-	-	-	-
Internal Service Charges	67,265	68,940	70,652	69,202	69,201	77,761
TOTAL EXPENDITURES	**$ 1,271,552**	**$ 1,257,889**	**$ 1,362,014**	**$ 1,505,772**	**$ 1,568,632**	**$ 1,605,245**

ADMINISTRATIVE SERVICES
Town Manager's Office

FY 2023/24 KEY PROJECTS

Core Goals	Key Projects
Community Character Preserve and enhance the appearance, character, and environmental quality of the community	***Business Attraction and Retention***
	Continue to assist businesses to find available locations in Los Gatos, encourage diverse and unique offerings in the downtown, and implement economic recovery initiatives. Economic Vitality staff will also continue to identify actions in collaboration with other Town Departments to enhance overall community vitality for Council consideration.
	Music in the Park
	Oversee the management of the Music in the Park summer concert series by a new production team.
	Special Events
	Continue to work with event organizers to fine tune the Special Events Permit process, providing guidelines and other information to assist events and processing all Special Event Permit applications. Provide support for road closures and traffic management for Halloween and the Children's Holiday Parade as directed by the Town Council.
	2040 General Plan Update
	Provide support to the Community Development Department regarding the referendum to repeal the Land Use and Community Design Elements of the adopted 2040 General Plan.
	Housing Element Update
	Provide support to the Community Development Department in engaging all Town Departments and the community in the Housing Element Update process.
	Leadership Los Gatos
	Resume, lead, and coordinate the Leadership Los Gatos program.
	Diversity, Equity, and Inclusion
	Continue work on the Justice, Equity, Diversity, and Inclusion Plan and implementation strategies. Continue to lead the inter-Departmental staff Equity Team to discuss how the Town can be more welcoming for all.
	Sustainability
	Continue to work with all Departments to increase sustainability efforts Town-wide.

ADMINISTRATIVE SERVICES
Town Manager's Office

FY 2023/24 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative government	***Communication with the Public***
	Enhance the usefulness of the Town's website and social media channels to improve accessibility and transparency of information and services for the public. Work with KCAT-TV to maintain the Town-branded YouTube page for viewing live and archived Town Council and other meetings. Continue the weekly digital Town Newsletter distribution.
	Town Council Policies
	Continue to provide support, research, and analysis to the Policy Committee for the review and revision of Town policies. Continue to lead the inter-Departmental Communications Team and address a variety of community engagement and communication topics.
	Town Council Priorities
	Lead an annual Strategic Priorities session with the Town Council to provide guidance on policy, special projects, and key capital investments to align the work of Town Department and Commissions with current and future budgets.
	IT
	Oversee implementation of the Town's new Enterprise Resource Planning System and coordinate an ongoing training schedule for website users.

ADMINISTRATIVE SERVICES
Town Manager's Office

FY 2023/24 KEY PROJECTS

Core Goals	Key Projects
Fiscal Stability Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community	***Cost Containment*** Continue to provide oversight on the efforts to identify and implement efficiencies in the delivery of Town services, and employee pension and other post-employment benefit cost containment measures to address long-term fiscal structural issues. ***Fiscal Planning*** Continue to support the Town Pension and OPEB Trusts Oversight Committee and the Finance Commission to develop additional cost-saving strategies and identify increased revenue options in alignment with the Council's Strategic Priorities. ***Financial Information*** Continue enhancing the description of budget assumptions and graphic representation to better explain the Town's budget and other financial documents, including developing alternate budget scenarios to illustrate the effects of differing economic assumptions. ***Property Asset Management*** Continue to manage the research, analysis, and negotiations regarding the potential sale and/or lease of remaining Town-owned properties. Manage the operator for the Los Gatos Theatre to ensure success of the revitalized asset.
Quality Public Infrastructure Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	***Downtown Parking*** Support the Parks and Public Works Department and Police Department in the implementation of the Comprehensive Parking Study.

ADMINISTRATIVE SERVICES
Town Manager's Office

FY 2023/24 KEY PROJECTS

Core Goals	Key Projects
Civic Enrichment Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	***Arts and Culture*** Support the Arts and Culture Commission's Gateway Art Project and the Parks and Public Works' Outside the Box Utility Box Art Program. ***Cultural and Community Partnerships*** Continue to oversee the ongoing partnerships with the Museums of Los Gatos, the Friends of the Los Gatos Library, Los Gatos-Saratoga Recreation, local school districts, and other organizations. ***Senior Initiatives*** Support the Community Health and Senior Services Commission in the implementation of the Senior Services Roadmap. ***Los Gatos Theatre*** Oversee the contract of the operator of the Los Gatos Theatre, a downtown fixture since 1915.
Public Safety Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness	***Overall Emergency Preparedness*** Increase emergency preparedness activities in collaboration with the County Fire Department, County Office of Emergency Management, City of Monte Sereno, and volunteer organizations. Staff and manage a part-time Emergency Services Coordinator position. Continue updating and preparing the Town's Emergency Operations Center for activation when necessary. ***PG&E Shutoffs*** Prepare for potential PG&E Public Safety Power Shutoff Events and keep website information current for future events. ***Wildfire Preparedness*** Continue implementation plans for the short-term and long-term goals identified in the Council Ad Hoc Wildfire Committee's plan and tree and vegetation management.

ADMINISTRATIVE SERVICES
Town Manager's Office

KEY PROGRAM SERVICES

- Provides staff support to the Mayor and Town Council.
- Provides administrative direction and leadership over Town departments, programs, and services.
- Oversees the Town's organizational and fiscal management efforts and program development and evaluation processes.
- Leads the preparation of the annual Operating and Capital Budgets.
- Oversees and administers the Economic Vitality program.
- Oversees the Town Council agenda process.
- Provides centralized customer service through email, telephone, counter, and website assistance.
- Provides staff support to the Finance Commission, Policy Committee, Pension and OPEB Trust Oversight Committee, and the Community Health and Senior Services Commission.
- Monitors the provision of senior services at the Los Gatos Adult Recreation Center through the long-term lease agreement with LGS Recreation.
- Manages the contracts with NUMU, Friends of the Library, LGS Recreation, Farmers' Market, KCAT, and other community organizations.
- Manages the annual Community Grant process in partnership with the Library Director.
- Oversees and executes Town events, such as Spring into Green, 4th of July Symphony in the Park, Screen on the Green, and the annual Tree Lighting ceremony.
- Processes all Special Event Permits.
- Addresses resident complaints, inquiries, and requests.
- Oversees continuous improvements in Town administrative processes, measurements, and other activities.
- Provides public information and manages website content, the Town's social media platforms, and the weekly Newsletter.
- Develops the Annual Report, in coordination with all Town Departments, highlighting the Town's work and accomplishments each Fiscal Year.
- Oversees special projects and new initiatives, particularly during policy development stages.
- Monitors and participates in regional activities to represent the Town interests.
- Monitors state and federal legislation.

ADMINISTRATIVE SERVICES
Town Manager's Office

TOWN MANAGER'S OFFICE STAFFING

Full Time Equivalents (FTE)

Town Staff	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Funded**	**2022/23 Funded**	**2023/24 Adopted**
Town Manager	1.00	1.00	1.00	1.00	1.00
Assistant Town Manager	1.00	1.00	1.00	1.00	1.00
Senior Administrative Analyst	-	-	-	-	1.00
Administrative Analyst	1.00	1.00	1.00	1.00	-
Administrative Technician	-	-	-	-	0.25
Deputy Town Clerk	0.25	0.13	0.13	0.13	0.38
Executive Asst. to Town Mgr.	0.50	0.50	0.50	0.50	0.50
Administrative Assistant	0.13	0.25	0.25	0.25	-
Economic Vitality Manager	0.30	0.30	0.30	0.30	0.30
Events & Marketing Specialist	0.50	0.50	0.50	0.50	0.50
Total Manager's Program FTEs	**4.68**	**4.68**	**4.68**	**4.68**	**4.93**

Temporary Staff Hours	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Funded**	**2022/23 Funded**	**2023/24 Adopted**
Facility Attendant	50	50	50	50	50
Emergency Management	1,000	1,000	1,000	1,000	960
Intern I	675	675	-	-	-
Office Assistant	-	-	520	520	260
Total Annual Hours	**1,725**	**1,725**	**1,570**	**1,570**	**1,270**

ADMINISTRATIVE SERVICES
Town Manager's Office

Performance Objectives and Measures	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. *Supplement resources for nonprofit agencies providing human services and art, cultural, and educational programming so that residents may maintain or improve their quality of life.*					
a. The average percentage of a grantee's budget that comes from the Town's grant contributions:	1.5%	*Not able to determine due to COVID*	1%	1%	1%
2. *Foster a comprehensive arts environment in Los Gatos through the support, development, and appreciation of the arts.*					
a. Percentage of public art pieces in good to excellent condition:	*Public survey not conducted due to COVID*	*80%*	85%	85%	90%
b. Resident satisfaction with Arts and Cultural opportunities in Los Gatos:	*Public survey not conducted due to COVID*	*70%*	74%	80%	80%

ADMINISTRATIVE SERVICES
Town Manager's Office

Activity and Workload Highlights	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. Number of community/customer referrals:	784	986	1,056	1,103	1,213
2. Grant agreements administered:					
a. Number of Human Service grants:	10	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*
b. Number of Arts/Cultural/Educational grants:	7	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*
c. Dollar amount of Special Event grants:**	*$10,000*	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*
e. Number of One-Time Grants***	*N/A*	10	8	12	10
f. Dollar amount of One-Time Grants***	*N/A*	$70,000	$75,013	$81,100	$75,000
g. Number of Innovation Grants***	*N/A*	3	0	4	4
h. Dollar amount of Innovation Grants***	*N/A*	$4,500	$0	$6,000	$6,000
i. Number of Sustaining Grants***	*N/A*	5	5	4	4
j. Dollar amount of Sustaining Grants***	*N/A*	$70,000	$70,000	$62,000	$70,000
3. Total dollar amount of General Fund grant agreements administered:	$182,303	$144,500	$145,013	$149,100	$151,000
4. Number of Los Gatos residents directly served by Town grant-funded organizations:	37,000	*Not able to determine due to COVID*	3,800	4,000	4,000
5. Number of Art in the Council Chambers exhibitions installed and curated:	3	1	0	0	4
6. Number of businesses receiving general business liaison assistance:	115	175	150	140	150
7. Commercial Brokers/Property Owner Outreach Communications:	50	40	45	40	40

** Customer satisfaction Performane Measures are based on Town's 2003 survey results.*
**Measure discontinued effective FY 19/20.*
***New measure effective FY 19/20.*
****New measure effective FY 20/21.*

ADMINISTRATIVE SERVICES
Town Manager's Office

COMMUNITY GRANT PROGRAM

The Community Grant program underwent a significant procedural change in FY2020/21 compared to previous years. Changes included shifting the grant calendar process for applications and awards to earlier in the fiscal year and budgeting the lump sum amounts of all grant expenditures rather than noting each individual grantee at the time of budget adoption. The three expenditure lines that have been added ("one-time grants," "innovation grants," and "recurring grants") include the lump sum amounts of all smaller grant funds that will be dispersed to grantees after the application and award process is completed. When the FY2022/23 actuals are reported at the close of year, these lump sum amounts will be noted as individual smaller grant amounts to the individual grantees in order to compare historical budget year trends. The total amount of grant funding budgeted for FY 2023/24 is $150,000 with an additional one-time $150,000 in American Rescue Plan Act (ARPA) funding as directed by Council, for a total of $300,000. The program also includes additional one-time funding in the amount of $225,000 to support Los Gatos Recreation Center 55+ programing and $100,000 to support KCAT Producers Network programming (for seniors) from ARPA proceeds.

ADMINISTRATIVE SERVICES
Town Manager's Office

GRANTS AND ARTS FUNDING SUMMARY

	2019/20 Awarded	2020/21 Awarded	2021/22 Awarded	2022/23 Awarded	2023/24 Adopted
Grants to Award					
Recurring Grants					
West Valley Community Services	$ -	$ 35,000	$ 20,000	$ 20,000	
Next Door Solutions	-	20,000	5,000	10,000	
Live Oak Senior Nutrition	-	37,000	22,000	22,000	
CASSY	-	25,000	10,000	10,000	
Live Oak Adult Day Services	-	13,000	13,000	-	
Total Recurring Grants	**-**	**130,000**	**70,000**	**62,000**	**$ 70,000**
One-Time Grants					
Parent Helping Parents	-	7,500	10,000		
St. Luke's Episcopal Church	-	7,500	-		
Mariposa Montessori School	-	7,500	9,263		
Los Gatos Lions	-	7,500	-	-	
Los Gatos Chamber	-	7,500	-	-	
Art Docents	-	7,000	-	-	
Silicon Valley Jewish Film Festival	-	5,000	-	-	
JCC Los Gatos	-	7,500	-	7,500	
New Museum of Los Gatos (NUMU)	-	7,500	10,000	7,500	
New Millennium Foundation	-	5,000	-		
Los Gatos Methodist Church	-	4,975	5,750	6,000	
History Club of Los Gatos	-	-	10,000		
West Valley Community Services	-	-	10,000		
Arts Docents of Los Gatos	-	-	10,000		
KCAT 55+ Program	-	-	100,000		100,000
SASCC Senior Drive Through	-	-	5,000		
SASCC Health Fair	-	-	15,000		
SASCC Outlook Newspaper	-	-	30,000		
LGS 55+ Programs	-	-	328,500		225,000
SASCC Community Assesment Survey	-	-	21,500		
AWO				7,500	
Bay Area Housing Corp				7,500	
Friends of the Library				600	
Los Gatos Music and Arts				7,000	
Los Gatos Public Media, Inc. / KCAT TV				7,500	
Louise Van Meter Project Cornerstone				7,500	
NAMI Santa Clara County				7,500	
Veterans' Memorial and Support Foundation				7,500	
Youth Theater Alliance				7,500	
Total One-Time Grants	**-**	**74,475**	**565,013**	**81,100**	**$ 250,000**
Innovation Grants					
Bruce Preville	-	326	-	-	
Cheryl Hansen	-	1,500	-	-	
Arjun Seshadri	-	1,500	-	-	
Heather Shaw				1,500	
Tom Picraux				1,500	
Lilli Valencia				1,500	
Farah Tavana				1,500	
Total Innovation Grants	**-**	**3,326**	**-**	**6,000**	**6,000**
Total Human Services Grants	152,500	-	-	-	
Total Arts, Cultural & Educational Grants	20,000	-	-	-	
Total Special Events Grants	10,000	-	-	-	
Total Arts Funding	-	-	-	-	
Total Grants to Award	**$ 182,500**	**$ -**	**$ 635,013**	**$ 149,100**	**$ 326,000**

Administrative Services

HUMAN RESOURCES
PROGRAM 2201

PROGRAM PURPOSE

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

BUDGET OVERVIEW

The FY 2023/24 budget includes increases in salary and benefit costs attributed to cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and decreases reflecting the 4.6% salary saving factor.

ADMINISTRATIVE SERVICES
Human Resources

Human Resource staff will continue to assist the organization with filling critical Town-wide positions through effective recruitment and selection methods that strive to support workforce diversity and will continue to assist Departments with succession planning; retention and training; and restructuring and redesigning jobs for efficiencies as vacancies become available. 400 temporary hours are included to provide additional technical support for the Department.

FY 2022/23 ACCOMPLISHMENTS

Core Goals	Accomplishments
Good Governance Ensure responsive, accountable and collaborate government	• Successfully recruited and onboarded 19 positions. • Conducted an in-person open enrollment and Health and Wellness Fair. • Continued to support the organization with in-person and virtual oral board experiences to ensure continuation of the recruitment processes for vacancies. • Transitioned from virtual to in-person new employee onboarding and offboarding of departing employees. • Provided Diversity, Equity and Inclusion training to all employees. • Ensured the Town was adhering to the current Cal/OSHA, County, State, and Federal Government COVID guidelines. • Established a library of professional development resources for all Town staff. • Supported two staff in the County-wide Leadership Academy.
Fiscal Stability Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community	• Continued the revision and creation of job classifications to meet the changing needs of the Departments including the creation flexibly staffed job series.

ADMINISTRATIVE SERVICES
Human Resources

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Other Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental Revenues	-	-	-	-	-	-
Service Charges	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
EXPENDITURES						
Salaries and Benefits	$ 611,571	$ 647,813	$ 681,260	$ 644,916	$ 629,268	$ 685,409
Operating Expenditures	83,899	115,436	307,810	202,526	213,092	181,450
Grants	-	-	-	-	-	-
Pass Through Accounts	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	18,372	19,229	19,513	18,127	18,126	22,644
TOTAL EXPENDITURES	**$ 713,842**	**$ 782,478**	**$ 1,008,583**	**$ 865,569**	**$ 860,486**	**$ 889,503**

ADMINISTRATIVE SERVICES
Human Resources

FY 2023/24 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable and collaborate government	***Personnel Rules and Regulations*** • Complete the process to review and update the Town's Personnel Rules and Regulations, which includes: meeting and conferring with employee groups regarding the proposed changes and bringing a recommendation to the Town Council to formally adopt a resolution accepting the revisions. • Develop a retired annuitant procedure. • Revise and update current administrative procedures related to workplace violence, harassment and bullying in the workplace. • Revitalize the Town's employee recognition program. • Develop new recruiting and outreach strategies and techniques. ***Labor Relations*** • Initiate the negotiation process prior to March 31, 2024 for the full labor contracts for the Town Employee Association (TEA), American Federation of State, County and Municipal Employees (AFSCME), and Police Officer Association (POA) groups. Complete negotiations prior to the expiration of the current contracts. ***Training and Development*** • Provide opportunities for staff to participate in the annual Santa Clara County Leadership Academy. • Continue to identify and make available other training opportunities for employees. • Continue to cross train within the HR Department for critical recruitment, workers' compensation, and other functions. ***Records Management*** • Work with Finance and IT to implement the Enterprise Resource Planning (ERP) software program. • Continue to create and implement electronic HR related forms.

ADMINISTRATIVE SERVICES
Human Resources

FY 2023/24 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable and collaborate government	***Safety/Health*** • Ensure the Town is adhering to the current Cal/OSHA, County, State and Federal Government COVID and other workplace guidelines. • Continue to lead the Town's Safety Committee.
Fiscal Stability Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community	***Recruitment/Onboarding*** Support all Town Departments to quickly fill vacancies while using recruitment efforts that encourage diversity within the Town's workforce. ***Succession Planning*** Continue to partner with Departments to identify future retirements and create a plan to ensure the transfer of institutional knowledge while simultaneously providing training opportunities to prepare employees for upcoming promotional opportunities.

KEY PROGRAM SERVICES

- Provides effective administration and ensures legal compliance of employee relations program.
- Conducts employee training and organizational development assessments.
- Administers, evaluates, and selects competitive employee benefits.
- Works collaboratively with Department managers to facilitate the Town's recruitment and selection programs.
- Administers and refreshes classification and compensation plans.
- Provides information and interpretation regarding Town personnel rules, regulations and procedures, Memoranda of Understanding, administrative policies, and ordinances.

ADMINISTRATIVE SERVICES
Human Resources

KEY PROGRAM SERVICES

- Partners with the Town Manager's Office and Town Attorney's Office to resolve personnel issues.
- Maintains employee personnel files, records, and documentation.
- Ensures all legislative changes related to the Human Resources program areas (i.e., employment, benefits, training, workers' compensation, and recruitment) are communicated and implemented in a timely manner.
- Manages the workers' compensation program.
- Collaborates with the Parks and Public Works Department to administer the safety and ergonomics programs, including supporting the Town's employee Health and Safety Committee.
- Develops, implements, revises, and maintains administrative policies and procedures to ensure incorporation of legislative and Town-wide changes.
- Serves as advisor to employee recognition program.
- Provides support for Personnel Board activities.
- Participates in the development of multi-agency training programs, such as the Leadership Academy.

ADMINISTRATIVE SERVICES
Human Resources

HUMAN RESOURCES PROGRAM STAFFING

Full Time Equivalents (FTE)

Town Staff	2019/20 Funded	2020/21 Funded	2021/22 Funded	2022/23 Funded	2023/24 Adopted
Human Resources Director	1.00	1.00	1.00	1.00	1.00
Administrative Analyst	1.00	1.00	1.00	1.00	1.00
Human Resources Technician	1.00	1.00	1.00	1.00	1.00
Total Human Resources FTEs	**3.00**	**3.00**	**3.00**	**3.00**	**3.00**

Temporary Staff Hours	2019/20 Funded	2020/21 Funded	2021/22 Funded	2022/23 Funded	2023/24 Adopted
Human Resources Technician	-	-	1,040	-	400
Total Annual Hours	**-**	**-**	**1,040**	**-**	**400**

ADMINISTRATIVE SERVICES
Human Resources

Performance Objectives and Measures	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. *To provide a competitive employee benefit package that contributes to the recruitment and retention of employees.**					
a. Percentage of employees rating benefit program material, products, and services as neutral to excellent:	96%	96%	96%	94%	95%
b. Percentage of employees rating communication of the benefit program as neutral to excellent:*	94%	94%	94%	96%	95%
2. *To provide effective and efficient professional development, training, and organizational development.*					
a. Percentage of employees rating the effectiveness of training classes as good to excellent:	*Not Applicable*	*Not applicable*	*Not applicable*	*Not applicable*	*Not applicable*
b. Percentage of employees who have received a formal evaluation in the last 12 months:**	31%	22%	*Unable to obtain accurate data*	*Unable to obtain accurate data*	50%
4. *To provide effective and efficient employee recruitment services to departments.**					
a. Percentage of hiring managers rating recruitment process timeline as good to excellent:	89%	89%	89%	94%	95%
5. *To provide effective and efficient employee relations support.*					
a. Percentage of labor agreements ratified prior to expiration of existing contracts:	*Not Applicable*	100%	100%	100%	100%
b. Percentage of employees rating the availability and timeliness of HR staff response to inquiries as neutral to excellent:*	94%	94%	94%	90%	95%

Activity and Workload Highlights	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. Number of recruitments conducted:	23	17	35	30	30
2. Number of employment applications reviewed:	3,551	2,244	2,033	2,200	2,200
3. Number of Workers' Compensation claims filed:	14	16	17	7	15
4. Percentage of eligible employees participating in deferred compensation:	45%	60%	68%	70%	70%
5. Number of Personnel Action Forms processed:*	173	198	231	200	200
6. Number of employee promotions:*	10	8	19	16	15
7. Number of ergonomic evaluations conducted:*	9	10	14	15	25
8. Number of new employee onboarding sessions conducted (full-time, part-time, and temporary):*	33	25	22	25	25
9. Number of job classifications revised or created:*	5	3	5	5	5
10. Vacancy rate:*	11%	11%	12%	11%	11%

**New measure effective FY 20/21.*

***Due to implementation of new online performance evaluation systems, this data is unavailable for previous and current fiscal year, but will be in the next fiscal year.*

Administrative Services

FINANCE
PROGRAM 2301

PROGRAM PURPOSE

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

BUDGET OVERVIEW

The FY 2023/24 budget includes increases in salary and benefit costs attributed to cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and decreases reflecting the 4.6% salary saving factor.

ADMINISTRATIVE SERVICES
Finance

FY 2022/23 ACCOMPLISHMENTS

Core Goals	Accomplishments
Good Governance Ensure responsive, accountable and collaborate government	• Coordinated the successful development of the FY 2021/22 Annual Comprehensive Financial Report (ACFR) and corresponding financial and compliance audit of the Town of Los Gatos. • Achieved the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the ACFR for the FY 2020/21. • Achieved the GFOA's Distinguished Budget Presentation Award for the FY 2022/23 Operating Budget. • Completed State Controller's "Cities Annual Report" and "Streets Report."
Fiscal Stability Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community	• Managed the coordination and on-time preparation of the FY 2023/24 Operating Budget and FY 2023/24-2027/28 Capital Improvement Program for Council consideration. • Managed the Town's investments and prepared financial and investment reports. • Supported the Successor Agency and its required filings. • Supported the Finance Commission and Pension/OPEB Oversight Committee. • Provided ongoing fiscal controls for contracts and other Town expenditures. • Modified the structure of business license taxes following the business license modernization study and prepared a ballot measure for voter consideration.

ADMINISTRATIVE SERVICES
Finance

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Other Taxes	$ 1,357,080	$ 1,386,943	$ 1,481,667	$ 2,444,000	$ 2,346,847	$ 2,440,766
Licenses and Permits	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-
Service Charges	90,593	93,008	99,907	87,550	87,000	87,000
Interest	2,238,102	58,250	(1,404,526)	432,947	670,021	1,035,097
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	**$ 3,685,775**	**$ 1,538,201**	**$ 177,048**	**$ 2,964,497**	**$ 3,103,868**	**$ 3,562,863**
EXPENDITURES						
*Salaries and Benefits**	$ 1,133,533	$ 1,271,722	$ 1,412,811	$ 1,497,891	$ 1,230,228	$ 1,506,477
Operating Expenditures	129,215	132,332	148,291	163,300	229,750	247,800
Grants	-	-	-	-	-	-
Pass Through Accounts	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	31,045	32,506	33,629	33,383	32,679	44,294
TOTAL EXPENDITURES	**$ 1,293,793**	**$ 1,436,560**	**$ 1,594,731**	**$ 1,694,574**	**$ 1,492,657**	**$ 1,798,571**

ADMINISTRATIVE SERVICES
Finance

FY 2023/24 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative government	***Enterprise Resource Planning (ERP) System Upgrade*** Implement the Town's new enterprise resource planning (ERP) system in a phased approach focusing first on the financial and human capital management (i.e., payroll and HR) functions. ***Electronic Filing*** Maintain electronic filing across all functions. ***Department Cross Training in Key Functional Areas*** Continue to cross train in key functional areas of the Finance Department with an emphasis on Accountant functions.
Fiscal Stability Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community	***Long-Term Budget Development*** Provide support, analysis, and recommendations to restructure and reduce long-term projected increases in employee salary and benefit costs. Explore ways to generate one-time or ongoing funds. ***Finance Commission*** Support the Town Finance Commission as governed by its enabling resolution.

ADMINISTRATIVE SERVICES
Finance

KEY PROGRAM SERVICES

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

ADMINISTRATIVE SERVICES
Finance

FINANCE PROGRAM STAFFING

Full Time Equivalents (FTE)

Town Staff	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Funded**	**2022/23 Funded**	**2023/24 Adopted**
Finance Director	1.00	1.00	1.00	1.00	1.00
Finance & Accounting Manager	-	-	-	-	1.00
Finance & Budget Manager	1.00	1.00	1.00	1.00	-
Accountant/Fin Analyst	1.99	1.99	1.99	1.99	1.99
Payroll Technician	1.00	-	-	-	-
Administrative Analyst	2.00	3.00	3.00	3.00	3.00
Total Finance Services FTEs	**6.99**	**6.99**	**6.99**	**6.99**	**6.99**

Temporary Staff	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Funded**	**2022/23 Funded**	**2023/24 Adopted**
Project Manager	-	-	-	-	350
Mail Room Clerk (Library Dept Temps)	250	250	250	250	-
Total Annual Hours	**250**	**250**	**250**	**250**	**350**

ADMINISTRATIVE SERVICES
Finance

Performance Objectives and Measures	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. *Provide oversight of Town investment activities to obtain highest available portfolio earnings in accordance with State and Town Codes.*					
a. Average rate of return on investments:	1.86%	1.37%	1.37%	2.45%	2.45%
2. *Assure legal and fiscal accountability to the public, in compliance with established accounting standards.*					
a. Town Financial Statements receive an 'Unqualified Opinion' from the Town's independent auditor:	Yes	Yes	Yes	Yes	Yes
b. Governmental Finance Officer Association (GFOA) 'Certificate of Achievement of Excellence in Financial Reporting' awarded to the Town:	Yes	Yes	Yes	Yes	Yes
3. *Prepare accurate budget forecasts and workplans in compliance with standard budgeting practices.*					
a. Governmental Finance Officer Association (GFOA) 'Certificate of Achievement of Excellence in Budgeting' awarded to the Town:	Yes	Yes	Yes	Yes	Yes
4. *Provide timely and accurate financial reports within specified deadlines.*					
a. Percent of State Controller's annual financial reports completed and filed by deadlines:	100%	100%	100%	100%	100%
b. Percent of County annual financial reports completed and filed by deadlines:	100%	100%	100%	100%	100%
c. Percent of time bank statements reconciled to general ledger within 30 days of month-end:	90%	100%	100%	100%	100%
d. Percent of quarterly reports completed and submitted to Council by deadlines:*	100%	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*
5. *Provide financial oversight and administer accounting functions for all Town funds and accounts.*					
a. Percentage of Accounts Payable invoices paid accurately:*	99%	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*
b. Percentage of Payroll checks paid accurately and on-time:	99%	99%	99%	99%	99%

Activity and Workload Highlights	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. Quarterly investment reports to Finance Commission and Town Council:***	4	4	4	1	*Measure Discontinued*
2. Monthly investment reports to Finance Commission and Town Council:****	N/A	N/A	N/A	9	12
3. Number of general ledger corrections needed during audit due to processing error:	0	0	0	0	0
4. Annual number of invoices entered into the Accounts Payable system:	6,791	6,388	7,826	8,000	8,000
5. Average number of Accounts Payable checks issued weekly:	64	58	64	65	65
6. Average number of regular and temporary employee payroll checks issued bi-weekly:	188	189	182	185	188
7. Number of Business Licenses issued annually:**	3,926	4,144	4,237	*Measure Discontinued*	*Measure Discontinued*

**Measure discontinued effective FY2020/21*

***Measure discontinued effective January of FY2022/23 due to business license services outsourcing*

****Measure discontinued effective January of FY2022/23 due to frequency of reporting change*

*****New Measure effective January of FY2022/23*


TOWN OF
INCORPORATED 1887
LOS GATOS

Administrative Services

CLERK ADMINISTRATION
PROGRAM 2401

PROGRAM PURPOSE

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

BUDGET OVERVIEW

The FY 2023/24 budget includes increases in salary and benefit costs attributed to cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and decreases reflecting the 4.6% salary saving factor.

ADMINISTRATIVE SERVICES
Clerk Administration

FY 2022/23 ACCOMPLISHMENTS

Core Goals	Accomplishments
Good Governance Ensure responsive, accountable and collaborative government	• Transitioned Town Council and Finance Commission meetings from teleconference to in-person hybrid format. Assisted the Community Development Department transition Planning Commission to an in-person hybrid format. • Transitioned all other Boards, Committees, and Commissions to an in-person format. • Provided administrative support to the Council Policy Committee, Finance Commission, Arts and Culture Commission, Community Health and Senior Services Commission, and Senior Service Committee. • Updated the Council and Commissioner Handbooks.
Civic Enrichment Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	• Managed the annual and mid-year Commission recruitments and appointment processes for eleven Boards, Commissions, and Committees. • Conducted the Town election, including issuing nomination papers, assisting with the candidate orientation, and certifying the election. • Processing a referendum petition for two Elements of the General Plan. • Updated Election and Commission webpages to provide additional information for the public.

ADMINISTRATIVE SERVICES
Clerk Administration

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Other Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental Revenues	-	-	-	-	-	-
Service Charges	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Other Revenues	450	-	-	-	-	-
TOTAL REVENUES	**$ 450**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
EXPENDITURES						
Salaries and Benefits	$ 352,374	$ 383,616	$ 398,338	$ 445,469	$ 448,109	$ 419,388
Operating Expenditures	15,695	12,444	11,860	19,555	18,950	22,250
Grants	-	-	-	-	-	-
Pass Through Accounts	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	19,401	20,144	20,583	19,156	19,157	22,051
TOTAL EXPENDITURES	**$ 387,470**	**$ 416,204**	**$ 430,781**	**$ 484,180**	**$ 486,216**	**$ 463,689**

ADMINISTRATIVE SERVICES
Clerk Administration

FY 2023/24 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable and collaborate government	***Records Retention*** • Conduct a comprehensive review and update of the Town's Retention Schedule, Policy, and procedures. • Implement an electronic archiving process to improved records accessibility for the public. • Continue to enhance the records request process in the JustFOIA software system. • Continue to review and update as necessary the Administrative Procedures and Council Policies. ***Public Engagement*** • Continue to participate in Town events and other opportunities to increase the public's awareness of the vital role of the Clerk Department. • Continue to highlight the Board, Commission, and Committee Commissioner recruitment process and participation in public meetings.
Civic Enrichment Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	***Public Document Accessibility*** • Continue to provide various public documents to the public through the Town's website. • Continue adding all resolutions, ordinances, minutes, and historical recordings to the document repository to increase access. • Continue to utilize NetFile to facilitate e-filing for the required Fair Political Practices Commission (FPPC) Form 700 and Campaign Statements to provide the public direct access to the documents.

ADMINISTRATIVE SERVICES
Clerk Administration

KEY PROGRAM SERVICES

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

CLERK ADMINISTRATION STAFFING

Full Time Equivalents (FTE)

Town Staff	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Funded**	**2022/23 Funded**	**2023/24 Adopted**
Town Clerk	1.00	1.00	1.00	1.00	1.00
Deputy Town Clerk	0.63	0.88	0.88	0.88	1.50
Administrative Assistant	0.88	0.63	0.63	0.63	-
Total Clerk Admin FTEs	**2.50**	**2.50**	**2.50**	**2.50**	**2.50**

Temporary Staff	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Funded**	**2022/23 Funded**	**2023/24 Adopted**
Intern 1	375	375	-	-	-
Office Assistant	-	-	520	520	-
Total Annual Hours	**375**	**375**	**520**	**520**	**-**

ADMINISTRATIVE SERVICES
Clerk Administration

Performance Objectives and Measures	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. *Provide efficient and effective indexing of key documents to ensure adequate tracking of and accessibility to the Town's legislative history.*					
a. Percentage of resolutions, agreements, and ordinances indexed within five business days:	99%	99%	99%	99%	99%
b. Percentage of Town Council Minutes prepared within five business days:	99%	99%	99%	95%	100%
2. *Oversee the Town Council Agenda process to ensure comprehensive information and analysis is provided to the Town Council in a timely manner.*					
a. Percentage of Town Council reports available 120 hours prior to Town Council meetings:* *(Prior to FY 2015/16, reports were available 96 hours prior to Town Council meetings)*	100%	100%	100%	99%	100%
3. *Oversee the Public Records Act requests in a timely and effective manner.*					
a. Percentage of Public Records requests received by the Town Clerk's Office that are completed within 10 days.**	95%	90%	90%	90%	95%
4. *Percentage of vacancies filled on an annual basis to maximize community participation within the Town's advisory bodies.*	95%	90%	90%	95%	95%

Activity and Workload Highlights	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. *Number of Legislative Records indexed:*					
a. Number of resolutions indexed:	56	49	80	50	50
b. Number of agreements indexed:	231	206	330	250	250
c. Number of documents recorded:	37	28			
d. Number of ordinances indexed:	18	9	14	10	10
2. Number of commission and board applications and appointments processed:	36	91	60	50	50
3. Number of commission and board seats available:****	33	30	36	40	30
4. Number of Legal Notices published within established timelines:	173	131	139	140	140
5. Number of Fair Political Practices Commission (FPPC) Form 700:	126	177	149	160	170
6. Number of bids processed and project files monitored for final action:	10	50	7	10	10
7. Number of required insurance certificates verified:	358	184	279	250	250
8. Number of Town Council agenda reports processed:*	278	241	299	270	270
9. Number of Public Records Act requests processed:***	145	223	252	250	250

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

*** New measure effective FY 2014/15.*

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

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

Administrative Services

INFORMATION TECHNOLOGY STAFFING
PROGRAM 2502

PROGRAM PURPOSE

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

BUDGET OVERVIEW

The FY 2023/24 budget includes increases in salary and benefit costs attributed to cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and decreases reflecting the 4.6% salary saving factor. The former IT Manager will also be engaged on a temporary basis not to exceed 260 hours for the FY 2023/24 budget year.

ADMINISTRATIVE SERVICES
Information Technology Staffing

FY 2022/23 ACCOMPLISHMENTS

Core Goals	Accomplishments
Good Governance Ensure responsive, accountable, and collaborative government	• Provided ongoing support and maintenance of the Town's IT infrastructure and services. • Provided ongoing project management of the new enterprise resource planning (ERP) systems implementation. • Implemented online permitting system for Parks and Public Works to help streamline application process along with increased efficiencies of internal processes. • Migrated the Town's Geographic Information System site to a faster, more secure and reliable environment with increased functionality. • Incorporated a new video conferencing system into the Emergency Operations Center for enhanced communications and information sharing. • Upgraded server systems and various hosted applications and services. • Enhanced the security of the backup and recovery system through the implementation of immutable backups to prevent tampering of system backups. • Incorporated all Town issued tablets into the mobile device management (MDM) system for increased security management. • Upgraded aging network switches to new next generation cloud managed network switches for increased security and more efficient network administration. • Upgraded aging uninterruptible powers supply (UPS) systems for enhanced power management and alerting capabilities. • Provided ongoing security awareness training for staff. • Performed replacements of staff computer systems.

ADMINISTRATIVE SERVICES
Information Technology Staffing

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Other Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental Revenues	-	-	-	-	-	-
Service Charges	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
EXPENDITURES						
Salaries and Benefits	$ 539,802	$ 629,082	$ 580,344	$ 674,888	$ 601,294	$ 649,610
Operating Expenditures	-	-	-	-	-	-
Grants	-	-	-	-	-	-
Pass Through Accounts	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	-	345	543	1,006	1,112	4,111
TOTAL EXPENDITURES	**$ 539,802**	**$ 629,427**	**$ 580,887**	**$ 675,894**	**$ 602,406**	**$ 653,721**

ADMINISTRATIVE SERVICES
Information Technology Staffing

KEY PROGRAM SERVICES

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

FY 2023/24 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative government	***ERP Systems Migration*** • Support Finance and HR Departments in migrating to a new cloud hosted ERP system. ***Collaboration Systems*** • Provide ongoing staff training on available collaboration tools.
Fiscal Stability Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community	***Continuous Improvement*** • Provide ongoing direction to the Town's strategic investments in technology to improve Town service delivery, transparency, efficiency, and government access.

ADMINISTRATIVE SERVICES
Information Technology Staffing

FY 2023/24 KEY PROJECTS

Core Goals	Key Projects
Quality Public Infrastructure Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	***IT Infrastructure*** • Provide ongoing support and maintenance of the Town's IT infrastructure and services. • Implement an IT Infrastructure monitoring tool for increased visibility and alerting of the network, server, and application stack. • Upgrade and migrate server systems and applications reaching their end-of-life support. ***Cyber Security*** • Perform ongoing assessment and review of overall security posture to protect against evolving threat landscape. • Implement a new identity threat management system to better protect against cyber-attacks. • Implement a new cyber security solution to secure the Town's data and services from ransomware attacks through continuously backup and monitoring along with rapid systems recovery. ***Network Upgrade*** • Replace network switches for added performance and next generation security. ***Phone System Upgrade*** • Migrate current phone system to new cloud hosted phone system for increased functionality and more effective management. ***Equipment Replacement*** • Replace and upgrade computer systems and peripherals as part of the replacement program.
Public Safety Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness	***Police Support Technology*** • Assist with maintenance of Police IT systems and upgrades.

ADMINISTRATIVE SERVICES
Information Technology Staffing

INFORMATION TECHNOLOGY STAFFING

Full Time Equivalent (FTE)

Town Staff	2019/20 Funded	2020/21 Funded	2021/22 Funded	2022/23 Funded	2023/24 Adopted
IT Manager	1.00	1.00	1.00	1.00	1.00
IT Systems Administrator	1.00	1.00	1.00	1.00	1.00
IT Technician	1.00	1.00	1.00	1.00	1.00
Total IT FTEs	**3.00**	**3.00**	**3.00**	**3.00**	**3.00**

Temporary Staff	2019/20 Funded	2020/21 Funded	2021/22 Funded	2022/23 Funded	2023/24 Adopted
IT Program Manager Temp/Hrly	-	-	650	520	260
Total Annual Hours	**-**	**-**	**650**	**520**	**260**

ADMINISTRATIVE SERVICES
Information Technology Staffing

Performance Objectives and Measures	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. *Support the delivery of services to all the Town's customers through the use of SMART technology (Sensible, Multi-modal, Accessible, Responsive, and Time phased technology).*					
a. Percentage of network availability during normal business hours:	99%	99%	99%	99%	99%
b. Percentage of customers rating support as "good" or "excellent" based on timeliness:	96%	98%	94%	97%	99%
c. Percentage of customers rating support as "good" or "excellent" based on quality of service:	96%	94%	94%	97%	99%

Activity and Workload Highlights	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. Number of PCs/Notebooks maintained:	277	263	267	267	267
2. Number of network servers maintained:	80	59	56	56	56
3. Number of network printers maintained:	45	45	45	45	45
4. Number of service requests received:	3000	1034	1287	1300	1300


TOWN OF
INCORPORATED 1887
LOS GATOS

Administrative Services

NON-DEPARTMENTAL PROGRAM
PROGRAM 1201

PROGRAM PURPOSE

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

BUDGET OVERVIEW

The majority of revenues which support Town-wide services are accounted for in this program. For FY 2023/24, revenues captured in Non-Departmental reflect positive changes in Property Tax, Transient Occupancy Tax (TOT), and Sales Tax as the impacts from the COVID-19 pandemic and the associated Public Health Orders continue to wane. These revenue modifications are informed by the Town's sales tax consultant, MuniServices, the County Tax Assessor, communications with Los Gatos hoteliers, and other sources.

The Town of Los Gatos provides a defined benefit pension plan for all full-time employees and some part time benefitted employees as part of their total compensation package. Defined benefit plans provide a fixed, pre-established benefit payment for employees in retirement based on a formula which takes into account an employee's year of service and highest average annual salary. The defined benefit pension has been a standard part of compensation in governmental organizations and in Los Gatos is in lieu of participating in Social Security, except for the required Medicare rate of 1.45% of all wages.

ADMINISTRATIVE SERVICES
Non-Departmental

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

The Town's pension plans over the past several decades, like all other CalPERS participants, have experience unfavorable investment returns, changes in actuarial assumptions, and unfavorable demographic shifts which have outweighed any positive plan experiences, resulting in increasing employer contributions to date. The CalPERS rates for FY 2023/24 are either 81.30% or 14.5% for public safety employees, depending on date of entrance into CalPERS, and 29.97% for miscellaneous employees.

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

Photocopy and printer equipment, postage, and bulk mail expenditures are now centrally funded through the Non-Departmental Program, and subsequently charged back to the appropriate Department for services and materials utilized on a monthly basis. The Town maintains approximately 45 printers and copiers. The lease and maintenance service includes toner and repairs for all copiers and printers and the Non-Departmental Program pays for copy paper for use on the printers and copiers.

The highlights of the Non-Departmental Program includes the following (note: this is not a complete list):

- $1,608,226 for the cost of covering the Town's portion of retiree medical insurance premiums. The Town has paid for this expenditure since the Town became a member of the CalPERS medical plan as it is part of the CalPERS agreement.
- $1,222,825 for the lease payment on the Town's Library building as pledged under the 2010 Certificates of Participation. This payment is offset by a reimbursement from the Successor Agency to the Los Gatos Redevelopment Agency, with a result of no net impact on the Town's General Fund budget.
- $671,725 for the lease payment on the Town's Corporation Yard property as pledged under the 2002 Certificates of Participation. This payment is offset by a reimbursement from the Successor Agency to the Los Gatos Redevelopment Agency, with a result of no net impact on the Town's General Fund budget.

ADMINISTRATIVE SERVICES
Non-Departmental

- $390,000 payment toward unfunded pension liability.
- $261,710 for animal control services provided by the City of San Jose. The Town entered into a 20-year agreement with the City of San Jose effective July 1, 2004.
- $241,600 for Administration fee for collecting and processing of the Town's property and sales tax receipts.
- $200,000 for special studies as needed.
- $100,000 for the Town Manager's Contingency and Productivity Funds to address unforeseen situations or opportunities that may arise during the fiscal year.
- $100,000 for independent investigations of complaints regarding sworn personnel.
- $60,000 for the KCAT public meetings' broadcasting and video streaming services.
- $55,000 for the Los Gatos Chamber of Commerce contract to provide support for the Town's visitor information center.
- $746,000 pass through expenditures to track the American Rescue Plan Act proceeds per Council priorities.

The Non-Departmental program budget also reflects a transfer of $1.6million from the General Fund Capital/Special Projects Reserve and $0.6 million (50%) of the estimated Measure G proceeds to the General Fund Appropriated Reserves (GFAR) to support the Capital Improvement Program (CIP).

ADMINISTRATIVE SERVICES

Non-Departmental

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Property Tax	$ 14,454,513	$ 15,826,162	$ 16,899,618	$ 16,969,226	$ 17,928,118	$ 18,556,631
VLF Backfill Property Tax	3,875,914	4,052,672	4,229,462	4,556,000	4,556,000	4,692,680
Sales & Use Tax	7,531,425	7,933,604	8,483,673	8,837,256	8,959,134	9,152,778
Franchise Fees	2,495,792	2,499,463	2,822,515	2,716,470	2,716,470	2,116,470
Transient Occupancy Tax	1,869,685	1,044,820	1,895,064	2,000,000	2,348,547	2,419,000
Intergovernmental Revenues	48,063	419,786	42,794	8,550	4,871	8,550
Lease Payments	1,905,024	1,908,494	1,899,850	1,893,713	1,893,713	1,894,550
Charges for Services	110,700	194,575	131,066	126,492	126,492	127,172
Other Sources	562,888	1,447,671	307,239	2,784,746	513,418	226,604
TOTAL REVENUES	**$ 32,854,004**	**$ 35,327,247**	**$ 36,711,281**	**$ 39,892,453**	**$ 39,046,763**	**$ 39,194,435**
TRANSFERS IN						
Transfer from Blackwell Dst	$ 460	$ 460	$ 460	$ 460	$ 460	$ 460
Transfer from Kennedy Meadow Dst	1,510	1,510	1,510	1,510	1,510	1,510
Transfer from Gemini Court Dst	610	610	610	610	610	610
Transfer from Santa Rosa Dst	660	660	660	660	660	660
Transfer from Vasona Heights Dst	1,430	1,430	1,430	1,430	1,430	1,430
Transfer from Hillbrook Dst	250	250	250	250	250	250
Transfer from Capital Project Funds	102,000	102,000	102,000	102,000	102,000	102,000
Transfer from Traffic Mitigations	16,336	10,000	10,000	10,000	10,000	10,000
Transfer to Measure G Subfund	-	1,181,162	-	-	-	-
Transfer from Gas Tax	106,000	106,000	106,000	106,000	106,000	106,000
TOTAL TRANSFERS IN	$ 229,256	$ 1,404,082	$ 222,920	$ 222,920	$ 222,920	$ 222,920
TOTAL REVENUES & TRANSFERS	**$ 33,083,260**	**$ 36,731,329**	**$ 36,934,201**	**$ 40,115,373**	**$ 39,269,683**	**$ 39,417,355**
EXPENDITURES						
Salaries and Benefits	$ 14,425	$ 60,660	$ 131,808	$ -	$ -	$ -
Operating Expenditures	3,412,374	7,744,600	3,215,049	3,926,100	3,727,236	3,417,030
Grants	77,542	72,002	125,002	70,000	70,000	103,000
Pass Throughs	-	549,328	3,791,864	-	4,034,893	2,004,600
Interest	-	52,011	156,034	156,034	156,034	156,034
Charges for Services	756	5,500	11,000	28,830	28,830	27,393
Debt Service	1,905,024	1,908,494	1,899,850	1,893,713	1,893,713	1,894,550
TOTAL EXPENDITURES	**$ 5,410,121**	**$ 10,392,595**	**$ 9,330,607**	**$ 6,074,677**	**$ 9,910,706**	**$ 7,602,607**
TRANSFERS OUT						
Transfers to GFAR	$ 6,982,591	$ 3,401,479	$ 1,750,001	$ 3,006,978	$ 2,987,359	$ 1,615,000
Transfers to Pollution Prevention	10,000	-	-	-	-	-
Transfer to Facilities	-	-	1,787	-	-	-
Transfer to Workers' Comp	1,061,256	-	-	-	-	-
Transfer to Measure G Subfund	-	1,181,162	-	-	-	-
TOTAL TRANSFERS OUT	$ 8,053,847	$ 4,582,641	$ 1,751,788	$ 3,006,978	$ 2,987,359	$ 1,615,000
TOTAL EXPEND'S & TRANSFERS	**$ 13,463,968**	**$ 14,975,236**	**$ 11,082,395**	**$ 9,081,655**	**$ 12,898,065**	**$ 9,217,607**

Administrative Services

INFORMATION TECHNOLOGY FUND
FUND 621

FUND PURPOSE

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

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

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

BUDGET OVERVIEW

The FY 2023/24 budget for IT recognizes the continued need to identify and invest in information technology opportunities. Continued investment is a cost-effective approach to maintain and improve the security and service delivery levels in a fiscally prudent manner. IT has assisted behind-the-scenes in implementing new systems to improve the overall processing of permits and related back-office work. Cybersecurity continues to be a focus for IT and will make prudent investments to combat the ever-evolving threat landscape. Improvements in the reliability of its network and data continues to be an ongoing initiative. These efforts result in increased costs of licensing, maintenance and support fees.

ADMINISTRATIVE SERVICES
Information Technology Fund

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

IT program expenses are budgeted to increase for FY 2023/24 as a result of the increased software licensing costs associated with the new Enterprise Resource Planning (ERP) system.

STATEMENT OF SOURCE AND USE OF FUNDS

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Proposed
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignated	2,518,468	2,604,203	2,870,823	2,990,931	2,990,931	2,136,397
Total Beginning Fund Balance	2,518,468	2,604,203	2,870,823	2,990,931	2,990,931	2,136,397
Revenues						
Service Charge	766,622	825,655	825,784	629,309	625,791	650,656
Other Revenues	115,314	147,599	172,373	85,000	85,000	85,000
Total Revenues	**881,936**	**973,254**	**998,157**	**714,309**	**710,791**	**735,656**
TRANSFERS IN						
From General Fund	-	-	-	-	-	-
TOTAL TRANSFERS IN	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL REVENUES & TRANSFERS	**881,936**	**973,254**	**998,157**	**714,309**	**710,791**	**735,656**
TOTAL SOURCE OF FUNDS	**$ 3,400,404**	**$ 3,577,457**	**$ 3,868,980**	**$ 3,705,240**	**$ 3,701,722**	**$ 2,872,053**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	796,201	668,834	878,049	1,008,242	832,325	1,018,679
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	-	-	-	-	-	-
Total Expenditures	**796,201**	**668,834**	**878,049**	**1,008,242**	**832,325**	**1,018,679**
Transfers Out						
Transfer to General	-	37,800	-	-	-	-
Transfer to Equipment Replacement	-	-	-	-	-	-
Transfer to GFAR	-	-	-	733,000	733,000	-
Total Transfers Out	**-**	**37,800**	**-**	**733,000**	**733,000**	**-**
Total Expenditures & Transfers Out	**796,201**	**706,634**	**878,049**	**1,741,242**	**1,565,325**	**$ 1,018,679**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	2,604,203	2,870,823	2,990,931	1,963,998	2,136,397	1,853,374
Total Ending Fund Balance	2,604,203	2,870,823	2,990,931	1,963,998	2,136,397	1,853,374
TOTAL USE OF FUNDS	**$ 3,400,404**	**$ 3,539,657**	**$ 3,868,980**	**$ 2,972,240**	**$ 2,968,722**	**$ 2,872,053**

Administrative Services

WORKERS' COMPENSATION FUND
FUND 612

FUND PURPOSE

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

BUDGET OVERVIEW

Revenues to fund this program are derived as a percentage of salary each payroll period. Each Department pays a portion of the program's cost based on gross wages and level of risk for the various job classifications within the Department. The annual appropriation to this fund represents the self-insurance premiums paid by the operating Departments. The Town has a very low fund balance for this Program. To meet the possibility of a future claim, departmental service charges will likely to rise. Staff is evaluating and monitoring the performance of this Program.

Program costs covered in the internal rates include administration fees, claim settlement costs, attorney fees (outside counsel), medical expenses, payment for temporary and permanent disability, safety program administration and training, and excess insurance premiums. The budget for workers' compensation is based on actual payroll in the same manner as prior years.

ADMINISTRATIVE SERVICES
Workers' Compensation Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignated	843,079	1,808,739	1,673,018	1,295,184	1,295,184	706,511
Total Beginning Fund Balance	843,079	1,808,739	1,673,018	1,295,184	1,295,184	706,511
Revenues						
Service Charge	903,434	917,555	896,732	1,033,315	907,721	1,123,448
Interest	7	5	5	-	-	-
Other Revenues	526,552	327,768	258,474	-	135,913	-
Total Revenues	**1,429,993**	**1,245,328**	**1,155,211**	**1,033,315**	**1,043,634**	**1,123,448**
TRANSFERS IN						
From General Fund	1,061,256	-	-	-	-	-
TOTAL TRANSFERS IN	**1,061,256**	**-**	**-**	**-**	**-**	**-**
TOTAL REVENUES & TRANSFERS	**2,491,249**	**1,245,328**	**1,155,211**	**1,033,315**	**1,043,634**	**$ 1,123,448**
TOTAL SOURCE OF FUNDS	**$ 3,334,328**	**$ 3,054,067**	**$ 2,828,229**	**$ 2,328,499**	**$ 2,338,818**	**$ 1,829,959**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	1,525,589	1,381,049	1,533,045	1,840,000	1,632,307	1,773,264
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	-	-	-	-	-	-
Total Expenditures	**1,525,589**	**1,381,049**	**1,533,045**	**1,840,000**	**1,632,307**	**1,773,264**
Transfers Out						
Transfer to Grant Funds	-	-	-	-	-	-
Transfer to General Fund	-	-	-	-	-	-
Total Transfers Out	**-**	**-**	**-**	**-**	**-**	**-**
Total Expenditures & Transfers Out	**1,525,589**	**1,381,049**	**1,533,045**	**1,840,000**	**1,632,307**	**1,773,264**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	1,808,739	1,673,018	1,295,184	488,499	706,511	56,695
Total Ending Fund Balance	1,808,739	1,673,018	1,295,184	488,499	706,511	56,695
TOTAL USE OF FUNDS	**$ 3,334,328**	**$ 3,054,067**	**$ 2,828,229**	**$ 2,328,499**	**$ 2,338,818**	**$ 1,829,959**

ADMINISTRATIVE SERVICES
Workers' Compensation Fund

FY 2023/24 KEY PROJECTS

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

KEY PROGRAM SERVICES

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


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Community Development

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Community Development Department

DEPARTMENT PURPOSE

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

BUDGET OVERVIEW

The Community Development Department will continue to work on a large number of advanced planning efforts and development review applications in FY 2023/24. The complexity and scope of these projects are significant and require that the Town Council set priorities annually through review of the Council's Strategic Priorities as new issues arise.

In keeping with the Town's financial policies, the Department's development related services are supported by fees based on the costs of providing the services. On a regular basis, the Town analyzes the actual costs associated with development services to ensure that development fees achieve the goal of recovering the costs to provide the services. Anticipated revenues resulting from the adopted fee schedule are reflected in the budget. The anticipated revenues are expected to remain relatively flat due to an expected consistency of permit activity when compared with the current year-end estimate, and are expected to provide full cost recovery for building inspection, plan check services, and planning services. Limited funding is provided through the General Fund and General Plan Fund to cover the costs associated with special advanced planning projects that are unrelated to the development services provided by the Department. Established fee rates include Department-wide development support services.

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

For FY 2023/24, total Department budgeted revenues are projected to remain relatively flat due to an expected consistency of permit activity. The FY 2023/24 expenditures are also trending lower than the FY 2022/23 adjusted budget due to the anticipated ending of the multi-year contract obligation associated with the Housing Element update and other operational savings. Budgeted salary and benefit expenditures include the part time Code Compliance Officer position being continued for another year in FY 2023/24 with one-time funding.

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

COMMUNITY DEVELOPMENT DEPARTMENT

FY 2022/23 ACCOMPLISHMENTS

Core Goals	Accomplishments
Community Character Preserve and enhance the appearance, character, and environmental quality of the community	• Evaluated all Building and Planning applications to ensure compliance with adopted policy documents, Town Code, and Building Code. • Completed environmental review for applicable projects. • Participated in the West Valley Clean Water Program. • Continued the Housing Element update process. • Facilitated Town Council adoption of Permanent Ordinance to Implement Senate Bill 9. • Facilitated Town Council adoption of Objective Design Standards for Qualifying Multi-Family and Mixed-Use Residential Development.
Good Governance Ensure responsive, accountable, and collaborative government	• Completed Building and Planning application reviews within published timelines. • Scheduled building inspections within one business day to meet construction timelines. • Contacted reporting parties for Code Compliance cases within published timelines. • Updated Building and Planning information forms and handouts. • Updated the online permitting and electronic plan review system. • Review of North 40 Phase I building permits.

COMMUNITY DEVELOPMENT DEPARTMENT

DEPARTMENTAL SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Licenses and Permits	$ 1,814,550	$ 1,990,477	$ 3,278,650	$ 2,032,500	$ 2,037,500	$ 2,120,850
Intergovrnmental Revenue	15,384	14,869	26,749	197,779	207,779	-
Service Charge	1,505,103	1,988,724	2,321,709	2,046,073	2,160,448	1,779,040
Fines & Forfeitures	9,600	3,300	18,543	5,000	7,500	5,000
Other Revenues	468	22,691	33,082	310,000	647,934	10,000
TOTAL REVENUES	**$ 3,345,105**	**$ 4,020,061**	**$ 5,678,733**	**$ 4,591,352**	**$ 5,061,161**	**$ 3,914,890**
EXPENDITURES						
Salaries and Benefits	$ 3,347,300	$ 3,595,189	$ 3,432,404	$ 4,221,037	$ 3,915,999	$ 4,035,689
Operating Expenditures	957,587	1,241,171	2,702,378	2,029,918	2,247,503	1,158,777
Grants	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	168,903	173,438	178,723	166,386	166,385	196,160
TOTAL EXPENDITURES	**$ 4,473,790**	**$ 5,009,798**	**$ 6,313,505**	**$ 6,417,341**	**$ 6,329,887**	**$ 5,390,626**

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adopted	2022/23 Estimated	2023/24 Proposed
PROGRAM						
Administration	$ 256,531	$ 275,911	$ 252,082	$ 286,174	$ 247,500	$ 292,196
Development Review	1,376,229	1,519,572	1,426,338	1,735,770	1,613,767	1,737,988
Advanced Planning	772,817	847,375	871,233	1,092,885	1,060,533	684,497
Inspection Services	1,360,872	1,416,644	1,557,244	1,956,212	1,696,680	1,596,050
Code Compliance	253,630	251,723	256,780	344,117	291,363	319,196
BMP Housing Program	130,111	190,740	1,369,863	469,683	805,544	186,199
Pass Thru Accounts	323,600	507,833	579,965	532,500	614,500	574,500
TOTAL EXPENDITURES	**$ 4,473,790**	**$ 5,009,798**	**$ 6,313,505**	**$ 6,417,341**	**$ 6,329,887**	**$ 5,390,626**

COMMUNITY DEVELOPMENT DEPARTMENT

COMMUNITY DEVELOPMENT DEPARTMENT STAFFING

Full Time Equivalent (FTE)

Town Staff	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Funded**	**2022/23 Funded**	**2023/24 Adopted**
Community Development Dir.	1.00	1.00	1.00	1.00	1.00
Planning Manager	1.00	1.00	1.00	1.00	1.00
Chief Building Official	1.00	1.00	1.00	1.00	1.00
Economic Vitality Manager	0.45	0.45	0.45	0.45	0.45
Administrative Analyst	1.00	1.00	1.00	1.00	1.00
Executive Assistant	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Senior Planner	2.00	2.00	2.00	2.00	2.00
Associate Planner	2.63	2.75	2.75	2.75	3.00
Assistant Planner	1.00	1.00	1.00	1.00	1.00
Planning Technician	1.00	1.00	1.00	1.00	1.00
Senior Building Inspector	1.00	1.00	1.00	1.00	1.00
Building Inspector	3.00	3.00	3.00	3.00	3.00
Permit Technician	2.00	2.00	2.00	2.00	2.00
Code Compliance Officer	1.00	1.00	1.00	1.00	1.00
Total Community Development FTEs	**20.08**	**20.20**	**20.20**	**20.20**	**20.45**

Temporary Staff Hours	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Funded**	**2022/23 Funded**	**2023/24 Adopted**
Associate Planner Temp/Hrly	915	915	720	720	360
Community Service Officer Temp/Hrly	780	-	-	-	-
Code Compliance Officer Temp/ Hrly	-	1,040	1,040	1,040	900
Total Annual Hours	**1,695**	**1,955**	**1,760**	**1,760**	**1,260**


TOWN OF
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Community Development Department

ADMINISTRATION
PROGRAM 3101

PROGRAM PURPOSE

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

BUDGET OVERVIEW

The Administration Program continues to keep the Community Development Department focused on management of the Department, including budget preparation and monitoring. The FY 2023/24 budget includes increases in salary and benefit costs attributed to cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and decreases reflecting the 4.6% salary saving factor.

COMMUNITY DEVELOPMENT DEPARTMENT
Administration

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Licenses & Permits	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental Revenue	-	-	-	-	-	-
Service Charges	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
EXPENDITURES						
Salaries and Benefits	$ 181,171	$ 203,936	$ 180,401	$ 226,893	$ 190,469	$ 231,042
Operating Expenditures	11,200	3,675	3,336	6,500	4,250	5,550
Grants	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	64,160	68,300	68,345	52,781	52,781	55,604
TOTAL EXPENDITURES	**$ 256,531**	**$ 275,911**	**$ 252,082**	**$ 286,174**	**$ 247,500**	**$ 292,196**

COMMUNITY DEVELOPMENT DEPARTMENT
Administration

FY 2023/24 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative government	***Staff Training*** Continue to build the capacity of Department staff to carry out broad job responsibilities by conducting in-house training, participating in select outside training, and supporting continuing education.
Civic Enrichment Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	***Planning Commission Training*** Continue training opportunities for the Planning Commission, emphasizing the role of the Commission, communication with applicants, how a quasi-judicial body performs its duties, Brown Act, California Environmental Quality Act, and various aspects of Town regulations and procedures.
Community Character Preserve and enhance the appearance, character, and environmental quality of the community	***General Plan Update*** Complete the General Plan update process for the Land Use and Community Design Elements. ***Housing Element Update*** Complete the Housing Element update process. ***General Plan and Housing Element Implementation Programs*** Work on Implementing Programs from the 2040 General Plan and 2023-2031 Housing Element. ***Short Term Rental*** Assist with implementation of the Short Term Rental ordinance.

COMMUNITY DEVELOPMENT DEPARTMENT
Administration

KEY PROGRAM SERVICES

- Set and monitor goals for the Department and staff.
- Manage Department operations, including preparing and managing the Department budget.
- Provide support for Town Council and Planning Commission meetings.
- Provide support on Town projects and initiatives including planning and building issues.
- Oversee General Plan implementation.
- Oversee Housing Element implementation.
- Oversee Sustainability Plan implementation.
- Provide oversight for the 2040 General Plan and Environmental Impact Report (EIR) implementation process.
- Develop and mentor Department staff.
- Manage the annual Department work plan.

ADMINISTRATION PROGRAM STAFFING

Full Time Equivalent (FTE)

Town Staff	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Funded**	**2022/23 Funded**	**2023/24 Adopted**
Community Development Dir.	0.25	0.25	0.25	0.25	0.25
Planning Manager	0.10	0.10	0.10	0.10	0.10
Administrative Analyst	0.30	0.30	0.30	0.30	0.30
Executive Assistant	0.30	0.30	0.30	0.30	0.30
Administrative Assistant	0.15	0.15	0.15	0.15	0.15
Total Administration FTEs	**1.10**	**1.10**	**1.10**	**1.10**	**1.10**

Temporary Staff Hours	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Funded**	**2022/23 Funded**	**2023/24 Adopted**
Associate Planner Temp/Hrly	915	915	-	-	-
Total Annual Hours	**915**	**915**	**-**	**-**	**-**

Community Development Department

DEVELOPMENT REVIEW
PROGRAM 3201

PROGRAM PURPOSE

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

BUDGET OVERVIEW

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

For FY 2023/24, budgeted revenues are projected to remain flat due to an expected consistency of permit activity.

The FY 2023/24 budget includes increases in salary and benefit costs attributed to cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and decreases reflecting the 4.6% salary saving factor.

COMMUNITY DEVELOPMENT DEPARTMENT
Development Review

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Licenses & Permits	$ 335,530	$ 448,490	$ 537,721	$ 450,000	$ 450,000	$ 463,500
Service Charges	165,422	214,770	231,418	144,500	144,500	176,500
Fines & Forfeitures	-	-	-	-	-	-
Other Revenues	-	14,212	27,672	-	-	-
TOTAL REVENUES	**$ 500,952**	**$ 677,472**	**$ 796,811**	**$ 594,500**	**$ 594,500**	**$ 640,000**
EXPENDITURES						
Salaries and Benefits	$ 1,278,133	$ 1,410,394	$ 1,310,593	$ 1,623,109	$ 1,519,156	$ 1,617,527
Operating Expenditures	70,123	79,528	85,995	84,800	66,750	81,550
Grants	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	27,973	29,650	29,750	27,861	27,861	38,911
TOTAL EXPENDITURES	**$ 1,376,229**	**$ 1,519,572**	**$ 1,426,338**	**$ 1,735,770**	**$ 1,613,767**	**$ 1,737,988**

COMMUNITY DEVELOPMENT DEPARTMENT
Development Review

FY 2023/24 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative government	***Development Team Continuous Improvement*** The Development Team (Community Development, Parks and Public Works, and Police Departments, and County Fire) will continue: to focus on evaluating processes, procedures, and systems; defining roles and responsibilities; building capacity; and obtaining input and feedback from customers to continue to improve the development review process.
	Process Improvements Continue to enhance the development review process by: • Coordinating Arborist/Architect/Landscape Water and Conservation consultants' peer review processes; • Revising/updating development application forms and website information; • Implementing Town Code amendments to improve the development process; and • Providing timely planning application review and customer service to all participants in the planning process.
Community Character Preserve and enhance the appearance, character, and environmental quality of the community	***Major Development Applications Pending*** Includes the following known properties: • 110 Wood Road Planned Development. • 15680 Winchester Boulevard. • 405 Alberto Way.
Fiscal Stability Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community	***Cost Recovery*** • Ensure ongoing Department-wide cost recovery.

COMMUNITY DEVELOPMENT DEPARTMENT
Development Review

KEY PROGRAM SERVICES

Overall Services

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

Commission/Committee Support

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

Application Review

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

Major Projects

- 110 Wood Road Planned Development.
- 405 Alberto Way.
- 15680 Winchester Boulevard.
- Potential North 40 Phase II.

COMMUNITY DEVELOPMENT DEPARTMENT
Development Review

DEVELOPMENT REVIEW PROGRAM STAFFING

Full Time Equivalent (FTE)

Town Staff	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Funded**	**2022/23 Funded**	**2023/24 Adopted**
Community Development Dir.	0.30	0.30	0.30	0.30	0.30
Planning Manager	0.55	0.55	0.55	0.55	0.55
Chief Building Official	0.10	0.10	0.10	0.10	0.10
Economic Vitality Manager	0.45	0.45	0.45	0.45	0.45
Administrative Analyst	0.15	0.15	0.15	0.15	0.15
Executive Assistant	0.65	0.65	0.65	0.65	0.65
Administrative Assistant	0.70	0.70	0.70	0.70	0.70
Senior Planner	1.30	1.30	1.30	1.30	1.50
Senior Building Inspector	0.10	0.10	0.10	0.10	0.10
Associate Planner	1.93	2.05	2.05	2.05	2.10
Assistant Planner	0.80	0.80	0.80	0.80	0.90
Planning Technician	0.90	0.90	0.90	0.90	0.90
Permit Technician	0.10	0.10	0.10	0.10	0.10
Total Development Review FTEs	**8.03**	**8.15**	**8.15**	**8.15**	**8.50**

Temporary Staff Hours	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Funded**	**2022/23 Funded**	**2023/24 Adopted**
Associate Planner Temp/Hrly	-	-	720	720	360
Total Annual Hours	**-**	**-**	**720**	**720**	**360**

COMMUNITY DEVELOPMENT DEPARTMENT
Development Review

Performance Objectives and Measures	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. *Facilitate the development of land and structures consistent with Town codes, plans, and policies.*	100%	100%	100%	100%	100%
2. *Analyze and process development applications efficiently and effectively.*					
a. Percentage of applications continued by Planning Commission:	12%	36%	11%	23%	15%
b. Percentage of Planning Commission decisions upheld by Town Council:	100%	100%	100%	50%	100%

Activity and Workload Highlights	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. Number of applications processed:	315	384	426	410	410
2. Number of Planning Commission Meetings:	12	19	23	22	22
3. Number of Public Notices:	6,469	12,433	6,584	6,742	6,742
4. Number of referrals to consulting architect:	10	15	21	18	18

Community Development Department

ADVANCED PLANNING
PROGRAM 3202

PROGRAM PURPOSE

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

BUDGET OVERVIEW

Budgeted operating expenditures for FY 2023/24 will decrease due to the anticipated ending of the multi-year contract obligations associated with the General Plan update and Housing Element update. General Plan updates and the Housing Element update are funded through General Plan Fees already collected and grant funds.

The FY 2023/24 budget includes increases in salary and benefit costs attributed to cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and decreases reflecting the 4.6% salary saving factor.

COMMUNITY DEVELOPMENT DEPARTMENT
Advanced Planning

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Licenses & Permits	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental Revenue	5,384	14,869	26,749	197,779	197,779	-
Service Charges	493,049	574,810	698,302	578,374	578,374	240,000
Fines & Forfeitures	-	-	-	-	-	-
Other Revenues	-	1,196	-	-	-	-
TOTAL REVENUES	**$ 498,433**	**$ 590,875**	**$ 725,051**	**$ 776,153**	**$ 776,153**	**$ 240,000**
EXPENDITURES						
Salaries and Benefits	$ 381,234	$ 408,605	$ 368,308	$ 496,990	$ 457,429	$ 415,773
Operating Expenditures	385,899	432,849	496,991	589,587	596,797	259,946
Grants	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	5,684	5,921	5,934	6,308	6,307	8,778
TOTAL EXPENDITURES	**$ 772,817**	**$ 847,375**	**$ 871,233**	**$ 1,092,885**	**$ 1,060,533**	**$ 684,497**

FY 2023/24 KEY PROJECTS

Core Goals	Key Projects
Community Character Preserve and enhance the appearance, character, and environmental quality of the community	***General Plan and Housing Element Implementation Programs*** • Prepare amendments to the Town Code and guidelines, and other action items to implement the adopted General Plan, Housing Element, Sustainability Plan, recent State laws, and Town Council Strategic Priorities. • Continue the Housing Element update process.

COMMUNITY DEVELOPMENT DEPARTMENT
Advanced Planning

KEY PROGRAM SERVICES

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

ADVANCED PLANNING PROGRAM STAFFING

Full Time Equivalent (FTE)

Town Staff	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Funded**	**2022/23 Funded**	**2023/24 Adopted**
Community Development Dir.	0.40	0.40	0.40	0.40	0.40
Planning Manager	0.25	0.25	0.25	0.25	0.25
Executive Assistant	0.05	0.05	0.05	0.05	0.05
Administrative Assistant	0.10	0.10	0.10	0.10	0.10
Senior Planner	0.50	0.50	0.50	0.50	0.30
Associate Planner	0.40	0.40	0.40	0.40	0.60
Assistant Planner	0.10	0.10	0.10	0.10	-
Total Advanced Planning FTEs	**1.80**	**1.80**	**1.80**	**1.80**	**1.70**

COMMUNITY DEVELOPMENT DEPARTMENT
Advanced Planning

Performance Objectives and Measures	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. *Guide the physical development of the community consistent with the General Plan, Hillside Specific Plan, and Town Codes.*					
a. Percentage of General Plan implementation measures completed within cycle time:	100%	100%	100%	100%	100%
2. *Meet the evolving needs of the community and provide staff support to advisory committees.*					
a. Percentage of special studies adopted:	100%	100%	100%	100%	100%

Activity and Workload Highlights	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. Number of special studies completed:	10	4	4	5	4
2. Number of General Plan implementation measures completed:	2	2	2	2	5
3. Number of General Plan amendments requested:	1	1	1	3	3

Community Development Department

BUILDING and INSPECTION SERVICES
PROGRAM 3301

PROGRAM PURPOSE

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

BUDGET OVERVIEW

Total Department budgeted revenues are projected to remain relatively flat due to an expected consistency of permit activity.

The Building Inspectors continue to handle the storm water management inspections during construction for all building permits with the potential to generate non-point source storm water runoff as part of the National Pollutant Discharge Elimination System (NPDES) Program (the Parks and Public Works Department conducts post-construction monitoring).

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

The FY 2023/24 budget includes increases in salary and benefit costs attributed to cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and decreases reflecting the 4.6% salary saving factor.

COMMUNITY DEVELOPMENT DEPARTMENT
Building and Inspection Services

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Licenses & Permits	$ 1,479,020	$ 1,541,987	$ 1,540,929	$ 1,582,500	$ 1,587,500	$ 1,657,350
Service Charges	394,921	500,570	642,160	626,500	655,530	597,564
Fines & Forfeitures	-	-	-	-	-	-
Intergovernmental	10,000	-	-	-	10,000	-
Other Revenues	468	7,283	5,410	10,000	9,934	10,000
TOTAL REVENUES	**$ 1,884,409**	**$ 2,049,840**	**$ 2,188,499**	**$ 2,219,000**	**$ 2,262,964**	**$ 2,264,914**
EXPENDITURES						
Salaries and Benefits	$ 1,181,723	$ 1,238,465	$ 1,256,364	$ 1,469,465	$ 1,396,508	$ 1,374,977
Operating Expenditures	112,601	113,242	230,920	412,581	226,006	136,006
Grants	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	66,548	64,937	69,960	74,166	74,166	85,067
TOTAL EXPENDITURES	**$ 1,360,872**	**$ 1,416,644**	**$ 1,557,244**	**$ 1,956,212**	**$ 1,696,680**	**$ 1,596,050**

COMMUNITY DEVELOPMENT DEPARTMENT
Building and Inspection Services

FY 2023/24 KEY PROJECTS

Core Goals	Key Projects
Community Character Preserve and enhance the appearance, character, and environmental quality of the community	***Public Information on Building Codes*** Continue to provide updated forms and information through the Town's website as well as assisting customers with online permitting, processing, and information. Staff will continue to update and clarify the Town's official street address file and assign new addresses.
	Inspection Services on Larger Projects Continue several significant projects into FY 2023/24 including: several new large custom homes and tenant improvements. Continue to provide next day inspection services even with the increased inspection workload as the Town has done in years past.
	Major Building Projects Pending Pending projects include the following: • North 40 Phase I. • North 40 Junction (4 Commercial Buildings and Gianandrea House TI). • 400-420 Blossom Hill Road (Senior Living). • Sporleder Court (4 Single Family Homes). • George Street (4 Single Family Homes).
Good Governance Ensure responsive, accountable, and collaborative government	***Improvements to Plan Checking Services*** • To improve the efficiency of the plan check process, the Building Division will coordinate with the Santa Clara County Fire Department and the Planning Division to expedite commercial tenant improvements and continue to increase the number of internal plan checks by Building Inspection staff. • Implement the Solar Access Act (SB 379).

COMMUNITY DEVELOPMENT DEPARTMENT
Building and Inspection Services

KEY PROGRAM SERVICES

Overall Services

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

Inspection Services

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

Building Counter Services

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

Plan Check Services

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

COMMUNITY DEVELOPMENT DEPARTMENT
Building and Inspection Services

BUILDING & INSPECTION SERVICES PROGRAM STAFFING

Full Time Equivalent (FTE)

Town Staff	2019/20 Funded	2020/21 Funded	2021/22 Funded	2022/23 Funded	2023/24 Adopted
Chief Building Official	0.75	0.75	0.75	0.75	0.75
Administrative Analyst	0.30	0.30	0.30	0.30	0.30
Administrative Assistant	0.05	0.05	0.05	0.05	0.05
Senior Planner	0.20	0.20	0.20	0.20	0.20
Associate Planner	0.30	0.30	0.30	0.30	0.30
Assistant Planner	0.10	0.10	0.10	0.10	0.10
Senior Building Inspector	0.75	0.75	0.75	0.75	0.75
Building Inspector	3.00	3.00	3.00	3.00	3.00
Permit Technician	1.90	1.90	1.90	1.90	1.90
Planning Technician	0.10	0.10	0.10	0.10	0.10
Total Building and Inspection FTEs	**7.45**	**7.45**	**7.45**	**7.45**	**7.45**

Performance Objectives and Measures	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. *Ensure safe, healthy, and attractive property improvements.*					
a. Percentage of inspections delivered within cycle times:	100%	100%	100%	100%	100%
b. Percentage of plan checks completed within cycle times:	97%	95%	95%	97%	100%

Activity and Workload Highlights	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. Number of inspections conducted:	13,635	12,803	14,799	13,000	13,000
2. Number of building plan checks completed:	621	655	898	800	800
3. Number of Building Division permit applications received:	1,897	1,902	1,806	1,800	1,800
4. Number of Building Division permits issued:	1,529	1,548	1,720	1,500	1,500


TOWN OF
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Community Development Department

CODE COMPLIANCE PROGRAM
PROGRAM 3401

PROGRAM PURPOSE

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

BUDGET OVERVIEW

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

The FY 2023/24 budget includes the part-time Code Compliance Officer position which will be continued for another year in FY 2023/24 with one-time funding.

The FY 2023/24 budget includes increases in salary and benefit costs attributed to cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and decreases reflecting the 4.6% salary saving factor.

COMMUNITY DEVELOPMENT DEPARTMENT
Code Compliance Program

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Licenses & Permits	$ -	$ -	$ -	$ -	$ -	$ -
Service Charges	-	-	-	-	-	-
Fines & Forfeitures	9,600	3,300	18,543	5,000	7,500	5,000
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	**$ 9,600**	**$ 3,300**	**$ 18,543**	**$ 5,000**	**$ 7,500**	**$ 5,000**
EXPENDITURES						
Salaries and Benefits	$ 247,886	$ 245,475	$ 249,852	$ 331,771	$ 281,767	$ 307,686
Operating Expenditures	1,422	1,886	2,394	7,300	4,550	4,575
Grants	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	4,322	4,362	4,534	5,046	5,046	6,935
TOTAL EXPENDITURES	**$ 253,630**	**$ 251,723**	**$ 256,780**	**$ 344,117**	**$ 291,363**	**$ 319,196**

FY 2023/24 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative government	***Process Improvements*** • Continue to work with the Police and Parks and Public Works Departments, and the Town Attorney on code compliance issues and the Administrative Citation Program. • Administer fair and unbiased enforcement to correct violations of municipal, property maintenance, and building codes. • Proactively and reactively enforce the most common violations (i.e., gas leaf blowers and working without a permit). • Help maintain the Town's standards for health, safety, and quality of life.

COMMUNITY DEVELOPMENT DEPARTMENT
Code Compliance Program

KEY PROGRAM SERVICES

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

CODE COMPLIANCE PROGRAM STAFFING

Full Time Equivalent (FTE)

Town Staff	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Funded**	**2022/23 Funded**	**2023/24 Adopted**
Chief Building Official	0.15	0.15	0.15	0.15	0.15
Senior Building Inspector	0.15	0.15	0.15	0.15	0.15
Code Compliance Officer	1.00	1.00	1.00	1.00	1.00
Total Code Compliance FTEs	**1.30**	**1.30**	**1.30**	**1.30**	**1.30**

Temporary Staff Hours	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Funded**	**2022/23 Funded**	**2023/24 Adopted**
Community Service Officer Temp/Hrly	780	-	-	-	-
Code Compliance Officer Temp/Hrly	-	1,040	1,040	1,040	900
Total Annual Hours	**780**	**1,040**	**1,040**	**1,040**	**900**

COMMUNITY DEVELOPMENT DEPARTMENT
Code Compliance Program

Performance Objectives and Measures	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. *Respond to complaining party within 48 hours:**	99%	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*
2. *Ensure properties in Los Gatos are used safely and are consistent with the Town's zoning regulations.**					
a. Percentage of complaints abated within cycle times:	96%	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*
3. *Achieve timely compliance.**					
a. Percentage of complaints resulting in court hearings:	1%	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*

Activity and Workload Highlights	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. Number of complaints reported:	399	447	715	550	500
2. Number of complaints abated:	362	391	622	400	450
3. Total number of Administrative Citations:	72	55	152	100	90

**Measure discontinued as of FY 2020/21*

Community Development Department

BMP HOUSING PROGRAM
PROGRAM 3501

PROGRAM PURPOSE

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

BUDGET OVERVIEW

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

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

The FY 2023/24 budget includes increases in salary and benefit costs attributed to cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and decreases reflecting the 4.6% salary saving factor.

COMMUNITY DEVELOPMENT DEPARTMENT
BMP Housing Program

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Licenses & Permits	$ -	$ -	$ 1,200,000	$ -	$ -	$ -
Service Charges	130,111	190,741	169,864	164,199	167,544	190,476
Fines & Forfeitures	-	-	-	-	-	-
Other Revenues	-	-	-	300,000	638,000	-
TOTAL REVENUES	**$ 130,111**	**$ 190,741**	**$ 1,369,864**	**$ 464,199**	**$ 805,544**	**$ 190,476**
EXPENDITURES						
Salaries and Benefits	$ 77,153	$ 88,314	$ 66,886	$ 72,809	$ 70,670	$ 88,684
Operating Expenditures	52,742	102,158	1,302,777	396,650	734,650	96,650
Grants	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	216	268	200	224	224	865
TOTAL EXPENDITURES	**$ 130,111**	**$ 190,740**	**$ 1,369,863**	**$ 469,683**	**$ 805,544**	**$ 186,199**

FY 2023/24 KEY PROJECTS

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

KEY PROGRAM SERVICES

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

COMMUNITY DEVELOPMENT DEPARTMENT
BMP Housing Program

BMP HOUSING PROGRAM STAFFING

Full Time Equivalent (FTE)

Town Staff	2019/20 Funded	2020/21 Funded	2021/22 Funded	2022/23 Funded	2023/24 Adopted
Community Development Dir.	0.05	0.05	0.05	0.05	0.05
Planning Manager	0.10	0.10	0.10	0.10	0.10
Administrative Analyst	0.25	0.25	0.25	0.25	0.25
Total BMP Housing FTEs	**0.40**	**0.40**	**0.40**	**0.40**	**0.40**

Activity and Workload Highlights	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. Number of owner-occupied housing units registered in the Below Market Price Housing Program:	55	55	55	56	56
2. Number of rental housing units registered in the Below Market Price Housing Program:	119	119	120	173	173


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Community Development Department

PASS-THROUGH ACCOUNTS
PROGRAM 3999

PROGRAM PURPOSE

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

BUDGET OVERVIEW

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

COMMUNITY DEVELOPMENT DEPARTMENT
Pass-Through Accounts

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Licenses & Permits	$ -	$ -	$ -	$ -	$ -	$ -
Service Charges	321,600	507,833	579,965	532,500	614,500	574,500
Fines & Forfeitures	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	**$ 321,600**	**$ 507,833**	**$ 579,965**	**$ 532,500**	**$ 614,500**	**$ 574,500**
EXPENDITURES						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	323,600	507,833	579,965	532,500	614,500	574,500
Grants	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	-	-	-	-	-	-
TOTAL EXPENDITURES	**$ 323,600**	**$ 507,833**	**$ 579,965**	**$ 532,500**	**$ 614,500**	**$ 574,500**

Police Department

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Police Department

DEPARTMENT PURPOSE

The Los Gatos-Monte Sereno Police Department provides Police services to the Town of Los Gatos and contractually to the City of Monte Sereno. The Department is committed to ensuring public safety with integrity, compassion, and professionalism by providing exceptional law enforcement services, building community partnerships, and engaging the community in problem solving.

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

The Police Department continues to build upon a strong police-community partnership through innovative Department and community programs including: School Resource Officer funding partnership; Safe Routes to School; Youth Commission; homeless outreach; behavioral health response; and traffic management. Volunteer programs such as Reserve Police Officers, Community Emergency Response Team (CERT), Volunteers in Policing (VIP), Disaster Aid Response Team (DART), the Police Chaplaincy program, Parking Citation Hearing Officers, Victim Services Unit (VSU), and the Police Explorer program extend these partnerships to the community. For the past 16 years, volunteers and staff have personally welcomed new homeowners to the Town through the Department's New Resident Outreach Program, documented and removed graffiti, and conducted numerous vacation checks.

All Police Department personnel are committed to an organizational strategy of collaboration and problem-solving with the goal of creating a safe environment for all community members while providing an extraordinary level of customer service.

POLICE DEPARTMENT

BUDGET OVERVIEW

The FY 2023/24 budget includes increases in salary and benefit costs attributed to cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and decreases reflecting the 4.6% salary saving factor.

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

The Police Department and other Departments in the Town of Los Gatos have enjoyed a very good relationship with the City of Monte Sereno. Both communities have similar residential demographics, and the Police Department has provided high quality and responsive services with a long history of neighborhood interaction. Revenues generated as a result of the police services contract with the City of Monte Sereno are the largest revenue source in the Police Department budget.

Since FY 2009/10, funding for the School Resource Officer (SRO) position has been offset by an agreement with the high school and elementary school districts with each sharing cost of the SRO's salary and benefits. In FY 2022/23 a revised two-year service agreement was executed returning to one full-time SRO position. Given the positive and collaborative working relationship between the Town and the elementary and high school districts, the contract was renewed until June 30, 2024.

Staff Resource Modifications

Temporary staff funding is proposed in the FY 2023/24 budget, these temporary hours are from one-time funding.

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

POLICE DEPARTMENT

- Additional temporary staff hours (1,800 hrs.) are proposed to be utilized for two Police Trainee recruit positions. As the Police Department plans for staff transition due to attrition in FY 2023/24, this one-time requested funding allows the Department to hire and train officers ahead of upcoming vacancies.

- Additional temporary staff hours (500 hrs.) are proposed for Background Investigation Staff who conduct backgrounds for civilian employees during the hiring process.

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

POLICE DEPARTMENT

FY 2022/23 ACCOMPLISHMENTS

Core Goals	Accomplishments
Community Character Preserve and enhance the appearance character and environment quality of the community	• The Police Department Vulnerable Communities Liaison Officer expanded services beyond homeless outreach. Officers also partnered with County mental health programs and senior living facilities to assist with other vulnerable individuals within the community. In addition, Officers involved in this program coordinated encampment clean up and maintenance projects along Los Gatos Creek Trail and partnered with faith-based service providers with the distribution of services and supplies for homeless individuals. • During FY 22/23, the Town experienced an increase in special event planning, including the implementation of new special events which required significant safety and security assessments and operational planning by the Police Department. The Police Department was instrumental in the safety coordination, Incident Action Planning, and operational deployment of officers for significant special events (such as Promenades, Music in the Park, Jazz in the Plazz, Tree Lighting, Holiday Parade, etc.).
Good Governance Ensure responsive, accountable, and collaborative government	• The Department made significant efforts to recruit and hire for vacant staff positions. Six sworn officer hiring processes were completed and five professional staff hiring processes were completed. In addition, over twenty-one employment background investigations were conducted on candidates for potential hire. • In FY 22/23, the Department made six internal promotions. Sworn promotional processes included two Corporals, one Sergeant, and one Captain. Non-sworn staff promotions included two Senior Dispatchers, one Senior Records Specialist, and one Lead Records Supervisor. • In FY 22/23, the Department was certified by the Department of Justice for report submissions of Federally mandated monthly crime statistics related to National Incident Based Reporting System (NIBRS) and California Incident based Reporting System (CIBRS). • The Department and local school districts partnered in the renewal of a revised School Resource Officer (SRO) services agreement. The SRO's collaboration and innovative education and preventative measures to promote campus safety continue to be the primary focus of the program.

POLICE DEPARTMENT

FY 2022/23 ACCOMPLISHMENTS

Core Goals	Accomplishments
Good Governance Ensure responsive, accountable, and collaborative government	• The Department replaced its existing in-car Mobile Audio Video (MAV) systems within the Patrol Fleet. The Axon MAV system equipment within each patrol vehicle integrates with individual Officer body worn cameras and interfaces with current digital evidence storage systems. • With current legislative mandates and sworn hiring requirements recently implemented, the Department transitioned to external vendor services for sworn Officer background investigations. This allowed for independent background investigative services and review of potential Officer candidates in accordance with California Peace Officer Standards and Training requirements. • In FY 22/23, the Police Department and Town developed an Officer Hiring Bonus Referral Program. The program was implemented to encourage and incentivize current staff with their recruitment efforts in qualified sworn officer and dispatcher candidates who successfully completed the hiring process and training. • As a part of the current Axon Body Worn Camera (BWC) lease agreement, the Department upgraded current Body Worn Cameras to the most current BWC technology this past year. Enhanced video and audio technology, increased search and activation functions, and extended battery life enhancements were integrated into the new cameras. • Due to staff transition and to enhance career development, the Police Department developed several growth opportunities for Professional Staff Development. Two Senior Dispatcher positions were created to enhance supervisory oversight, training development, and promote internal growth in the Communications Center. In addition, a Lead Records Specialist and a Senior Records Specialist were developed in the Records Division. • The Department was mandated via State legislative action to update the process for applications concealed carry weapons permits. The Department is working collaboratively with the Town Attorney's Office in the development of a revised Town Ordinance, revised policy, and procedural process for CCW permit applications. This effort is expected to be ready for Council consideration prior to the end of FY 2022/23.

POLICE DEPARTMENT

FY 2022/23 ACCOMPLISHMENTS

Core Goals	Accomplishments
Good Governance Ensure responsive, accountable, and collaborative government	• In FY 22/23, the Department incorporated new and mandated sworn and non-sworn staff training opportunities to enhance professional development in their current positions. Dispatchers attended State sponsored communications trainings, Officers attended specialized trainings, and other non-sworn staff attended leadership development related trainings.
Civic Enrichment Foster opportunities for citizen involvement, and cultural, recreational and individual enrichment	• In FY 22/23, the Police Department hosted its inaugural Community Police Academy. The Academy was a structured 10-week program led by Department staff and consisted of approximately 25 community student participants. The program provided excellent opportunities for community engagement and education, and an in-depth experience of the roles and responsibilities of Police Department personnel. • The Police Department worked in collaboration with the Youth Commission in their efforts to promote E-Bike safety and education within the community and draft a revised local ordinance surrounding E-Bike rules and regulations. • The Department partnered with Safe Routes to School and the Los Gatos Union School District to host six Bike Rodeos at local elementary schools. Officers provided instruction to over five hundred students on bicycle and pedestrian safety. • The Department recruited two new Police Chaplains this past year. The Chaplaincy program consists of volunteer chaplains from various local faith-based organizations who provide support to Department personnel and community members before, during, and after a critical incident. In addition, chaplains are an active volunteer member of the Department's Peer Support Team and wellness program functions. • During FY 22/23, the Police Department hosted four Coffee with a Cop community events to strengthen public relationships and provide an opportunity for new staff to engage with members of the community. • The Police Department was actively involved in supporting the Northern CA Special Olympics this past year, participating in the Law Enforcement Special Olympics community events: "Polar Plunge," Torch Run event, and Bocce Ball event.

POLICE DEPARTMENT

FY 2022/23 ACCOMPLISHMENTS

Core Goals	Accomplishments
Civic Enrichment Foster opportunities for citizen involvement, and cultural, recreational and individual enrichment	• The Volunteers in Policing Program (VIP) consists of volunteers assigned to assist with Community Outreach and Crime Prevention Programs. In the past year, three additional volunteers were added to this program to assist with the Residential Vacation Check program and Neighborhood Watch program. • In FY 22/23, the Department hosted a Community Police Recognition Luncheon, honoring staff achievements and recognizing members of the community. The event was open to the public and well attended by Town staff and members of the community. • The Department collaborated with the Youth Commission in participation of several community wellness events this past year. Pragnya, a non-profit organization, hosted a special needs awareness and community interaction event, and events for the neurodiverse community.
Public Safety Ensure public safety through proactive community policing, affective emergency response, and community-wide emergency preparedness	• The Police Department launched a revitalized and branded approach to Community Policing through the promotion of community engagement by all staff, implementation of new community outreach programs, and • The Neighborhood Watch Program continued to be a positive community policing and problem-solving engagement tool. Over eight Neighborhood Watch meetings were held, and six new Neighborhood Watch groups were established. These meetings provided crime statistics and preventative education, while also allowing an opportunity for community conversations related to issues in specific neighborhoods. • The Community Emergency Response Team (CERT) was actively involved with four CERT drills throughout Town. In addition, the Department's CERT liaisons worked with the neighborhood CERT groups in re-establishing and updating all Neighborhood Incident Command Post locations. • The Department completed its two-year pilot program of Flock Automated License Plate Reader (ALPR) technology equipment used as a tool to combat criminal activity. Two additional ALPR cameras were added to the current system (total 17 cameras) which proved to be a force multiplier in the investigative efforts of solving criminal activity and preventing future victimization within the community.

POLICE DEPARTMENT

FY 2022/23 ACCOMPLISHMENTS

Core Goals	Accomplishments
Public Safety Ensure public safety through proactive community policing, affective emergency response, and community-wide emergency preparedness	• In FY 22/23, the Police Department is expected to implement Drone Technology to its emergency operational capabilities during major incidents, emergency disaster assessment, and as a tool to increase officer safety and operational deployment. Three Officers attended certified training specific to drone deployment. Equipment and specialized training costs for this program were funded via the Los Gatos-Monte Sereno Police Foundation. • The Department increased its collaborative efforts with Federal and local law enforcement partners in burglary suppression and investigative information sharing during the past year. The sharing of information related to high-profile and regionalized criminal activity has increased the Department's ability to solve outstanding cases, prevent local victimization, and seek joint prosecutorial efforts for organized crime across all jurisdictional lines. • During FY 22/23, the Police Department collaborated with outside local law enforcement agencies in joint training for major traffic collision investigations. Traffic collisions reconstruction and investigative techniques are specialized skillsets which require increased expertise, focused training aspects, and specialized equipment. • Internet Crimes continue to be at the forefront of law enforcement. The Department collaborates with San Jose Police Department's Internet Crimes Against Children (ICAC) Division in specialized training and investigations specific to internet crimes and child pornography. The School Resource Officer also leverages these partnerships and specialized training to promote internet safety education to parents and students throughout the community. • The Community Service Officer (CSO) Intern Program assisted patrol with fielding low level calls for service and documenting incidents of crime without any investigative leads. • The Department collaborated with the Town of Los Gatos and City of Monte Sereno Community Emergency Response Teams (CERT) in emergency preparedness and management. Two community earthquake response and activation drills were hosted by CERT for community residents. Coordinated efforts with volunteers from CERT, Disaster Aid Response Team (DART), and community volunteers, provided real life evacuation and emergency triage experience in the event of a large-scale earthquake.

POLICE DEPARTMENT

DEPARTMENTAL SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Licenses and Permits	$ 94,246	$ 83,137	$ 112,288	$ 56,830	$ 60,830	$ 56,170
Intergovernmental Revenues	952,045	1,073,970	1,138,703	912,100	892,600	861,500
Service Charge	1,134,032	1,017,884	1,180,189	1,298,009	1,308,884	1,415,982
Fines & Forfeitures	253,076	96,422	280,802	221,250	222,828	198,200
Other Revenues	55,525	604,969	4,070,443	62,342	3,673,313	705,623
TOTAL REVENUES	**$ 2,488,924**	**$ 2,876,382**	**$ 6,782,425**	**$ 2,550,531**	**$ 6,158,455**	**$ 3,237,475**
EXPENDITURES						
Salaries and Benefits	$ 13,538,411	$ 14,302,956	$ 13,913,968	$ 16,487,290	$ 16,080,447	$ 16,356,832
Operating Expenditures	1,186,090	1,112,241	1,229,720	1,380,131	1,418,427	1,534,400
Grants	14,404	18,500	16,838	20,000	20,000	20,000
Fixed Assets	101,193	-	-	-	-	-
Internal Service Charges	1,054,908	1,137,139	1,290,664	1,365,715	1,319,567	1,774,027
TOTAL EXPENDITURES	**$ 15,895,006**	**$ 16,570,836**	**$16,451,190**	**$ 19,253,136**	**$ 18,838,441**	**$ 19,685,259**
TOTALEXPENDITUES & TRANSFERS OUT	**$ 15,895,006**	**$ 16,570,836**	**$16,451,190**	**$ 19,253,136**	**$ 18,838,441**	**$ 19,685,259**

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adopted	2022/23 Estimated	2023/24 Adopted
PROGRAM						
Administration	$ 1,248,607	$ 1,464,151	$ 1,412,229	$ 1,871,334	$ 1,547,525	$ 1,528,435
Records & Communications	2,205,471	2,296,959	2,205,889	2,903,437	2,549,493	2,995,733
Patrol	7,371,256	7,653,773	7,725,035	8,906,255	9,174,084	8,835,599
Traffic	798,833	887,706	937,506	1,026,033	1,176,858	1,213,980
Investigations	2,705,333	2,739,071	2,610,044	2,896,711	2,587,253	3,238,220
Personnel & Community Services	874,807	993,941	1,058,453	1,116,904	1,251,291	1,245,816
Parking	551,918	524,970	477,441	495,092	510,968	548,998
Operating Grants	132,058	10,178	19,962	-	8,500	36,500
Pass -Through Accounts	6,723	87	4,631	37,370	32,469	41,978
TOTAL EXPENDITURES	**$ 15,895,006**	**$ 16,570,836**	**$16,451,190**	**$ 19,253,136**	**$ 18,838,441**	**$ 19,685,259**

POLICE DEPARTMENT

DEPARTMENT STAFFING

Full Time Equivalents (FTE)

General Fund	2019/20 Funded	2020/21 Funded	2021/22 Funded	2022/23 Funded	2023/24 Adopted
Chief of Police	1.00	1.00	1.00	1.00	1.00
Police Captain	2.00	2.00	2.00	2.00	2.00
Police Sergeant	7.00	7.00	7.00	7.00	7.00
Police Corporal	4.00	4.00	4.00	4.00	4.00
Police Officer	25.00	25.00	25.00	25.00	25.00
Community Services Officer	1.00	1.00	1.00	1.00	1.00
Police Records & Com Manager	1.00	1.00	1.00	1.00	-
Senior Administrative Analyst	1.00	1.00	1.00	1.00	2.00
Administrative Analyst	-	1.00	1.00	1.00	1.00
Executive Assistant to Chief	1.00	1.00	1.00	1.00	1.00
Communication Dispatcher Lead	1.00	1.00	1.00	1.00	1.00
Senior Communications Dispatcher	-	-	-	-	2.00
Communications Dispatcher	7.00	7.00	7.00	7.00	5.00
Senior Parking Control Officer	-	1.00	1.00	1.00	1.00
Parking Control Officer	2.00	1.00	1.00	1.00	1.00
Senior Records Specialist Lead	-	-	-	-	1.00
Senior Records Specialist	-	-	-	-	1.00
Police Records Specialist	4.00	4.00	4.00	4.00	2.00
Community Outreach Coordinator	1.00	1.00	1.00	1.00	1.00
Administrative Technician	1.00	-	-	-	-
IT Systems Administrator	1.00	1.00	1.00	1.00	1.00
Total General Fund FTEs	**60.00**	**60.00**	**60.00**	**60.00**	**60.00**

Temporary Staff Hours	2019/20 Funded	2020/21 Funded	2021/22 Funded	2022/23 Funded	2023/24 Adopted
Community Service Officer Intern	1,720	2,080	2,080	3,120	3,120
Police Officer	300	300	300	500	500
Parking Control Manager	-	1,000	500	500	-
Parking Control Officer	-	300	-	-	-
Police Records Specialist	-	330	-	-	-
Communications Dispatcher	330	-	-	-	-
Project Manager	685	340	-	-	-
Police Trainee	-	-	-	1,800	1,800
Total Annual Hours	**3,035**	**4,350**	**2,880**	**5,920**	**5,420**

Police Department

POLICE ADMINISTRATION
PROGRAM 4101

PROGRAM PURPOSE

The Police Administration Program is responsible for the organization and management of the Department. This Program oversees all the Department's programs and is responsible for developing and providing oversight for the Department's total budget, hiring and promotion of sworn and non-sworn staff, career development, succession planning, and review and implementation of policies and procedures. The Administration Program supports responsive, effective, and efficient Police services and promotes a strong Police/community partnership through community engagement and problem-solving.

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

The FY 2023/24 budget includes increases in salary and benefit costs attributed to cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and decreases reflecting the 4.6% salary saving factor.

POLICE DEPARTMENT
Police Administration

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Licenses & Permits	$ 1,155	$ 2,075	$ 830	$ 830	$ 830	$ 670
Intergovernmental Revenue	-	-	-	-	-	-
Service Charges	-	-	-	-	-	-
Grants	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Other Revenues	12,000	18,500	17,175	20,000	20,000	20,000
TOTAL REVENUES	**$ 13,155**	**$ 20,575**	**$ 18,005**	**$ 20,830**	**$ 20,830**	**$ 20,670**
EXPENDITURES						
Salaries and Benefits	$ 1,021,610	$ 1,227,190	$ 1,157,644	$ 1,640,028	$ 1,327,038	$ 1,288,092
Operating Expenditures	20,052	14,910	30,192	22,800	23,000	26,300
Grants	14,404	18,500	16,838	20,000	20,000	20,000
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	192,541	203,551	207,555	188,506	177,487	194,043
TOTAL EXPENDITURES	**$ 1,248,607**	**$ 1,464,151**	**$ 1,412,229**	**$ 1,871,334**	**$ 1,547,525**	**$ 1,528,435**
TRANSFERS OUT						
Transfer to Equipment Replacement	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL TRANSFERS OUT	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL EXPENDITURES & TRANSFERS OUT	**1,248,607**	**1,464,151**	**1,412,229**	**1,871,334**	**1,547,525**	**$ 1,528,435**

POLICE DEPARTMENT
Police Administration

FY 2023/24 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative governance	***Career Development Plan*** The Department is dedicated to an overall succession and career development plan for current staff members. In preparation of staff attrition in future years, the Department is focusing on individual staff growth opportunities, cross-training of assignments, and innovative techniques and methods to provide career development opportunities. ***Leadership Development Plan*** The Department will incorporate a Leadership Development Plan program for future leaders of the organization. Leadership development activities will include strengthening core leadership principles through individual skill development, cross-training, and structured mentorship by mid-level supervisors. The program consists of an emphasis on depth of knowledge, problem solving, personnel management, performance measurement, and fostering a team environment. ***Budget Oversight*** The Police Administration will continue to track and monitor program budgets including overtime, salaries and benefits, and operational capabilities to ensure the Department remains fiscally responsible. The Department continues to evaluate potential efficiencies to reduce costs and to seek grant opportunities to maximize potential revenue sources and procure operational needs. ***Grant Award Management*** During FY 23/24 the Police Department will oversee management of financial grants awarded to the department related to Mental Health and Wellness, State Homeland Security Government Procurement, Opioid Awareness and Education, Office of Traffic Safety, Santa Clara County Public Health, and Bureau of Justice Administration. ***Legislative & Policy Updates*** The Police Administration will continue to monitor federal, state, and local legislative updates and identify the operational impacts to the Department. Legislative revisions and new legislation are the catalyst for amendments to Department policy, operational procedures, and mandated reporting requirements. Staff will continue to monitor and forecast the impacts of legislative mandates, while revising and developing model policies and Department procedures.

POLICE DEPARTMENT
Police Administration

FY 2023/24 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative governance	***Officer & Professional Staff Wellness*** The Police Department will continue to promote staff wellness as a priority in FY 23/24. External wellness and health services will be explored which may enhance staff physical and emotional well-being.
Community Character Preserve and enhance the appearance, character, and environment quality of the community	***Youth Commission – Promotion of E-Bike Awareness & Education*** The Los Gatos Youth Commission's goal of providing a voice of the youth in the Los Gatos community continues in FY 2023/24. As the liaison to the Los Gatos Youth Commission, the Police Department will continue to guide the Commission in the development and promotion of its projects. The potential projects provide information and community outreach to various residents, youth, and businesses of the Town. In FY 23/24, the Youth Commission is focused on promoting safe E-Bike education amongst its peers through a new Town ordinance and education campaign.

KEY PROGRAM SERVICES

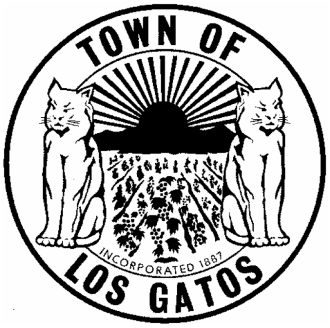
- Administers Department operations.
- Provides policy and operational guidance for staff.
- Develops and monitors the Department's annual operating budget.
- Provides departmental financial/budget statistical analysis.
- Manage and oversee Police service contractual obligations with the City of Monte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

POLICE DEPARTMENT
Police Administration

POLICE ADMINISTRATION PROGRAM STAFFING

Full Time Equivalents (FTE)

Town Staff	2019/20 Funded	2020/21 Funded	2021/22 Funded	2022/23 Funded	2023/24 Adopted
Chief of Police	1.00	1.00	1.00	1.00	1.00
Police Captain	1.00	1.00	1.00	1.00	1.00
Senior Administrative Analyst	1.00	1.00	1.00	1.00	1.00
Executive Assistant to Chief	1.00	1.00	1.00	1.00	1.00
Total Administration FTEs	**4.00**	**4.00**	**4.00**	**4.00**	**4.00**


TOWN OF
INCORPORATED 1887
LOS GATOS

Police Department

RECORDS AND COMMUNICATIONS
PROGRAM 4201

PROGRAM PURPOSE

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

The Los Gatos-Monte Sereno Police Department Records Division serves as the repository for all Police records, responsible for the collection, classification, monitoring and reporting of all Departmental criminal and statistical data in all systems, including in-house records management systems as well as county, state, and federal database systems. Records Division staff responds to Public Records Act requests, processes criminal and traffic warrants, handles custodial and non-custodial bookings, and prepares criminal case filings to be forwarded to the District Attorney's Office for prosecution within mandated time restrictions. As the primary point of contact for the public at Police Headquarters, Records personnel fulfill report requests and handle a wide number of other administrative duties in support of the Police Department.

The Communication Center is staffed twenty-four hours a day, seven days a week. The Communications Dispatchers handle the prompt and effective coordination of emergency and non-emergency response by receiving emergency and non-emergency calls, assigning resources, monitoring call and personnel status, and providing support to law enforcement personnel (i.e., fulfilling requests for dispatch recordings, completing data entry, and releasing property during non-business hours). Dispatchers also provide frontline customer service, directing residents to appropriate Town Departments for non-public safety inquiries and informing PPW staff of hazardous infrastructure conditions that need immediate attention.

The FY 2023/24 budget includes increases in salary and benefit costs attributed to cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, and higher benefit and CalPERS pension rates.

POLICE DEPARTMENT
Records and Communications

BUDGET OVERVIEW

In the process of a reviewing the classification for the Records and Communications programs, it was determined that a flexibly staffed classification series would better meet the needs of the Police Department and provide a mechanism for succession planning and a career ladder for existing and future employees. The restructure of the Records and Communications programs and flexible staffing series utilize existing Full-Time Equivalent (FTE) staff assigned to each of these programs.

During fiscal year 2022/23, Council approved an Amendment to the Classification Plan to create a flexibly staffed Communications Dispatcher job series. The revised series contains: Communications Dispatcher, Senior Communications Dispatcher, and Communications Dispatcher Lead. In addition, Council approved an amendment to the Classification Plan to create a flexibly staffed Police Records Specialist job series resulting in the addition of Senior Police Records Specialist and Police Records Specialist Lead.

Even with the increased capacity created by the higher level positions in the Records and Communications programs, the Police Department still needs a position to do the required reporting mandated by the State. For this reason, the Department is realigned the Police Records and Communications Manager position in the Records and Communication program to an Administrative Analyst.

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Licenses & Permits	$ -	$ -	$ -	$ -	$ -	$ -
Intergovenrmental Revenue	-	-	-	-	-	-
Service Charges	4,520	1,077	2,491	750	1,000	1,000
Fines & Forfeitures	-	-	-	-	-	-
Other Revenues	3,372	3,372	3,377	3,372	3,372	3,372
TOTAL REVENUES	**$ 7,892**	**$ 4,449**	**$ 5,868**	**$ 4,122**	**$ 4,372**	**$ 4,372**
EXPENDITURES						
Salaries and Benefits	$ 1,851,297	$ 1,933,935	$ 1,800,782	$ 2,466,522	$ 2,096,715	$ 2,440,399
Operating Expenditures	259,949	256,360	273,096	286,900	304,652	296,733
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	94,225	106,664	132,011	150,015	148,126	258,601
TOTAL EXPENDITURES	**$ 2,205,471**	**$ 2,296,959**	**$ 2,205,889**	**$ 2,903,437**	**$ 2,549,493**	**$ 2,995,733**

POLICE DEPARTMENT
Records and Communications

FY 2023/24 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative government	***Staff Supervisory Trainings*** The Department implemented a new staff structure within the Communications and Records Divisions to promote professional growth and succession opportunities. New supervisory staff within these divisions will need to attend mandatory supervisory development and division specific trainings. ***Communications Training Program Re-Development*** The Communications Division will continue to re-develop its training program to include current training skillsets and learning styles for overall success. In addition, current training methods and re-developed program goals are based on California Peace Officer Standards and Training mandates and other best practices. ***RIPA Data Reporting & Publication*** The Department will continue to report stop data points to the Department of Justice per Assembly Bill 953 (Racial Identity Profiling Act). In FY 23/24, the Department of Justice will publish verified reported data points. The Police Department will continue to analyze the data points as it relates to operational deployments and capabilities. ***Collision Reporting Software & Database Integration*** The Records Division will continue to evaluate efficient database and Traffic Collision Software applications which integrate with the current Records Management System to streamline case processing, data entry, and records release processes for traffic collisions. ***NextGen 911 Telecommunications System Upgrade*** The Communications Division will be exploring a new Next Generation 911 Communications System funded by the State Office of Emergency Services. Upon available vendor and product review, the Department will transition to a new and improved 911 telecommunications system.

POLICE DEPARTMENT
Records and Communications

KEY PROGRAM SERVICES

Records

- Responds to customer inquiries.
- Processes Police reports and citations.
- Processes criminal and traffic warrants.
- Completes required statistical reporting to state and federal government.
- Processes subpoena and Public Records Requests.
- Distributes statistical information to Patrol and Investigations as needed.

Communications

- Responds to 911 calls and other emergency/non-emergency calls.
- Provides dispatch service to patrol.
- Dispatches emergency personnel.
- Handles customer inquiries.
- Maintains audio recordings of radio and phone traffic; provides copies for court and Department use.

POLICE DEPARTMENT
Records and Communications

RECORDS & COMMUNICATION PROGRAM STAFFING

Full Time Equivalents (FTE)

Town Staff	2019/20 Funded	2020/21 Funded	2021/22 Funded	2022/23 Funded	2023/24 Adopted
Police Records & Com Manager	1.00	1.00	1.00	1.00	-
Administrative Analyst	-	-	-	-	1.00
Communications Dispatcher Lead	1.00	1.00	1.00	1.00	1.00
Senior Communications Dispatcher	-	-	-	-	2.00
Communications Dispatcher	7.00	7.00	7.00	7.00	5.00
Police Records Specialist Lead	-	-	-	-	1.00
Police Records Specialist	3.00	3.00	3.00	3.00	2.00
Total Records & Comm. FTEs	**12.00**	**12.00**	**12.00**	**12.00**	**12.00**

Temporary Staff Hours	2019/20 Funded	2020/21 Funded	2021/22 Funded	2022/23 Funded	2023/24 Adopted
Project Manager	685	340	-	-	-
Police Records Specialist	-	330	-	-	-
Communications Dispatcher	330	-	-	-	-
Total Annual Hours	**1,015**	**670**	**-**	**-**	**-**

POLICE DEPARTMENT
Records and Communications

Performance Objectives and Measures	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. *Provide efficient delivery of department statistics by the 15th of every month.*					
a. Statistics completed on or before the 15th day of the month or nearest working date:	100%	100%	100%	100%	100%

Activity and Workload Highlights	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. Total number of CAD events created:*	34,891	26,108	35,440	41,741	38,590
2. Total landline and wireless calls received by dispatch (does not include 911 calls):	37,489	34,788	33,904	33,351	33,627
3. Number of 911 calls received:	9,557	9,239	10,772	10,668	10,720
4. Number of stored and/or impounded vehicles processed:	104	105	174	200	187
5. Number of police reports processed:	3,282	2,082	2,299	2,202	2,250
6. Number of citations processed:	1,467	1,401	1,423	1,425	1,424

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

All 2021/22 "planned" performance measures were calculated based on the assumption that COVID restrictions will remain in effect.

Police Department

PERSONNEL AND COMMUNITY SERVICES
PROGRAM 4202

PROGRAM PURPOSE

The Personnel and Community Services (PCS) Program provides an essential level of support by overseeing the Department's adherence to state and federal mandates and community values for a transparent law enforcement agency. The PCS Program supports the personnel growth and recruitment of the Police Department through hiring of new personnel, continued education, in-service training, and professional growth of employees as required by the California Peace Officer Standards and Training. This Program identifies succession planning; promotes organizational development; maintains personnel adherence to professional standards; and administers crime prevention activities and community event programs. Staff in the PCS program also manage and oversee numerous volunteer programs that support various functions of the Department. This program facilitates the administrative management of the tow truck permit program, residential parking, commercial alarm permits, and Alcohol Beverage Control licensing permits.

Working in conjunction with the Town Manager's Office and the Santa Clara County Fire Department, the Police Department participates in emergency management and preparedness. Staff in this program work in collaboration with state and regional emergency management entities, such as Santa Clara County Office of Emergency Management, in preparation and planning for the possibility of earthquakes, fires, floods, and other natural and man-made disasters. In addition, staff in this program oversee management of Police Department volunteer programs such as Volunteers in Policing, Community Emergency Response Team (CERT), Disaster Aid Response Team (DART), and Victim Services Unit (VSU).

POLICE DEPARTMENT
Personnel and Community Services

BUDGET OVERVIEW

The FY 2023/24 budget includes increases in salary and benefit costs attributed to cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and decreases reflecting the 4.6% salary saving factor.

In fiscal year 2022/23, the Police Department realigned the Administrative Analyst position in the Personnel and Community Services program to a Senior Administrative Analyst to reflect the responsibilities of the position which requires complex analysis, independent judgment, and formulation of important recommendations to Command staff.

Additional temporary staff hours (500 hrs.) are proposed for Background Investigation Staff who conduct backgrounds for civilian employees during the hiring process.

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Licenses & Permits	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental Revenue	400,096	485,554	526,481	538,600	538,600	560,000
Service Charges	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Other Revenues	1,000	-	-	1,000	900	1,000
TOTAL REVENUES	**$ 401,096**	**$ 485,554**	**$ 526,481**	**$ 539,600**	**$ 539,500**	**$ 561,000**
EXPENDITURES						
Salaries and Benefits	$ 740,074	$ 855,141	$ 907,431	$ 988,684	$ 1,086,005	$ 1,075,326
Operating Expenditures	24,927	24,206	32,800	28,064	58,764	55,064
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	109,806	114,594	118,222	100,156	106,522	115,426
TOTAL EXPENDITURES	**$ 874,807**	**$ 993,941**	**$ 1,058,453**	**$ 1,116,904**	**$ 1,251,291**	**$ 1,245,816**

POLICE DEPARTMENT
Personnel and Community Services

FY 2023/24 KEY PROJECTS

Core Goals	Key Projects
Civic Enrichment Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	***Community Police Academy*** The Police Department plans to host an annual Community Police Academy to community members and business leaders of the Town of Los Gatos and the City of Monte Sereno. A primary goal of the Community Police Academy is to foster communication between the community and the Police Department, while enhancing education and building strong relationships with the community. ***Neighborhood Watch Program*** The Police Department will continue to expand the Neighborhood Watch program, targeting crime prevention, awareness, and education. This community outreach program provides residents and businesses with current crime trends, enhances communications, promotes crime preventative measures, and builds community resilience and neighborhood relationships. The Neighborhood Watch Program focuses on crime prevention strategies neighborhood emergency preparedness and collaboration between neighbors and the Police Department. ***Community Engagement*** The Department will continue to participate in community events and engage with the community to promote partnerships. The Department is committed to participation in community outreach events such as Coffee with a Cop, National Night Out, Police Department tours, local school classroom visits, faith-based organization outreach, and partnering with other Town Departments in community engagement. ***Senior Community Outreach and Education*** This program in collaboration with the Assistive Therapy Canine Program to continue to provide outreach and educational services to the senior community. Therapy Canine handlers will conduct periodic visits at senior residential housing facilities and senior events. In addition, the Operation Care telephone program of checking in with vulnerable seniors daily will include periodic in-person visits.

POLICE DEPARTMENT
Personnel and Community Services

FY 2023/24 KEY PROJECTS

Core Goals	Key Projects
Civic Enrichment Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	***Police Department Volunteer Opportunities*** The Personnel and Community Services Program will focus on expanding the role of volunteers to support appropriate public safety programs, including the Victim Services Unit (VSU), Police Explorers, Volunteers in Policing (VIP), Community Emergency Response Team (CERT), and the Disaster Aid and Response Team (DART). In addition, the Department will focus on cross-training between some of these volunteer teams to increase their effectiveness when responding to critical incidents within Town limits.
Good Governance Ensure responsive, accountable, and collaborative government	***Patrol & Professional Staff Equipment Standardization*** The Police Department will transition to a new uniform and equipment vendor which will provide standardized uniforms and equipment for sworn and non-sworn staff members. In addition, the Personnel and Community Services Program will implement a standardized Uniform and Equipment Manual for all Department personnel. ***Recruitment & Hiring Events*** Recruitment and hiring will continue to be a priority in FY 23/24. Staff within this program will attend regional job fairs and recruitment events to promote employment opportunities within the Department. In addition, staff will continue to host quarterly testing processes for Police Officer Trainee and Dispatcher Trainee vacant positions.

POLICE DEPARTMENT
Personnel and Community Services

FY 2023/24 KEY PROJECTS

Core Goals	Key Projects
Public Safety Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness	***Community Emergency Response Team (CERT)*** Community Emergency Response Team (CERT) leads continue to identify areas of priorities to strengthen community resilience and preparation of the Neighborhood Incident Command Posts (NICPs), focusing on skills which provide emergency preparedness information in virtual settings. Additionally, a continuing goal is neighborhood and individual emergency preparedness education and recruitment of additional CERT members along with partnership between CERT and the Neighborhood Watch participants in the event of an emergency.

KEY PROGRAM SERVICES

- Manages personnel hiring.
- Manages community outreach through social media and community databases.
- Manages the Department training program.
- Coordinates the Department's community outreach, crime prevention, and neighborhood organization efforts.
- Manages the Department's volunteer program.
- Collaborates emergency management response, training of personnel, and maintenance of the Emergency Operations Center (EOC).
- Develops, coordinates, and manages the Community Emergency Response Team (CERT) and the Disaster Aide Response Team (DART).

POLICE DEPARTMENT
Personnel and Community Services

PERSONNEL & COMMUNITY SERVICE PROGRAM STAFFING

Full Time Equivalents (FTE)

Town Staff	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Funded**	**2022/23 Funded**	**2023/24 Adopted**
Police Sergeant	1.00	1.00	1.00	1.00	1.00
Community Outreach Coordinator	1.00	1.00	1.00	1.00	1.00
IT Systems Administrator	1.00	1.00	1.00	1.00	1.00
Senior Administrative Analyst	-	-	-	-	1.00
Administrative Analyst	-	1.00	1.00	1.00	-
Administrative Technician	1.00	-	-	-	-
Total Personnel & CS FTEs	**4.00**	**4.00**	**4.00**	**4.00**	**4.00**

Temporary Staff Hours	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Funded**	**2022/23 Funded**	**2023/24 Adopted**
Police Officer	300	300	300	500	500
Total Annual Hours	**300**	**300**	**300**	**500**	**500**

Performance Objectives and Measures	**2019/20 Actual**	**2020/21 Actual**	**2021/22 Actual**	**2022/23 Estimated**	**2023/24 Planned**
1. *Preparing resident volunteers to assist in an emergency.**					
a. Number of Town sponsored trainings offered for emergency preparedness volunteers:	*Data not available*	8	8	11	11
2. *Training community members in neighborhood emergency preparedness.***					
a. Number of citizens trained in neighborhood emergency preparedness:	*Data not available*	220	105	75	75

Activity and Workload Highlights	**2019/20 Actual**	**2020/21 Actual**	**2021/22 Actual**	**2022/23 Estimated**	**2023/24 Planned**
1. Av Average hours of training for sworn officers	78	100	87	85	85
2. H ou	46	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*
3. Av Average hours of training for non-sworn personnel	14	8	34	20	20
4. To	16,851	9,489	10,359	13,000	14,000
5. To	$379,148	$213,503	$248,823	$312,260	$336,280
6. N Number of hours of VIP service	749	0	962	1,112	1,200
7. D Dollar value of total annual VIP hours of service	$16,853	$0	$23,107	$26,710	$28,824
8. N Number of CERT personnel trained	21	0	20	26	26
9. To	224	224	244	250	250

**New measure effective FY 20/21*

***New measure effective FY 21/22*

****Measure discontinued effective FY 21/22*

All 2021/22 "planned" performance measures were calculated based on the assumption that COVID restrictions will remain in effect.

Police Department

PATROL
PROGRAM 4301

PROGRAM PURPOSE

The Patrol Program has the responsibility of providing responsive police services to the community of Los Gatos twenty-four hours a day, seven days a week. The Patrol Program deploys uniformed Police Officers across four shifts in a continuous effort to keep the Town safe. Officers provide both proactive and reactive service to residents, respond to emergency and non-emergency calls, engage in directed and self-initiated enforcement actions, and utilize problem solving techniques designed to increase community safety.

Within the Patrol function, Officers with specialized training are deployed as Field Training Officers (FTO), K-9 Officer, and Bicycle Officers. Collateral specialized teams provide support to the Patrol Program, including the Crisis Response Unit (CRU), Hostage Negotiation Team (HNT), Traffic Collision Investigation/Crime Scene Team, Peer Support Team, Firearms/Range Team, Defensive Tactics Team, Drone Team, and the Bicycle Team.

The Reserve Police Officer Program is a subdivision of the Patrol Program and consists of voluntary part-time, sworn volunteers who are trained to assist in regular patrol activities. Reserve Officers serve as secondary officers in a patrol capacity or are assigned specific duty functions during special events. Reserve Officers are certified and maintain standards as required by California Peace Officers Standards and Training. During FY 2022/23, Reserve Officers were utilized to supplement patrol staffing vacancies, perform directed patrol in crime targeted areas, assist with traffic control, and assigned to work special events.

POLICE DEPARTMENT
Patrol Program

BUDGET OVERVIEW

The Police Department and the other Departments of the Town of Los Gatos enjoy a collaborative relationship with the City of Monte Sereno. In FY 2015/16, the Town entered a restructured, ten-year agreement effective July 1, 2015 to provide Law Enforcement Services to the City of Monte Sereno through June 30, 2025. This agreement allows for consideration of ongoing updates in law enforcement practices and more closely reflects the workload and modernized service delivery models for both the Town and the City of Monte Sereno. The annual contract rate based on the Average Annual Consumer Price Index for benefits increased the FY 2023/24 City of Monte Sereno Police Services contract to $1,071,240.

Additional temporary staff hours (3,120 hrs.) are proposed for three Community Service Officer Interns (CSO). This non-sworn position responds to non-emergency calls for service, non-injury traffic collisions, assisting patrol in non-enforcement administrative situations. The CSO Intern positions allow for operational flexibility and training opportunities, allowing Officers to focus on high priority calls. The benefit of the CSO Intern program has been demonstrated with previous Interns successfully applying and transitioning to Sworn Officer positions within the Police Department.

Additional temporary staff hours (1,800 hrs.) are proposed to be utilized for two Police Trainee recruit positions. As the Police Department plans for staff transition due to attrition in FY 2023/24, this one-time requested funding allows the Department to hire and train officers ahead of upcoming vacancies.

POLICE DEPARTMENT
Patrol Program

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Proposed
REVENUES						
Licenses & Permits	$ 38,943	$ 27,523	$ 37,855	$ 20,500	$ 24,500	$ 20,500
Intergovernmental Revenue	9,560	18,136	174,568	106,500	112,000	110,000
Service Charges	905,597	927,495	984,201	1,019,354	1,026,979	1,082,490
Fines & Forfeitures	22,360	11,925	28,245	15,000	15,000	15,000
Other Revenues	-	549,328	4,043,109	-	3,614,872	638,273
TOTAL REVENUES	**$ 976,460**	**$ 1,534,407**	**$ 5,267,978**	**$ 1,161,354**	**$ 4,793,351**	**$ 1,866,263**
Transfers In						
Transfer from GFAR	$ 54,797	$ 113,520	$ 94,816	$ -	$ -	$ -
Total Transfers In	**54,797**	**113,520**	**94,816**	**-**	**-**	**-**
TOTAL REVENUES & TRANSFERS IN	**$ 1,031,257**	**$ 1,647,927**	**$ 5,362,794**	**$ 1,161,354**	**$ 4,793,351**	**$ 1,866,263**
EXPENDITURES						
Salaries and Benefits	$ 6,596,454	$ 6,822,490	$ 6,760,531	$ 7,822,876	$ 8,109,781	$ 7,872,665
Operating Expenditures	350,482	366,624	418,385	460,022	470,767	522,750
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	424,320	464,659	546,119	623,357	593,536	802,327
TOTAL EXPENDITURES	**$ 7,371,256**	**$ 7,653,773**	**$ 7,725,035**	**$ 8,906,255**	**$ 9,174,084**	**$ 9,197,742**

FY 2023/24 KEY PROJECTS

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

POLICE DEPARTMENT
Patrol Program

FY 2023/24 KEY PROJECTS

Core Goals	Key Projects
Public Safety Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness	***Automated License Plate Reader Technology*** The Department will continue to evaluate the Automate License Plate Reader (ALPR) technology program, implemented in FY 2021/22. Overall, the technology has proven to be a valuable tool in the prevention of criminal activity and ability for Officers to solve crime. In addition, many individual neighborhoods have incorporated private purchases of ALPR technology which integrates with the Department system. ***Drone Technology for Emergency Operations*** The Department incorporated Drone Technology to enhance emergency tactical and disaster deployment and assessment capabilities. The Drone Program includes mandated training and will be coordinating efforts with the Patrol and Traffic Program for drone deployment, use, and integration. ***Crisis Intervention Training for New Officers & Dispatchers*** The Department recognizes the importance of providing Patrol Officers with enhanced training applicable to crisis intervention and dealing with people who suffer mental illness. Officers learn effective communication tools and gain an understanding to mechanisms of de-escalating mental health crises in the field. The Department will continue toward achieving a goal of CIT certification (40-hour POST certified course) for all sworn Officers and Dispatchers. ***Accessibility & Policing Open Space Areas*** During FY 22/23 the Department was identified as a grant award recipient for a law enforcement Utility Terrain Vehicle (UTV). In FY 23/24, the Department expects to receive funding for the purchase and allocation of a UTV which will allow Police Department access to rough terrain, hillside, trail, and open space areas.

POLICE DEPARTMENT
Patrol Program

FY 2023/24 KEY PROJECTS

Core Goals	Key Projects
Public Safety Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness	***Community Service Officer Intern Program*** In FY 22/23, the Department Community Service Officer (CSO) Intern positions were an asset in assisting the Patrol Division. CSO Interns respond to low priority calls for service and assist with the investigation of property crimes. In addition, the Department has utilized the CSO Program as a progressive recruitment and succession opportunity for future sworn Officer positions. In FY 23/24, the Department will develop a structured CSO Intern program which integrates these temporary/hourly employees into other Divisions within the Department on a rotational basis. ***Specialized & Collateral Duty Assignments*** The Patrol Program will focus on rebuilding collateral duty programs and specialty assignments for sworn staff. Collateral teams and specialized assignments will identify specific training plans, equipment assessments, and personnel management and selection for these assignments.
Community Character Preserve and enhance the appearance, character, and environment quality of the community	***Directed Community Engagement Patrol*** Patrol Officers will continue to identify elevated crime areas and neighborhoods with community concerns related to public safety. Officers will increase foot patrols, bicycle patrols, and conduct focused patrol checks in residential and commercial areas to provide enhance visibility and crime suppression. Upon review of crime data, Patrol Teams will identify specific crime suppression plans in target neighborhoods. As staffing permits, sworn staff will have a visible presence in the downtown area to be a resource to the community and a visual deterrent to crime.

POLICE DEPARTMENT
Patrol Program

KEY PROGRAM SERVICES

- Responds to emergency and non-emergency calls for service.
- Performs directed patrol and self-initiated activity during non-committed time.
- Investigates crimes and traffic accidents.
- Utilizes innovative crime suppression techniques and directed patrol plans to reduce crime.
- Supports the Department's traffic enforcement control program, including issuance of traffic and parking citations.
- Builds relationships within the community to enhance public safety and increase community policing.
- Oversees the training and deployment of collateral and specialty teams such as, Crisis Response Unit (CRU), Hostage Negotiations Team, Bicycle Team, Field Training Officer Program, Major Incident/Traffic Reconstruction Team, K9-Team, Firearms Team, and Defensive Tactics Team.
- Oversees the deployment of volunteer teams, such as Reserve Police Officers and the Police Explorer Post.

PATROL PROGRAM STAFFING

Full Time Equivalents (FTE)

Town Staff	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Funded**	**2022/23 Funded**	**2023/24 Adopted**
Police Captain	0.50	0.50	0.50	0.50	0.50
Police Lieutenant	-	-	-	-	-
Police Sergeant	4.00	4.00	4.00	4.00	4.00
Police Corporal	4.00	4.00	4.00	4.00	4.00
Police Officer	17.00	17.00	17.00	17.00	17.00
Total Patrol Program FTEs	**25.50**	**25.50**	**25.50**	**25.50**	**25.50**

Temporary Staff Hours	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Funded**	**2022/23 Funded**	**2023/24 Adopted**
Community Service Officer Intern	1,720	2,080	2,080	3,120	3,120
Police Trainee	-	-	-	1,800	1,800
Total Annual Hours	**1,720**	**2,080**	**2,080**	**4,920**	**4,920**

POLICE DEPARTMENT
Patrol Program

Performance Objectives and Measures	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. *Provide safe environment through timely response and police assistance.*					
a. Average response time - Priority I calls: (Goal: 5 or fewer minutes)	3:43	4:29	4:39	4:40	5:00
b. Average response time - Priority II calls: (Goal: 10 or fewer minutes)	6:53	6:22	6:21	6:51	10:00
c. Average response time - Priority III calls: (Goal: 15 or fewer minutes)	8:56	7:24	7:07	7:14	15:00

Activity and Workload Highlights	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. Number of Priority I incidents (immediate emergency with threat of life and public safety hazard):*	214	146	143	175	159
2. Number of Priority II incidents (urgent emergency that requires immediate response):*	9,471	4,668	6,129	6,450	6,289
3. Number of Priority III incidents (non-emergency):*	4,915	8,482	10,428	10,500	10,464
4. Number of Priority IV incidents (other):*	17,113	*Not applicable*	*Not applicable*	*Not applicable*	*Not applicable*
5. Total number of Incidents:*	31,713	25,965	35,440	41,787	40,000
6. Hours of Volunteer Reserve Officer hours used:	506	516	405	350	300
7. Dollar value of total Reserve Officer hours used:	$31,347	$32,286	$27,204	$23,506	$20,151
8. Hours of Disaster Aid Response Team service used:	872	1671	1269	1500	1500
9. Dollar value of total Disaster Aid Response Team service used:	$24,250	$47,440	$ 38,895	$ 45,975	$ 45,975
10. Number of hours patrolling Monte Sereno: (Per agreement - 4160 hrs. patrol + 416 traffic/annually)	4,567	4,780	4,821	4,680	4,576
11. Total number of arrests by Los Gatos/ Monte Sereno Police Department:	578	334	497	478	488
12. Total number of reports written by Community Service Officer intern:**	0	98	135	152	144

**FY 2014/15 incident types were recategorized and consolidated to most accurately reflect previously established priority definitions (I, II, III).*

Prior year calculations were based upon 9 Priority Types. FY 2014/15 and proceeding will be reflective of 4 Priority Types as defined above.

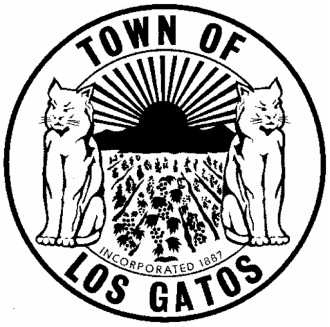
Due to the implementation of our new CAD/RMS platform FY 2020/21 and proceeding will be reflective of 3 Priority Types defined above.

*** New measure effective FY 2015/16.*

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

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

All 2021/22 "planned" performance measures were calculated based on the assumption that COVID restrictions will remain in effect.


TOWN OF
INCORPORATED 1887
LOS GATOS

Police Department

TRAFFIC
PROGRAM 4302

PROGRAM PURPOSE

The Traffic Program focuses on the education, encouragement, and enforcement of the California Vehicle Code to enhance the safety of roadways for all motorists, bicyclists, and pedestrians. The Program collaborates with Parks and Public Works and utilizes national and regional traffic safety programs to manage and coordinate community education activities designed to address traffic complaints; increase motorist, bicyclist and pedestrian safety; and reduce property damage, injury and fatal traffic collisions. The Traffic Program works in conjunction with the Los Gatos-Monte Sereno Safe Routes to School Program and coordinates traffic safety campaigns, bike rodeos, and other bicycle and pedestrian programs. The Traffic Program also manages and assists with special events that may impact the flow of traffic upon the roadway or create hazards.

Officers assigned to the Traffic Program are responsible for utilizing the California Vehicle Code to educate, encourage, and enforce safe behaviors of motorists, bicyclists, and pedestrians on public roadways. Officers are also responsible for the investigation and documentation of traffic collisions.

Traffic Officers strive to reduce property damage, injury, and death related to traffic collisions. For more than a decade, the Traffic Program has managed the School Crossing Guard program in partnership with the Los Gatos Union School District and the Union School District to provide contractual crossing guard services. The current crossing guard contract expires June 30, 2024.

POLICE DEPARTMENT
Traffic

BUDGET OVERVIEW

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

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Licenses & Permits	$ 12,195	$ 11,015	$ 11,015	$ 8,000	$ 8,000	$ 7,000
Intergovernmental Revenue	345,964	447,561	258,904	155,000	155,000	155,000
Service Charges	85,640	29,308	155,672	153,093	153,093	165,743
Fines & Forfeitures	8,906	5,726	3,679	200	1,828	2,200
Other Revenues	202	-	-	-	-	-
TOTAL REVENUES	**$ 452,907**	**$ 493,610**	**$ 429,270**	**$ 316,293**	**$ 317,921**	**$ 329,943**
EXPENDITURES						
Salaries and Benefits	$ 610,454	$ 657,883	$ 676,435	$ 726,477	$ 873,168	$ 873,055
Operating Expenditures	131,373	170,397	189,928	222,120	222,120	240,999
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	57,006	59,426	71,143	77,436	81,570	99,926
TOTAL EXPENDITURES	**$ 798,833**	**$ 887,706**	**$ 937,506**	**$ 1,026,033**	**$ 1,176,858**	**$ 1,213,980**

POLICE DEPARTMENT
Traffic

FY 2023/24 KEY PROJECTS

Core Goals	Key Projects
Civic Enrichment Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	***Safe Routes to School*** The Department will continue to participate in Safe Routes to School Program with the goal of promoting traffic safety and reducing injury collisions. In addition, staff participate in the instruction and education of Bike Rodeos at local elementary schools. Other Safe Routes to School programs include the identification of alternate transportation methods, management of traffic flow, and promotion of vehicle, bicycle, and pedestrian safety around our local schools.
Good Governance Ensure responsive, accountable, and collaborative government	***Digital Handheld Traffic Citation System*** The Department will explore the integration and implementation of an electronic traffic citation system which integrates with current technology. An electronic citation system would enhance staff efficiency, accuracy, and provide a direct connection with citation processing and submission to Traffic Court, with automated data entry and processing to existing records management systems.
Public Safety Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness	***Directed Traffic Enforcement*** The Traffic Program will work in conjunction with the Patrol Program to coordinate efforts of traffic enforcement, traffic calming, and promote pedestrian and bicycle safety in Town. The Traffic Program will also work with the Town Engineering Division to analyze hazardous traffic collision data to prioritize locations throughout Town requiring focused enforcement. The Department is dedicated to participation in regional traffic enforcement campaigns and local community programs which promote and foster safe driving behaviors. ***Traffic Collision Reconstruction Software*** The Traffic Program and Patrol Program will work collaboratively in identifying new traffic reconstruction investigative software program which integrates with current drone technology. These software programs assist with major collision reconstruction and crime scene investigation in the preparation of reports and court presentation.

POLICE DEPARTMENT
Traffic

FY 2023/24 KEY PROJECTS

Core Goals	Key Projects
Public Safety Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness	***Lidar /Radar Systems Deployment*** In FY 23/24, the Traffic Program will replace expired handheld speed lidar and radar detection equipment. In addition, the Traffic Program will continue efforts with the Patrol Program in conducting directed traffic enforcement in requested areas of concern. Speed trailers will also be deployed within the directed traffic enforcement areas to reduce speed and improve traffic safety.

POLICE DEPARTMENT
Traffic

KEY PROGRAM SERVICES

- Responds to and investigates traffic accidents.
- Educates the public on traffic safety.
- Provides traffic enforcement.
- Participates in community traffic safety committees and programs.
- Collaborates with the Traffic and Parking Commission.
- Reviews traffic safety plans for special events.
- Participates in regional efforts to maintain traffic safety.

TRAFFIC PROGRAM STAFFING

Full Time Equivalents (FTE)

Town Staff	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Funded**	**2022/23 Funded**	**2023/24 Adopted**
Police Sergeant	0.70	0.70	0.70	0.70	0.70
Police Officer	2.00	2.00	2.00	2.00	2.00
Total Traffic Program FTEs	**2.70**	**2.70**	**2.70**	**2.70**	**2.70**

POLICE DEPARTMENT
Traffic

Performance Objectives and Measures	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. *Reduction of DUI-involved collisions through specialized enforcement and educational programs.*					
a. Percentage of reported traffic collisions involving drugs or alcohol:	10.20%	8.57%	13.3%	10.0%	10.6%
2. *Through directed enforcement, the program seeks to minimize the loss of life and reduce personal injuries due to traffic collisions.*					
a. Traffic Index:	11.9	10.1	7.1	10.5	11.0
The Traffic Index is a national standard developed by the Federal Office of Traffic Safety (OTS). The index number is determined by dividing the number of hazardous citations issued by the total number of fatal and injury collisions. An index of 25 - 35 is generally viewed as desirable. A substantially higher number would indicate that officers are writing an excessive number of citations that are not related to the causes of traffic collisions. A substantially lower number indicates that inadequate staffing or attention is directed at the traffic collision problem in a jurisdiction.					

Activity and Workload Highlights	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. Total number of traffic citations issued (excludes courtesy citations):*	1,225	782	744	664	750
2. Number of hazardous citations:	962	518	494	400	460
3. Number of courtesy citations issued:	1,247	619	243	350	300
4. Number of DUI arrests:*	69	30	49	43	46
5. Number of traffic collision reports:*	225	105	198	195	185
6. Number of injury collisions:	81	51	71	69	65

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

All 2021/22 "planned" performance measures were calculated based on the assumption that COVID restrictions will remain in effect.

Police Department

INVESTIGATIONS
PROGRAM 4303

PROGRAM PURPOSE

The Investigations Program conducts both self-initiated and follow-up investigations related to crime, coordinates the prosecution of crimes through the criminal justice system, and performs special operations and enforcement.

Detectives assigned to this Program conduct comprehensive investigations. This includes the identification of crime trends and patterns, apprehension of criminal suspects, evidence collection, interagency collaboration, and victim outreach. In addition, the Investigations Program maintains and enforces the required registration and monitoring of sex offenders, narcotics offenders, and arson offenders.

One Officer in this Program is assigned as a full-time School Resource Officer (SRO). The SRO is responsible for assisting in the investigation of crimes involving juveniles as victims or offenders, managing youth-related problems and trends, and being a liaison to local schools. The SRO works collaboratively with school staff, administration, and students in both the Los Gatos-Saratoga Union High School District and Los Gatos Union School District to promote school campus and community safety and to be a presence on campus. Since FY 2009/10, funding for the SRO position has been offset by an agreement with the high school and elementary school districts. In FY 2022/23, school districts and Town of Los Gatos entered into an agreement which consisted of a 50% cost-sharing of the Officer's salary and benefits. The current SRO agreement expires June 30, 2024. It is anticipated this valuable partnership and service is expected to continue in the future.

POLICE DEPARTMENT
Investigations

BUDGET OVERVIEW

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

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Licenses & Permits	$ 1,960	$ 5,966	$ 6,680	$ 500	$ 500	$ 1,000
Intergovernmental Revenue	60,944	121,410	121,611	100,000	75,000	-
Service Charges	137,509	59,947	37,918	124,812	127,812	166,749
Fines & Forfeitures	-	-	-	-	-	-
Other Revenues	656	1,369	2,151	600	1,700	1,000
TOTAL REVENUES	**$ 201,069**	**$ 188,692**	**$ 168,360**	**$ 225,912**	**$ 205,012**	**$ 168,749**
EXPENDITURES						
Salaries and Benefits	$ 2,398,626	$ 2,455,805	$ 2,309,448	$ 2,535,723	$ 2,266,942	$ 2,815,284
Operating Expenditures	175,345	141,854	139,100	191,527	166,827	190,748
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	131,362	141,412	161,496	169,461	153,484	232,188
TOTAL EXPENDITURES	**$ 2,705,333**	**$ 2,739,071**	**$ 2,610,044**	**$ 2,896,711**	**$ 2,587,253**	**$ 3,238,220**

POLICE DEPARTMENT
Investigations

FY 2023/24 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative government	***Task Force Collaboration & Cross-Training*** The Department has participated and utilized the assistance of local County-wide task forces for major investigations and providing opportunities for valuable experience in conducting complex investigations. The Department will support opportunities to assign a Detective or Officer to County task forces as staffing allows to promote growth opportunities and enhanced training and experience for staff. ***Evidence Management and Off-site Storage Facility Project*** Police Department staff will continue to collaborate with Parks and Public Works staff in the capital improvement project related to the reconfiguration and build out of the Town Corporation Yard outbuilding used as additional Police evidence and property storage. ***Evidence & Property Room Audit*** The Police Department will explore best practices and external independent audit services for evidence and property room storage facility management, evidence and property accountability, and dispositions in accordance with State laws and Peace Officer Standards and Training guidelines. ***Investigative Technology Equipment*** The Investigations Program will explore most updated investigative technology and equipment which may assist with the investigation of cyber-crimes and the preservation of digital media evidence. ***Crime Scene & Photograph Training Equipment*** The Investigations Program will oversee the implementation and deployment of specially trained Patrol Officers in crime scene photography. An equipment kit consisting of photography and evidence collection equipment will be assembled for trained Officers to deploy at major incident crime scenes.

POLICE DEPARTMENT
Investigations

FY 2023/24 KEY PROJECTS

Core Goals	Key Projects
Public Safety Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness	***Opioid Prevention & Response Training*** During FY 23/24, the School Resource Officer will provide specific Opioid awareness education program for youth in the local schools and for other Town Staff. In FY 22/23, the Department received settlement funding for Opioid Prevention Programs, allocation of Naloxone, and for enhanced first responder training. The Department will also seek specific investigative training related to deaths resulting from Opioid overdose.

KEY PROGRAM SERVICES

- Investigates and solves crimes.
- Directs and coordinates the prosecution of offenders.
- Provides services to victims.
- Assists in management of property and evidence.
- Monitors and registers narcotics, sex, and arson offenders.
- Provides administrative, strategic, and tactical crime analysis.
- Oversees School Resource Officer program and involvement in the schools.

POLICE DEPARTMENT
Investigations

INVESTIGATIONS PROGRAM STAFFING

Full Time Equivalents (FTE)

Town Staff	2019/20 Funded	2020/21 Funded	2021/22 Funded	2022/23 Funded	2023/24 Adopted
Police Captain	0.50	0.50	0.50	0.50	0.50
Poice Sergeant	1.00	1.00	1.00	1.00	1.00
Police Officer	6.00	6.00	6.00	6.00	6.00
Community Services Officer	1.00	1.00	1.00	1.00	1.00
Senior Records Specialist	-	-	-	-	1.00
Police Records Specialist	1.00	1.00	1.00	1.00	-
Total Investigation FTEs	**9.50**	**9.50**	**9.50**	**9.50**	**9.50**

Performance Objectives and Measures	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. *To provide thorough and objective analysis of crime to achieve resolution of criminal matters.*					
a. Number of Part I and Part II crimes cleared:*	764	636	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*
2. *To divert local youth from the criminal justice system.*					
a. Percentage of youthful offenders diverted from the criminal justice system:	0%	0%	0%	0%	0%

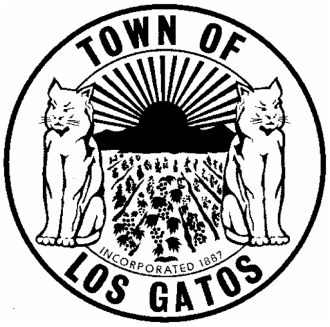
Activity and Workload Highlights	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. Number of cases investigated:	1,057	1,226	1,429	1,397	1,413
2. Number of criminal complaints requested for review at District Attorney's Office:	329	290	388	356	372
3. Annual number of public school visits by the School Resource Officer:	191	115	202	245	223

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

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

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

All 2021/22 "planned" performance measures were calculated based on the assumption that COVID restrictions will remain in effect, with the exception of anticipating schools will return to on-campus learning.


TOWN OF
INCORPORATED 1887
LOS GATOS

Police Department

PARKING MANAGEMENT
PROGRAM 4304

PROGRAM PURPOSE

The Parking Management Program coordinates, manages, and enforces vehicular parking on roadways and highways and in municipal lots. The Parking Management Program uses the California Vehicle Code and Town Municipal Code to enforce residential/employee/commercial zone permit-only parking, time-restricted parking, disabled parking, and loading zones. The enforcement of parking violations assists traffic flow and increases parking space availability. This Program works in conjunction with the Patrol Division on vehicle tows, traffic control, special events, and the deployment and management of the mobile speed radar trailers. In addition, the Program currently manages the issuance of residential and business preferential parking permits, as well as the Abandoned Vehicle Abatement Service Authority (AVASA) program in Town to ensure roadways and highways are free of abandoned vehicles.

The Parking Management Program collaborates with the Town's Parks and Public Works Department and the Community Development Department to address permit parking, special event parking, municipal lot parking management, and parking issues around schools. Parking Control Officers utilize automated parking enforcement technology to assist in the efficiency and accuracy of parking violation documentation and issuance of citations. They support Patrol Officers with traffic control during high impact roadway events and assist with crossing guard duties as necessary.

POLICE DEPARTMENT
Parking Management

BUDGET OVERVIEW

The Parking Management Program is budgeted for 0.30 FTE Police Sergeant and 2.0 FTE Parking Control Officers. The Sergeant oversees and manages the deployment and allocation of Parking Control resources. The Sergeant works collaboratively with the Town's Parks and Public Works Department, the Community Development Department, and the Complete Streets and Transportation Commission to coordinate the monitoring and enforcement of parking related concerns on Town streets and municipal lots.

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Licenses & Permits	$ 39,993	$ 36,558	$ 55,908	$ 27,000	$ 27,000	$ 27,000
Intergovernmental Revenue	-	-	-	-	-	-
Service Charges	-	-	-	-	-	-
Fines & Forfeitures	221,810	78,771	248,878	206,050	206,000	181,000
Other Revenues	32,400	32,400	-	-	-	-
TOTAL REVENUES	**$ 294,203**	**$ 147,729**	**$ 304,786**	**$ 233,050**	**$ 233,000**	**$ 208,000**
EXPENDITURES						
Salaries and Benefits	$ 319,896	$ 350,512	$ 301,697	$ 306,980	$ 320,798	$ 354,154
Operating Expenditures	186,374	127,625	121,626	131,328	131,328	123,328
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	45,648	46,833	54,118	56,784	58,842	71,516
TOTAL EXPENDITURES	**$ 551,918**	**$ 524,970**	**$ 477,441**	**$ 495,092**	**$ 510,968**	**$ 548,998**

POLICE DEPARTMENT
Parking Management

FY 2023/24 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative government	***Parking Program & Project management Transition*** The Police Department works closely with Parks and Public Works in the Parking Management Program Upgrades and current projects. In FY 23/24, the Police Department seeks to transition parking permitting functions, parking project management, and parking related outreach to the Parks and Public Works Department. The Police Department will maintain parking enforcement duties and responsibilities. ***Parking Control Vehicle with Automated License Plate Reader*** In FY 23/24, the Police Department will implement a second dedicated parking control vehicle equipped with automated license plate reader technology for parking enforcement. Additional equipment used to perform parking regulatory functions will increase overall efficiencies and parking control staff capabilities.
Community Character Preserve and enhance the appearance, character, and environment quality of the community	***Abandoned Vehicle Abatement / Enforcement*** The Parking Program in collaboration with the Community Service Officer Interns will continue to maintain community character through abandoned vehicle markings and enforcement. Officers assigned to this program will meet with countywide agencies to discuss updated state legislative changes to abandoned vehicle marking and enforcement.

KEY PROGRAM SERVICES

- Proactively collaborates with Park and Public Works Department in the management of the Town's available parking project management.
- Monitors and enforces parking and abandoned vehicle laws.
- Communicates with and educates residents, businesses, and visitors on parking issues and regulations.
- Coordinates the special event parking control.
- Manages and oversees the parking citation appeal process.
- Participates with the Complete Streets and Transportation Commission and Parks and Public Works Department.

POLICE DEPARTMENT
Parking Management

PARKING MANAGEMENT FUND STAFFING

Full Time Equivalent (FTE)

Town Staff	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Funded**	**2022/23 Funded**	**2023/24 Adopted**
Police Sergeant	0.30	0.30	0.30	0.30	0.30
Senior Parking Control Officer	-	-	1.00	1.00	1.00
Parking Control Officer	2.00	2.00	1.00	1.00	1.00
Total Parking Mgmt. FTEs	**2.30**	**2.30**	**2.30**	**2.30**	**2.30**

Temporary Staff Hours	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Funded**	**2022/23 Funded**	**2023/24 Adopted**
Parking Control Manager	-	1,000	500	500	-
Parking Control Officer	-	300	-	-	-
Total Annual Hours	**-**	**1,300**	**500**	**500**	**-**

Performance Objectives and Measures	**2019/20 Actual**	**2020/21 Actual**	**2021/22 Actual**	**2022/23 Estimated**	**2023/24 Planned**
1. *Promote pedestrian and vehicular safety while providing improved traffic flow and increased parking availability on residential streets.*					
a. Percentage of parking citations paid with initial notices:	93%	92%	92%	90%	90%
2. *Enforce timed limit, residential and employee zoned permit parking.*					
a. During enforcement hours respond to community reported parking problems within 20 minutes:	Yes	Yes	Yes	Yes	Yes

Activity and Workload Highlights	**2019/20 Actual**	**2020/21 Actual**	**2021/22 Actual**	**2022/23 Estimated**	**2023/24 Planned**
1. Number of parking citations issued:	4,023	1,584	4,958	7,500	7,500
2. Number of residential and employee parking permits issued:	1,300	786	2,047	2,300	2,300
3. Number of stored and abandoned vehicles marked:*	119	163	122	54	84
4. Number of stored and abandoned vehicles removed from public streets:*	17	11	17	11	14
5. Revenue received on parking permits issued:	$39,993	$36,558	$55,908	$40,000	$40,000
6. Revenue received on parking citations issued:	$171,835	$49,795	$204,713	$200,000	$150,000

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

All 2021/22 "planned" performance measures were calculated based on the assumption that COVID restrictions will remain in effect.

Police Department

PASS-THROUGH ACCOUNTS
PROGRAM 4999

PROGRAM PURPOSE

Revenues and expenditures which are collected for, and remitted to, external agencies are considered "pass-through" appropriations in the Town's budget. Accounting for these activities in a separate accounting structure allows the true cost of operations to remain intact within a program, eliminating unrelated funding fluctuations from year to year.

BUDGET OVERVIEW

There is no budgetary impact to this program as revenues equal expenditures. The revenues and expenditures reflect a reasonable estimate based on prior year trends or Department information; however, actuals may differ substantially from original budgeted numbers at fiscal year-end.

In FY 2022/23, the Town of Los Gatos participated in a national opioid lawsuit settlement program and received a total of $22,337 in opioid settlement distribution funds from Janssen and participating settlement subdivisions. The settlement agreement required funds to be used primarily for opioid abatement and youth preventative programs. The Police Department identified utilizing the funding for specific advanced officer training in enhanced recognition, response, treatment, and management of an opioid overdose crisis and first-responder training. In addition, identified funding to be used to supplement youth opioid preventative and awareness education training through the School Resource Officer outreach programs.

FY 2023/24, revenues and expenditures reflect a pass-through of Community Emergency Response Team (CERT) funds. As this program includes no staff activity, it does not have Key Projects or Performance Measures.

POLICE DEPARTMENT
Pass-Through Accounts

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Licenses & Permits	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental Revenue	-	-	-	-	-	-
Service Charges	766	-	(93)	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Other Revenues	5,895	-	4,631	37,370	32,469	41,978
TOTAL REVENUES	**$ 6,661**	**$ -**	**$ 4,538**	**$ 37,370**	**$ 32,469**	**$ 41,978**
EXPENDITURES						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	6,723	87	4,631	37,370	32,469	41,978
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	-	-	-	-	-	-
TOTAL EXPENDITURES	**$ 6,723**	**$ 87**	**$ 4,631**	**$ 37,370**	**$ 32,469**	**$ 41,978**

Police Department

OPERATING GRANTS
4803-4812

PROGRAM PURPOSE

This fund accounts for revenues and expenditures attributed to grants for operating budget projects that fall outside of the Capital Improvement Program (CIP) Grant Projects. The Town's CIP project guidelines state a CIP project must have a value of $25,000 or more with a minimum useful life of 5 years at a fixed location.

Grant revenues and expenditures are structured to net out to zero. If overages or non-reimbursable expenses occur for grant activities, the additional charges are absorbed within the Department's operating budget. Some grants require a Town matching or other contribution as part of the award, which is reflected either as funding transferred into the grant, or expenditures reallocated to the appropriate program budget.

BUDGET OVERVIEW

The Officer Wellness and Mental Health Grant Program, established in the 2022 Budget Act (Assembly Bill 178, Chapter 45, Statutes of 2022), provided $50 million for city and county law enforcement agencies for the purpose of improving officer wellness and expanding mental health sources. The Police Department received $28,000 in FY 22/23 with estimated expenditures to conclude in December 2025.

Grant funding will be used for the following purposes in compliance with grant regulations:

- Establishing or expanding wellness options to individual Officers as well as creating Officer Wellness Units,
- Establishing or expanding peer support units, and

- Expanding multiagency mutual aid programs focused on officer wellness and mental health

The Police Department was awarded the Bulletproof Vest Partnership (BVP) grant, created by the Bulletproof Vest Partnership Grant Act of 1998. This is a unique U.S. Department of Justice initiative designed to provide a critical resource of supplemental funding to state and local law enforcement. The BVP Grant will continue into FY 2023/24 and provide 50% matching cost reimbursement for bulletproof vest expenses for field personnel.

Through partnership, the County of Santa Clara, Town of Los Gatos, and Los Gatos-Monte Sereno Police Department will work to address challenges and enhance enforcement and education efforts of tobacco use and retailing laws with a specific focus on reducing underage access to tobacco products. The California Department of Justice Proposition 56 Tobacco Grant Program will expire in March 2024. Grant funds from this program reimburse operational expenses of tobacco decoy operations, outreach and education, and training related to underage tobacco compliance.

In FY 2018/19 the Police Department was awarded a grant for the Innovations Grant Program (IGP) from Peace Officer Standards and Training (POST). The focus of this POST grant was on fostering innovations in training and procedures for law enforcement officers, with the goal of reducing the number of officer-involved shootings statewide. This Grant concluded in FY 2021/22.

POLICE DEPARTMENT
Operating Grants

BSCC OFFICER WELLNESS

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adopted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Licenses & Permits	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental Revenue	-	-	-	-	-	28,000
Service Charges	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 28,000**
EXPENDITURES						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	-	-	-	-	-	28,000
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	-	-	-	-	-	-
TOTAL EXPENDITURES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 28,000**

DEPARTMENT OF JUSTICE TOBACCO ENFORCEMENT GRANT

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adopted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Licenses & Permits	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental Revenue	-	-	7,000	7,000	7,000	3,500
Service Charges	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	**$ -**	**$ -**	**$ 7,000**	**$ 7,000**	**$ 7,000**	**$ 3,500**
EXPENDITURES						
Salaries and Benefits	$ -	$ -	$ 7,000	$ -	$ -	$ -
Operating Expenditures	-	-	-	-	3,500	3,500
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	-	-	-	-	-	-
TOTAL EXPENDITURES	**$ -**	**$ -**	**$ 7,000**	**$ -**	**$ 3,500**	**$ 3,500**

POLICE DEPARTMENT
Operating Grants

PEACE OFFICER STANDARDS AND TRAINING (POST) GRANT

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adopted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Licenses & Permits	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental Revenue	30,824	-	44,079	-	-	-
Service Charges	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	**$ 30,824**	**$ -**	**$ 44,079**	**$ -**	**$ -**	**$ -**
EXPENDITURES						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	16,788	8,869	6,902	-	-	-
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	-	-	-	-	-	-
TOTAL EXPENDITURES	**$ 16,788**	**$ 8,869**	**$ 6,902**	**$ -**	**$ -**	**$ -**

BSCC COMMUNITY GRANT

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Licenses & Permits	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental Revenue	-	-	-	-	-	-
Service Charges	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
EXPENDITURES						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	10,613	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	-	-	-	-	-	-
TOTAL EXPENDITURES	**$ 10,613**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

POLICE DEPARTMENT
Operating Grants

BVP GRANT

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Licenses & Permits	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental Revenue	3,464	1,309	6,060	5,000	5,000	5,000
Service Charges	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	**$ 3,464**	**$ 1,309**	**$ 6,060**	**$ 5,000**	**$ 5,000**	**$ 5,000**
EXPENDITURES						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	3,464	1,309	6,060	-	5,000	5,000
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	-	-	-	-	-	-
TOTAL EXPENDITURES	**$ 3,464**	**$ 1,309**	**$ 6,060**	**$ -**	**$ 5,000**	**$ 5,000**

HOMELAND SECURITY GRANT

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Licenses & Permits	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental Revenue	101,193	-	-	-	-	-
Service Charges	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	**$ 101,193**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
EXPENDITURES						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	-	-	-	-	-	-
Fixed Assets	101,193	-	-	-	-	-
Internal Service Charges	-	-	-	-	-	-
TOTAL EXPENDITURES	**$ 101,193**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**


TOWN OF
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LOS GATOS

Parks & Public Works

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Parks & Public Works Department

DEPARTMENT PURPOSE

The Parks and Public Works Department (PPW) maintains Town-owned assets including 17 park and open space areas that total 24 acres, 112 miles of roadways (236 lane miles), 12 public buildings totaling 139,373 square feet, 23 surface parking lots (including lots in parks), and one underground parking structure. These major assets are supported by ancillary assets like restroom buildings (five total), sidewalks, storm drainage systems, retaining walls, traffic signals and signs, and street lighting. The Department's overarching goal is to ensure the Town's facilities are safe, functional, and attractive.

The PPW Department operates the following Programs: Administration, Engineering Program Services, Engineering Development Services, Park Services, Environmental Services, and Street and Signals. Additional Departmental services include Facilities Maintenance, Vehicle Maintenance, and Non-Point Source Program. In addition to providing ongoing maintenance activities, the Parks and Public Works Department staff provides information and outreach to Town residents, businesses, and the public concerning the Department's programs, activities, and projects.

BUDGET OVERVIEW

The FY 2023/24 Budget is a status quo budget. Modest increases are proposed for contractual services (e.g., landscape and tree services, underground utility locater services, etc.) and for increases in water and electric rates, State mandated membership fees, training needs, software licenses and maintenance, storm drain cleaning and inspections, and storage rental for holiday light fixtures. Reductions in staffing costs are proposed by more clearly defining part-time positions and their hours.

The FY 2023/24 budget includes increases in salary and benefit costs attributed to cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and decreases reflecting the 4.6% salary saving factor.

PARKS & PUBLIC WORKS DEPARTMENT

The Engineering Program includes both a Capital Design and Development Services Program. The Capital Design work is discussed in the Town's Capital Improvement Program Budget. The Development Services Program reviews, coordinates, and inspects infrastructure improvements for private development projects and provides technical support to residents and private developers through the development process. The Development Services Division manages permits for grading, encroachments to Town rights-of-way, placement of storage and debris boxes in the right-of-way, and various mapping exercise related to lot splits and lot line adjustments. In 2022, this team received 532 applications in these programs. The team supported the Community Development Department in the review and processing of another 107 applications. The Town Arborist received 177 applications for tree removals.

The Town is continuing to work with the West Valley Solid Waste Management Authority to incorporate SB 1383 required organic recycling for residential and commercial customers. This effort includes significant unfunded mandates that will have impacts on solid waste collection in Town and will lead to substantial rate increases for residents. In addition, recent court cases may impact how the Town manages and receives revenues from the Solid Waste Management Authority which may impact future operating budgets. The ramifications of those changes are still being assessed and won't be clearly known until Fall 2023 or Winter 2024.

The Town's Outside the Box Program is designed to enhance the character of the community by adding artwork to utility boxes that are often targeted by graffiti vandals. Selected artwork reflects diversity, equity, inclusivity and environmental outreach messages that promote community sustainability. In FY 2022/23, four utility boxes have been added which bring the total to 34, and another five are planned for covering with artwork in FY 2023/2024.

PARKS & PUBLIC WORKS DEPARTMENT

FY 2022/23 ACCOMPLISHMENTS

Core Goals	Accomplishments
Community Character Preserve and enhance the appearance character and environment quality of the community	• For Phase 1 of the North 40 development, staff continues to oversee the onsite and offsite improvements. Staff coordinated with the developer and their consultants and contractors to inspect construction of the off-site improvements. • Continued to receive and review applications, plans, and documents electronically. Staff reviewed and issued over 532 engineering permits. • The Town Arborist issued 177 tree removal permits. • Added four new recycling receptacles at various Town parks with the purpose of diverting items that would otherwise end up in landfill, discouraging litter, and helping keep local creeks clean and pollution free. • Managed vegetation management along seven miles of roadway to advance the Town's efforts at Wildfire Mitigation. • Increased fire danger buffer zones in Landscape & Lighting Districts and other open spaces throughout the Town. • Implemented and enhanced the Downtown holiday lights program along N. Santa Cruz Ave., Main Street, Plaza Park, and at downtown business locations throughout the Town. • Implemented and enhanced Los Gatos trail maintenance to increase visibility and improve safety.

PARKS & PUBLIC WORKS DEPARTMENT

FY 2022/23 ACCOMPLISHMENTS

Core Goals	Accomplishments
Good Governance Ensure responsive, accountable and collaborate government	• Secured a grant from USDA Forest Service for a Roadside Fuels Reduction project. • Continued the community engagement and design of the traffic calming project on Corinne Drive. • Secured grant dollars to complete the funding plan for the construction phase of the Los Gatos Creek Trail Connector project. • Participated in an inter-Departmental effort to improve the public-facing portal for the Accela (development permit management) application. The goal of the update is for a more user-friendly permit application and tracking interface, while allowing the staff to manage and record the workflow largely within the Accela application.
Quality Public Infrastructure Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	• Utilized an increase in funding for tree maintenance to ensure public trees remain safe. • Construction contracts were awarded for the Annual FY 2022/23 Street Repair & Resurfacing and Curb, Gutter and Sidewalk Maintenance projects. Construction work for both projects will be completed by fall 2023. • Responded to three major storm events that produced substantial wind damage, downed trees, and power outages through the Town, plus a number of smaller rain events.

PARKS & PUBLIC WORKS DEPARTMENT

FY 2022/23 ACCOMPLISHMENTS

Core Goals	Accomplishments
Quality Public Infrastructure Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	• Awarded construction contracts (anticipated June 2023) for the Los Gatos Creek Trailhead Connector project; and applied for and received a federal grant for construction funding. • Construction contract awarded for the installation of signage and ground markings for the Downtown Employee Pilot Parking Program. Installation was completed in July 2022. • Continued to advance the development of the Downtown Wayfinding Master Plan which will update vehicular and pedestrian wayfinding and destination signage in the downtown area. • Supported Police Department staff in the development and release of Requests for Proposals for a Mobile Parking Payment Application and for the procurement and installation of Multi-space Parking Pay Stations. • Completed the final design documents for the Shannon Road Pedestrian and Bikeway Improvements, a federal-aid project. Construction is anticipated to start in summer 2023. • Initiated the environmental coordination efforts and final design phase of the Highway 17 Bicycle and Pedestrian Overcrossing Project. • Completed the structural repair of the Lot 4 parking structure and preparing for irrigation repairs and planting in Spring 2023. • Awarded a contract for Phase 2 of the Corporation Yard Building Replacement Project for construction of a storage building to be completed by the end of the fiscal year. • Obtained grants through the California Office of Emergency Services (CAL-OES) and Silicon Valley Clean Energy, executing an agreement with a contractor to install a Battery Storage System for the Library to provide back-up electrical power in the event of an outage. Plans and specifications have been produced and completion of project is anticipated by the end of the fiscal year. • Completed the installation of a non-liquid fire suppression system in the Town's critical IT server rooms. • Completed the vendor services and field improvements for the Los Gatos Smart Signals Project (federal-aid project). Initiated the operations of advanced adaptive traffic signal management and control system along the Los Gatos Boulevard corridor.

PARKS & PUBLIC WORKS DEPARTMENT

FY 2022/23 ACCOMPLISHMENTS

Core Goals	Accomplishments
Quality Public Infrastructure Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	• Collaborated with schools for the virtual bike detection system along nine signalized intersections along Los Gatos Boulevard. • Constructed automatic gates and fencing at the rear driveway of the Civic Center. This improved security and eliminated safety issues with unauthorized vehicles and others entering this space. • Installed new flooring throughout the Adult Recreation Center, enhancing safety and comfort of the facility for the senior community. • Completed architectural plans and specifications for ADA improvements in public facilities to implement in upcoming projects for both the Adult Recreation Center and Civic Center.
Civic Enrichment Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	• Continued to promote Connect Los Gatos projects through project websites, social media posts, community survey, and virtual meetings. • Completed a Bicycle and Pedestrian Master Plan ("BPMP") Progress Report and presented the report to the Complete Streets Transportation Commission. Project updates are now categorized into ten areas developed with consideration of community character, landmarks, bike/ped projects identified in the BPMP, and Town limits. Staff also created an online story map tool for the community to find project information more conveniently. • Continued to engage the local schools and Los Gatos – Monte Sereno Safe Route to School to promote safe and active transportation among students. • Facilitated and tracked 249 volunteer hours over various efforts including Adopt-A-Highway, creek trail cleanups, and park stewardship.

PARKS & PUBLIC WORKS DEPARTMENT

DEPARTMENTAL SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Proposed
REVENUES						
Other Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and Permits	785,216	925,247	1,445,495	761,744	761,744	767,210
Intergovernmental	57,226	46,685	46,106	47,200	47,200	43,044
Service Charges	1,601,650	1,541,771	1,702,080	1,279,065	1,400,264	978,056
Fines & Forfeitures	-	100	19,024	-	-	-
Other Revenues	54,926	51,741	99,550	30,158	30,673	19,811
TOTAL REVENUES	**$ 2,499,018**	**$ 2,565,544**	**$ 3,312,255**	**$ 2,118,167**	**$ 2,239,881**	**$ 1,808,121**
Transfers In						
Transfer from GFAR	315,616	315,616	315,616	315,616	315,616	315,616
Total Transfers In	**315,616**	**315,616**	**315,616**	**315,616**	**315,616**	**315,616**
TOTAL REVENUES & TRANSFERS IN	**$ 2,814,634**	**$ 2,881,160**	**$ 3,627,871**	**$ 2,433,783**	**$ 2,555,497**	**$ 2,123,737**
EXPENDITURES						
Salaries and Benefits	$ 5,754,686	$ 5,642,781	$ 5,966,735	$ 7,001,940	$ 6,324,901	$ 6,669,539
Operating Expenditures	1,573,562	1,707,046	1,777,173	2,008,603	2,002,085	2,341,328
Fixed Assets	28,934	-	-	-	-	-
Pass Thru Account	526,652	529,848	448,573	598,575	719,774	380,000
Internal Service Charges	284,206	300,083	412,975	465,499	437,324	637,986
TOTAL EXPENDITURES	**$ 8,168,040**	**$ 8,179,758**	**$ 8,605,456**	**$10,074,617**	**$ 9,484,084**	**$10,028,853**

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Proposed
PROGRAM						
Administration	$ 614,753	$ 636,015	$ 628,200	$ 634,932	$ 649,782	$ 622,525
Engineering Prog Srvcs	1,480,068	1,385,830	1,467,361	1,660,365	1,536,684	1,451,311
Engineering Dev Srvcs	757,990	759,203	832,149	900,111	791,807	969,829
Park Services	1,965,843	2,013,263	2,029,309	2,473,871	2,376,664	2,249,196
Environmental Services	278,918	362,378	466,658	457,972	404,221	656,051
Streets Signals & Sidewalks	2,084,477	1,950,873	2,090,776	2,579,679	2,206,369	2,926,413
Property Damage	18,632	5,197	3,543	25,000	25,000	25,000
Vehicle Maintenance Management	199,072	251,390	268,728	300,755	338,460	299,338
Facilities Maintenance Management	316,130	333,628	361,594	443,357	435,323	449,190
Pass Through	452,157	481,981	457,138	598,575	719,774	380,000
TOTAL EXPENDITURES	**$ 8,168,040**	**$ 8,179,758**	**$ 8,605,456**	**$10,074,617**	**$ 9,484,084**	**$10,028,853**

The above totals reflect General Fund Programs. Additional Parks and Public Works Programs are reflected in separate Special Revenue and Internal Service Funds following the General Fund portion of this section.

PARKS & PUBLIC WORKS DEPARTMENT

DEPARTMENT STAFFING

Full Time Equivalent (FTE)

General Fund	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Funded**	**2022/23 Funded**	**2023/24 Adopted**
Parks & Public Works Director	1.00	1.00	1.00	1.00	1.00
Asst PPW Dir/Town Engineer	1.00	1.00	-	-	-
Town Engineer	-	-	1.00	1.00	1.00
Urban Forest Manager	-	-	-	1.00	-
Superintendent	1.00	1.00	1.00	1.00	1.00
Parks & Public Works Operations Mgr	2.00	2.00	2.00	2.00	2.00
Transportation & Mobility Mgr	1.00	1.00	1.00	1.00	1.00
Senior Civil Engineer	1.00	1.00	2.00	2.00	2.00
Senior Administrative Analyst	0.75	0.75	0.75	0.75	0.75
Administrative Technician	-	-	-	1.00	1.00
Executive Assistant	1.00	1.00	1.00	-	-
Administrative Assistant	2.50	2.75	2.75	2.75	1.75
Permit Technician	-	-	-	-	1.00
Environmental Programs Specialist	1.00	1.00	1.00	1.00	1.00
Associate Engineer	2.00	2.00	1.00	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	1.00
Engineering Technician	1.00	-	-	-	-
Senior Public Works Inspector	0.50	0.50	0.50	0.50	0.50
Parks Service Officer	1.00	1.00	1.00	1.00	1.00
Town Arborist	1.00	1.00	1.00	1.00	1.00
Lead Parks & Maintenance Worker	3.00	3.00	3.00	4.00	4.00
Facility Technician	-	-	-	-	1.00
Parks & Maintenance Worker	7.75	8.75	8.75	8.75	7.75
Supervising Equipment Mechanic	-	-	1.00	1.00	1.00
Equipment Mechanic	1.00	1.00	-	-	-
Total General Fund FTEs	**32.50**	**33.75**	**33.75**	**35.75**	**34.75**
Non-General Fund FTEs (in Parks & Public Works Department programs unless otherwise noted)					
Non-Point Source					
Parks & Maint Worker	0.25	0.25	0.25	0.25	0.25
Senior Administrative Analyst	0.25	0.25	0.25	0.25	0.25
Senior Public Works Inspector	0.50	0.50	0.50	0.50	0.50
Total Non-Point Source FTEs	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**
Total PPW Department FTE's	**33.50**	**34.75**	**34.75**	**36.75**	**35.75**

Temporary Staff Hours	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Funded**	**2022/23 Funded**	**2023/24 Adopted**
Senior Civil Engineer	-	-	-	2,080	-
Associate Civil Engineer	-	-	256	256	-
Grant Administrator	-	-	-	-	960
Intern 1	-	-	-	-	960
Equipment Mechanic	-	-	-	-	960
Maintenance Assistant	5,661	5,661	5,661	5,661	4,613
Total Annual Hours	**5,661**	**5,661**	**5,917**	**7,997**	**7,493**

Parks & Public Works Department

PARKS & PUBLIC WORKS ADMINISTRATION
PROGRAM 5101

PROGRAM PURPOSE

The Administration Program supports the delivery of services throughout the Department. Its primary responsibilities include managing and coordinating the efforts of the Department's Programs; preparing and developing budget documents; processing and managing grants; coordinating the Town's mobility programs; providing executive oversight and support for Department staff and for contracted services; and preparing reports to the Town Council, Commissions, and Town Manager.

BUDGET OVERVIEW

Staff will continue to manage the complex federal and state grant fund documentation and reimbursement processes while pursuing new grant opportunities. In 2023, a part-time Grant Administrator was hired to support grant management and compliance for the existing 25 state and federal grants the Department is currently overseeing. This part-time position is a one-time add to continue in 2023/24.

Staff from this Program also supports the administrative management and oversight of the Municipal Regional Storm Water Permit (MRP) along with assistance from Community Development Department staff. A portion of the Senior Administrative Analyst's position is funded through the Non-Point Source fund to offset personnel costs to this Program's budget.

Program staff will continue to manage the online parks reservation system. The system allows for more advanced program applications, such as report and data analysis tools, and gives customers an enhanced user interface when making online reservations. Demand for reserved space at Los Gatos parks experienced a severe reduction at the onset of COVID-19 and there has

been a recovery to prior year numbers, with staff anticipating reservations to surpass prior years.

The FY 2023/24 budget includes increases in salary and benefit costs attributed to cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and decreases reflecting the 4.6% salary saving factor.

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Other Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Service Charges	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Other Revenues	-	2,094	727	-	-	-
TOTAL REVENUES	**$ -**	**$ 2,094**	**$ 727**	**$ -**	**$ -**	**$ -**
Transfers In						
Transfer from GFAR	$ 217,808	$ 217,808	$ 217,808	$ 217,808	$ 217,808	$ 217,808
Total Transfers In	**$ 217,808**	**$ 217,808**	**$ 217,808**	**$ 217,808**	**$ 217,808**	**$ 217,808**
TOTAL REVENUES & TRANSFERS IN	**$ 217,808**	**$ 219,902**	**$ 218,535**	**$ 217,808**	**$ 217,808**	**$ 217,808**
EXPENDITURES						
Salaries and Benefits	$ 540,986	$ 577,105	$ 564,197	$ 563,858	$ 582,769	$ 547,875
Operating Expenditures	36,797	20,660	24,895	34,646	29,754	34,470
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	36,970	38,250	39,108	36,428	37,259	40,180
TOTAL EXPENDITURES	**$ 614,753**	**$ 636,015**	**$ 628,200**	**$ 634,932**	**$ 649,782**	**$ 622,525**

PARKS & PUBLIC WORKS DEPARTMENT
Administration

FY 2023/24 KEY PROJECTS

Core Goals	Key Projects
Community Character Preserve and enhance the appearance character and environment quality of the community	***Park Reservation System Management*** Continue to manage the online parks reservation system for resident and non-resident use of Town park facilities. Staff forecasts that 90% of the expected reservations in the coming year will be made online via the parks reservation system. ***Customer Service Efficiency*** The Administration Program staff will continue to focus on evaluating processes, procedures, and systems to obtain input and feedback from customers to continuously improve the delivery of service to both internal and external customers.

KEY PROGRAM SERVICES

- Provides walk-in and telephone customer service for departmental programs and services.
- Provides internal clerical and program support for departmental services.
- Oversees regulatory and project operations.
- Manages the Department's budget.
- Pursues grant funding to enable the Town to implement key projects.
- Prepares and tracks engineering, construction and maintenance contracts.
- Facilitates neighborhood meetings to discuss concerns related to traffic calming, street improvements, and other parks and public works-related issues.
- Provides staff support to the Complete Streets and Transportation Commission, and Parks Commission; and assists in coordination of Commission-sponsored projects.
- Provides support for Town-wide Committees, such as Town-wide Health and Safety Committee, Beautification Committee, Town Outreach Team, Safe Routes to School, and Los Gatos Town Employees Foundation.
- Administers the processing of permits and Town park reservations.
- Oversees Department employee training and safety programs.

PARKS & PUBLIC WORKS DEPARTMENT
Administration

PPW ADMINISTRATION PROGRAM STAFFING

Full Time Equivalent (FTE)

Town Staff	2019/20 Funded	2020/21 Funded	2021/22 Funded	2022/23 Funded	2023/24 Adopted
Parks & Public Works Director	0.40	0.40	0.40	0.40	0.40
Transporation & Mobility Manager	1.00	1.00	1.00	1.00	1.00
Senior Administrative Analyst	0.30	0.30	0.30	0.30	0.30
Administrative Technician	-	-	-	0.10	0.25
Permit Technician	-	-	-	-	0.10
Executive Assistant	0.25	0.25	0.25	-	-
Administrative Assistant	0.58	0.60	0.60	0.60	0.40
TOTAL PROGRAM FTE's	**2.53**	**2.55**	**2.55**	**2.40**	**2.45**

Temporary Staff Hours	2019/20 Funded	2020/21 Funded	2021/22 Funded	2022/23 Funded	2023/24 Adopted
Grant Administrator	-	-	-	-	960
TOTAL PROGRAM FTE's	**-**	**-**	**-**	**-**	**960**

Parks & Public Works Department

ENGINEERING PROGRAM SERVICES
PROGRAM 5201

PROGRAM PURPOSE

Engineering Program Services provides Town engineering services relevant for the design, construction management, and administration of the Capital Improvement Program (CIP) to improve the Town's public infrastructure (such as streets, sidewalks, storm drains, parks, retaining walls, and traffic signals) with an emphasis on delivering capital projects within planned schedules and approved budgets. Specific operations of the Program include effective management of the planning and delivery of Capital Improvement Projects; Town-wide and neighborhood traffic issues (such as implementing the Town's Traffic Calming Policy and cut-through traffic); traffic signal operations; engineering inspection services to ensure that the Town's project contractors are meeting contract requirements and performance standards; Geographic Information System (GIS) data for Town infrastructure, right-of-way, and property boundary issues; and asset management and workload tracking system.

BUDGET OVERVIEW

Engineering Program Services provides non-fee-related engineering services and activities. Budgeted staffing supports engineering design, review, consultant management, construction oversight of the Town's CIP projects, and inspection activities to ensure the delivery of construction projects as designed. In addition to the aforementioned operations, the Engineering Program Services supports development of grant fund applications and reimbursements, facilitates public information and community engagement meetings and notifications, and responds to public inquiries. This Program houses traffic engineering management for traffic control, signalization, daily operations, and inter-agency coordination of shared intersections and roadways.

PARKS & PUBLIC WORKS DEPARTMENT
Engineering Program Services

For FY 2023/24, staff is expected to manage the design and/or construction of several key projects including the Annual Street Repair and Resurfacing Project, Annual Curb, Gutter, and Sidewalk Maintenance Project; Highway 17 Bicycle and Pedestrian Overcrossing Project; Los Gatos Creek Trail to Highway 9 Trailhead Connector Project; Shannon Road Repair Project; Shannon Road Pedestrian and Bikeway Improvements Project, and Blossom Hill Road Traffic Safety Quick Build Project.

Staff will work to recommend, design, and deliver projects from the Town's approved Bicycle and Pedestrian Master Plan and Traffic Around Schools Plan. Several of these high visibility projects are included in the Town's Connect Los Gatos Program. This Program enhances community outreach and engagement for these key Town multi-modal projects allowing residents to better understand the projects' interconnectedness as they move forward. Traffic Engineering staff is continuing to manage the operations of the advanced adaptive Smart Signals systems from the newly renovated Traffic Management Center and to support the routine operations and maintenance of the traffic signal equipment.

To support the work in this Program, the Department often relies on project delivery models, including the use of temporary part-time staff in addition to budgeted staff. Costs for these alternative delivery models are outside the Department's allocated operating budget and are recaptured through transfers from specific capital projects. FY 2023/24 Proposed Budget also includes an annual fee for an online procurement platform.

The FY 2023/24 budget includes increases in salary and benefit costs attributed to cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, and higher benefit and CalPERS pension rates.

PARKS & PUBLIC WORKS DEPARTMENT
Engineering Program Services

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Other Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Service Charges	170,855	74,835	143,021	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	**$ 170,855**	**$ 74,835**	**$ 143,021**	**$ -**	**$ -**	**$ -**
Transfers In						
Transfer from GFAR	97,808	97,808	97,808	97,808	97,808	97,808
Total Transfers In	**97,808**	**97,808**	**97,808**	**97,808**	**97,808**	**97,808**
TOTAL REVENUES & TRANSFERS IN	**$ 268,663**	**$ 172,643**	**$ 240,829**	**$ 97,808**	**$ 97,808**	**$ 97,808**
EXPENDITURES						
Salaries and Benefits	$ 1,340,871	$ 1,255,605	$ 1,400,017	$ 1,590,824	$ 1,457,896	$ 1,373,540
Operating Expenditures	32,782	49,039	32,793	34,345	43,591	32,774
Fixed Assets	-	-	-	-	-	-
Pass Throughs	74,495	47,867	-	-	-	-
Internal Service Charges	31,920	33,319	34,551	35,196	35,197	44,997
TOTAL EXPENDITURES	**$ 1,480,068**	**$ 1,385,830**	**$ 1,467,361**	**$ 1,660,365**	**$ 1,536,684**	**$ 1,451,311**

PARKS & PUBLIC WORKS DEPARTMENT
Engineering Program Services

FY 2023/24 KEY PROJECTS

Core Values	Key Projects
Community Character Preserve and enhance the appearance character and environment quality of the community	***Ongoing Annual Projects*** The Town will continue with the annual Street Repair and Resurfacing and Curb, Gutter and Sidewalk Maintenance projects. Construction of these projects allows the Town to keep the pavement condition in the good condition category and allows residents better accessibility to Town destinations. Construction for both projects will be completed by fall 2023. ***Connect Los Gatos Transportation Program & Community Engagement Plan*** PPW staff is moving forward with several key bicycle and pedestrian projects identified under the Connect Los Gatos program. The Highway 17 Bicycle and Pedestrian Overcrossing and Shannon Road Pedestrian and Bikeway Improvements projects are planned to continue with final design and construction, respectively. The Connect Los Gatos Community Engagement Plan provides specific guidance to continue high level outreach to the community on these projects to obtain important public input and perspective. ***Smart Signals Project: Advanced Controller/Adaptive Signal Timing Upgrade*** The vendor/design/construction contracts for the Smart Signals project were completed in FY 2022/23. In FY 2023/24, implementation of the operations of the advanced controlled and adaptive signal timing system with support services from the traffic signal equipment vendor continues. The Smart Signal Project allows for automatic controller adaptation of signal timing to account for changes in traffic flow. This increases the smooth flow of traffic within the Town during periods of traffic change, such as school hours. The adaptive system is installed along Los Gatos Boulevard with connections on Blossom Hill Road and at Los Gatos Saratoga Road and Alberto Way, totaling thirteen intersections. The project also provides virtual bicycle detection (VBD) along Los Gatos Boulevard from Lark Avenue to Los Gatos-Saratoga Road and upgraded traffic controllers at the remaining 18 signalized intersections within the Town. The vendor contracts related to traffic signal control equipment, traffic management and control systems, and interconnect network equipment were federally funded.

PARKS & PUBLIC WORKS DEPARTMENT
Engineering Program Services

FY 2023/24 KEY PROJECTS

Core Values	Key Projects
Community Character Preserve and enhance the appearance character and environment quality of the community	***VMT Mitigation Program and Fee*** The new Vehicle Miles Traveled Transportation Analysis Policy and Guidelines make it necessary for the Town to update the Traffic Mitigation Fee program. A nexus study is required to establish a mitigation fee program. PPW has initiated the Traffic Mitigation Fee update for the nexus study with the support from a consultant and anticipates completion in FY 2022/23 or early FY 2023/24.
Quality Public Infrastructure Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	***Additional Capital Improvement Program Projects*** Program staff will continue to work on the delivery of currently programmed capital projects and plan for future capital projects. Due to capacity and project funding limitations, staff prioritizes projects in the five-year Capital Improvement Program (CIP) for Council consideration. Program staff will pursue grant opportunities where applicable for capital projects.

PARKS & PUBLIC WORKS DEPARTMENT
Engineering Program Services

KEY PROGRAM SERVICES

Capital Improvement Projects

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

Traffic Engineering

- Performs traffic engineering/safety analysis.
- Manages and improves Smart Signals.
- Manages neighborhood traffic concerns and requests, including the traffic calming program and cut-through traffic.

Community Information

- Provides assistance to the public regarding engineering services.
- Continue to provide project information and update the public via Town's websites and NotifyMe notifications, mailings, door hangers, and social media postings.
- Community engagement through various staff outreach efforts, project webpages, social media, community meetings, and individual meetings with community members.

PARKS & PUBLIC WORKS DEPARTMENT
Engineering Program Services

ENGINEERING PROGRAM SERVICES STAFFING

Full Time Equivalent (FTE)

Town Staff	2019/20 Funded	2020/21 Funded	2021/22 Funded	2022/23 Funded	2023/24 Adopted
Asst PPW Dir/Town Engineer	0.80	0.80	-	-	-
Town Engineer	-	-	0.80	0.80	0.80
Construction Project Mgr	0.60	0.60	0.60	0.60	0.60
Senior Civil Engineer	0.20	0.20	1.00	1.00	0.80
Senior Administrative Analyst	0.15	0.15	0.15	0.15	0.15
Administrative Technician				0.20	0.20
Executive Assistant	0.20	0.20	0.20	-	-
Administrative Assistant	0.50	0.50	0.50	0.50	0.20
Permit Technician	-	-	-	-	0.20
Associate Engineer	0.80	0.80	-	-	0.20
Assistant Engineer	1.80	1.80	1.80	1.80	1.80
Senior Engineering Technician		1.00	1.00	1.00	1.00
Engineering Technician	1.00	-	-	-	-
Senior Public Works Inspector	0.15	0.15	0.15	0.15	0.15
TOTAL PROGRAM FTEs	**6.20**	**6.20**	**6.20**	**6.20**	**6.10**

Temporary Staff Hours	2019/20 Funded	2020/21 Funded	2021/22 Funded	2022/23 Funded	2023/24 Adopted
Intern 1	-	-	-	-	960
Senior Civil Engineer	-	-	-	2,080.00	-
Associate Civil Engineer	-	-	204.75	204.75	-
TOTAL ANNUAL HOURS	**-**	**-**	**204.75**	**2,284.75**	**960**

PARKS & PUBLIC WORKS DEPARTMENT
Engineering Program Services

Performance Objectives and Measures	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. *To effectively manage Capital Projects*					
a. Percentage of CIP projects completed within budget:*	100%	100%	100%	100%	100%
b. Percentage of CIP projects completed within schedule:*	100%	100%	100%	100%	100%

Activity and Workload Highlights	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. Number of traffic calming requests received:	2	3	4	2	2
2. Number of traffic calming projects in progress:	2	2	3	3	2
3. Number of traffic calming projects closed:	1	2	1	1	1
4. Number of CIP projects completed:	7	6	8	7	4

Parks & Public Works Department

ENGINEERING DEVELOPMENT SERVICES
PROGRAM 5202

PROGRAM PURPOSE

The Engineering Development Services Program, in coordination with the Community Development Department, provides services to ensure private development construction complies with Town standards. Engineering functions include reviewing plans and specifications, and providing inspection services for grading, drainage, and issues of encroachment in the public right-of-way. The Program is cost recovery such that staff costs and expenditures related to private development oversight are paid by the applicant.

BUDGET OVERVIEW

Staff will continue to review, coordinate, and inspect infrastructure improvements for several key private development projects as required.

The Engineering Development Services public counter hours for in-person services are from 8:00 a.m. to 1:00 p.m. Monday through Friday. Services continue to be provided in the afternoon by phone and appointment. These hours mirror the public counter hours offered by the Finance and Community Development Departments which allow for back-office work to be completed after the counter hours.

The FY 2023/24 budget includes increases in salary and benefit costs attributed to cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and decreases reflecting the 4.6% salary saving factor.

PARKS & PUBLIC WORKS DEPARTMENT

Engineering Development Services

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Other Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and Permits	325,381	419,986	701,619	276,700	276,700	276,700
Intergovernmental	-	-	-	-	-	-
Service Charges	829,570	846,863	1,064,314	535,400	535,400	535,400
Fines & Forfeitures	-	-	18,624	-	-	-
Other Revenues	6,009	7,812	5,218	-	-	-
TOTAL REVENUES	**$ 1,160,960**	**$ 1,274,661**	**$ 1,789,775**	**$ 812,100**	**$ 812,100**	**$ 812,100**
EXPENDITURES						
Salaries and Benefits	$ 662,102	$ 639,748	$ 718,385	$ 784,064	$ 627,133	$ 824,248
Operating Expenditures	53,998	78,206	71,739	69,749	118,649	79,984
Fixed Assets	-	-	-	-	-	-
Pass Thru Account	-	-	(8,565)	-	-	-
Internal Service Charges	41,890	41,249	50,590	46,298	46,025	65,597
TOTAL EXPENDITURES	**$ 757,990**	**$ 759,203**	**$ 832,149**	**$ 900,111**	**$ 791,807**	**$ 969,829**

PARKS & PUBLIC WORKS DEPARTMENT

Engineering Development Services

FY 2023/24 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable and collaborate government	***Development Projects*** The Development Team (Community Development, Parks and Public Works, County Fire, and the Police Departments) will continue to work on several key private development projects in Los Gatos. The North 40 development project is in progress and staff are continuing to provide oversight and review of project construction, including public improvements on Lark Avenue and Los Gatos Boulevard. Other key projects moving into design and/or construction include Greenridge Terrace, retail development at Los Gatos Boulevard and Los Gatos-Almaden Road, and the older adult care facilities on Blossom Hill Road, Wood Road, and Winchester Boulevard. Staff will continue to navigate the challenges of Senate Bill 9 compliance by adhering to State guidelines while being mindful of the standards and charm that makes the Town the special place it is today. Staff will continue to streamline the development process, establishing clearer triggers for grading permits, peer reviews, and other development elements as well as updating procedures for mapping services provided by the Town (lot line adjustments, certificates of compliance, parcel maps, etc.). Staff has been and will continue to prepare "Project Information Sheets" on engineering aspects of key development proposals. ***Standard Plans and Details Update*** Staff is continuing to update the Town's Standard Plans and Details for development projects and other improvements. Updates incorporate best practices and recent industry standards catering to accessibility, quality of life, and needs of the Town.

KEY PROGRAM SERVICES

Development Projects

- Reviews development applications for compliance with Town grading and engineering standards and develops project conditions of approval.
- Reviews plans and approves final tract maps and parcel maps as required by State law.
- Conducts inspections of work within public right-of-way through the encroachment permit process and on-site for compliance with the Town's Municipal Regional Permit as cross program support of the National Pollutant Discharge Elimination System program.

PARKS & PUBLIC WORKS DEPARTMENT
Engineering Development Services

KEY PROGRAM SERVICES

Traffic Engineering

- Performs and reviews traffic engineering analysis for proposed development projects and develops project conditions of approval.
- Responds to citizen traffic concerns regarding development projects.

Community Information

- Provides assistance to the public regarding right-of-way issues.
- Develops "Project Information Sheets" to provide summary information on development projects to the public.
- Provides technical guidance and information at Council and Commission meetings.

ENGINEERING DEVELOPMENT SERVICES STAFFING

Full Time Equivalent (FTE)

	2019/20	2020/21	2021/22	2022/23	2023/24
Town Staff	**Funded**	**Funded**	**Funded**	**Funded**	**Adopted**
Parks & Public Works Director	0.20	0.20	0.20	0.20	0.20
Asst PPW Dir/Town Engineer	0.20	0.20	0.20	-	-
Town Engineer	-	-	-	0.20	0.20
Construction Project Mgr	0.14	0.14	0.14	0.14	0.14
Senior Civil Engineer	0.80	0.80	0.80	1.00	1.20
Executive Assistant	0.05	0.05	0.05	0.05	-
Administrative Technician	-	-	-	-	0.05
Administrative Assistant	0.10	0.10	0.10	0.10	-
Permit Technician	-	-	-	-	0.50
Associate Engineer	1.20	1.20	1.20	1.00	0.80
Assistant Engineer	0.20	0.20	0.20	0.20	0.20
Senior Public Works Inspector	0.35	0.35	0.35	0.35	0.35
Public Works Inspector	-	-	-	-	-
TOTAL PROGRAM FTEs	**3.24**	**3.24**	**3.24**	**3.24**	**3.64**

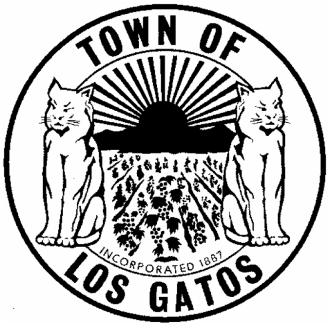
	2019/20	2020/21	2021/22	2022/23	2023/24
Temporary Staff Hours	**Funded**	**Funded**	**Funded**	**Funded**	**Adopted**
Associate Civil Engineer	-	-	-	51.25	-
TOTAL ANNUAL HOURS	**-**	**-**	**-**	**51.25**	**-**

PARKS & PUBLIC WORKS DEPARTMENT
Engineering Development Services

Performance Objectives and Measures	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. *To provide an effective and efficient encroachment and grading/improvement permit approval process:*					
a. Percentage of conventional encroachment permits that are processed by Engineering staff within 5 business days:	90%	90%	70%	50%	90%
b. Percentage of conventional grading/improvement permits that are reviewed by Engineering staff within 10 business days:*	90%	90%	80%	80%	80%

Activity and Workload Highlights	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. Number of encroachment permits processed:	358	450	450	475	475
2. Number of grading permits processed:	19	10	15	20	25
3. Total encroachment permit revenue:	$ 284,119	$ 381,386	$ 665,852	$ 250,000	$ 250,000
4. Total grading permit revenue:	$ 97,213	$ 104,584	$ 154,889	$ 65,000	$ 65,000

** Due to multiple variables, the review process can vary.*


TOWN OF
INCORPORATED 1887
LOS GATOS

Parks & Public Works Department

PARK SERVICES
PROGRAM 5301

PROGRAM PURPOSE

The Park Services Program provides maintenance of the Town's parks, trails, open spaces, facility grounds, median islands, parking lot landscaping, fountains, downtown planters, and the urban forest. In addition, Park Services staff maintains recreational areas for residents and visitors, beautifies the Town's landscape, and takes care of functional public areas throughout the community. Additional services include overseeing park use fees and reservations, implementing Town regulations in the Town's parks and open space areas, managing vegetation and pest control, and ensuring the safety of the parks' playground equipment.

BUDGET OVERVIEW

In FY 2023/24, the use of outside vendors for certain parks maintenance services continues, including turf mowing, tree trimming, downtown tree lighting, median island maintenance, and weed abatement. The use of external vendors allows the Town's internal resources to focus on higher priority projects and allows for the most effective management of maintenance operations.

The FY 2023/24 Proposed Budget includes a slight increase in revenue in anticipation of increased Oak Meadow Park reservation activity and increases for park annual use fees in recently executed Parks Use Agreements. Also included are expenditure increases for the contractual increase for Plaza Park and Civic Center fountain services and landscape maintenance services, general maintenance supplies, anticipated fence repairs, and $17,000 for holiday lights storage rental and light supplies.

PARKS & PUBLIC WORKS DEPARTMENT
Park Services

The FY 2023/24 budget includes increases in salary and benefit costs attributed to cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and decreases reflecting the 4.6% salary saving factor.

Given the impacts of this winter's rain, vegetation management along roads and in open spaces are two key areas of operational focus.

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

The Park Services Program will attempt to limit the use of Program staff overtime, although the winter storms in 2023 did necessitate use of overtime and this could occur again. This decrease in overtime involves the reduction of the after-hours "Stand-by Program." Stand-by is only utilized during the months of November through March when there is the greatest need due to potential winter storms, instead of year-round.

Park Services Program staff continue to combine resources with Streets Program staff to complete several large in-house maintenance projects. In FY 2023/24, staff will complete minor park improvements projects at Oak Meadow Park, La Rinconada Park, Oak Hill Play Lot, and Belgatos Park. These projects will repair picnic areas and landscape/hardscape areas. Aging drinking fountains throughout the Town are being replaced with new hydration stations equipped with filtered water.

Additionally, staff continues to be involved with the implementation of the Long-Term Trash Plan, which is a requirement of the storm water permit. This involves annual inspection and cleaning of storm water catch basins, including the reporting of data to achieve permit compliance.

PARKS & PUBLIC WORKS DEPARTMENT
Park Services

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Other Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and Permits	110,832	111,076	208,128	106,000	106,000	110,000
Intergovernmental	-	-	-	7,236	7,236	-
Service Charges	94,165	92,408	7,495	45,771	45,771	58,656
Fines & Forfeitures	-	100	400	-	-	-
Other Revenues	23,235	39,490	80,755	30,158	30,158	19,811
TOTAL REVENUES	**$ 228,232**	**$ 243,074**	**$ 296,778**	**$ 189,165**	**$ 189,165**	**$ 188,467**
EXPENDITURES						
Salaries and Benefits	$ 1,307,418	$ 1,362,153	$ 1,353,709	$ 1,602,216	$ 1,521,455	$ 1,332,676
Operating Expenditures	592,827	576,801	583,155	757,317	744,296	804,743
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	65,598	74,309	92,445	114,338	110,913	111,777
TOTAL EXPENDITURES	**$ 1,965,843**	**$ 2,013,263**	**$ 2,029,309**	**$ 2,473,871**	**$ 2,376,664**	**$ 2,249,196**

FY 2023/24 KEY PROJECTS

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

PARKS & PUBLIC WORKS DEPARTMENT
Park Services

FY 23/24 KEY PROJECTS

Core Goals	Key Projects
Quality Public Infrastructure Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	***Wildfire Mitigation*** Town secured a grant from USDA Forest Service for a Roadside Fuels Reduction project staff continues to pursue multiple grants to fund wildfire mitigation in Town open spaces and along the rights-of-way in the hillsides. In addition to the grant opportunities, Santa Clara County Fire is working with Town staff on a Fire Fuel Reduction program along primary ingress/egress routes in the Wildland Urban Interface (WUI) portion of Town. Staff will complete the removal of 18 Eucalyptus trees along Overlook Road and at least another five miles of roadway vegetation management

KEY PROGRAM SERVICES

Maintenance Services

- Maintains 62 public sites, including 75.3 acres of landscaped space located in 15 Town parks; 12.09 miles of trails and pathways; 246 acres of open space located in three open space areas; 19.15 acres of landscaping for medians, roadside banks, triangles, and nine community parking lots; 33 downtown streetscape planters; and grounds maintenance for five Town-owned public buildings with 6.81 acres of landscaped area.
- Maintains trees and plants in all parks, on all median islands, along all streets, and on public property, including State Route 9, per agreement with Caltrans.
- Conducts ongoing maintenance and improvement projects, as needed, to ensure parks and trails equipment and facilities are functional and in safe operating condition.
- Maintains the downtown tree lights on Santa Cruz Avenue and Main Street.
- Maintains the interactive fountain at Plaza Park and the fountain at the Civic Center.
- Coordinates the tree removal permit process to protect trees and manage tree inspection services.
- Oversees contract services for six Landscaping and Lighting Assessment Districts.
- Supervises the state Department of Corrections Work Furlough Program for clean-up projects.

PARKS & PUBLIC WORKS DEPARTMENT
Park Services

KEY PROGRAM SERVICES

Park Use Fees and Reservation System

- Supports the online park reservation system and user fee process.
- Implements Town regulations in the Town's parks and trails system.

Volunteer Projects

- Manages the downtown Adopt-a-Planter program.
- Coordinates volunteers (individuals and groups) who maintain or construct park-related projects, including parks and trails system improvements and debris removal.
- Oversees the Adopt a Highway – Highway 9/Highway 17 Circle Ramp Cleanups.

Special Events

- Provides support services for Town events including 4th of July, Screen on the Green, the holiday tree lighting ceremony in Town Plaza Park, Spring into Green, and the Children's Holiday Parade.
- Provides services for other special events on a cost-recovery basis, if requested.

PARKS & PUBLIC WORKS DEPARTMENT
Park Services

PARK SERVICES PROGRAM STAFFING

Full Time Equivalent (FTE)

Town Staff	2019/20 Funded	2020/21 Funded	2021/22 Funded	2022/23 Funded	2023/24 Adopted
Parks & Public Works Director	0.20	0.20	0.20	0.20	0.20
Superintendent	0.40	0.40	0.40	0.40	0.40
Construction Project Mgr	0.13	0.13	0.13	0.13	0.13
Park & Public Works Operation Mgr	0.60	0.60	0.60	0.60	0.60
Senior Administrative Analyst	0.15	0.15	0.15	0.15	0.15
Administrative Technician	-	-	-	0.40	0.25
Executive Assistant	0.25	0.25	0.25	-	-
Administrative Assistant	0.30	0.55	0.55	0.55	0.65
Parks Service Officer	1.00	1.00	1.00	1.00	1.00
Lead Parks & Maint Worker	1.00	1.00	1.00	1.00	1.00
Parks & Maint Worker	4.00	4.00	4.00	4.00	3.00
TOTAL PROGRAM FTE's	**8.03**	**8.28**	**8.28**	**8.43**	**7.38**

Temporary Staff Hours	2019/20 Funded	2020/21 Funded	2021/22 Funded	2022/23 Funded	2023/24 Adopted
Maintenance Assistant	5,033	5,033	5,033	5,033	4,613
TOTAL ANNUAL HOURS	**5,033**	**5,033**	**5,033**	**5,033**	**4,613**

PARKS & PUBLIC WORKS DEPARTMENT
Park Services

Performance Objectives and Measures	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. *To ensure the park's playground equipment is functional and in safe operating condition.*					
a. Percentage of parks with playground equipment receiving weekly safety inspections:	90%	95%	95%	95%	95%

Activity and Workload Highlights	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. Total number of acres of Town parks, open space, and median islands maintained:	285	250	250	227	227
2. Total miles of parks and open space trails maintained:	9	9	9	9	9
3. Total number of park reservations issued annually:	351	510	847	700	700
4. Total number of special use permits for parks issued annually:	19	66	76	50	50
5. Total number of parks service requests within Town parks received and completed:	72	82	99	110	110


TOWN OF
INCORPORATED 1887
LOS GATOS

Parks & Public Works Department

ENVIRONMENTAL SERVICES
PROGRAM 5302

PROGRAM PURPOSE

The purpose of the Environmental Services Program is to implement initiatives that protect public health, safety, and the environment, and promote programs to encourage a sustainable future. Staff works to encourage:

1) Sustainability initiatives / Water conservation
2) Stormwater Permit Compliance
3) Energy reduction
4) Recycling and organics waste diversion

The Environmental Services Program staff works with West Valley Joint Powers Authorities (JPAs) to ensure the Town is in compliance with environmental regulations, including water quality, sanitation, solid waste disposal, and recycling. Staff also provides management oversight with compliance reports, such as the annual report for the National Pollutant Discharge Elimination System (NPDES) storm water permit. On May 11, 2022, the Regional Water Board adopted the third iteration of the Municipal Regional NPDES Permit (known as MRP 3.0). The reissued MRP requires 79 cities, towns, counties, and flood control districts surrounding San Francisco Bay, including the Town of Los Gatos, to implement specific measures to reduce the impacts of stormwater runoff on local creeks and the San Francisco Bay. This includes significant changes to previous requirements for new development and redevelopment of private properties, water quality monitoring, trash load reduction, mercury controls, and Polychlorinated Biphenyls (PCBs) Controls. The MRP also had minor changes to municipal operations, and other topics while adding new requirements for discharges associated with unsheltered residents, cost reporting, and asset management.

Additionally, Program staff educates and raises awareness about environmental issues through various community education activities and events. Staff continues to work with its partners, such as the West Valley Clean Water Program, Pacific Gas & Electric, and West Valley Collection & Recycling, to raise community awareness about environmental sustainability, waste prevention, and resource conservation.

As required by the California Integrated Waste Management Act of 1989 (AB 939), the Town must divert a minimum of 50% of its waste from the landfill. In 2011, the California Integrated Waste Management Act (AB 341) was approved that establishes a statewide diversion goal of 75%, and also requires several solid waste disposal policies. In September 2016, Governor Brown signed into law SB 1383 (Lara, Chapter 395, Statutes of 2016), establishing methane emissions reduction targets in a Statewide effort to reduce emissions of short-lived climate pollutants in various sectors of California's economy. SB 1383 establishes targets to achieve a 50% reduction in the level of Statewide disposal of organic waste from the 2014 level by 2020, and 75% reduction by 2025. It establishes an additional target that not less than 20% of edible food that is currently targeted for disposal be recovered for human consumption by 2025. As of January 1, 2022, SB 1383 requires cities and counties to procure annually a quantity of recovered organic waste products and requires organic recycling for both residential and commercial with enforcement and tracking. Staff, working with the West Valley Solid Waste Management Authority, manages compliance with AB 939, AB 341, and SB 1383 requirements, monitors and evaluates existing waste collection and recycling programs, and recommends new programs to meet diversion objectives.

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

BUDGET OVERVIEW

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

Town staff will continue to represent the Town with the West Valley Solid Waste Management Authority (WVSWMA) and Household Hazardous Waste Program with a goal of increasing waste diversion and minimization. The Town continues to work closely with WVSWMA on SB 1383 implementation and record keeping requirements. In addition, the Solid Waste contract with WVC&R expires on February 28, 2024. In 2022, WVSWMA conducted the RFP process for solid waste services and identified that continuing with West Valley Collection & Recycling as our hauler is the best option for the West Valley Communities. Selection was based on cost of

service, quality of service, and diversion/environmental enhancements. The new contract will go into effect on March 1, 2024.

The FY 2023/24 budget includes an increase in costs payable to the West Valley Solid Waste Management Authority. The increase in costs is attributed to ongoing requirements for SB 1383 compliance (the cost of which were previously grant funded) and a one-time expense of $150,000 for a Franchise Fee Valuation Study. Completion of the franchise fee valuation study is critical to ensuring that the Town recovers appropriate costs that are incurred by providing solid waste management services to residents.

The FY 2023/24 budget includes increases in salary and benefit costs attributed to cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and decreases reflecting the 4.6% salary saving factor.

The WVSWMA approves new solid waste related fees annually. The revenues collected from solid waste contract are used to offset Department expenditures related to the management of the Household Hazardous Waste Program, street sweeping, and contract administration.

In FY 2022/23, staff installed three additional recycling and garbage receptacles in various Town parks with the intent of an additional three receptacles in FY 2023/24. This Program was created to comply with AB 939 and AB 341 to reduce litter throughout the community and assist with reaching the Statewide diversion goal. The Town continues to submit grant applications each year to the Department of Resources Recycling and Recovery (CalRecycle) for funding opportunities for beverage container recycling and $8,572 has been granted for FY 2023/24.

The Town's Outside the Box Program is designed to enhance the character of the community by adding artwork to utility boxes that are often targeted by graffiti vandals. Selected artwork will integrate diversity, equity, and inclusion while communicating environmental sustainability messages that include active transportation, clean energy, clean creeks, community sustainability, and healthy lifestyles. In FY 2022/23, the Town installed five utility box vinyl wraps. At this time, most downtown utility boxes have received a wrap and the program will revert to maintenance of the installed wraps rather than installing new ones. The installation of the wraps is funded through the capital program.

In FY 2020/21 Town staff partnered with the West Valley Clean Water Program Authority (WVCWPA) and the City of Campbell in adding ten waste and educational stations (five in Los

Gatos) along the Los Gatos Creek Trail. Each station consists of trash and recycling receptacles, a dog waste station, and environmental outreach signage.

In FY 2022/23 the Environmental Services partnered with the Los Gatos Library and was awarded a $30,000 grant from California Sustainable Libraries for sustainability programing including a: sustainability speaker series through the lens of diversity, equity, and inclusion, translation services, environmental kits for checkout, seed library and sustainable gardening, re-landscaping of the Children's Garden with local flora, and goat use for landscaping maintenance on the hill behind the library.

In FY 2022/23, Silicon Valley Clean Energy (SVCE) worked closely with CDD in adopting new Reach Codes. These Reach Codes ensure that new buildings use cleaner sources of energy that are greenhouse gas (GHG) free and include electric vehicle charging stations beyond State code requirements to further reduce GHG emissions. The Town's Reach Codes were effective January 1, 2023.

PARKS & PUBLIC WORKS DEPARTMENT
Environmental Services

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Other Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and Permits	123,880	178,337	302,197	256,599	256,599	258,065
Intergovernmental	57,226	46,685	46,106	39,964	39,964	43,044
Service Charges	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	**$ 181,106**	**$ 225,022**	**$ 348,303**	**$ 296,563**	**$ 296,563**	**$ 301,109**
Transfers In						
Transfer from General Fund	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
TOTAL REVENUES & TRANFERS IN	**$ 181,106**	**$ 225,022**	**$ 348,303**	**$ 296,563**	**$ 296,563**	**$ 301,109**
EXPENDITURES						
Salaries and Benefits	$ 171,152	$ 188,511	$ 206,117	$ 236,589	$ 234,622	$ 230,664
Operating Expenditures	107,302	173,257	259,882	220,636	168,852	423,043
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	464	610	659	747	747	2,344
TOTAL EXPENDITURES	**$ 278,918**	**$ 362,378**	**$ 466,658**	**$ 457,972**	**$ 404,221**	**$ 656,051**
Transfers Out						
Transfer to General Fund	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
TOTAL EXPENDITURES & TRANSFERS OUT	**$ 278,918**	**$ 362,378**	**$ 466,658**	**$ 457,972**	**$ 404,221**	**$ 656,051**

PARKS & PUBLIC WORKS DEPARTMENT
Environmental Services

FY 2023/24 KEY PROJECTS

Core Goals	Key Projects
Community Character Preserve and enhance the appearance, character, and environmental quality of the community	***Collection Services*** The Town is an active member of the West Valley Solid Waste Management Authority, a joint powers authority (JPA) that contracts for solid waste collection, recycling, and disposal services for residential and commercial customers in Los Gatos, Campbell, Monte Sereno, and Saratoga. During FY 2023/24, staff will continue to work actively with the JPA and West Valley Collection and Recycling with an emphasis on SB 1383 implementation and recordkeeping. ***Keep Los Gatos Beautiful*** April is "Keep Los Gatos Beautiful" month, and multiple major events are planned during this month. "Spring into Green" is a sustainability focused event that combines National Earth Day, National Arbor Day, and "Keep Los Gatos Beautiful" month into one community celebration. ***Community Outreach and Awareness*** Program staff will coordinate a variety of waste prevention and resource conservation community outreach activities, to promote recycling, waste diversion, environmental sustainability, and environmental protection. Staff continues to work with partners, such as the West Valley Clean Water Program, Pacific Gas & Electric, and West Valley Collection & Recycling, to raise community awareness of these issues. In FY 22/23 the Parks & Public Works Department partnered with the Los Gatos Library to provide a Sustainability Speaker Series through the lens of equity and resiliency. This series launched in January 2023 and will continue through FY 23/24. ***Green Business Certification*** Staff will continue to work on and maintain its Green Business Certification through the Santa Clara County Green Business Program. As part of this certification process, staff will coordinate green business education programs including the award-winning "Los Gatos: Growing Greener Together" campaign. ***Household Hazardous Waste*** The Town contracts with the County of Santa Clara Household Hazardous Waste Program to provide free and safe disposal of household hazardous waste. Throughout the year, the Program will continue to monitor the work performed under this contract, which allows residents to dispose of potentially hazardous waste such as paint, used motor oil and filters, pesticides, herbicides, corrosives, flammables, and household medical waste.

PARKS & PUBLIC WORKS DEPARTMENT
Environmental Services

KEY PROGRAM SERVICES

- Maintains Town's compliance with California Integrated Waste Management Act of 1989 (AB 939) solid waste diversion requirements, including initiating and implementing programs to increase diversion.
- Work with West Valley Solid Waste Management Authority to achieve SB 1383 implementation and record keeping compliance.
- Participates in West Valley Solid Waste Management Authority JPA activities, including rate and service reviews.
- Provides safe household hazardous waste disposal options.
- Implements the Town's Sustainability Plan, including strategies to reduce the Town's carbon footprint.
- Promotes sustainability initiatives and educational awareness through partnerships and activities, such as the "Spring into Green" event and the Green Business Certification Program.

PARKS & PUBLIC WORKS DEPARTMENT
Environmental Services

ENVIRONMENTAL SERVICES PROGRAM STAFFING

Full Time Equivalent (FTE)

Town Staff	2019/20 Funded	2020/21 Funded	2021/22 Funded	2022/23 Funded	2023/24 Adopted
Park & Public Works Operation Mgr	0.40	0.40	0.40	0.40	0.40
Environmental Programs Specialist	1.00	1.00	1.00	1.00	1.00
Total General Fund FTE	**1.40**	**1.40**	**1.40**	**1.40**	**1.40**

Performance Objectives and Measures	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. *Maximize diversion from landfills in order to protect public health and safety, and the*					
a. Disposal per capita by calendar year (target is ≤ 5.2 lbs./person/day): *	3.7	3.09	3.3	3.3	3.3
2. *Monitor and evaluate existing waste collection and recycling programs.*					
a. Percentage of solid waste collection calls received and resolved within 2 days:	100%	99.9%	99%	100%	100%
b. Diversion Rate**:	46%	44.5%	42%	42%	42%

Activity and Workload Highlights	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. Number of Los Gatos households participating in the Household Hazardous Waste Disposal Program:	1,008	1,597	1,099	1,099	1,099
2. Town solar usage (Megawatts generated):	222	222	222	222	222
3. Number of Electric Vehicle Charging Stations:	8	16	16	16	16
4. Total kWh used by Electric Vehicle Chargers:	75,616	74,316	82,721	82,721	82,721

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

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

Parks & Public Works Department

STREETS and SIGNALS PROGRAM
PROGRAM 5401

PROGRAM PURPOSE

The Streets and Signals Program provides safe and functional roadways, retaining walls, bridges, and curb and sidewalk systems through the ongoing maintenance of the Town's roadway network. Objectives include minor pavement reconstruction, minor street repairs, the filling of potholes, maintenance of roadway signs, traffic pavement markings, signals, streetlights, storm drain maintenance, and debris removal. Program staff collaborates with other Department Programs, such as the Park Services Program, and neighboring agencies to perform roadside cleanup projects. Additional project coordination is conducted with the Engineering Program Services for traffic calming device installation and roadway improvements in the Capital Improvement Program.

BUDGET OVERVIEW

In FY 2023/24, the Streets and Signals Program will continue to provide tree maintenance as a contractual service. This is done as a cost savings measure, and it allows staff to focus on other day-to-day operational responsibilities. The FY 2023/24 budget includes an increase for this service from $100,000 to $200,000 annually from the Town's tree fund.

The FY 2023/24 budget includes increases in salary and benefit costs attributed to cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and decreases reflecting the 4.6% salary saving factor.

Also included are expenditure increases for the purchase of storm related supplies, road maintenance supplies, Compost required by the SB1383 mandate, storm drain cleaning, and additional training needs.

PARKS & PUBLIC WORKS DEPARTMENT
Streets & Signals Program

Downtown trash can removal service will be performed through contractual services.

Additionally, overtime costs will be contained by continuing to only operate the "Stand-By" program during November through March, instead of year-round. Street sweeping services will continue in the Town and be carried out by the Streets and Parks Maintenance Workers.

Streets and Parks staff will continue to be responsible for the maintenance and operations of the trash capture devices, which were installed in FY 2012/13 to meet a requirement of the San Francisco Bay Area Storm Water Municipal Regional Permit. This is an ongoing maintenance responsibility for the Town.

PARKS & PUBLIC WORKS DEPARTMENT
Streets & Signals Program

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Other Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and Permits	225,123	215,848	233,551	122,445	122,445	122,445
Intergovernmental	-	-	-	-	-	-
Service Charges	54,903	45,684	30,112	99,319	99,319	4,000
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	**$ 280,026**	**$ 261,532**	**$ 263,663**	**$ 221,764**	**$ 221,764**	**$ 126,445**
EXPENDITURES						
Salaries and Benefits	$ 1,142,562	$ 1,038,970	$ 1,068,397	$ 1,505,183	$ 1,136,184	$ 1,650,304
Operating Expenditures	840,061	803,886	833,687	866,910	877,093	941,314
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	101,854	108,017	188,692	207,586	193,092	334,795
TOTAL EXPENDITURES	**$ 2,084,477**	**$ 1,950,873**	**$ 2,090,776**	**$ 2,579,679**	**$ 2,206,369**	**$ 2,926,413**

PARKS & PUBLIC WORKS DEPARTMENT
Streets & Signals Program

FY 2023/24 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable and collaborate government	***Ongoing Maintenance*** Ongoing maintenance of the Town's infrastructure ensures year-round functionality for the Town. This work includes roadway repair, storm drain cleaning, street sign replacements, and other routine maintenance activities. ***Inter-Program Work Projects*** Program staff will continue to plan and coordinate work projects, such as roadside clean-ups, that use Department-wide resources to increase efficiency and address large scale maintenance issues. ***Partnership with Other Municipalities*** Staff will continue to pursue opportunities with local agencies that have similar service needs to reduce Program expenditures. Successful ongoing coordinated efforts include graffiti removal, paving operations, brush removal activities, and the storm drain catch basin cleaning program.
Quality Public Infrastructure Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	***Capital Improvement Program Projects*** Streets Program staff will perform minor pavement repairs in advance of contractor work to enhance efficiency and management of Capital Improvement Program projects. Parking lots will continue to be recoated and striped as needed with a focus on ADA improvements raised through the ADA transition plan.

PARKS & PUBLIC WORKS DEPARTMENT
Streets & Signals Program

KEY PROGRAM SERVICES

Street Maintenance Program

- Maintains traffic signs and street signs along public streets.
- Maintains visibility of pavement markings, including crosswalks, red curbs, and roadway striping.
- Maintains 1,797 streetlights in the public right-of-way.
- Maintains LED Streetlights.

Tree Maintenance

- Oversees the tree trimming contract.
- Manages private tree removal application process and implementation of mitigation measures.

Street Maintenance/Pavement

- Maintains and repairs over 236 lane miles of public streets and 23 parking lots.
- Maintains storm drain basins, ditches, and culverts.

Sidewalk Maintenance Program

- Coordinates concrete sidewalk, curb, and gutter replacements with the CIP.
- Maintains the cleanliness of sidewalks, benches, and waste receptacles in the business districts using pressure washing equipment.

Special Events

- Provides support services to Town events.
- Installs banners and flags, as requested by local organizations and approved by the Town.

PARKS & PUBLIC WORKS DEPARTMENT
Streets & Signals Program

STREETS & SIGNALS PROGRAM STAFFING

Full Time Equivalent (FTE)

Town Staff	2019/20 Funded	2020/21 Funded	2021/22 Funded	2022/23 Funded	2023/24 Adopted
Park & Public Works Director	0.20	0.20	0.20	0.20	0.20
Urban Forest Manager				1.00	-
Superintendent	0.40	0.40	0.40	0.40	0.40
Construction Project Manager	0.13	0.13	0.13	0.13	0.13
Parks & Public Works Operation Mgr	0.50	0.50	0.50	0.50	0.50
Senior Administrative Analyst	0.15	0.15	0.15	0.15	0.15
Administrative Technician	-	-	-	0.30	0.25
Executive Assistant	0.25	0.25	0.25	-	-
Administrative Assistant	0.60	0.60	0.60	0.60	0.40
Permit Technician	-	-	-	-	0.20
Town Arborist	1.00	1.00	1.00	1.00	1.00
Lead Parks & Maint Worker	1.00	1.00	1.00	2.00	2.00
Parks & Maint Worker	3.75	3.75	3.75	3.75	4.75
TOTAL PROGRAM FTEs	**7.98**	**7.98**	**7.98**	**10.03**	**9.98**

PARKS & PUBLIC WORKS DEPARTMENT
Streets & Signals Program

Performance Objectives and Measures	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. *To ensure streetlights and traffic signals are working in effective operating order.*					
a. Percentage of streetlight malfunctions repaired within 5 days of notification:	*Not Applicable*	*100%*	*100%*	*100%*	*100%*
2. *To provide safe and functional roadway systems throughout Town.*					
a. Pavement Condition Index (PCI):	70	70	68	75	78

Activity and Workload Highlights	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. Number of Town street lights:	1,797	1,797	1,797	1,797	1,797
2. Number of street light malfunctions reported:	57	51	35	48	50
3. Annual number of Town street lights repaired:	57	101			
4. Number of signalized intersections maintained:	31	30	31	31	31
5. Miles of street maintained:	132	113	113	113	113
6. Number of traffic signs repaired/replaced:	408	186	99	95	100
7. Total number of traffic related work orders received and completed:	138	101	88	90	95
8. Total number of tree-related maintenance requests received, requiring inspection by staff:	250	279	319	370	400
9. Total number of staff hours for tree-related work, including, but not limited to, inspections or pruning:	1192	850	630	555	600
10. Number of public trees pruned or maintained at industry standard:	1,294	1662	418	480	1200
11 Square feet of sidewalks removed and replaced:	7,224	992	340	1000	750
12. Miles of street resurfaced:*	17	9	19.5	16	19
13. Number of new ADA curb ramps/upgraded ADA curb ramps constructed:*	68	92	59	68	70
14. Linear feet of bike lanes:	115,660	161,312	166,538	166,538	166,538

** New Measure as of FY2020/21*


TOWN OF
INCORPORATED 1887
LOS GATOS

Parks & Public Works Department

PROPERTY DAMAGE
PROGRAM 5405

PROGRAM PURPOSE

The Property Damage Program is an operating program designed to monitor financial activity related to the damage of Town property and public infrastructure, such as sidewalks, streets, Town vehicles, parks, and other public facilities. In particular, this Program tracks revenue/reimbursements received by applicable parties and expenses incurred as the result of damage to Town property.

BUDGET OVERVIEW

The FY 2023/24 budget reflects a net zero impact to the General Fund budget, as it is difficult to anticipate potential damage to Town property. A placeholder of $25,000 in expenditures was budgeted; budget adjustments, if necessary, will be brought forward for Council consideration during the Mid-Year Budget review process. Due to the timing of the receipt of reimbursements, prior year revenue actuals are initially higher than expenditures. As this Program includes no staff activity, it does not have Key Projects or Performance Measures.

PARKS & PUBLIC WORKS DEPARTMENT
Property Damage

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Other Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Service Charges	-	-	-	-	-	-
Other Revenues	25,682	2,345	12,850	-	515	-
TOTAL REVENUES	**$ 25,682**	**$ 2,345**	**$ 12,850**	**$ -**	**$ 515**	**$ -**
EXPENDITURES						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	18,632	5,197	3,543	25,000	25,000	25,000
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	-	-	-	-	-	-
TOTAL EXPENDITURES	**$ 18,632**	**$ 5,197**	**$ 3,543**	**$ 25,000**	**$ 25,000**	**$ 25,000**

Parks & Public Works Department

VEHICLE MAINTENANCE MANAGEMENT
PROGRAM 5406

PROGRAM PURPOSE

The Vehicle Maintenance Management Program maintains the Town's more than 80 vehicles and equipment to ensure each item is safe and functional. Program staff provide preventive maintenance and repair for the Town's fleet and light to heavy duty construction equipment. A combination of in-house personnel and outside contractors provide maintenance and repair services for the Town's vehicles and equipment.

BUDGET OVERVIEW

This Program continues to evaluate vehicle maintenance costs and repairs to determine cost saving strategies. This Program will continue to evaluate the purchase of hybrid and alternative fuel vehicles, as the budget permits, to reduce fuel consumption and greenhouse gas emissions over the short and long terms. Staff continues to reduce the purchase of diesel-powered vehicles wherever feasible. The purchase of diesel-powered equipment has been limited to large equipment and heavy trucks.

Operating expenditures that were previously funded in the Vehicle Maintenance Internal Service Fund were programmed beginning in FY 2019/20 in the General Fund Vehicle Maintenance Management Program.

Fuel prices can fluctuate dramatically, making forecasting fuel prices for the fiscal year difficult. Due to market variations, cost projections remain conservative; however, any fuel expenditures over and above the established budget would be brought forth for Council consideration with the Mid-Year Budget report.

PARKS & PUBLIC WORKS DEPARTMENT
Vehicle Maintenance Management

The FY 2023/24 budget includes increases in salary and benefit costs attributed to cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, and higher benefit and CalPERS pension rates.

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Other Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Service Charges	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
EXPENDITURES						
Salaries and Benefits	$ 277,131	$ 251,108	$ 298,835	$ 293,740	$ 340,993	$ 286,193
Operating Expenditures	(108,837)	-	(32,521)	-	(5,150)	-
Fixed Assets	28,934	-	-	-	-	-
Internal Service Charges	1,844	282	2,414	7,015	2,617	13,145
TOTAL EXPENDITURES	**$ 199,072**	**$ 251,390**	**$ 268,728**	**$ 300,755**	**$ 338,460**	**$ 299,338**

PARKS & PUBLIC WORKS DEPARTMENT
Vehicle Maintenance Management

FY 23/24 KEY PROJECTS

Core Goals	Key Projects
Community Character Preserve and enhance the appearance character and environment quality of the community	***Alternate Fuel Vehicles*** The Program will continue to pursue alternate fuel vehicles as the replacement schedule, Town budget, and functionality requirements allow. The Program is also pursuing electric vehicles where feasible and working on increasing electric vehicle charging infrastructure at Town facilities.
Good Governance Ensure responsive, accountable and collaborate government	***Repair Schedules*** Staff will continue to actively manage maintenance schedules to maximize vehicle and equipment life cycles. Ongoing efforts continue for selective in-sourcing and out-sourcing of work ensure the Program provides quality and cost-efficient service. ***Fleet Management*** The Program's asset management system tracks a vehicle's total repair, maintenance schedule, and fuel costs. This system provides reliable quantitative information to assist with replacement decisions and conduct operational efficiencies. The Program will continue to analyze fleet usage and repair cost information and adjust the fleet size as appropriate. ***Inter-Departmental Projects*** Staff will continue to participate in inter-Departmental projects on an as needed basis, which provides additional Departmental flexibility for major projects. Winter storms require action Department-wide with all Program staff participating.

KEY PROGRAM SERVICES

- Provides preventive maintenance and repairs for all Town-owned vehicles and equipment.
- Maintains the Town's fueling system infrastructure for gasoline, and diesel fuel.

PARKS & PUBLIC WORKS DEPARTMENT
Vehicle Maintenance Management

VEHICLE MAINTENANCE PROGRAM STAFFING

Full Time Equivalent (FTE)

Town Staff	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Funded**	**2022/23 Funded**	**2023/24 Adopted**
Superintendent	0.20	0.20	0.20	0.20	0.20
Administrative Assistant	0.35	0.40	0.40	0.40	0.10
Administrative Technician	-	-	-	0.20	-
Equipment Mechanic	1.00	1.00	-	-	-
Supervising Equipment Mechanic	-	-	1.00	1.00	1.00
Total Vehicle Maint. FTEs	**1.55**	**1.60**	**1.60**	**1.80**	**1.30**

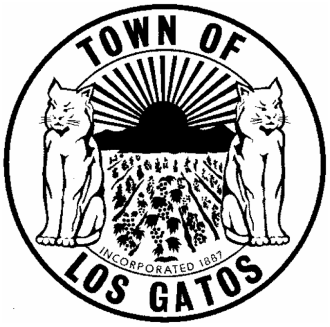
Temporary Staff Hours	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Funded**	**2022/23 Funded**	**2023/24 Adopted**
Equipment Mechanic	-	-	-	-	960
TOTAL PROGRAM FTE's		**-**	**-**	**-**	**960**

PARKS & PUBLIC WORKS DEPARTMENT
Vehicle Maintenance Management

Performance Objectives and Measures	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. *To provide safe and functional vehicles and*					
a. Percentage of fleet in compliance with maintenance schedule:	100%	100%	100%	100%	100%
b. Cost per mile, by class of equipment *(Life, cost/replacement cost=annual cost per mile)*					
Police:	$0.55	$0.56	$0.75	$0.75	$0.75
General Fleet - light:	$1.23	$1.10	$1.31	$1.35	$1.35
General Fleet - heavy:	$3.76	$3.33	$3.18	$3.40	$3.40
c. Percentage of fleet that is alternate fuel vehicles:*	20%	20%	17%	17%	17%

Activity and Workload Highlights	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. Number of police vehicles maintained:	39	38	36	41	41
2. Number of heavy-duty vehicles maintained:	4	4	4	4	4
3. Number of light-duty (non-police) vehicles maintained:	40	39	40	40	40
4. Pieces of equipment maintained (light and heavy duty):	42	45	45	45	45
5. Hybrid vehicles:	12	12	12	12	12
6. Electric vehicles:	3	3	2	2	2

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


TOWN OF
INCORPORATED 1887
LOS GATOS

Parks & Public Works Department

FACILITIES MAINTENANCE STAFFING
PROGRAM 5407

PROGRAM PURPOSE

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

BUDGET OVERVIEW

The FY 2023/24 budget includes increases in salary and benefit costs attributed to cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and decreases reflecting the 4.6% salary saving factor.

PARKS & PUBLIC WORKS DEPARTMENT
Facilities Maintenance Staffing

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Other Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Service Charges	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
EXPENDITURES						
Salaries and Benefits	$ 312,464	$ 329,581	$ 357,078	$ 425,466	$ 423,849	$ 424,039
Operating Expenditures	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	3,666	4,047	4,516	17,891	11,474	25,151
TOTAL EXPENDITURES	**$ 316,130**	**$ 333,628**	**$ 361,594**	**$ 443,357**	**$ 435,323**	**$ 449,190**

FACILITIES MAINTENANCE PROGRAM STAFFING

Full Time Equivalent (FTE)

Town Staff	2019/20 Funded	2020/21 Funded	2021/22 Funded	2022/23 Funded	2023/24 Adopted
Park & Public Works Director	0.50	0.50	0.50	0.50	0.50
Lead Parks & Maint Worker	1.00	1.00	1.00	1.00	1.00
Facility Technician	-	-	-	-	1.00
Parks & Maint Worker	1.00	1.00	1.00	1.00	-
Total Building Maint. FTEs	**2.50**	**2.50**	**2.50**	**2.50**	**2.50**

Temporary Staff Hours	2019/20 Funded	2020/21 Funded	2021/22 Funded	2022/23 Funded	2023/24 Adopted
Maintenance Assistant	628	628	628	628	-
TOTAL ANNUAL HOURS	**628**	**628**	**628**	**628**	**-**

Parks & Public Works Department

LOS GATOS THEATRE
PROGRAM 5408

PROGRAM PURPOSE

The Los Gatos Theatre Program is an operating program designed to monitor financial activity related to the Los Theatre that the Town acquired on December 31, 2021.

BUDGET OVERVIEW

Revenues for this fund are obtained through rent from tenants who occupy two retail spaces adjacent to the Theatre (41 and 45 N. Santa Cruz Avenue). The Los Gatos Theatre Program pays for building maintenance, repairs, and elevator maintenance, and the rent revenue in turn fund the Program's expenditures.

PARKS & PUBLIC WORKS DEPARTMENT
Los Gatos Theatre

STATEMENT OF SOURCE AND USE OF FUNDS

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignated	-	-	-	-	19,500	32,086
Total Beginning Fund Balance	-	-	-	-	19,500	32,086
Revenues						
Other Taxes	-	-	-	-	-	-
Service Charge	-	-	-	-	-	-
Service Charges	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Other Revenues	-	-	19,500	68,400	68,400	68,400
Total Revenues	**-**	**-**	**19,500**	**68,400**	**68,400**	**68,400**
Transfers In						
Transfer from General Fund	-	-	-	-	-	-
Transfer from Equipment Replacemer	-	-	-	-	-	-
Total Transfers In	**-**	**-**	**-**	**-**	**-**	**-**
Total Revenues & Transfers In	**-**	**-**	**19,500**	**68,400**	**68,400**	**68,400**
TOTAL SOURCE OF FUNDS	**$ -**	**$ -**	**$ 19,500**	**$ 68,400**	**$ 87,900**	**$ 100,486**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	-	-	-	55,814	55,814	40,000
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	-	-	-	-	-	-
Total Expenditures	**-**	**-**	**-**	**55,814**	**55,814**	**40,000**
Transfers Out						
Transfer to General Fund	-	-	-	-	-	-
Transfer to Capital Projects	-	-	-	-	-	-
Transfer to Office Stores	-	-	-	-	-	-
Total Transfers Out	**-**	**-**	**-**	**-**	**-**	**-**
Total Expenditures & Transfers Out	**-**	**-**	**-**	**55,814**	**55,814**	**40,000**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	-	-	19,500	12,586	32,086	60,486
Total Ending Fund Balance	-	-	19,500	12,586	32,086	60,486
TOTAL USE OF FUNDS	**$ -**	**$ -**	**$ 19,500**	**$ 68,400**	**$ 87,900**	**$ 100,486**

Parks & Public Works Department

PASS-THROUGH ACCOUNTS
PROGRAM 5999

PROGRAM PURPOSE

The Pass-Through Accounts Program provides an accounting structure to separate ongoing Parks and Public Works Department activities from applicant funding utilized for external engineering services consultants, such as traffic study engineering and geotechnical reviews. Fees for these external development related services are paid for in advance by the applicant, with the funds then applied to a purchase order. All invoices from the consultants are subsequently paid out of the applicant's account until they zero out. Any remaining balance is returned to the applicant. Accounting for these activities in a separate accounting structure allows the true cost of operations to remain intact within a Program, eliminating unrelated funding fluctuations from year to year. This pass-through approach is also used in the Community Development Department for similar projects.

BUDGET OVERVIEW

There is no budgetary impact to this Program as revenues should equal expenditures. The revenues and expenditures reflect estimates based on prior year trends and known departmental operations. At fiscal year-end, actuals may differ substantially from original budgeted numbers as the quantity and size of engineering fees in any given year is not known or determinable in advance. This budget reflects a reasonable estimate only. As this Program includes no staff activity, it does not have Key Projects or Performance Measures.

PARKS & PUBLIC WORKS DEPARTMENT
Pass-Through Accounts

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Other Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Service Charges	452,157	481,981	457,138	598,575	719,774	380,000
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	**$ 452,157**	**$ 481,981**	**$ 457,138**	**$ 598,575**	**$ 719,774**	**$ 380,000**
EXPENDITURES						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	-	-	-	-	-	-
Pass Thru Account	452,157	481,981	457,138	598,575	719,774	380,000
Internal Service Charges	-	-	-	-	-	-
TOTAL EXPENDITURES	**$ 452,157**	**$ 481,981**	**$ 457,138**	**$ 598,575**	**$ 719,774**	**$ 380,000**

Parks & Public Works Department

VEHICLE & EQUIPMENT REPLACEMENT FUND
FUND 631

PROGRAM PURPOSE

The Vehicle & Equipment Replacement Fund provides a tracking mechanism for the cost and schedule for asset replacement for assets over $10,000 in value. The fund does not track fixed assets within facilities, such as chillers or boilers. The goal of the fund is to plan for ongoing replacement needs, allowing for the Town to avoid single year spikes in funding or years where funding is not available to meet the needs. Vehicles dominate the list as the asset that has a most defined replacement cycle, per the Vehicle Replacement Policy. The list is an ongoing living document, with assets added and removed as needed.

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

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

BUDGET OVERVIEW

This Program's budget includes funding for replacement vehicles and equipment. Program expenditures change significantly each year due to the timing of major purchases of assets. A combination of deferred replacement, upgrades, replacements, and the refurbishment of vehicles and equipment is proposed, based on the condition of each vehicle or piece of equipment and its cost effectiveness. The FY 2023/24 replacement schedule identifies five

vehicles for replacement as determined by the Town's Equipment Replacement Policy, which is based on the condition, mileage, and/or maintenance history of the asset. The vehicles scheduled for replacement are in the Police fleet.

The cost for vehicle replacement continues to escalate 3% to 5% annually based on supply chain issues, computer chip shortages, and other typical market increases. New vehicle purchases include the installation of safety equipment and components specific to Department needs, thus increasing the overall cost of replacement.

Additionally, public safety vehicles differ from the general fleet based on emergency response requirements. As a result, special equipment such as warning lights, sirens, and computers continue to increase the overall cost of new vehicles.

Program staff will continue to evaluate the current fleet inventory and evaluate each vehicle's replacement schedule along with the Department's needs and the Equipment Maintenance and Replacement Policy. Vehicles previously removed from the replacement schedule, but still in the inventory will be evaluated as staff explores right sizing the fleet. Vehicles that are still needed to provide service will be addressed individually through this Program as fleet additions.

The Town entered into an Equipment Sharing Agreement with the cities of Campbell and Cupertino to help generate revenue for the Town by loaning out the use of the sewer truck when Town staff does not need it and to provide access to equipment not available in the Town's inventory. The revenues collected from this agreement are deposited back into the Equipment Replacement Fund for this specific asset. Over time, this will help offset replacement costs for the Town when that vehicle needs to be replaced.

On an ongoing basis, staff will also explore replacement costs versus rental of equipment to reduce ongoing Program operating expenditures. Assessments between internal and external diagnostic and repair facility costs will be conducted to determine the most cost-effective approach. As this Program includes minimal staff activity, it does not have Performance Measures.

Contributions to the Equipment Replacement Fund happen through internal service charges and are determined by the anticipated need for the current fiscal year.

PARKS & PUBLIC WORKS DEPARTMENT
Equipment Replacement Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated - Non-Point Assets	$ 207,831	$ 207,831	$ 207,831	$ 207,831	$ 207,831	$ 207,831
Designated - General Fund Assets	2,600,972	1,717,222	1,681,706	2,014,565	2,014,565	1,374,283
Total Beginning Fund Balance	2,808,803	1,925,053	1,889,537	2,222,396	2,222,396	1,582,114
Revenues						
Service Charge	199,096	267,546	540,957	656,837	656,837	1,026,738
Interest	-	-	-	-	-	-
Other Revenues	36,987	59,852	48,484	30,000	30,000	30,000
Total Revenues	**236,083**	**327,398**	**589,441**	**686,837**	**686,837**	**1,056,738**
Transfers In						
Transfer from Capital Projects	-	-	-	-	-	-
Transfer from General Fund	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
Total Revenues & Transfers In	**236,083**	**327,398**	**589,441**	**686,837**	**686,837**	**1,056,738**
TOTAL SOURCE OF FUNDS	**$ 3,044,886**	**$ 2,252,451**	**$ 2,478,978**	**$ 2,909,233**	**$ 2,909,233**	**$ 2,638,852**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	-	5,892	4,005	4,005	-	-
Fixed Assets	540,036	248,302	157,761	1,347,119	1,327,119	927,021
Internal Service Charges	-	-	-	-	-	-
Total Expenditures	**540,036**	**254,194**	**161,766**	**1,351,124**	**1,327,119**	**927,021**
Transfers Out						
Transfer to General Fund	54,797	75,720	94,816	-	-	-
Transfer to Capital Projects	525,000	-	-	-	-	-
Transfer to Building Maintenance	-	33,000	-	-	-	-
Total Transfers Out	**579,797.00**	**108,720.00**	**94,816.00**	**-**	**-**	**-**
Total Expenditures & Transfers Out	**1,119,833**	**362,914**	**256,582**	**1,351,124**	**1,327,119**	**927,021**
Ending Fund Balance						
Designated - Gas Tax Assets	-	-	-	-	-	-
Designated - Non-Point Assets	207,831	207,831	207,831	207,831	207,831	207,831
Designated - General Fund Assets	1,717,222	1,681,706	2,014,565	1,350,278	1,374,283	1,504,000
Total Ending Fund Balance	1,925,053	1,889,537	2,222,396	1,558,109	1,582,114	1,711,831
TOTAL USE OF FUNDS	**$ 3,044,886**	**$ 2,252,451**	**$ 2,478,978**	**$ 2,909,233**	**$ 2,909,233**	**$ 2,638,852**

PARKS & PUBLIC WORKS DEPARTMENT
Equipment Replacement Fund

FY 2023/24 KEY PROJECTS

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

KEY PROGRAM SERVICES

- Assesses vehicles and equipment for proper replacement timing and for fuel efficiency and functionality.
- Performs cost effectiveness studies for asset cost and replacements.
- Accumulates appropriate internal service charges for asset replacement funding.
- Coordinates with Town Departments for the smooth placement into service of new vehicles and equipment.

Parks & Public Works Department

FACILITIES MAINTENANCE FUND
FUND 633

PROGRAM PURPOSE

The Facilities Maintenance Fund provides funding to ensure Town facilities are safe and functional for public and employee use. Services include custodial services, elevator maintenance, cell phone services, heating and ventilation systems, building improvements, facility security, lighting systems, solar energy, and electric vehicle charging stations. Facilities staff also plan, schedule, and manage small and large building facility projects, such as building remodeling, public access infrastructure improvements, floor covering, workspace reconfigurations, roof repairs, heating and air conditioning system improvements, electrical services, and all other aspects required to keep the Town's facilities functional and safe.

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

BUDGET OVERVIEW

Revenues for this fund are obtained through assessment chargebacks to Town Departments, based upon a percentage of square footage assigned to each Department. The Facilities Maintenance Program pays for all operating expenditures, including utilities, repairs, and maintenance and the Departments in turn fund the Program's expenditures through these chargebacks.

Funds from this source are used to support CIP projects related to energy efficiency and other facility upgrades.

The FY 2023/24 budget includes contractual increases of approximately $8,700 for Fire Suppression and HVAC Services, and also a $10,000 increase for West Valley Sanitation District charge for a sewer related water meter replacement located at the Town Civic Center.

PARKS & PUBLIC WORKS DEPARTMENT
Facilities Maintenance Fund

During FY 2021/22, the Town implemented GASB Statement No. 87 Leases. As a result, the Town recorded long-term lease receivables of $1,826,417 and net deferred inflows of leases of $1,156,412, increasing beginning fund balance and net position by $0.7 million. Estimated cash balance in this fund is $0.3 million.

STATEMENT OF SOURCE AND USE OF FUNDS

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignated	970,787	102,470	156,342	981,784	928,482	947,236
Total Beginning Fund Balance	970,787	102,470	156,342	981,784	928,482	947,236
Revenues						
Other Taxes	34,437	67,146	66,382	40,000	40,000	40,000
Service Charge	847,384	847,375	878,128	938,492	938,492	916,324
Service Charges	-	-	-	-	-	-
Intergovernmental	-	-	-	283,755	-	-
Other Revenues	198,865	266,503	1,048,623	-	283,875	296,199
Total Revenues	**1,080,686**	**1,181,024**	**1,993,133**	**1,262,247**	**1,262,367**	**1,252,523**
Transfers In						
Transfer from General Fund	-	-	1,787	-	-	-
Transfer from Equipment Replacemer	-	33,000	-	-	-	-
Total Transfers In	**-**	**33,000**	**1,787**	**-**	**-**	**-**
Total Revenues & Transfers In	**1,080,686**	**1,214,024**	**1,994,920**	**1,262,247**	**1,262,367**	**1,252,523**
TOTAL SOURCE OF FUNDS	**$ 2,051,473**	**$ 1,316,494**	**$ 2,151,262**	**$ 2,244,031**	**$ 2,190,849**	**$ 2,199,759**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	1,056,673	1,101,182	1,222,780	1,248,952	1,243,613	1,252,521
Fixed Assets	104,330	58,970	-	-	-	-
Internal Service Charges	-	-	-	-	-	-
Total Expenditures	**1,161,003**	**1,160,152**	**1,222,780**	**1,248,952**	**1,243,613**	**1,252,521**
Transfers Out						
Transfer to General Fund	-	-	-	-	-	-
Transfer to Capital Projects	788,000	-	-	-	-	-
Transfer to Office Stores	-	-	-	-	-	-
Total Transfers Out	**788,000**	**-**	**-**	**-**	**-**	**-**
Total Expenditures & Transfers Out	**1,949,003**	**1,160,152**	**1,222,780**	**1,248,952**	**1,243,613**	**1,252,521**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	102,470	156,342	928,482	995,079	947,236	947,238
Total Ending Fund Balance	102,470	156,342	928,482	995,079	947,236	947,238
TOTAL USE OF FUNDS	**$ 2,051,473**	**$ 1,316,494**	**$ 2,151,262**	**$ 2,244,031**	**$ 2,190,849**	**$ 2,199,759**

PARKS & PUBLIC WORKS DEPARTMENT
Facilities Maintenance Fund

FY 2023/24 KEY PROJECTS

Core Goals	Key Projects
Quality Public Infrastructure Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	***Oversight of Capital Improvement Projects***
	Assist in the oversight of all facility improvement projects planned during FY 2023/24, including numerous building improvement projects at the Civic Center and other Town facilities.
	ADA Improvements
	Staff will manage the design the construction of a single use restroom at the Adult Recreation Center to meet current ADA compliance. In addition, staff will manage the design and construction of one set of downstairs restrooms at the Civic Center to meet current ADA compliance.
	Facility Modifications
	PPW will complete Phase 2 of a project to modify two buildings at the Corporation Yard and install a steel warehouse building as a new storage facility. Also, staff will complete a project in the Civic Center that will increase the square footage in the Human Resources Department, providing more space and improved functionality.
	COVID-19 Facility Modifications
	Facilities staff will support Town-wide facility public health modifications as needed on a continual basis, including all public and Town staff areas.

KEY PROGRAM SERVICES

- Administers maintenance agreements for custodial, telephone, plumbing, electrical, heating, ventilation and air conditioning systems.
- Manages preventive maintenance contracts for elevator, fire suppression systems, intrusion and fire alarms.
- Administers facilities capital improvement contracts.
- Administers repairs and improvements to The New Museum of Los Gatos and the Friends of the Library, Los Gatos Theatre as well as the vacant buildings on Tait and at Forbes Mill.
- Manages inter-Departmental service requests.
- Manages lighting for public parking garages and public parking lots.
- Maintains downtown tree lights along North Santa Cruz Avenue and Main Street.
- Monitors and maintains Forbes Mill Footbridge lights.
- Manages essential preventative maintenance for the Los Gatos Theatre (new to Town-owned building inventory).

PARKS & PUBLIC WORKS DEPARTMENT
Facilities Maintenance Fund

Performance Objectives and Measures	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. *To ensure Town facilities are safe and functional for public and employee use.*					
a. Percentage of facilities requests completed within 14 days:	67%	69%	79%	80%	80%

Activity and Workload Highlights	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. Total square footage of facilities maintained:	132,654	132,654	197,949	201,033	201,033
2. Total square footage of facilities maintained per FTE:	53,062	53,062	98,975	100,516	100,516
3. Cost per square foot:	$2.40	$3.00	$3.50	$4.00	$4.00
4. Total number of facility requests received and completed:	323	253	333	328	328

Parks & Public Works Department

NON-POINT SOURCE PROGRAM
FUND 222

PROGRAM PURPOSE

The principal objective of the Non-Point Source Program is to keep debris and pollution from entering the Town's storm drain system, which drains directly into local creeks and ultimately the San Francisco Bay. This objective is accomplished by providing street sweeping services, maintaining trash capture devices inside storm drains, and inspecting private development projects to ensure compliance with storm water requirements. To meet the National Pollutant Discharge Elimination System (NPDES) Permit requirements, Engineering Development Program staff, in coordination with Community Development Department staff, will continue to review the regulations to evaluate the staff and budget impacts associated with implementation of this permit.

BUDGET OVERVIEW

Funding this Program supports work required under the Federal Clean Water Act, Environmental Protection Agency regulations, and respective NPDES permits. The West Valley cities of Saratoga, Monte Sereno, Campbell, and Los Gatos are participants in the West Valley Clean Water Program (WVCWP), which represents these cities at the County and regional level on policy permit issues. Additionally, the WVCWP manages permit and fee administration, collects revenue through tax assessments, compiles data, and does reporting for the West Valley cities.

The FY 2023/24 budget includes increases that are proposed for increases in water rates, software licenses, and storm drain inspections. Also included are increases in salary and benefit costs attributed to cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, and higher benefit and CalPERS pension rates.

PARKS & PUBLIC WORKS DEPARTMENT
Non-Point Source Program

The NPDES permit which regulates each of these programs is issued by the San Francisco Regional Water Quality Control Board (RWQCB). An initial permit went into effect in the 1990s. A next generation of the NPDES storm water permit, called the Municipal Regional Storm Water Permit (MRP), was adopted by the California Regional Water Quality Control Board in October 2009. The MRP 2.0 permit mandated increased requirements in several key areas, including development projects. Increased inspection mandates require additional staff time both for the inspection and the associated reporting.

Effective July 1, 2022, MRP 2.0 was replaced with MRP 3.0. MRP 3.0 requires owners and operators of municipal separate storm sewer systems (MS4s) to meet an expanded series of requirements related to stormwater management measures. This includes implementing control measures that prevent litter and waste from entering MS4 systems and discharging to surface waters. Additionally, requirements to meet trash load reduction impacts to creeks will be increased from 80% by 2019 to 90% by 2023 and 100% by 2025. Staff began moving toward compliance with the installation of full capture devices and/or source control measures. InFY 2021/22, the Town worked closely with WVCWP and SCVURPP to identify 12 ideal locations for installation of new stormwater capture devices to further prevent stormwater pollution. These full capture devices' (FCD's) were installed by June 30, 2022, and now require routine maintenance. At this time, there are no additional FCD's anticipated to be installed in FY 2023/24.

As a result of the MRP 3.0 regulations, staff are required to perform more construction inspections for new development projects to ensure permit requirements, such as Low Impact Development (LID) features, are met. The unfunded mandates required in MRP 3.0 are extensive. Each of these unfunded mandates has associated costs and workloads, and as the requirements increase, incremental gains become more difficult and more expensive with no direct cost recovery option. Staff from the Parks and Public Works Department continues to implement requirements within the Long-Term Trash Plan, as part of the NPDES permit requirements.

The Town's NPDES program will continue to conduct monthly sweeping of streets and parking lots; clear storm drains, ditches, and culverts; and dispose of collected material in a safe manner. Staff is currently evaluating costs and strategies to meet the street sweeping requirements, including contracting this service starting in Fiscal Year 24/25. The Town's NPDES program activities also include volunteer groups that regularly pick up debris along the Los Gatos Creek Trail and through the Town sponsored Adopt a Highway program. Town staff track and report the amount of debris collected by all these activities to WVCWP.

PARKS & PUBLIC WORKS DEPARTMENT
Non-Point Source Program

STATEMENT OF SOURCE AND USE OF FUNDS

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignated	159,450	237,934	371,239	451,557	451,557	616,786
Total Beginning Fund Balance	159,450	237,934	371,239	451,557	451,557	616,786
Revenues						
Licenses and Permits	231,323	231,323	231,323	359,950	359,950	359,950
Intergovernmental	-	-	-	-	-	-
Service Charge	-	-	-	-	-	-
Other Revenues	-	68,155	43,967	-	-	-
Total Revenues	**231,323**	**299,478**	**275,290**	**359,950**	**359,950**	**359,950**
Transfers In						
Transfer from General Fund	10,000	-	-	-	-	-
Total Transfers In	**10,000**	**-**	**-**	**-**	**-**	**-**
Total Revenues & Transfers In	**241,323**	**299,478**	**275,290**	**359,950**	**359,950**	**359,950**
TOTAL SOURCE OF FUNDS	**$ 400,773**	**$ 537,412**	**$ 646,529**	**$ 811,507**	**$ 811,507**	**$ 976,736**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ 134,311	$ 135,625	$ 154,426	$ 164,161	$ 159,240	$ 203,122
Operating Expenditures	25,509	27,319	37,054	30,210	31,480	60,186
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	3,019	3,229	3,492	4,001	4,001	7,795
Total Expenditures	**162,839**	**166,173**	**194,972**	**198,372**	**194,721**	**271,103**
Transfers Out						
Transfer to General Fund	-	-	-	-	-	-
Total Transfers Out	**-**	**-**	**-**	**-**	**-**	**-**
Total Expenditures & Transfers Out	**162,839**	**166,173**	**194,972**	**198,372**	**194,721**	**271,103**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	237,934	371,239	451,557	613,135	616,786	705,633
Total Ending Fund Balance	237,934	371,239	451,557	613,135	616,786	705,633
TOTAL USE OF FUNDS	**$ 400,773**	**$ 537,412**	**$ 646,529**	**$ 811,507**	**$ 811,507**	**$ 976,736**

PARKS & PUBLIC WORKS DEPARTMENT
Non-Point Source Program

FY 2023/24 KEY PROJECTS

Core Goals	Key Projects
Community Character Preserve and enhance the appearance, character, and environmental quality of the community	***Expanded Trail Volunteer Opportunities*** The Program will continue to increase volunteer opportunities to reduce debris from entering the waterways alongside trails and walkways in Los Gatos. In addition, Program staff will continue to partner with the West Valley Clean Water Program to raise awareness about stormwater and pollution prevention to residents in the community.
Good Governance Ensure responsive, accountable, and collaborative government	***Municipal Regional Permit*** Program staff will continue to take on an increased role in implementing regulations related to the San Francisco Bay Area Stormwater Municipal Regional Permit. Staff will continue to monitor and implement strategies with other Town Departments to ensure permit compliance.

KEY PROGRAM SERVICES

- Sweeps Town streets and parking lots and steam-cleans business area sidewalks.
- Coordinates Integrated Pest Management with Park Services Program to reduce pesticides from entering waterways due to Town pest management activities.
- Monitors storm water permit issues and implements strategies in collaboration with other Town Departments to meet permit requirements.
- Coordinates education and awareness programs related to storm water issues with partners and volunteers.

PARKS & PUBLIC WORKS DEPARTMENT

Non-Point Source Program

NON-POINT SOURCE PROGRAM STAFFING

Full Time Equivalent (FTE)

Town Staff	2019/20 Funded	2020/21 Funded	2021/22 Funded	2022/23 Funded	2023/24 Adopted
Parks & Maint Worker	0.25	0.25	0.25	0.25	0.25
Senior Administrative Analyst	0.25	0.25	0.25	0.25	0.25
Senior Public Work Inspector	0.50	0.50	0.50	0.50	0.50
Total Non-Point Source FTEs	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**

Performance Objectives and Measures	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. *Prevent street debris from entering the storm drain system.*					
a. Number of cubic yards of debris removed annually:	1,321	1,570	1,330	1,330	1,330

Activity and Workload Highlights	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. Number of Los Gatos curb and parking lot miles swept annually:	2,855	3,430	3,150	3,430	3,430
2. Number of stormwater inspections:	1,299	622	1,163	700	700


TOWN OF
INCORPORATED 1887
LOS GATOS

Parks & Public Works Department

ASSESSMENT DISTRICTS
FUNDS 231 – 236

ASSESSMENT DISTRICT PURPOSE

In the early 1990s, with the written consent of all property owners within the boundaries of the Districts, the Town established two Landscape and Lighting Districts comprised of six zones, five of which are in District No. 1, and one in District No. 2. Property owners in each District pay an annual assessment on their property tax bill for the maintenance of common area landscaping and/or lighting which includes District improvements and upgrades, regular maintenance of trees, landscaping, trails, irrigation systems, and lighting.

Provisions of SB 919 (the Proposition 218 Omnibus Implementation Act) adopted by the California State Legislature in 1997 (Chapter 38, Stats. 1997) are implemented during the annual assessment process. Proposition 218 becomes applicable only when increases in the current assessment rates are contemplated, due primarily to rising maintenance costs and increases in the costs of water and power. If that were to take place, a mail-in balloting procedure for each zone would take place requiring a 2/3 majority approval.

The table on the next page provides an overview of the annual assessments.

PARKS & PUBLIC WORKS DEPARTMENT
Landscape & Lighting Districts

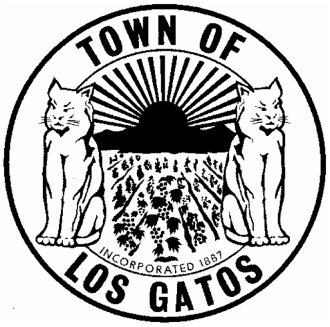
Fiscal Year 2023/24
Annual Special District Assessments

Fund #	Assessment Districts	Number of Parcels	Parcel Assessment	Total Assessment	Rate in effect prior to Prop 218
231	Blackwell Drive	5	$ 632	$ 3,160	Yes
232	Kennedy Meadows	15	685	10,275	Yes
233	Gemini Court	18	230	4,140	Yes
234	Santa Rosa	15	300	4,500	Yes
235	Vasona Heights	33	295	9,735	Yes
236	Hillbrook	34	50	5,950	Yes
Total Landscape & Lighting Assessment:				**$ 37,760**	

PARKS & PUBLIC WORKS DEPARTMENT
Landscape & Lighting Districts

DEPARTMENTAL SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignated	184,257	166,369	148,475	150,357	150,357	86,903
Total Beginning Fund Balance	184,257	166,369	148,475	150,357	150,357	86,903
REVENUES						
Property Tax Assessments	38,013	38,567	38,611	38,220	38,220	38,220
Interest	3,562	2,389	1,836	1,425	1,010	1,010
Other Revenues	29	28	29	-	-	-
Total Revenues	41,604	40,984	40,476	39,645	39,230	39,230
TOTAL SOURCE OF FUNDS	**$ 225,861**	**$ 207,353**	**$ 188,951**	**$ 190,002**	**$ 189,587**	**$ 126,133**
EXPENDITURES						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	29,493	53,958	33,674	42,764	42,764	42,764
Fixed Assets	25,079	-	-	62,500	55,000	-
TOTAL EXPENDITURES	**$ 54,572**	**$ 53,958**	**$ 33,674**	**$ 105,264**	**$ 97,764**	**$ 42,764**
Transfers Out						
Transfer to General Fund	4,920	4,920	4,920	4,920	4,920	4,920
Total Transfers Out	**4,920**	**4,920**	**4,920**	**4,920**	**4,920**	**4,920**
Total Expenditures & Transfers Out	**59,492**	**58,878**	**38,594**	**110,184**	**102,684**	**47,684**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	166,369	148,475	150,357	79,818	86,903	78,449
Total Ending Fund Balance	166,369	148,475	150,357	79,818	86,903	78,449
TOTAL USE OF FUNDS	**$ 225,861**	**$ 207,353**	**$ 188,951**	**$ 190,002**	**$ 189,587**	**$ 126,133**


TOWN OF
INCORPORATED 1887
LOS GATOS

Parks & Public Works Department

BLACKWELL DRIVE ASSESSMENT DISTRICT
FUND 231

FUND PURPOSE

This Assessment District incorporates five homes and a median island along Blackwell Drive at National Avenue constructed as part of Tract 8306, Blackwell Development. Assessments to maintain the landscaping and irrigation in the median island and for street light maintenance on National Avenue remain constant for the five parcels at $632 each annually.

The median island landscaping and irrigation are maintained by contract. The street trees and lighting are also part of the district. The contractor clears trash and weeds from the median island biweekly. Landscaping plants and irrigation are replaced and repaired as necessary.

BUDGET OVERVIEW

A portion of the fund balance surplus will be recommended for use for improvements such as drought tolerant plants, pruning, and renovation of the irrigation system. The FY 2023/24 budget includes a decrease of $194 for landscape maintenance service costs as part of the contract executed in late June 2022.

PARKS & PUBLIC WORKS DEPARTMENT
Blackwell Drive Assessment District

STATEMENT OF SOURCE AND USE OF FUNDS

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignated	13,488	13,776	14,085	13,741	13,741	13,507
Total Beginning Fund Balance	13,488	13,776	14,085	13,741	13,741	13,507
Revenues						
Property Tax Assessments	3,160	3,160	3,160	3,160	3,160	3,160
Interest	229	176	150	50	50	50
Other Revenues	-	-	-	-	-	-
Total Revenues	**3,389**	**3,336**	**3,310**	**3,210**	**3,210**	**3,210**
TOTAL SOURCE OF FUNDS	**$ 16,877**	**$ 17,112**	**$ 17,395**	**$ 16,951**	**$ 16,951**	**$ 16,717**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	2,641	2,567	3,194	2,984	2,984	2,984
Fixed Asset	-	-	-	7,500	-	-
Total Expenditures	**2,641**	**2,567**	**3,194**	**10,484**	**2,984**	**2,984**
Transfers Out						
Transfer to General Fund	460	460	460	460	460	460
Total Transfers Out	**460**	**460**	**460**	**460**	**460**	**460**
Total Expenditures & Transfers Out	**3,101**	**3,027**	**3,654**	**10,944**	**3,444**	**3,444**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	13,776	14,085	13,741	6,007	13,507	13,273
Total Ending Fund Balance	13,776	14,085	13,741	6,007	13,507	13,273
TOTAL USE OF FUNDS	**$ 16,417**	**$ 16,652**	**$ 16,935**	**$ 16,491**	**$ 16,491**	**$ 16,257**

Parks & Public Works Department

KENNEDY MEADOWS ASSESSMENT DISTRICT
FUND 232

FUND PURPOSE

The Kennedy Meadows Assessment District consists of eight acres of open space area surrounding 15 homes. The open space area contains a paved trail, wetlands area, and a portion of Ross Creek. Streetlights on Forrester Court and Kennedy Court are also maintained by the District. Annual assessments for District upkeep remain constant at $685 per parcel.

The trees, landscaping, irrigation system, trail, and streetlights within the open space area are maintained by contract. The District, including the paved trail, is cleaned and cleared of trash biweekly. Irrigation repair and tree replacement are completed as necessary.

BUDGET OVERVIEW

During FY 2023/24, maintenance expenditures are anticipated to remain constant. The fund balance surplus is held for current or future repair/replacement costs related to the asphalt pathway, tree trimming, and streetlights. The FY 2023/24 budget includes an increase of $5,875 for landscape maintenance service costs as part of the contract executed in late June 2022.

PARKS & PUBLIC WORKS DEPARTMENT
Kennedy Meadows Assessment District

STATEMENT OF SOURCE AND USE OF FUNDS

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignated	37,926	40,395	20,415	21,340	21,340	7,150
Total Beginning Fund Balance	37,926	40,395	20,415	21,340	21,340	7,150
Revenues						
Property Tax Assessments	10,275	10,275	10,378	10,275	10,275	10,275
Interest	651	493	215	330	330	330
Other Revenues	-	-	-	-	-	-
Total Revenues	**10,926**	**10,768**	**10,593**	**10,605**	**10,605**	**10,605**
TOTAL SOURCE OF FUNDS	**$ 48,852**	**$ 51,163**	**$ 31,008**	**$ 31,945**	**$ 31,945**	**$ 17,755**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	6,947	29,238	8,158	13,285	13,285	13,285
Fixed Assets	-	-	-	10,000	10,000	-
Total Expenditures	**6,947**	**29,238**	**8,158**	**23,285**	**23,285**	**13,285**
Transfers Out						
Transfer to General Fund	1,510	1,510	1,510	1,510	1,510	1,510
Total Transfers Out	**1,510**	**1,510**	**1,510**	**1,510**	**1,510**	**1,510**
Total Expenditures & Transfers Out	**8,457**	**30,748**	**9,668**	**24,795**	**24,795**	**14,795**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	40,395	20,415	21,340	7,150	7,150	2,960
Total Ending Fund Balance	40,395	20,415	21,340	7,150	7,150	2,960
TOTAL USE OF FUNDS	**$ 47,342**	**$ 49,653**	**$ 29,498**	**$ 30,435**	**$ 30,435**	**$ 16,245**

Parks & Public Works Department

GEMINI COURT ASSESSMENT DISTRICT
FUND 233

FUND PURPOSE

This Assessment District, located on Blossom Hill Road and Gemini Court, is made up of 18 residences with a public right-of-way within the boundaries of the Gemini subdivision, Tract No. 8439. The Assessment District provides for the maintenance of trees, landscaping, irrigation systems, lighting, sound wall, and fences along the walkway.

Landscaping and irrigation are maintained by contract. The contractor clears trash and weeds in the median island biweekly. Landscaping plants and irrigation are replaced and repaired as necessary. Annual assessments remain constant for the 18 parcels at $230 each.

BUDGET OVERVIEW

A portion of the fund balance surplus will be recommended for improvements such as irrigation, tree work, lighting repair, landscaping, and repainting the sound wall. The FY 2023/24 budget includes a decrease of $606 for landscape maintenance services costs as part of the contract executed in late June 2022.

PARKS & PUBLIC WORKS DEPARTMENT
Gemini Court Assessment District

STATEMENT OF SOURCE AND USE OF FUNDS

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignated	28,921	31,786	34,415	36,800	36,800	29,398
Total Beginning Fund Balance	28,921	31,786	34,415	36,800	36,800	29,398
Revenues						
Property Tax Assessments	4,600	4,635	4,612	4,600	4,600	4,600
Interest	509	417	380	150	150	150
Other Revenues	-	-	-	-	-	-
Total Revenues	**5,109**	**5,052**	**4,992**	**4,750**	**4,750**	**4,750**
TOTAL SOURCE OF FUNDS	**$ 34,030**	**$ 36,838**	**$ 39,407**	**$ 41,550**	**$ 41,550**	**$ 34,148**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	1,634	1,813	1,997	1,542	1,542	1,542
Fixed Assets	-	-	-	10,000	10,000	-
Total Expenditures	**1,634**	**1,813**	**1,997**	**11,542**	**11,542**	**1,542**
Transfers Out						
Transfer to General Fund	610	610	610	610	610	610
Total Transfers Out	**610**	**610**	**610**	**610**	**610**	**610**
Total Expenditures & Transfers Out	**2,244**	**2,423**	**2,607**	**12,152**	**12,152**	**2,152**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	31,786	34,415	36,800	29,398	29,398	31,996
Total Ending Fund Balance	31,786	34,415	36,800	29,398	29,398	31,996
TOTAL USE OF FUNDS	**$ 33,420**	**$ 36,228**	**$ 38,797**	**$ 40,940**	**$ 40,940**	**$ 33,538**

Parks & Public Works Department

SANTA ROSA HEIGHTS ASSESSMENT DISTRICT
FUND 234

FUND PURPOSE

This Assessment District provides maintenance and upkeep within designated Open Space Areas A, B, C, and D of Tract No. 8400, Santa Rosa Heights Subdivision. There are 15 residences in this District. The open space area to be maintained by the Town lies north of Shannon Road up to the ridgeline of Blossom Hill Road, adjacent to the subdivision. This area includes a pedestrian/equestrian trail through the subdivision from Shannon Road to Belgatos Park, street trees, and lighting. The trail is pruned and cleared of trash biweekly by the contractor. Annual assessments for the fifteen parcels were decreased from $540 each, to $300 each, effective FY 2006/07.

BUDGET OVERVIEW

A portion of the fund balance surplus will be recommended for improvements such as brushing, tree work, and repairs to the various trails and retaining walls in the District. The FY 2023/24 budget includes an increase of $2,270 for landscape maintenance service costs as part of the contract executed in late June 2022.

PARKS & PUBLIC WORKS DEPARTMENT
Santa Rosa Heights Assessment District

STATEMENT OF SOURCE AND USE OF FUNDS

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignated	54,659	50,786	45,970	40,708	40,708	22,371
Total Beginning Fund Balance	54,659	50,786	45,970	40,708	40,708	22,371
Revenues						
Property Tax Assessments	4,365	4,665	4,710	4,500	4,500	4,500
Interest	905	621	465	465	50	50
Other Revenues	29	27	29	-	-	-
Total Revenues	**5,299**	**5,313**	**5,204**	**4,965**	**4,550**	**4,550**
TOTAL SOURCE OF FUNDS	**$ 59,958**	**$ 56,099**	**$ 51,174**	**$ 45,673**	**$ 45,258**	**$ 26,921**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	8,512	9,469	9,806	12,227	12,227	12,227
Fixed Assets	-	-	-	10,000	10,000	-
Total Expenditures	**8,512**	**9,469**	**9,806**	**22,227**	**22,227**	**12,227**
Transfers Out						
Transfer to General Fund	660	660	660	660	660	660
Total Transfers Out	**660**	**660**	**660**	**660**	**660**	**660**
Total Expenditures & Transfers Out	**9,172**	**10,129**	**10,466**	**22,887**	**22,887**	**12,887**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	50,786	45,970	40,708	22,786	22,371	14,034
Total Ending Fund Balance	50,786	45,970	40,708	22,786	22,371	14,034
TOTAL USE OF FUNDS	**$ 59,298**	**$ 55,439**	**$ 50,514**	**$ 45,013**	**$ 44,598**	**$ 26,261**

Parks & Public Works Department

VASONA HEIGHTS ASSESSMENT DISTRICT
FUND 235

FUND PURPOSE

This assessment district is adjacent to Blossom Hill and Roberts Roads, with open space running between the subdivision and the Los Gatos Creek Trail. The District was created to provide maintenance and upkeep within the designated Open Space Areas A, B, and C of Tract No. 8280, of the Vasona Heights Subdivision. All 32 residences are assessed an annual charge of $295 per parcel, continuing the decrease in original property assessments as agreed to by the property owners and the Town Council in FY 2001/02.

The District upkeep includes, trees, landscaping, irrigation systems, trail, emergency access, and a retaining wall along Blossom Hill Road. The open space areas are maintained by contract, with cleanup, trash control, irrigation maintenance, and landscape maintenance completed biweekly.

BUDGET OVERVIEW

A portion of the fund balance surplus will be recommended for improvements such as landscaping and irrigation. The FY 2023/24 budget includes an increase of $2,352 for landscape maintenance service costs as part of the contract executed in late June 2022.

PARKS & PUBLIC WORKS DEPARTMENT
Vasona Heights Assessment District

STATEMENT OF SOURCE AND USE OF FUNDS

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignated	54,233	32,180	34,728	37,511	37,511	28,084
Total Beginning Fund Balance	54,233	32,180	34,728	37,511	37,511	28,084
Revenues						
Property Tax Assessments	9,750	9,794	9,765	9,735	9,735	9,735
Interest	943	411	380	340	340	340
Other Revenues	-	-	-	-	-	-
Total Revenues	**10,693**	**10,205**	**10,145**	**10,075**	**10,075**	**10,075**
TOTAL SOURCE OF FUNDS	**$ 64,926**	**$ 42,385**	**$ 44,873**	**$ 47,586**	**$ 47,586**	**$ 38,159**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	6,237	6,227	5,932	8,072	8,072	8,072
Fixed Assets	25,079	-	-	10,000	10,000	-
Total Expenditures	**31,316**	**6,227**	**5,932**	**18,072**	**18,072**	**8,072**
Transfers Out						
Transfer to General Fund	1,430	1,430	1,430	1,430	1,430	1,430
Total Transfers Out	**1,430**	**1,430**	**1,430**	**1,430**	**1,430**	**1,430**
Total Expenditures & Transfers Out	**32,746**	**7,657**	**7,362**	**19,502**	**19,502**	**9,502**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	32,180	34,728	37,511	28,084	28,084	28,657
Total Ending Fund Balance	32,180	34,728	37,511	28,084	28,084	28,657
TOTAL USE OF FUNDS	**$ 63,496**	**$ 40,955**	**$ 43,443**	**$ 46,156**	**$ 46,156**	**$ 36,729**

Parks & Public Works Department

HILLBROOK DRIVE ASSESSMENT DISTRICT
FUND 236

FUND PURPOSE

This Assessment District, encompassing the designated open space area within Tract No. 3026 at the corner of Blossom Hill Road and Hillbrook Drive, provides maintenance services for the trees, landscaping, irrigation system, and hardscape for the improved area in parcel #523-11-28 of the Hillbrook Benefit Zone. Annual assessments for the thirty-four parcels were increased from $50 to $175 each, effective FY 2010/11.

The District comprises 34 residences and a small park of approximately 0.26 acres. The landscape contract for this assessment district includes maintenance of the lawn, trees, shrubs, and irrigation system. The park is cleared of trash, mowed, and cleaned weekly.

BUDGET OVERVIEW

A portion of the fund balance surplus will be recommended for improvements such as benches, turf replacement, and drought-resistant landscaping. The FY 2023/24 budget includes a decrease of $75 for landscape maintenance service costs as part of the contract executed in late June 2022.

PARKS & PUBLIC WORKS DEPARTMENT
Hillbrook Drive Assessment District

STATEMENT OF SOURCE AND USE OF FUNDS

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignatged	18,912	21,328	22,744	24,139	24,139	10,275
Total Beginning Fund Balance	18,912	21,328	22,744	24,139	24,139	10,275
Revenues						
Property Tax Assessments	5,863	6,038	5,986	5,950	5,950	5,950
Interest	325	271	246	90	90	90
Other Revenues	-	1	-	-	-	-
Total Revenues	**6,188**	**6,310**	**6,232**	**6,040**	**6,040**	**6,040**
TOTAL SOURCE OF FUNDS	**$ 25,100**	**$ 27,638**	**$ 28,976**	**$ 30,179**	**$ 30,179**	**$ 16,315**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	3,522	4,644	4,587	4,654	4,654	4,654
Fixed Assets	-	-	-	15,000	15,000	-
Total Expenditures	**3,522**	**4,644**	**4,587**	**19,654**	**19,654**	**4,654**
Transfers Out						
Transfer to General Fund	250	250	250	250	250	250
Total Transfers Out	**250**	**250**	**250**	**250**	**250**	**250**
Total Expenditures & Transfers Out	**3,772**	**4,894**	**4,837**	**19,904**	**19,904**	**4,904**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	21,328	22,744	24,139	10,275	10,275	11,411
Total Ending Fund Balance	21,328	22,744	24,139	10,275	10,275	11,411
TOTAL USE OF FUNDS	**$ 24,850**	**$ 27,388**	**$ 28,726**	**$ 29,929**	**$ 29,929**	**$ 16,065**

Library Department

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Library Department

DEPARTMENT PURPOSE

The Los Gatos Library exists to foster curiosity and community connection, and strives to be at the heart of an engaged and vibrant community. The Library accomplishes these outcomes through:

- **Creating Community Connections** by providing a welcoming space, access to library services beyond the building, forming partnerships with local organizations, providing programming for all ages, and providing ample access to library resources.
- **Building the Next Generation Library User** by focusing on early literacy as well as programs, collections, and services for babies, school-age children, teens, and their parents/caregivers.
- **Embracing Local History** by providing ample access to historical materials, providing quality volunteer programs and trainings, and partnering with local schools and NUMU.
- **Enhancing Collections and Technology** by continually assessing library use, trends, and new technologies.
- **Engaging the Library Staff Team** by focusing on staff development, training opportunities, sharing ideas at every level, and collaborating with our local consortiums, state organizations and national organizations.

BUDGET OVERVIEW

The Library Department budget consists of the Library Administration, Adult Services, Youth Services, and Circulation/System Administrative Programs, as well as five Trust Funds: the Library Trust Fund (primarily funded by contributions from the Friends of the Library), History Project Trust Fund (included in the Library Trust Fund), the Clelles Ness Trust Fund, the Susan McClendon Trust Fund, and the Barbara Jones Cassin Trust Fund.

The FY 2023/24 budget is built as closely as possible to a status quo level of service and expenditure. Some small cost increases, particularly related to software licensing, are anticipated to maintain service levels. Inflationary costs being tracked in the publishing industry may result in a slight decrease in the quantity of books, eBooks, and other materials acquired this

fiscal year. The budget also contains a nominal ongoing increase to offset safety supplies

such as air filters that were provided outside of the library budget during the pandemic, as well as to continue to provide access to free feminine hygiene products in Library bathrooms.

Customer-focused procedures such as automatically renewing Library materials and allowing patrons to replace lost and damaged items with new identical copies that they have sourced themselves has led to a reduction in revenue from fines over the past few fiscal years. It is expected that any revenue from this source during the fiscal year will be nominal.

The FY 2023/24 budget includes increases in salary and benefit costs attributed to cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and decreases reflecting the 4.6% salary saving factor. Additionally, two existing staff are being reclassified during FY2022/23 to reflect changes in work and skillsets as the Library continues to adapt service and meet community expectation coming out of the pandemic.

The Library has routine technology replacements this year, including scheduled replacement of the security camera system and integrated Audio/Video equipment. Capital Improvement Program projects funded through one of the Library Trusts include the completion of sound dampening equipment in the lobby of the building. The installation of a backup battery power system for power outages and emergencies is also slated for completion this year. The Library building has passed the ten-year mark with some larger maintenance items being planned over the next few years to avoid the greater costs of problems associated with deferred maintenance.

LIBRARY DEPARTMENT

FY 2022/23 ACCOMPLISHMENTS

Core Goals	Accomplishments
Good Governance Ensure responsive, accountable and collaborate government	• Provided staff opportunities for workshops and training programs provided by the State Library and the Pacific Library Partnership. Adapted staff workflow to accommodate frequent changes in COVID safety protocols. • Continued to share available Library resources with the public in the form of craft kits; puzzles and games; Science, Technology, Engineering, Arts, and Mathematics (STEAM) supplies; and Wi-Fi hotspots. • Continued to seek out alternative vendors and methods of purchasing books due to long wait times and supply chain issues in the publishing industry. • Continued efforts from last year that restarted our robust volunteer program after the COVID-related hiatus for volunteers. • Sought out and received multiple grants to provide alternative funding for projects and services.
Civic Enrichment Foster opportunities for citizen involvement, and cultural, recreational and individual enrichment	• Continue to provide access to materials and books during COVID restrictions through multiple service models. Provided full public access to the Library building with safety protocols in place while neighboring library jurisdictions were still operating at limited capacity. • Continued to provide access to computers and broadband internet, expanded the lending of laptops, and increasing the availability of lendable Wi-Fi hotspots for the public. • Continued to provide reference and readers advisory service to the public which included personalized and curated reading materials selections, as well as specialized reference assistance from a combined service point in the building and via phone, email, and instant messaging. • Continued to offer Zipbooks through a grant from the State Library to obtain titles by patron request that were not in our collection. • Maintained the StoryWalk in Oak Meadow Park in cooperation with the Friends of Library. • Provided outreach and support to local schools including tours, school visits, and curation of resources for teachers.

LIBRARY DEPARTMENT

FY 2022/23 ACCOMPLISHMENTS

Core Goals	Accomplishments
Civic Enrichment Foster opportunities for citizen involvement, and cultural, recreational and individual enrichment	• Created hands-on activity kits for checkout including robotics kits, science/STEAM kits, art kits, crafting kits, family history archiving kits, game and puzzle kits, and more. • Began offering check out of State Parks Passes for community members to have access to State recreational opportunities. • Produced multiple virtual and in-person programs each week for patrons of all age groups, including storytimes, author talks, book clubs, writing workshops, cooking classes, music programs, and specialty programs for a variety of hobbies and interests. Expanded book club offerings by adding a "Mystery Lovers Book Club" and "El Cafecito," our Spanish language book club, and Cookbook Club. • Continued the popular "Page Turner" podcast, featuring Library staff members, local authors, and the Town Poet Laureate. • Continued the "Retro Tech" program to allow the community to digitize old media formats free of charge and began checking out equipment to the public to maximize use and efficiency. • Offered creative services to the public including 3D printing and laser cutting. • Enhanced partnerships with local organizations such as LGS Recreation, NUMU, Plant-Based Advocates, United Against Hate, Silicon Valley Bike Coalition, AWO, Anti-Racism Coalition, Los Gatos Beatification Committee, Girls who Code, and local teachers. • Partnered with Parks and Public Works on grants to bring environmental sustainability programs to the public. • Reinstated monthly Tech Chats, allowing community members to come in and learn about new tech trends and tips for mobile and table devices. • Added the new online such as CreativeBug and Get Set Up to allow community members to learn new skills. • Continued to provide resources and seeds in the Seed Library in cooperation with community donations and the Friends of the Library. • Added new storytime kit themes for early literacy resources to parents. • Began offering online author talks with prominent authors as part of a consortium of Silicon Valley Libraries.

LIBRARY DEPARTMENT

FY 2022/23 ACCOMPLISHMENTS

Core Goals	Accomplishments
Civic Enrichment Foster opportunities for citizen involvement, and cultural, recreational and individual enrichment	Diversity, Equity and Inclusion (DEI) Efforts • Began improvements to the Children's Room and Children's Garden for access and activities for all children of abilities and learning styles. • Solidified the Library's approach to celebration of cultural holidays and recognition months. • Supported United Against Hate Week events in partnership with that organization, and Banned Book Week events with American Library Association promotional support. • Continued adding books in Russian, Farsi, and Hindi to meet demand from the community. Maintained and expanded collections in Spanish, Chinese, Korean, and Japanese. • Invited community members and performers to share cultural experiences in languages other than English which were included in the regular storytime programs. • Continued evaluating the historical archives through an equity and inclusion lens. • Acquired DEI assessment software to continue evaluating our collections, social media content and programs through an equity and inclusion lens. • Produced curated reading lists and sought out books and materials to assist with engaging the public in dialog regarding equity and inclusivity. • Hosted weekly English as a Second Language (ESL) classes.
Public Safety Ensure public safety through proactive community policing, affective emergency response, and community-wide emergency preparedness	• Worked in conjunction with other Town Departments as part of the Emergency Operations Center (EOC) transitioning out of COVID pandemic protocols. • Continued serving as a warming center and a cooling center during periods of exceptional weather, as well as providing charging, power, and internet connectivity access to the public during power outages. • Worked in conjunction with Parks and Public Works to begin the process of installing an emergency backup battery for the library building to provide the public with power during future power outages.

LIBRARY DEPARTMENT

DEPARTMENTAL SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adopted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Intergovernmental Revenues	$ 23,101	$ 16,022	$ 9,000	$ 108,281	$ 108,281	$ -
Service Charge	5,137	-	514	-	713	-
Fines & Forfeitures	6,391	-	7	500	250	250
Other Revenues	27,799	-	35,000	35,000	35,000	35,000
TOTAL REVENUES	**$ 62,428**	**$ 16,022**	**$ 44,521**	**$ 143,781**	**$ 144,244**	**$ 35,250**
Transfers In						
Transfers In from Trust(s)	-	-	-	-	-	-
Transfers In from General Fund	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
TOTAL REVENUES & TRANSFERS IN	**$ 62,428**	**$ 16,022**	**$ 44,521**	**$ 143,781**	**$ 144,244**	**$ 35,250**
EXPENDITURES						
Salaries and Benefits	$ 1,834,206	$ 1,927,572	$ 1,865,875	$ 2,227,906	$ 2,085,476	$ 2,218,153
Operating Expenditures	338,311	359,830	333,002	490,781	470,768	417,700
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	528,285	541,472	553,525	529,046	529,045	539,317
TOTAL EXPENDITURES	**$ 2,700,802**	**$ 2,828,874**	**$ 2,752,402**	**$ 3,247,733**	**$ 3,085,289**	**$ 3,175,170**

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adopted	2022/23 Estimated	2023/24 Proposed
PROGRAM						
Administration	$ 469,563	$ 512,166	$ 505,444	$ 548,989	$ 545,230	$ 557,756
Adult Services	544,326	643,929	698,827	894,440	831,370	854,016
Youth Services	510,064	570,048	546,777	647,187	610,696	627,071
Acquisitions & Cataloging	-	-	-	-	-	-
Circulation Services	1,149,220	1,091,598	990,969	1,048,836	1,009,732	1,116,327
Operating Grant	27,629	11,133	10,385	108,281	88,261	20,000
TOTAL EXPENDITURES	**$ 2,700,802**	**$ 2,828,874**	**$ 2,752,402**	**$ 3,247,733**	**$ 3,085,289**	**$ 3,175,170**

The above program totals reflect General Fund programs. Additional Library Department programs are reflected in separate Trust Funds following the General Fund portion of this section.

LIBRARY DEPARTMENT

DEPARTMENT STAFFING

Full Time Equivalent (FTE)

Town Staff	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Funded**	**2022/23 Funded**	**2023/24 Adopted**
Library Director	1.00	1.00	1.00	1.00	1.00
Division Manager	2.00	2.00	2.00	2.00	2.00
Librarian	3.00	3.00	3.00	3.00	3.00
Library Technology Specialist	2.00	2.00	2.00	2.00	2.00
Library Assistant	-	-	-	-	1.00
Library Specialist	1.75	1.75	1.75	1.75	0.75
Customer Service Specialist	1.75	1.75	1.75	1.75	1.75
Sr Library Page	1.00	1.00	1.00	1.00	2.00
TOTAL PROGRAM FTE's	**12.50**	**12.50**	**12.50**	**12.50**	**13.50**

Temporary Staff Hours	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Funded**	**2022/23 Funded**	**2023/24 Adopted**
Librarian Temp	350	350	350	350	140
Library Clerk	1,050	1,050	800	800	650
Library Page	6,344	6,344	5,300	5,300	3,000
Library Assistant	800	800	1,200	1,200	1,100
Library Teen Services Specialist	750	750	800	800	400
TOTAL ANNUAL HOURS	**9,294**	**9,294**	**8,450**	**8,450**	**5,290**


TOWN OF
INCORPORATED 1887
LOS GATOS

Library Department

LIBRARY ADMINISTRATION
PROGRAM 7101

PROGRAM PURPOSE

The Library Administration Program provides staff support to ensure the development of quality and cost-effective library services that are responsive to community needs. Library Administration's core services are to provide administrative and managerial oversight for programs and services, clerical and administrative assistance for day-to-day operations, personnel management, purchasing and physical plant maintenance, fiscal management and budget preparation, and support for the Library Board, Friends of the Los Gatos Library Board, and the Arts and Culture Commission.

BUDGET OVERVIEW

The FY 2023/24 Administration budget reflects continued commitment to provide the best Library user experience and the best value for the community while operating as efficiently as possible. Customer service and community engagement remain a high priority, as well as ensuring all Library services and programs align with the Library Strategic Plan. Administration staff continue to work collaboratively with the non-profit Friends of Los Gatos Library. In addition, Library staff continues to work to improve partnerships and outreach within our community.

Planned expenditures for FY 2023/24 remain status quo in most areas, and do contain an overall increase to cover the costs of providing free access to feminine hygiene products in Library bathrooms, and also to cover the costs of safety supplies such as air filter replacements for portable filtration systems that had instead been covered in the past year by the Parks and Public Works Department. The Administration program budget also contains small status quo line items to support the work of the Arts and Culture Commission and the Town Poet Laureate.

LIBRARY DEPARTMENT
Library Administration

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Intergovernmental Revenue	$ -	$ -	$ -	$ -	$ -	$ -
Service Charges	5,137	-	50	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Other Revenues	1,549	-	-	-	-	-
TOTAL REVENUES	**$ 6,686**	**$ -**	**$ 50**	**$ -**	**$ -**	**$ -**
Transfers In						
Transfers In from Trust(s)	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
TOTAL REVENUES & TRANSFERS IN	**$ 6,686**	**$ -**	**$ 50**	**$ -**	**$ -**	**$ -**
EXPENDITURES						
Salaries and Benefits	$ 343,640	$ 387,139	$ 384,355	$ 410,127	$ 406,369	$ 410,786
Operating Expenditures	40,849	39,870	32,817	44,500	44,500	52,000
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	85,074	85,157	88,272	94,362	94,361	94,970
TOTAL EXPENDITURES	**$ 469,563**	**$ 512,166**	**$ 505,444**	**$ 548,989**	**$ 545,230**	**$ 557,756**

LIBRARY DEPARTMENT
Library Administration

FY 2023/24 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable and collaborate government	***Emergency Community Resources Services*** • Evaluate expanded options for using the Library building as a community resource center in emergency situations such as planned safety power outages, or as a heating center and cooling center during weather events. • Continue to work in collaboration with PPW to install backup battery systems in the event of a power outage. • Continue to seek out grant opportunities for Library programs.
Quality Public Infrastructure Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	***Long-term building maintenance*** • Finish the final improvements to the circulation area of the Library by installing a white noise system for sound mitigation. • Work in collaboration with PPW to update and replace the lighting fixtures and/or begin the transition to LED lighting. • Work in collaboration with PPW to replace the Library's security camera system and installed A/V systems.
Community Character Preserve and enhance the appearance character and environment quality of the community	***Arts Commission Projects*** • Complete installation of the third Gateway project sculpture at near Winchester and Hwy 85. • Being working in collaboration with Silicon Valley Creates to expand the opportunities of the Commission. • Work with Commissioners to develop a procedure for obtaining donations for future public arts projects.

LIBRARY DEPARTMENT
Library Administration

KEY PROGRAM SERVICES

- Administers and supervises four operating programs in the Department.
- Provides oversight of day-to-day operations and staffing.
- Prepares and monitors Library Department budget.
- Provides staff support to the Town Library Board, Arts and Culture Commission, and Friends of the Library meetings, programs, and activities.
- Collaborates with area libraries by serving on the Pacific Libraries Partnership Administrative Council and the Silicon Valley Library Cooperative Executive Committee.
- Collaborates with libraries nationwide by serving on national committees.
- Increases public awareness of Town Library services and programs through effective public relations, marketing of Library services, and periodically presenting programs at Library conferences.
- Provides oversight of Library staff training and development.
- Provides oversight and direction for information technology and systems administration developments.

LIBRARY DEPARTMENT
Library Administration

ADMINISTRATION PROGRAM STAFFING

Full Time Equivalent (FTE)

Town Staff	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Funded**	**2022/23 Funded**	**2023/24 Adopted**
Library Director	1.00	1.00	1.00	1.00	1.00
Division Manager	0.40	0.40	0.40	0.40	0.40
Library Specialist	0.25	0.25	0.25	0.25	0.25
Total Administration FTEs	**1.65**	**1.65**	**1.65**	**1.65**	**1.65**

Performance Objectives and Measures	**2019/20 Actual**	**2020/21 Actual**	**2021/22 Actual**	**2022/23 Estimated**	**2023/24 Planned**
1. *Provide the space, opportunity and support for the Library to be at the heart of an engaged community.*					
a. Percentage of customers stating the Library is a significant or very significant part of their community experience:	*Public survey not conducted due to COVID*	*Public survey not conducted due to COVID*	96%	98%	98%

Activity and Workload Highlights	**2019/20 Actual**	**2020/21 Actual**	**2021/22 Actual**	**2022/23 Estimated**	**2023/24 Planned**
1. Door Count:	177,439	105,821	175,478	201,500	250,000
2. Volunteer hours contributed:	4,951	2,032	6,200	7,000	7,000
3. Number of public service hours (open hours)	N/A	2,740	2,740	2,740	2,740

**New Measure Added FY 2021/22*


TOWN OF
INCORPORATED 1887
LOS GATOS

Library Department

ADULT SERVICES
PROGRAM 7201

PROGRAM PURPOSE

The Adult Services Program supports Library services for adults and seniors. Adult Services anticipates and meets community information needs, providing opportunities for lifelong learning. The Adult Services Program's core services are to provide reference services to all clientele, reader's advisory services, instruction in the use of computer and electronic resources, outreach services in the community, and management of collections, including the local history collection. Maintenance of the Town's Historical Archives also falls under the purview of Adult Services.

BUDGET OVERVIEW

The Adult Services program continues to evaluate and add new programming for adults with a large focus on technology tutoring, arts programming, author visits, and educational workshops. Use of the physical collection of print books over the past year has increased significantly coming out of the pandemic while public demand for e-books has held steady.

The first half of FY 2022/23 saw significant delays in availably of new publications which caused Library staff to temporarily source through alternative vendors to meet the demands of the community. Though these complications from the typical vendors and publishing industry supply chains are now being corrected, inflationary costs for books and other published materials continues across the publishing industry. Despite these inflationary rising costs, the FY2023/24 budget reflects status quo dollar amounts which may result in a slight decrease of approximately 3% of the amount of book and eBook titles purchased for the library collection for public use.

LIBRARY DEPARTMENT
Adult Services

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Intergovernmental Revenue	$ -	$ -	$ -	$ -	$ -	$ -
Service Charges	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Other Revenues	26,250	-	35,000	35,000	35,000	35,000
TOTAL REVENUES	**$ 26,250**	**$ -**	**$ 35,000**	**$ 35,000**	**$ 35,000**	**$ 35,000**
Transfers In						
Transfers In from Trust(s)	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
TOTAL REVENUES & TRANSFERS IN	**$ 26,250**	**$ -**	**$ 35,000**	**$ 35,000**	**$ 35,000**	**$ 35,000**
EXPENDITURES						
Salaries and Benefits	$ 319,729	$ 385,647	$ 456,109	$ 627,945	$ 564,875	$ 586,006
Operating Expenditures	139,459	172,776	153,925	171,200	171,200	171,200
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	85,138	85,506	88,793	95,295	95,295	96,810
TOTAL EXPENDITURES	**$ 544,326**	**$ 643,929**	**$ 698,827**	**$ 894,440**	**$ 831,370**	**$ 854,016**

LIBRARY DEPARTMENT
Adult Services

FY 2023/24 KEY PROJECTS

Core Goals	Key Projects
Civic Enrichment Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	***High-quality Programming*** • Continue to increase offerings of high-quality programs in both in-person and on-line formats to cater to a variety of community interests. ***Alternate Collection Services*** • Continue the State-sponsored Zipbook service to the public which increases the number of titles requested by the public which are filled. • Continue to introduce non-traditional materials for lending for public use, including activity kits, games, tool kits, digitization equipment, and State Parks Passes. ***Historical Digitization*** • Working in partnership with *California Revealed,* a project of the California State Library, to digitize historical materials and make them keyword searchable to the public. ***Equity and Inclusion Efforts*** • Continue work on collecting oral histories of Black Indigenous People of Color (BIPOC) community members through the Library's Represent Los Gatos project. • Continue to research past instances of systematic racial exclusion in the history of Los Gatos working towards the production of a historical report. • Continue refining protocols and best practices for regular diversity audits of our collections, social media content and programs, and establish a means of communicating progress to the public. • Participate in the Town's equity, diversity, and inclusivity (EDI) initiative. • Continue to add to collections in languages other than English to meet changing community needs.

LIBRARY DEPARTMENT
Adult Services

KEY PROGRAM SERVICES

Meeting Information Needs

- Provides reference service, reader's advisory, tech and computer assistance, and information literacy in-person and virtually through virtual meetings, chat, or online resources.
- Maintains vibrant physical and electronic collections.
- Responds to patrons' suggestions for materials to be included in the collection.
- Enriches the local community by being a premier repository for local history materials.

Information Technologies and Training

- Continues to use online and social media counterparts (e.g., Facebook, Instagram) to offer services traditionally available only within the Library's walls.
- Provides access to the Internet and training for the public in basic searching and navigational skills, and more specialized skills such as genealogy searches.
- Maintains a Library mobile application for use with smartphones and mobile devices.

ADULT SERVICES PROGRAM STAFFING

Full Time Equivalent (FTE)

Town Staff	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Funded**	**2022/23 Funded**	**2023/24 Adopted**
Division Manager	0.30	0.30	0.30	0.30	0.30
Librarian	1.50	1.50	1.50	1.50	1.50
Library Technology Specialist	0.70	0.70	0.70	0.70	0.70
Library Assistant	-	-	-	1.00	1.00
Sr Library Page	0.60	0.60	0.60	1.20	1.20
Total Adult Services FTEs	**3.10**	**3.10**	**3.10**	**4.70**	**4.70**

Temporary Staff	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Funded**	**2022/23 Funded**	**2023/24 Adopted**
Librarian Temp	175	175	175	70	70
Library Assistant	400	600	600	550	550
Library Teen Specialist	750	800	800	400	400
Total Annual Hours	**1,325**	**1,575**	**1,575**	**1,020**	**1,020**

LIBRARY DEPARTMENT
Adult Services

Performance Objectives and Measures	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. *Provide a variety of programs throughout the year that foster curiosity and community connection.*					
a. Percentage of customers rating Library programs as good/excellent:	*Public survey not conducted due to COVID*	*Public survey not conducted due to COVID*	98%	98%	98%
2. *Assure delivery of quality service to customers.*					
a. Percentage of customers rating staff interactions as good/excellent:	*Public survey not conducted due to COVID*	*Public survey not conducted due to COVID*	95%	95%	95%

Activity and Workload Highlights	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. Number of adult reference questions received:	12,541	1,622	1,558	3,073	4,100
2. Number of adult programs offered:	375	135	292	640	700
3. Total attendance at adult programs:	2,772	2,241	3,752	4,650	5,200
4. Total number of adult outreach programs:	18	0	8	24	30
5. Total attendance at adult outreach programs:	1,116	0	72	153	210


TOWN OF
INCORPORATED 1887
LOS GATOS

Library Department

YOUTH SERVICES
PROGRAM 7202

PROGRAM PURPOSE

Youth Services supports youth of all ages (newborn babies through high school students) and their families by providing age-appropriate programs, services, materials in support of education and current high-demand, high-interest materials in a variety of formats. Youth Services also creates welcoming environments for children, tweens, and teens that encourage their curiosity, imagination, creativity, and a permanent love of reading. Specialized programming encourages families and communities to read with the children in their lives to demonstrate a commitment to learning and an appreciation of youth. Distinctive programs are provided for children 0 to 12 years of age and teens from 13 to 17 years of age. The purpose of the Youth Services Program is to provide reference, reader's advisory services, computer and electronic resources, youth collections management, a welcoming space, and a variety of programs throughout the year in the Library, at local schools, and in the community.

BUDGET OVERVIEW

Youth Services has rebounded significantly coming out of pandemic protocols to realize high program attendance and exceptionally high use of the Children's and Teen collection. The Youth Services Team continues to work in partnership with local schools, as well as continue to maintain well-rounded collections that fit changing community needs and interests.

Inflationary costs for children's books and other published materials continues across the publishing industry. Despite these inflationary rising costs, the FY2023/24 budget reflects status quo dollar amounts which may result in a slight decrease of approximately 3% of the amount of book and eBook titles purchased for the library collection for public use.

LIBRARY DEPARTMENT
Youth Services

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Intergovernmental Revenue	$ -	$ -	$ -	$ -	$ -	$ -
Service Charges	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Transfers In						
Transfers In from Trust(s)	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
TOTAL REVENUES & TRANSFERS IN	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
EXPENDITURES						
Salaries and Benefits	$ 376,102	$ 419,911	$ 398,028	$ 486,228	$ 449,737	$ 465,424
Operating Expenditures	48,671	64,553	60,221	66,100	66,100	66,100
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	85,291	85,584	88,528	94,859	94,859	95,547
TOTAL EXPENDITURES	**$ 510,064**	**$ 570,048**	**$ 546,777**	**$ 647,187**	**$ 610,696**	**$ 627,071**

LIBRARY DEPARTMENT
Youth Services

FY 2023/24 KEY PROJECTS

Core Goals	Key Projects
Civic Enrichment Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment.	***High-Quality Programming*** • Continue to produce high-quality programs for children and families covering a wide variety of interests and learning levels. ***Teen Services*** • Continue in-person teen services with appropriate COVID safety guidelines. • Continue partnership with Los Gatos High School and Los Gatos Union School District middle and elementary schools by making new student identification (ID) cards or ID numbers useable as Library cards. ***Equity and Inclusion Efforts*** • Continue to refine protocols and best practices for regular diversity audits of both our collections and programs; establish a means of communicating progress to the public. • Continue to produce regular bilingual programming to serve the needs of our community. • Participate in the Town's EDI Initiative. • Survey Library spaces and collections through the lens of making our resources more accessible to families with all levels of abilities. • Improve the Children's Room and Teen Room to be inclusive of youth with different levels of ability and learning styles.

KEY PROGRAM SERVICES

Meeting information needs for children 0 to 17 years of age and their parents

- Provides reference and reader's advisory services.
- Manages children's and teens' web pages.
- Maintains vibrant and diverse collections for children, teens, teachers, and parents/caregivers.
- Responds to patron suggestions for materials to be included in the collection.

LIBRARY DEPARTMENT
Youth Services

Providing programs to youth

- Provides year-round programming for infants, toddlers, preschoolers, school-age children, teens, and families.

KEY PROGRAM SERVICES

Outreach to youth

- Raises awareness for youth about collections, services, and programs available at the Library.
- Responds to requests for field trips to the Library and Librarian visits to schools and community events.
- Provides Library access via student ID cards for Los Gatos High School students, Fisher Middle School students, and all public elementary schools in Los Gatos as part of the Student Success Initiative.

YOUTH SERVICES PROGRAM STAFFING

Full Time Equivalent (FTE)

Town Staff	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Funded**	**2022/23 Funded**	**2023/24 Adopted**
Division Manager	0.50	0.50	0.50	0.50	0.50
Librarian	1.50	1.50	1.50	1.50	1.50
Library Technology Specialist	0.40	0.40	0.40	0.40	0.40
Sr Library Page	0.40	0.40	0.40	0.80	0.80
Total Youth Services FTEs	**2.80**	**2.80**	**2.80**	**3.20**	**3.20**

Temporary Staff	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Funded**	**2022/23 Funded**	**2023/24 Adopted**
Librarian Temp	175	175	175	70	70
Library Assistant	400	400	600	550	550
Total Annual Hours	**575**	**575**	**775**	**620**	**620**

LIBRARY DEPARTMENT
Youth Services

Performance Objectives and Measures	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. *Provide a variety of programs throughout the year that foster curiosity and community connection.*					
a. Percentage of customers rating youth programs as good/excellent:	*Public Survey not conducted due to COVID*	*Public Survey not conducted due to COVID*	99%	99%	99%
2. *Assure the delivery of quality service to youth customers.*					
a. Percentage of customers rating interactions as good/excellent:	*Public Survey not conducted due to COVID*	*Public Survey not conducted due to COVID*	95%	95%	95%

Activity and Workload Highlights	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. Number of youth programs per year:	435	165	296	556	600
2. Total attendance at youth programs:	21,366	2,739	4,854	7,982	8,300
3. Annual number of youth reference questions received:	14,002	655	879	618	700
4. Number of teens using library resources per year:	14,222	*Not tracked during COVID restrictions*	9,572	11,050	13,200
5. Number of youth outreach programs:	5	0	9	12	17
6. Total attendance at youth outreach programs:	971	0	718	807	1,000


TOWN OF
INCORPORATED 1887
LOS GATOS

Library Department

CIRCULATION AND SYSTEMS ADMINISTRATION
PROGRAM 7204

PROGRAM PURPOSE

The Circulation and Systems Administration Program provides library users with access to a broad range of up-to-date Library materials and technology as well as enable customers to access Library materials for use outside the Library. This Program additionally manages all automated services and technology systems. Circulation/System Administration's core services are to manage the circulation process, acquisition of new materials, maintain circulation records, and implement and support the Library's computer network, the integrated library automation system, and public Internet access.

BUDGET OVERVIEW

The Library Circulation and Systems Administration program continues to utilize technologies that meet patrons' expectations for fast, reliable access to information and Library resources as well as continues to implement system enhancements, provide support, and expand print resources and eBooks collections.

FY 2023/24, fees are increasing for subscriptions, licenses, databases, and software/hardware maintenance for the thirty-plus services the Library uses for both internal functioning and patron services. The increase in operational expense noted here reflects those increases while keeping the Library at a status quo service level.

LIBRARY DEPARTMENT
Circulation and Systems Administration

SUMMARY OF REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Intergovernmental Revenue	$ -	$ -	$ -	$ -	$ -	$ -
Service Charges	-	-	464	-	713	-
Fines & Forfeitures	6,391	-	7	500	250	250
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	**$ 6,391**	**$ -**	**$ 471**	**$ 500**	**$ 963**	**$ 250**
Transfers In						
Transfers In from Trust(s)	-	-	-	-	-	-
Total Transfers In	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL REVENUES & TRANSFERS IN	**$ 6,391**	**$ -**	**$ 471**	**$ 500**	**$ 963**	**$ 250**
EXPENDITURES						
Salaries and Benefits	$ 794,735	$ 734,875	$ 627,383	$ 703,606	$ 664,495	$ 755,937
Operating Expenditures	81,703	71,498	75,654	100,700	100,707	108,400
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	272,782	285,225	287,932	244,530	244,530	251,990
TOTAL EXPENDITURES	**$ 1,149,220**	**$ 1,091,598**	**$ 990,969**	**$ 1,048,836**	**$ 1,009,732**	**$ 1,116,327**

FY 2023/24 KEY PROJECTS

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

LIBRARY DEPARTMENT
Circulation and Systems Administration

KEY PROGRAM SERVICES

- Manages circulation process.
- Manages all Library automated systems, including the Library's network.
- Manages remote authentication server.
- Manages public computer terminals and printers.
- Maintains online catalog to assure customer access to Library materials.
- Acquires Library materials.
- Maintains Library collections, including shelving of materials.

CIRCULATION / SYSTEMS ADMINISTRATION PROGRAM STAFFING

Full Time Equivalent (FTE)

Town Staff	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Funded**	**2022/23 Funded**	**2023/24 Adopted**
Division Manager	0.80	0.80	0.80	0.80	0.80
Library Specialist	1.50	1.50	1.50	0.50	0.50
Library Technology Specialist	0.90	0.90	0.90	0.90	0.90
Customer Service Specialist	1.75	1.75	1.75	1.75	1.75
Total Circulation/System FTEs	**4.95**	**4.95**	**4.95**	**3.95**	**3.95**

Temporary Staff	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Funded**	**2022/23 Funded**	**2023/24 Adopted**
Library Clerk	1,050	1,050	800	650	650
Library Page	6,344	6,344	5,300	3,000	3,000
Total Annual Hours	**7,394**	**7,394**	**6,100**	**3,650**	**3,650**

LIBRARY DEPARTMENT
Circulation and Systems Administration

Performance Objectives and Measures	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. *Percentage of customers stating the Library has a good/excellent collection:*	*Public survey not conducted due to COVID-19*	*Public survey not conducted due to COVID*	90%	90%	90%
2. *Assure access to library online services.*					
a. Number of databases available online:	48	34	34	32	30
b. Number of electronic materials available for loan:*	875,485	858,700	1,993,447	2,010,000	2,300,000
c. Number of items in-house for loan:	107,095	103,081	106,750	106,750	106,750

Activity and Workload Highlights	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimated	2023/24 Planned
1. Total Circulation:	362,359	209,088	351,444	372,342	385,000
2. Number of new patrons registered:	4,117	3,535	4,580	5,646	6,100
3. Number of Library Card holders:	27,282	26,798	30,755	32,444	35,000
4. Number of periodical subscriptions avaible for public:	95	92	86	86	86
5. Use of public internet computers:	21,930	1,095	1,907	2,161	2,300
6. Circulation of non-English materials:	1,279	2,755	3,055	4,560	5,000
7. Electronic Content Use:*	99,039	119,165	101,703	98,508	100,000

** Changed from "e-Books" to "electronic materials" in FY16/17 to represent the growth of the electronic offerings to include audio, music, movies, and other types of content.*

Library Trust Fund

FUND 711

FUND PURPOSE

The Library Trust Fund was established to provide for the servicing of donations and bequests to the Los Gatos Library. The *Los Gatos Friends of the Library*, a nonprofit 501(c)(3) organization exists for the benefit of the Library, and this fund allows the Town to plan for and recognize the numerous donations this non-profit group makes to the Library. In addition, numerous local service organizations and individuals make generous donations and memorial bequests to the Library, sometimes for specific purposes. This fund provides for retaining these donations until they can be used as designated. This fund also includes the proceeds from the History Project Trust Fund, a small fund which was established to provide for the servicing of donations, bequests, grant monies, and expenditures to the historical archives. This fund also captures small donations made by Library supporters to purchase books or materials, often in memory of someone's passing.

BUDGET OVERVIEW

The Los Gatos Friends of the Library generally has contributed between $70,000 to $75,000 directly to the Library in cash funds during the past fiscal years. This funding has provided support for community programs, family programs, teen programs, and Summer Reading events and prizes.

The FY 2023/24 budget presented here anticipates donations from the Friends to be equal to previous pre-pandemic levels which will be used to cover the costs of Library programming and events. An additional $5,000 of funds to support one-time projects in the Children's Room will be pulled from the accumulated balance of the Trust.

LIBRARY DEPARTMENT
Library Trust Fund

The History Project Trust Fund tracked monies received by History Services, a Library service that originally began as a project funded by grants and donations. These Funds were mostly royalties donated by the author of books on Los Gatos history; however the money received from donated royalties has been decreasing to almost zero over the past years, and the FY 2023/24 budget anticipates limited to no contributions from this source.

STATEMENT OF SOURCE AND USE OF FUNDS

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignated	64,731	55,482	76,746	77,210	77,210	54,021
Total Beginning Fund Balance	64,731	55,482	76,746	77,210	77,210	54,021
Revenues						
Interest	1,579	767	1,119	500	-	-
Other Revenues	61,809	38,392	70,958	75,000	80,175	70,000
Intergovernmental	-	-	-	-	-	-
Total Revenues	**63,388**	**39,159**	**72,077**	**75,500**	**80,175**	**70,000**
TOTAL SOURCE OF FUNDS	**$ 128,119**	**$ 94,641**	**$ 148,823**	**$ 152,710**	**$ 157,385**	**$ 124,021**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	72,637	17,895	71,613	100,000	103,364	75,000
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	-	-	-	-	-	-
Total Expenditures	**72,637**	**17,895**	**71,613**	**100,000**	**103,364**	**75,000**
Transfers Out						
Transfer to General Fund	-	-	-	-	-	-
Transfer to History Trust Fund	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
TOTAL EXPENDITURES & TRANSFERS OUT	**72,637**	**17,895**	**71,613**	**100,000**	**103,364**	**75,000**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	55,482	76,746	77,210	52,710	54,021	49,021
Total Ending Fund Balance	55,482	76,746	77,210	52,710	54,021	49,021
TOTAL USE OF FUNDS	**$ 128,119**	**$ 94,641**	**$ 148,823**	**$ 152,710**	**$ 157,385**	**$ 124,021**

Clelles Ness Trust Fund

FUND 713

FUND PURPOSE

The Clelles Ness Trust Fund was established in January 1961 by Ansten R. Ness, M.D. and the Board of Library Trustees for the Town of Los Gatos, as a memorial to his wife, Clelles Ness. Mrs. Ness was a long-time Los Gatos resident who was active in civic life, winning the 1947 Citizen of the Year award. Among her many contributions to the Town, she was heavily involved with the arts. She helped to bring the Los Gatos Pageants and numerous other play productions to the Town, was an avid reader, and wrote for the *Los Gatos Times* (the local newspaper). She was also involved with bringing a hospital to Town, and with her husband started the "Holiday Circle" social club which required at least one spouse to be active in civic planning to join.

The intention of the memorial fund was to use the income and principal of the trust estate to provide materials and services not ordinarily available from public funds. An amendment to the trust agreement in 1983 relinquished control over the management and investment of the trust to the Town Council.

BUDGET OVERVIEW

In July of 1999 an agreement with the daughter of Clelles Ness stipulated that the use of the trust fund included a new Library facility, should one be built in the future. Per the agreement, the trust fund principal and interest was used for the new Library building plan documents and studies, such as but not limited to, a building program and architectural drawings. The remaining trust funds were held in a Library Building Fund to be used for the purchase of items for the current Library building, such as furniture, shelving, and equipment. A large portion of this trust was expended in FY 2015/16 for the purchase of the automated materials handling system, roughly $21,000 was expended in FY 2018/19 to fund the installation of sound mitigating doors to the teen room, with the approximately $22,000 remainder of the fund budgeted for FY 2023/24 for the installation of sound mitigation enhancements to the Library's lobby.

LIBRARY DEPARTMENT
Clelles Ness Trust Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignated	20,946	21,314	21,593	88,679	21,832	22,071
Total Beginning Fund Balance	20,946	21,314	21,593	88,679	21,832	22,071
Revenues						
Interest	368	279	239	250	239	-
Other Revenues	-	-	-	-	-	-
Total Revenues	**$ 368**	**$ 279**	**$ 239**	**$ 250**	**$ 239**	**$ -**
TOTAL SOURCE OF FUNDS	**$ 21,314**	**$ 21,593**	**$ 21,832**	**$ 88,929**	**$ 22,071**	**$ 22,071**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	-	-	-	-	-	-
Fixed Assets	-	-	-	20,755	-	21,000
Internal Service Charges	-	-	-	-	-	-
Total Expenditures	**-**	**-**	**-**	**20,755**	**-**	**21,000**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	21,314	21,593	21,832	68,174	22,071	1,071
Total Ending Fund Balance	21,314	21,593	21,832	68,174	22,071	1,071
TOTAL USE OF FUNDS	**$ 21,314**	**$ 21,593**	**$ 21,832**	**$ 88,929**	**$ 22,071**	**$ 22,071**

Susan McClendon Trust Fund

FUND 714

FUND PURPOSE

A bequest to the Los Gatos Public Library from the estate of the late Susan E. (Betty) McClendon was established in support of children's services. Betty McClendon was a long-time resident and dance instructor. She is especially remembered as the choreographer of the Town's 1940 pageant, "Trail Days," which celebrated the completion of the final section of the new four-lane highway from Santa Cruz into Los Gatos. Betty McClendon's mother, Mrs. Hilda McClendon, served as Children's Librarian at Los Gatos Memorial Library from 1923 to 1929. Ms. McClendon left this gift in memory of her mother and her mother's husband, Gorman Burtner.

Keeping with the wishes of the Ms. McClendon, these funds are restricted for use for children's services at the Library, and will be directed toward support of reading clubs, book discussion groups, evening family programs, and equipment and furniture needs of children's services that are not met by other funding. This funding will also be used for enhancement of children's collections.

BUDGET OVERVIEW

A small portion of the fund comprising the interest earned from the prior year has been budgeted in FY 2023/24 for the enhancement of children's specialty collections.

LIBRARY DEPARTMENT
Susan McClendon Trust Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignated	85,250	86,737	87,256	98,020	87,510	87,464
Total Beginning Fund Balance	85,250	86,737	87,256	98,020	87,510	87,464
Revenues						
Interest	1,487	1,128	954	1,000	954	900
Other Revenues	-	-	-	-	-	-
Total Revenues	**$ 1,487**	**$ 1,128**	**$ 954**	**$ 1,000**	**$ 954**	**$ 900**
TOTAL SOURCE OF FUNDS	**$ 86,737**	**$ 87,865**	**$ 88,210**	**$ 99,020**	**$ 88,464**	**$ 88,364**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	-	609	700	1,000	1,000	900
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	-	-	-	-	-	-
Total Expenditures	**$ -**	**$ 609**	**$ 700**	**$ 1,000**	**$ 1,000**	**$ 900**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	86,737	87,256	87,510	98,020	87,464	87,464
Total Ending Fund Balance	86,737	87,256	87,510	98,020	87,464	87,464
TOTAL USE OF FUNDS	**$ 86,737**	**$ 87,865**	**$ 88,210**	**$ 99,020**	**$ 88,464**	**$ 88,364**

Barbara Jones Cassin Trust Fund

FUND 716

FUND PURPOSE

The Barbara Jones Cassin Trust Fund was established by endowment upon the death of Ms. Cassin on May 10, 2010. Ms. Cassin was a graduate of Los Gatos High (class of 1937) and San Jose State, where she majored in biological and physical sciences. After a successful career in hospital laboratories, she turned to watercolors, and donated 25 lovely views of Los Gatos to the library. An exhibit showing these works was sponsored by the Library in August 2008 and again in 2018. Ms. Cassin's art has been widely exhibited and is held in public and private collections. In response to Hurricane Katrina, Ms. Cassin hosted a workshop to encourage children to draw and write their responses to the disaster, including its effects on animals.

The initial project funded by the Barbara Jones Cassin Trust was the purchase of opening day collections for the new Los Gatos Public Library. In following years, the interest earned by the trust is budgeted annually to enhance collections and informational programming, per Ms. Cassin's wishes.

BUDGET OVERVIEW

A small portion of the fund comprising the interest earned from the prior year has been budgeted in FY 2023/24 for the enhancement the collection per the trust agreements.

LIBRARY DEPARTMENT
Barbara Jones Cassin Trust Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignated	357,573	353,766	357,765	359,184	359,184	358,603
Total Beginning Fund Balance	357,573	353,766	357,765	359,184	359,184	358,603
Revenues						
Interest	6,182	4,610	3,919	4,500	3,919	3,900
Other Revenues	-	-	-	-	-	-
Total Revenues	**$ 6,182**	**$ 4,610**	**$ 3,919**	**$ 4,500**	**$ 3,919**	**$ 3,900**
TOTAL SOURCE OF FUNDS	**$ 363,755**	**$ 358,376**	**$ 361,684**	**$ 363,684**	**$ 363,103**	**$ 362,503**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	9,989	611	2,500	4,500	4,500	3,900
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	-	-	-	-	-	-
Total Expenditures	**9,989**	**611**	**2,500**	**4,500**	**4,500**	**3,900**
Transfers Out						
Transfer to General Fund	-	-	-	-	-	-
Transfer to Capital Projects	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	**$ 9,989**	**$ 611**	**$ 2,500**	**$ 4,500**	**$ 4,500**	**$ 3,900**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	353,766	357,765	359,184	359,184	358,603	358,603
Total Ending Fund Balance	353,766	357,765	359,184	359,184	358,603	358,603
TOTAL USE OF FUNDS	**$ 363,755**	**$ 358,376**	**$ 361,684**	**$ 363,684**	**$ 363,103**	**$ 362,503**

Capital Improvement Program

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Capital Improvement Program

PROGRAM PURPOSE

The Fiscal Year (FY) 2023/24-2027/28 Capital Improvement Program (CIP) is a comprehensive five-year capital improvement plan designed to identify projects that develop and maintain the Town's infrastructure. The CIP is developed consistent with the Town Council Core Goals of maintaining the condition and availability of public facilities and transportation systems. Guidance for developing priorities for capital improvement projects is also derived from key plans, including the General Plan, Bicycle and Pedestrian Master Plan, and the Council's Strategic Priorities. Input from Town Boards and Commissions also contributed to the development of the CIP.

In January 2023, the Town Council established the 2023-25 Strategic Priorities (see page A-2). The Core Goals and Strategic Priorities guide the preparation of both the Capital and Operating Budgets. The Town Council stated its capital budget priorities to continue implementation of the Downtown Parking Roadmap, continue mobility improvements for all transportation modes, manage the vegetation on Town lands to protect against wildfire, and advance other needed improvements. All of these efforts support improving and enhancing transportation options, public safety, and quality of life within the context of prudent fiscal management.

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

The Streets Program serves to develop and maintain a functional street system that is consistent with the General Plan and the Bicycle and Pedestrian Master Plan. Objectives include providing safe and efficient traffic flow through intersections while minimizing unnecessary traffic movement and noise through residential neighborhoods; fostering safe, connected, and accessible pedestrian and bicycle travel; and providing proper street lighting on public streets. The primary source of financing for this program comes from General Fund savings and Gas Tax Fund revenues. Street projects may also receive funding from federal, state, and local grants.

Within the Streets Program, Storm Drain Fund monies are used for the construction of drainage facilities that occur in conjunction with other street improvements.

Storm Drain funding is derived from a Town charge of two dollar per square foot of impervious surface created by development. Depending on the level of development activity, these fees produce around $100,000 annually.

The Utility Undergrounding Fund is another funding source utilized in the Streets Program. This fund accrues construction tax revenue of 18 cents charged for each square foot of building addition or alteration within the Town. This revenue is used for projects to relocate overhead utility lines underground to improve power reliability, reduce utility maintenance costs, and remove unsightly poles and lines. The Town would no longer rely on Pacific Gas and Electric Company's (PG&E) Rule 20A Program for utility underground projects since the California Public Utility Commission ruled in 2021 that ratepayers would no longer fund the Rule 20A after December 31, 2022.

As part of a voter-approved measure from 2010, the Santa Clara Valley Transportation Agency (VTA) assesses a $10 per vehicle registration surcharge to repair and rehabilitate streets. This funding source is expected to generate approximately $180,000 annually for Los Gatos, which will be used for street rehabilitation Town-wide.

In 2016, Santa Clara County voters approved Measure B a transportation focused sales tax measure. After several years of legal challenges, the funding from Measure B has begun to flow. The most important element of this measure is ongoing road maintenance funding to the Town, with a projected 2023/24 allocation of $580,633. Additional funds may be distributed to local projects on a competitive basis.

Another revenue source used in the Street program are impact fees. The Construction Activities Mitigation Fee is assessed based on the square footage area of new buildings or additions constructed at a rate of $1.43 per square foot for both residential and non-residential development projects. These fees are intended to recover the damage caused to Town streets by construction traffic. Construction Activities Mitigation fees generate approximately $110,000 annually. In addition, the Refuse Vehicle Road Impact Fee is estimated to generate $871,800 for FY 2023/24.

The Public Facilities Program includes projects for purchasing, constructing, or making capital repairs to public buildings, structures, and equipment. Town buildings include the Civic Center, Library, Police Operation Building, the Parks and Public Works Service Center, and the Los Gatos Theatre. The program also provides partial service to the Adult and Youth Recreation Centers, which are Town-owned buildings leased to Los Gatos-Saratoga Recreation. There is no designated funding for this program, and any allocations generally come from General Fund prior year savings or grant funds applied to qualified improvements.

CAPITAL IMPROVEMENT PROGRAM

The Parks Program includes projects for parks, trails, park buildings, urban forestry, and beautification. This capital plan also does not have a designated revenue source, and funding is currently dependent on budgeted allocations from General Fund savings, grants, and other sources. Park projects may on occasion include community volunteer services for minor construction and clean-up projects.

PROGRAM PROCESS

A CIP project includes design, construction, acquisition, rehabilitation, or non-routine maintenance that generally costs $25,000 or more with a minimum useful life of 5 years at a fixed location. The CIP identifies priority capital maintenance, facilities, and improvements needed within the next five years, with cost estimates based on current year dollars. Estimates for carry-forward projects are updated as necessary to a recent engineer's estimate based on current design specifications. Equipment, operating, and maintenance costs incurred as an outcome of CIP projects are identified and included in the Operating Budget.

Under direction from the Town Manager's Office, the Parks and Public Works Department lead the preparation of project proposals for consideration in the current Capital Improvement Program (reflected in detail in a separate document). In coordination with other Town Departments and Town Commissions and with the preparation of the Operating Budget, capital improvement projects and funding sources were reviewed and selected to meet the Town's priorities. The proposed CIP Budget is then presented to the Planning Commission during a public hearing for review and recommendation to ensure that the projects are consistent with the Town's General Plan. At the end of the process, the Town Council conducts a public hearing, considers the Planning Commission's recommendation, and has final approval authority.

This Operating and Capital Summary Budget document limits the Town's CIP financial information to the first year of the plan as it relates to the Town's Operating Budget. The full five-year project outlook is available in the separate Capital Improvement Program Budget document.

CAPITAL IMPROVEMENT PROGRAM

SUMMARY OF CIP REVENUES AND EXPENDITURES

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adopted	2022/23 Estimated	2023/24 Adopted
REVENUES						
Other Taxes	$ 34,437	$ 67,146	$ 66,382	$ 30,000	$ 11,327	$ 30,000
Carryforward	-	-	-	-	-	-
Intergovernmental	3,161,010	1,818,493	10,634,858	15,878,863	4,110,719	4,974,585
Town Services	223,317	34,417	395,919	199,695	-	-
Licenses & Permits	1,153,364	1,340,530	1,599,199	1,074,300	510,383	1,074,300
Interest	158,756	122,704	117,484	36,405	36,405	29,762
Other Revenues	325,609	2,239,342	3,632,197	5,977,580	5,797,712	824,273
TOTAL REVENUES	**5,056,493**	**5,622,632**	**16,446,039**	**23,196,843**	**10,466,546**	**6,932,920**
Transfers In						
Operating Transfers	8,325,591	3,401,479	1,750,001	3,774,978	3,720,359	1,615,000
Total Transfers In	**8,325,591**	**3,401,479**	**1,750,001**	**3,774,978**	**3,720,359**	**1,615,000**
Total Revenues & Transfers In	**$13,382,084**	**$ 9,024,111**	**$ 18,196,040**	**$ 26,971,821**	**$ 14,186,905**	**$ 8,547,920**
EXPENDITURES						
Salaries and Benefits	$ -	$ 31,085	$ -	$ -	$ -	$ -
Operating Expenditures	-	496	-	-	-	-
Charges for Services	-	-	-	-	-	-
Interest Expense	-	-	6,900,000	-	-	-
Grants	-	-	1,489,778	-	-	-
Capital Projects - New	7,907,340	5,833,757	9,334,505	41,219,550	11,462,886	10,125,131
TOTAL EXPENDITURES	**7,907,340**	**5,865,338**	**17,724,283**	**41,219,550**	**11,462,886**	**10,125,131**
Transfers Out						
Operating Transfers	569,952	533,616	533,616	533,616	533,616	533,616
Total Transfers Out	**569,952**	**533,616**	**533,616**	**533,616**	**533,616**	**533,616**
Total Expenditures & Transfers Out	**$ 8,477,292**	**$ 6,398,954**	**$ 18,257,899**	**$ 41,753,166**	**$ 11,996,502**	**$ 10,658,747**

CAPITAL IMPROVEMENT PROGRAM

The following schedule summarizes the Capital Improvement projects completed, consolidated, or withdrawn in FY 2022/23:

Projects Completed, Consolidated or Withdrawn in FY 2022/23						
		GFAR	Grant & Awards	Traffic Mitigation	Other *	Total Estimated
		Exp	Exp	Exp	Exp	Exp
Street Program						
Oak Grove Storm Repair	*Completed*	$ 31,800	$ -	$ -	$ -	$ 31,800
Maple Place Storm Repair	*Completed*	23,900	-	-	-	23,900
Annual Street Restriping	*Consolidated*	180,228	-	-	-	180,228
Traffic Calming Projects	*Consolidated*	267,805	-	-	-	267,805
Sidewalk Improvements - Multiple Locations	*Withdrawn*	-	-	-	-	-
Bicycle & Pedestrian Improvements	*Withdrawn*	258,476	281,527	41,350	-	581,353
Blossom Hill Road Traffic Study	*Completed*	126,553	-	-	-	126,553
Bike & Pedestrian Improvements	*Withdrawn*	258,476	281,527	41,350	-	581,353
Hernandez Ave Storm Drain Improvements	*Withdrawn*	-	-	-	17,180	17,180
Park Program						
Belgatos Park Booster Pump Replacement	*Completed*	36,133	-	-	-	36,133
Forbes Mill Footbridge Improvements	*Consolidated*	51,767	-	-	-	51,767
Public Facilities Program						
Waterproofing Town-wide	*Completed*	71,405	-	-	-	71,405
Civic Center Security Improvements	*Completed*	105,326	-	-	-	105,326
Adult Recreation Center- Floor Repair	*Completed*	158,069	-	-	-	158,069
Engineering Document Archiving	*Completed*	47,576	-	-	-	47,576
Rehabilitate Auto Gates @ 41 Miles Ave		24,235	-	-	-	24,235
Fire Suppression (Halon) for Server Rooms	*Completed*	109,756	-	-	-	109,756
						-
TOTAL OF COMPLETED PROJECTS		**$ 1,751,506**	**$ 563,054**	**$ 82,700**	**$ 17,180**	**$ 2,414,440**
** Other Funds include Storm Drain Fund, Gas Tax Funds, Utility Underground Funds*						

CAPITAL IMPROVEMENT PROGRAM

The following schedule summarizes the new Capital Improvement projects and projects continuing into FY 2023/24. Projects are defined further in following fund sections.

Carry-forward & FY 2023/24 CIP Projects

		GFAR	Grants and Awards	Gas Tax	Other	Total
CARRY-FORWARD PROJECTS						
Streets	* Street Repair & Resurfacing	$ 4,834,455	$ -	$ 3,157,771	$ -	$ 7,992,226
	* Pavement Rehab-Crack Seal	360,000	-	-	-	360,000
	* Curb, Gutter & Sidewalk Maintenance	835,515	-	-	-	835,515
	* Retaining Wall Repairs	566,799	-	-	-	566,799
	* Shannon Road Repair	4,371,513	-	-	-	4,371,513
	ADA Transition Plan	14,850	-	-	-	14,850
	Roadside Fire Fuel Reduction - Annual	825,191	750,000	-	-	1,575,191
	East Main Street Crosswalk Improvements	272,300	-	-	-	272,300
	Local Road Safety Plan	-	-	-	-	-
	VMT Mitigation Program	75,465	-	-	-	75,465
	Measure B Education & Encouragement	-	78,657	-	-	78,657
	Shannon Road Ped & Bikeway Improvements	558,929	1,114,350	-	381,383	2,054,662
	Downtown Streetscape Revitalization/Economic Recovery E	787,928	-	-	-	787,928
	State Route 17 Corridor Congestion Relief Project	867,000	-	-	-	867,000
	* Winchester Boulevard Complete Streets (Final Design)	590,244	1,734,250	-	-	2,324,494
	Winchester Class IV Bikeway	-	-	-	-	-
	* Kennedy Sidewalk & Bike Lanes - LGB to Englewood	59,460	832,300	-	-	891,760
	Parking Program Implementation	390,906	-	-	-	390,906
	Storm Related Repairs	-	-	-	-	-
	Traffic Signal Modernization	-	461,492	-	148,784	610,276
	Utility Undergrounding Improvements	-	-	-	299,573	299,573
	Stormwater System - Pollution Prevention Compliance	265,278	-	-	-	265,278
	Annual Storm Drain Improvements	-	-	-	244,984	244,984
	Downtown Parking Lots Seal Coat & Restriping	12,227	-	-	-	12,227
	Parking Lot 4 Repair/Waterproofing	-	-	-	-	-
	Quito Road - Bridge Replacement	50,000	-	-	-	50,000
	Highway 17 Bicycle & Pedestrian Bridge - Design	665,926	404,357	-	-	1,070,283
Parks	Oak Meadow Bandstand Area Improvements	44,495	196,730	-	-	241,225
	Town Plaza Turf Repairs	27,000	-	-	-	27,000
	Parks Playground Fibar Project	57,469	-	-	-	57,469
	* Pinehurst Community Garden	270,936	-	-	-	270,936
	Charter Oaks Trail Repair Project	474,891	-	-	-	474,891
	Open Space Trail Upgrades	152,000	-	-	-	152,000
	Trailhead Connector	995,377	4,800,000	-	-	5,795,377
	* Vegetation Management - Town-wide	100,458	-	-	-	100,458
	* Lynn Ave Pedestrian Path Design	190,000	-	-	-	190,000
Public Facilities	* Town Beautification	25,203	-	-	-	25,203
	* Public Art Gateway Project	44,500	-	-	-	44,500
	Downtown Restroom Feasibility Study	25,000	-	-	-	25,000
	* Civic Center ADA Restrooms and HR Offices	915,000	-	-	-	915,000
	Civic Center Plumbing Repair	40,000	-	-	-	40,000
	Adult Recreation Center HVAC	115,000	-	-	-	115,000
	Building Replacement at Corporation Yard	471,883	-	-	-	471,883
	Termite Abatement @ Water Tower	25,000	-	-	-	25,000
	Engineering Counter Modification	40,000	-	-	-	40,000
	HVAC Improvement - POB Building	25,000	-	-	-	25,000
	Library Improvements	22,000	-	-	-	22,000
	Battery Power Supply - Library	26,135	-	-	-	26,135
	ADA Upgrade for Public Restrooms - Adult Recreation Build	183,000	403,614	-	-	586,614
	Town-wide Document Imaging Project	-	-	-	-	-
	Enterprise Resource Planning Upgrade	725,076	-	-	-	725,076
	EOC Communications Upgrade	24,308	-	-	-	24,308
	IT Disaster Recovery Improvements	28,080	-	-	-	28,080
TOTAL OF CARRY-FORWARD PROJECTS (INCLUDES NEW ALLOCATIONS)		$ 21,451,797	$ 10,775,750	$ 3,157,771	$ 1,074,724	$ 36,460,042
*These carry-forward projects include new money for FY 2022/23 in the amount of $8,813,351.						
NEW PROJECTS						
Streets	Unanticipated Repairs - Annual	100,000	-	-	-	100,000
	Town-wide Speed Study	-	-	-	80,000	80,000
	Loma Street Drainage	-	-	-	100,000	100,000
	Harwood/Belridge Drainage Study	-	-	-	100,000	100,000
	709 University Avenue Drainage System Replacement	-	-	-	200,000	200,000
	333 University Inlet Capacity Improvements	-	-	-	50,000	50,000
Parks	Creekside Park Turf Replacement	500,000	-	-	-	500,000
Public Facilities	Emergency Preparedness	96,780	-	-	-	96,780
	Annual ADA Compliance Work	10,000	-	-	-	10,000
	POB Space Study	75,000	-	-	-	75,000
TOTAL OF NEW PROJECTS		$ 781,780	$ -	$ -	$ 530,000	$ 1,311,780
TOTAL OF CARRY-FORWARD & NEW PROJECTS		$ 22,233,577	$ 10,775,750	$ 3,157,771	$ 1,604,724	$ 37,771,822

Capital Improvement Program

GENERAL FUND APPROPRIATED RESERVE
FUND 411

FUND PURPOSE

The General Fund Appropriated Reserve (GFAR) accounts for funds designated for use in the Town's ongoing program for the development of facilities and general infrastructure improvements. This includes basic needs such as street and parking lot repair and resurfacing; repair or replacement of curbs, gutters, and retaining walls; and maintenance of other Town facilities. GFAR also provides for community improvements, such as Town beautification projects and traffic calming, and for foundational aspects of Town government such as technology projects and master planning work.

Revenues that support GFAR projects are derived from General Fund operational savings, from state revenues designated for transportation purposes, from intergovernmental cost sharing agreements on joint projects, and from construction impact fees. Designated revenues are accounted for in other CIP funds, and may be used in conjunction with GFAR funds in the development of capital projects.

BUDGET OVERVIEW

A significant source of funding to the Town's capital plan was General Fund operational savings. As in past years, the Town continues to be challenged by the lack of a reliable dedicated revenue stream for capital improvements. Because of the availability of General Fund "one-time" funding sources in recent years, the Council approved "one-time" General Fund transfers to the GFAR fund in the amount of $2.7 million for FY 2013/14, $6.6 million for FY 2014/15, $6.9 million for the Almond Grove Street Rehabilitation project in FY 2016/17, $2.8 million funding in FY 2017/18, $2.4 million transfer in FY 2018/19, $6.7 million transfer in FY 2019/20, $3.4 million transfer in FY 2020/21, $2.8 million transfer in FY2021/22. In FY 2022/23, the transfer to GFAR totaled to $6.6 million. This amount comprised of $2.9 million transfer from the American Rescue Plan Act (ARPA) fund, $3.0 million from the General Fund and $700,000 from the IT Replacement Fund.

CAPITAL IMPROVEMENT PROGRAM
General Fund Appropriated Reserve

For FY 2023/24, a transfer of $1.6 million is proposed from the General Fund and $638,273 will come from the Measure G District Sales Tax revenues as described above. The Council allocated 50% of the anticipated Measure G proceeds to the Capital Improvement Projects and 50% for operating expenditures. When actual proceeds are verified with year-end closing, Council will consider for approval the actual capital project(s) funded by Measure G proceeds.

After these allocations, sufficient balances are anticipated for the remaining years of the plan to accommodate allocating approximately $1.1 million from the General Fund Capital/Special Projects Reserve from FY 2023/24 through FY 2027/28. Establishing a reliable, dedicated source of funding for basic capital improvements beyond the use of accumulated reserves remains a long-term need and important goal for the Town.

Other sources are primarily one-time funds from the state or federal government or from special revenue funds that have often fluctuated in tandem with the economy and the state budget.

Pursuant to Article IX of Chapter 15 of the Town Code, the Town collects Construction Activities Mitigation Fees in support of road construction and maintenance projects throughout the Town. Beginning in FY 1998/99, these fees were deposited directly into GFAR for use in the Street Resurfacing Program. Total construction impact fees of $110,000 are budgeted for FY 2023/24 consistent with prior year revenues and projected building trends.

As part of a voter-approved measure from 2010, the Santa Clara Valley Transportation Agency (VTA) assesses a $10 per vehicle registration surcharge to repair and rehabilitate streets. This funding source is expected to generate approximately $180,000 annually for Los Gatos, which is used for street rehabilitation Town-wide.

In 2016, Santa Clara County voters approved Measure B a transportation focused sales tax measure. After several years of legal challenges, the funding from Measure B has begun to flow. The most important element of this measure is ongoing road maintenance funding to the Town. This amount will vary from year to year, dependent on actual revenue. The projection for Fiscal Year 2023/24 is $580,633. Additional funds may be distributed to local projects on a competitive basis.

CAPITAL IMPROVEMENT PROGRAM
General Fund Appropriated Reserve

STATEMENT OF SOURCE AND USE OF FUNDS

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adopted	2022/23 Estimated	2023/24 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated for Parking	$ 1,460,210	$ 1,460,210	$ 1,460,210	$ -	$ -	$ -
Undesignatged	7,058,779	12,400,869	13,973,632	14,783,796	14,783,796	19,263,963
Total Beginning Fund Balance	8,518,989	13,861,079	15,433,842	14,783,796	14,783,796	19,263,963
Revenues						
Other Taxes	-	-	-	-	-	-
Carryforward	-	-	-	-	-	-
Intergovernmental	1,516,438	201,732	758,992	2,004,346	1,526,225	760,663
Town Services	221,859	34,417	395,919	199,695	-	-
Licenses & Permits	1,026,893	1,219,102	1,291,855	981,800	437,259	981,800
Interest	3,205	2,654	10,560	-	-	-
Other Revenues	232,983	1,874,907	3,104,406	5,343,930	5,017,691	744,273
Total Revenues	**3,001,378**	**3,332,812**	**5,561,732**	**8,529,771**	**6,981,175**	**2,486,736**
Transfers In						
Transfer from General Fund	6,982,591	3,401,479	1,750,001	3,006,978	2,987,359	1,615,000
Transfer from Grant	-	-	-	-	-	-
Transfes from Bulding Maint	788,000	-	-	-	-	-
Transfer from MIS Fund	-	-	-	733,000	733,000	-
Transfer from Equip Replacement	525,000	-	-	-	-	-
Transfer from Storm Basin Funds	30,000	-	-	-	-	-
Total Transfers In	**8,325,591**	**3,401,479**	**1,750,001**	**3,739,978**	**3,720,359**	**1,615,000**
Total Revenues & Transfers In	**11,326,969**	**6,734,291**	**7,311,733**	**12,269,749**	**10,701,534**	**4,101,736**
TOTAL SOURCE OF FUNDS	**$ 19,845,958**	**$ 20,595,370**	**$ 22,745,575**	**$ 27,053,545**	**$ 25,485,330**	**$ 23,365,699**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ -	$ 31,085	$ -	$ -	$ -	$ -
Operating Expenditures	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Grants	-	-	1,489,778	-	-	-
Interest Expense	-	-	-	-	-	-
Capital Projects - Carryfwd	-	-	-	-	-	
Capital Projects - New	5,567,263	4,712,827	6,054,385	24,761,224	5,803,751	5,485,807
Total Expenditures	**5,567,263**	**4,743,912**	**7,544,163**	**24,761,224**	**5,803,751**	**5,485,807**
Transfers Out						
Transfers to General Fund	417,616	417,616	417,616	417,616	417,616	417,616
Transfer to SA Trust	-	-	-	-	-	-
Total Transfers Out	**417,616**	**417,616**	**417,616**	**417,616**	**417,616**	**417,616**
Total Expenditures & Transfers Out	**5,984,879**	**5,161,528**	**7,961,779**	**25,178,840**	**6,221,367**	**5,903,423**
Ending Fund Balance						
Designated for Parking	1,460,210	1,460,210	-	-	-	-
Undesignated	12,400,869	13,973,632	14,783,796	1,874,705	19,263,963	17,462,276
Total Ending Fund Balance	13,861,079	15,433,842	14,783,796	1,874,705	19,263,963	17,462,276
TOTAL USE OF FUNDS	**$ 19,845,958**	**$ 20,595,370**	**$ 22,745,575**	**$ 27,053,545**	**$ 25,485,330**	**$ 23,365,699**

CAPITAL IMPROVEMENT PROGRAM
General Fund Appropriated Reserve

The following GFAR schedule identifies projects carried forward into FY 2023/24 and new FY 2023/24 projects, as part of the FY 2023/24-2027/28 Capital Improvement Program:

GFAR FUND PROJECT SUMMARY

	Expended Through 2022/23	Estimated Carryfwd to 2023/24	2023/24 Budget	Total Budgeted
Annual Projects				
9901 Street Repair & Resurfacing	$ 11,081,550	$ 3,271,992	$ 1,562,463	$ 15,916,005
9903 Pavement Rehab-Crack Seal	1,616,628	180,000	180,000	1,976,628
9921 Curb, Gutter & Sidewalk Maintenance	4,652,468	535,515	300,000	5,487,983
9930 Retaining Wall Repairs	1,595,978	516,799	50,000	2,162,777
0130 Roadside Fire Fuel Reduction - Annual	999,809	825,191	-	1,825,000
Carryforward Projects				
0008 Shannon Road Repair	361,121	2,557,449	1,814,064	4,732,634
0129 ADA Transition Plan	118,700	14,850	-	133,550
0131 East Main Street Crosswalk Improvements	-	272,300	-	272,300
0132 Local Road Safety Plan	8,000	-	-	8,000
0133 VMT Mitigation Program	50,305	75,465	-	125,770
0134 Measure B Education & Encouragement	11,700	-	-	11,700
0218 Shannon Road Ped & Bikeway Improvements	117,996	558,929	-	676,925
0235 Downtown Streetscape Revitalization/Economic Recovery Efforts	1,270,524	787,928	-	2,058,452
0237 State Route 17 Corridor Congestion Relief Project	-	867,000	-	867,000
0238 Winchester Boulevard Complete Streets (Final Design)	140,414	590,244	-	730,658
0241 Kennedy Sidewalk & Bike Lanes - LGB to Englewood	-	59,460	-	59,460
0242 Parking Program Implementation	57,628	390,906	-	448,534
0414 Stormwater System - Pollution Prevention Compliance	22,722	265,278	-	288,000
0705 Downtown Parking Lots Seal Coat & Restriping	84,839	12,227	-	97,066
0801 Quito Road - Bridge Replacement	64,594	50,000	-	114,594
0803 Highway 17 Bicycle & Pedestrian Bridge - Design	107,943	665,926	-	773,869
4007 Oak Meadow Bandstand Area Improvements	8,928	44,495	-	53,423
4202 Town Plaza Turf Repairs	9,116	27,000	-	36,116
4605 Parks Playground Fibar Project	92,531	57,469	-	150,000
4610 Pinehurst Community Garden	14,064	120,936	150,000	285,000
4503 Charter Oaks Trail Repair Project	109	474,891	-	475,000
4504 Open Space Trail Upgrades	-	152,000	-	152,000
4505 Trailhead Connector	243,167	995,377	-	1,238,544
4508 Vegetation Management - Town-wide	226,064	458	100,000	326,522
4510 Lynn Ave Pedestrian Path Design	-	75,000	150,000	225,000
2002 Town Beautification	119,571	10,203	15,000	144,774
2009 Public Art Gateway Project	50,000	7,000	37,500	94,500
2011 Downtown Restroom Feasibility Study	-	25,000	-	25,000
2117 Civic Center ADA Restrooms and HR Offices	22,742	535,000	380,000	937,742
2120 Civic Center Plumbing Repair	-	40,000	-	40,000
2207 Adult Recreation Center HVAC	-	115,000	-	115,000
2302 Building Replacement at Corporation Yard	1,321,098	471,883	-	1,792,981
2309 Termite Abatement @ Water Tower	-	25,000	-	25,000
2310 Engineering Counter Modification	-	40,000	-	40,000
2403 HVAC Improvement - POB Building	-	25,000	-	25,000
2504 Library Improvements	-	22,000	-	22,000
2505 Battery Power Supply - Library	-	26,135	-	26,135
2601 ADA Upgrade for Public Restrooms - Adult Recreation Building	-	183,000	-	183,000
6003 Town-wide Document Imaging Project	198,011	-	-	198,011
6101 Enterprise Resource Planning Upgrade	254,769	725,076	-	979,845
6103 EOC Communications Upgrade	24,692	24,308	-	49,000
6104 IT Disaster Recovery Improvements	113,962	28,080	-	142,042
6306 CERT Equipment	48,341	-	-	48,341
				-
New Projects				-
9904 Unanticipated Repairs - Annual			100,000	100,000
0804 Timber Bridge Inspection			-	-
4404 Creekside Park Turf Replacement			500,000	500,000
2012 Emergency Preparedness			61,780	61,780
2013 Annual ADA Compliance Work			10,000	10,000
2404 POB Space Study			75,000	75,000
Total GFAR Projects	**$ 25,110,084**	**$ 16,747,770**	**$ 5,485,807**	**$ 47,343,661**

CAPITAL IMPROVEMENT PROGRAM
General Fund Appropriated Reserve

FY 2023/24 KEY PROJECTS

The following Capital Improvement Program projects funded with GFAR funding and/or donations which flow through the GFAR are expected to be key projects in FY 2023/24.

- ***Street Repair and Resurfacing*** – The Town's Street Resurfacing Program of preventive and deferred maintenance includes both carryforward funds and new appropriations. The work to be performed consists of a balanced program of surface treatments, and pavement overlays, with supplemental ongoing maintenance activities performed by the Town's Parks and Public Works Department staff. The majority of the proposed FY 2022/23 - 2026/27 CIP funding is allocated to street reconstruction, street improvements, and maintenance projects. This emphasis reflects the Town Council's priority to address street maintenance needs. The goal is for Town streets to achieve an average Pavement Condition Index (PCI) range of 70-79, which is considered in "Good Category" (100 being the highest rating possible). The Town's cumulative investment in its streets resulted in raising the PCI from a low of 64 in 2001 to the level of 74 in 2008. Since that time, given the small amount of asphalt overlay work performed, the Town's 3-year moving average PCI dropped from 74 to 69 as recently as 2019. To mitigate this decline, the Town focused its resources on arterials and collector streets, and used a chip and slurry approach to enhance the PCI rating. This approach was the most economical and prudent treatment to resurface several residential neighborhoods. The current PCI for Town streets is 73, with a rating of 75 expected in 2027. Additional funding for this program has allowed for this increase in PCI. Ongoing sustained funding is necessary to avoid future drops in the PCI.

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

- ***Curb, Gutter, and Sidewalk –*** This project funds the annual repair and replacement of deficient curbs, gutters, and sidewalks throughout the Town. Locations for repair and replacement work are identified throughout the year by Parks and Public Works Department staff and are prioritized in coordination with the annual Street Resurfacing Program, as applicable. This program is essential for maintaining American with Disabilities Act (ADA) compliance and to address uneven sidewalk surfaces. The ADA assessment and evaluation of Town infrastructure in the public right-of-way was completed in 2022, which identified additional long-term budgetary needs for repairs and upgrades.

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

Operating Budget Impacts: Project oversight by the Engineering staff has been incorporated into the engineering Program Services FY 2023/24 budget on an ongoing basis.

- ***Quito Bridge Replacement –*** This project funds the replacement of two functionally obsolete bridges that span San Tomas Aquino Creek along Quito Road. The project is a joint effort between the Town, the City of Saratoga, and the Santa Clara Valley Water District, with the City of Saratoga serving as the lead agency for the project. Eighty percent of the funding for the project is provided through the Federal Highway Bridge Replacement and Rehabilitation (HBRR) program, with the remaining 20% shared equally between the three participating local agencies. After further evaluation of the bridges, it was determined that Quito Road would require reconstruction at each end of the bridge, which in turn requires additional right-of-way acquisitions and environmental reviews under both the State of California (Caltrans) and federal regulations. These changes have made it necessary to redesign this project significantly increasing the estimated costs. The City of Saratoga has applied for additional funding from Caltrans due to the redesign. As a result of the additional project costs, the local match from the City of Saratoga, the Town of Los Gatos, and the SCVWD has increased from $155,000 to $300,000 for each agency. Based on the 2022 schedule from the City of Saratoga, the construction of these bridges is anticipated to start in 2024

  Operating Budget Impacts: Engineering staff time for coordination of this project with the City of Saratoga has been incorporated into the Operating Budget. Completion of this project will mitigate the potential cost of lawsuits from bridge failure and pre-empt the cost of replacing the bridge in an emergency situation.

The CIP includes several facilities maintenance projects to address deferred maintenance needs. This upgrading restrooms at the Civic Center to make them compliant with Americans with Disabilities Act standards.

The Town continues to advance efforts in multi-modal transportation projects, the Shannon Road Pedestrian and Bikeway Improvements, Shannon Road Repair, and Kennedy Road Sidewalk and Bike Lanes from Los Gatos Boulevard to Englewood Avenue.

Efforts to make the Town more resilient in the face of wildfire threats has led to the addition of a Roadside Fire Fuel Reduction project and this year funds were added for the Open Space Vegetation Management Project. Through this project, vegetation along roadways and in our town open spaces will be reduced to lessen the ability for fires to spread and to allow for safe evacuation routes for residents should they be needed.

CAPITAL IMPROVEMENT PROGRAM
General Fund Appropriated Reserve

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


TOWN OF
INCORPORATED 1887
LOS GATOS

Capital Improvement Program

TRAFFIC MITIGATION FUND
FUND 471

FUND PURPOSE

Pursuant to Article VII of Chapter 15 of the Town Code, the Town collects traffic impact mitigation fees to finance transportation and traffic improvements throughout the Town. Article VII of Chapter 15 also authorizes the establishment of a fund into which all such fees and interest on those fees is deposited. The first traffic mitigation fees were collected on October 24, 1991. Money collected from such fees is to be used solely for construction of identified traffic and transportation projects to mitigate the traffic impacts of new development, and are not used for routine repairs and maintenance.

BUDGET OVERVIEW

Funds collected as traffic mitigation fees are recorded as deferred revenue until the time of use for appropriated projects. The administration fees collected as a percentage of this revenue are realized at the time of receipt to recognize the Town's ongoing administrative functions in providing program oversight. Appropriations of traffic mitigation funds are controlled through Town Council action, after evaluating the benefits gained by proposed projects for improving traffic conditions for vehicles, bicycles, and pedestrians.

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

- Shannon Road Pedestrian and Bikeway Improvements
- Traffic Signal Modernization
- Highway 17 Bicycle and Pedestrian Bridge Design

CAPITAL IMPROVEMENT PROGRAM
Traffic Mitigation Fund

FY 2023/24 KEY PROJECTS

The following key projects are budgeted in FY 2023/24:

- ***Highway 17 Bicycle and Pedestrian Bridge Design –*** Acknowledging the challenge for bicycles and pedestrians to cross Highway 17, this project will continue work on identifying alignment options for a new crossing and ongoing coordination with CalTrans.

- **Town-wide Speed Study** – this project will allow for the completion of speeds studies of streets in Town. The results of the study support setting and enforcing speed limits in the Town.

  Operating Budget Impacts: Engineering staff time for project management is addressed in the FY 2023/24 Operating Budget with temporary staffing funded through the specific project allocated budget.

CAPITAL IMPROVEMENT PROGRAM
Traffic Mitigation Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adopted	2022/23 Estimated	2023/24 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Deferred Revenue	$ 2,277,362	$ 2,277,362	$ 2,246,440	$ 2,287,554	$ 2,287,554	$ 1,556,533
Undesignatged	304,647	348,660	381,317	405,568	405,568	395,568
Total Beginning Fund Balance	2,582,009	2,626,022	2,627,757	2,693,122	2,693,122	1,952,101
Revenues						
Other Taxes	-	-	-	-	-	-
Carryforward	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Town Services	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-
Interest	44,013	32,658	24,251	-	-	-
Other Revenues	92,626	364,435	527,791	633,650	731,021	80,000
Total Revenues	**136,639**	**397,093**	**552,042**	**633,650**	**731,021**	**80,000**
Transfers In						
Transfer from General Fund	-	-	-	-	-	-
Transfer from CBDG	-	-	-	-	-	-
Transfes from Bulding Maint	-	-	-	-	-	-
Transfer from MIS Fund	-	-	-	-	-	-
Transfer from Equip Replacement	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
Total Revenues & Transfers In	**136,639**	**397,093**	**552,042**	**633,650**	**731,021**	**80,000**
TOTAL SOURCE OF FUNDS	**$ 2,718,648**	**$ 3,023,115**	**$ 3,179,799**	**$ 3,326,772**	**$ 3,424,143**	**$ 2,032,101**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	-	496	-	-	-	-
Charges for Services	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-
Capital Projects - Carryfwd	-	-	-	-	-	-
Capital Projects - New	76,290	353,940	517,791	913,455	731,021	80,000
Total Expenditures	**76,290**	**354,436**	**517,791**	**913,455**	**731,021**	**80,000**
Transfers Out						
Transfers to General Fund	16,336	10,000	10,000	10,000	10,000	10,000
Transfers to Equip Repalcement	-	-	-	-	-	-
	-	-	-	-	-	-
Total Transfers Out	16,336	10,000	10,000	10,000	10,000	10,000
Total Expenditures & Transfers Out	**92,626**	**364,436**	**527,791**	**923,455**	**741,021**	**90,000**
Ending Fund Balance						
Deferred Revenue	2,277,362	2,246,440	2,287,554	1,653,904	1,556,533	1,556,533
Undesignated	348,660	381,317	405,568	115,763	395,568	385,568
Total Ending Fund Balance	2,626,022	2,627,757	2,693,122	1,769,667	1,952,101	1,942,101
TOTAL USE OF FUNDS	**$ 2,718,648**	**$ 2,992,193**	**$ 3,220,913**	**$ 2,693,122**	**$ 2,693,122**	**$ 2,032,101**

CAPITAL IMPROVEMENT PROGRAM
Traffic Mitigation Fund

TRAFFIC MITIGATION FUND PROJECTS				
	Expended Through 2022/23	Estimated Carryfwd to 2023/24	2023/24 Budget	Total Budgeted
Carryforward Projects				
0218 Shannon Road Ped & Bikeway Improvements	$ -	$ 133,380	$ -	$ 133,380
0227 Traffic Signal Modernization	823,484	148,784	-	972,268
0231 Bike & Pedestrian Improvements	41,350	-	-	41,350
0237 Highway 17/9 Interchange and Capacity Improvements	-	-	-	-
0803 Highway 17 Bicycle & Pedestrian Bridge - Design	147,249	-	-	147,249
New Projects				
0135 Town-wide Speed Study			80,000	80,000
Total Traffic Mitigation Projects	**$ 1,012,083**	**$ 282,164**	**$ 80,000**	**$ 1,374,247**

Capital Improvement Program

GRANTS AND AWARDS PROJECT FUND
FUND 421

FUND PURPOSE

The Grants and Awards Project Fund is typically composed of projects funded by the federal Department of Housing and Urban Development's Community Development Block Grant (CDBG) Program, Parks and Water Bond Act of 2018 (Proposition 68), Santa Clara County 2016 Measure B, Transportation Fund for Clean Air (TFCA) Regional Fund, Vehicle Emissions Reduction Based at Schools (VERBS), Transportation Development Act (TDA) Article 3 Funds, and One Bay Area (OBAG) grants. Additional grants and awards may also be a funding source utilized in this fund. The expenditures in this fund are restricted to identified projects solely funded by grants.

BUDGET OVERVIEW

Grant and Award CIP projects receive funding from a variety of sources.

CAPITAL IMPROVEMENT PROGRAM
Grants and Awards Project Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adopted	2022/23 Estimated	2023/24 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignatged	(255,637)	(343,706)	(699,245)	(948,604)	(948,604)	(2,980,233)
Total Beginning Fund Balance	(255,637)	(343,706)	(699,245)	(948,604)	(948,604)	(2,980,233)
Revenues						
Other Taxes	-	-	-	-	-	-
Carryforward	-	-	-	-	-	-
Intergovernmental	394,876	342,973	8,505,080	12,339,439	994,808	2,427,810
Town Services	1,458	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
Total Revenues	**396,334**	**342,973**	**8,505,080**	**12,339,439**	**994,808**	**2,427,810**
Transfers In						
Transfer from General Fund	-	-	-	-	-	-
Transfer from Workers Comp	-	-	-	35,000	-	-
Transfes from Bulding Maint	-	-	-	-	-	-
Transfer from MIS Fund	-	-	-	-	-	-
Transfer from Equip Replacement	-	-	-	-	-	-
Total Transfers In	**-**	**-**	**-**	**35,000**	**-**	**-**
Total Revenues & Transfers In	**396,334**	**342,973**	**8,505,080**	**12,374,439**	**994,808**	**2,427,810**
TOTAL SOURCE OF FUNDS	**$ 140,697**	**$ (733)**	**$ 7,805,835**	**$ 11,425,835**	**$ 46,204**	**$ (552,423)**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Interest Expense	-	-	6,900,000	-	-	-
Capital Projects - Carryfwd	-	-	-	-	-	-
Capital Projects - New	484,403	698,512	1,854,439	11,374,377	3,026,437	2,427,810
Total Expenditures	**484,403**	**698,512**	**8,754,439**	**11,374,377**	**3,026,437**	**2,427,810**
Transfers Out						
Transfers to General Fund	-	-	-	-	-	-
Transfers to Grant Fund	-	-	-	-	-	-
Transfers to Equip Repalcement	-	-	-	-	-	-
Total Transfers Out	**-**	**-**	**-**	**-**	**-**	**-**
Total Expenditures & Transfers Out	**484,403**	**698,512**	**8,754,439**	**11,374,377**	**3,026,437**	**2,427,810**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	(343,706)	(699,245)	(948,604)	51,458	(2,980,233)	(2,980,233)
Total Ending Fund Balance	(343,706)	(699,245)	(948,604)	51,458	(2,980,233)	(2,980,233)
TOTAL USE OF FUNDS	**$ 140,697**	**$ (733)**	**$ 7,805,835**	**$ 11,425,835**	**$ 46,204**	**$ (552,423)**

CAPITAL IMPROVEMENT PROGRAM
Grants and Awards Project Fund

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

	Expended Through 2022/23	Estimated Carryfwd to 2023/24	2023/24 Budget	Total Budgeted
Carryforward Projects				
0129 ADA Transistion Plan	$ 35,000	$ -	$ -	$ 35,000
0130 Roadside Fire Fuel Reduction	-	750,000	-	750,000
0131 E. Main St. Speed Table/ Raised Crosswalk	-	-	-	-
0134 Measure B Education & Encouragement	5,499	78,657	-	84,156
0218 Shannon Road Pedestrian & Bikeway Improvements	-	1,114,350	-	1,114,350
0227 Traffic Signal Modernization	630,114	461,492	-	1,091,606
0231 Bike & Ped Improvements	281,527	-	-	281,527
0238 Winchester Blvd. Complete Streets (Final Design)	-	-	1,734,250	1,734,250
0240 Winchester Class IV Bikeway	293,900	-	-	293,900
0241 Kennedy Sidewalk between LGB and Engelwood	-	138,740	693,560	832,300
0803 Highway 17 Bicycle & Pedestrian Bridge - Design	415,225	404,357	-	819,582
2505 Battery Power Supply - Library	9,419	-	-	9,419
2601 ADA Upgrade Public Restrooms - Adult Recreation Bldg.	86,882	403,614	-	490,496
4007 Oak Meadow Bandstand Area Improvements	-	196,730	-	196,730
4503 Charter Oaks Trail Improvement	72,833	-	-	72,833
4505 Trailhead Connector Project	343,000	4,800,000	-	5,143,000
9901 Street Repair & Resurfacing	230,000	-	-	230,000
9921 Curb, Gutter, & Sidewalk Maintenance	62,884	-	-	62,884
New Projects				
Total Grant Funded Projects	**$ 2,466,284**	**$ 8,347,940**	**$ 2,427,810**	**$ 13,242,034**

FY 2023/24 KEY PROJECTS

The following Capital Improvement Plan projects are funded with grant funding and are expected to be Key Projects in FY 2023/24:

- ***Traffic Signal Modernization*** – To be completed in 2024, this project will modernize the Town's traffic signal controllers to allow for greater control by staff, ensure that the current system meets current safety standards, and increase the traffic flow. The Town was awarded several grants totaling $1.8M for this project. Full completion of this project relies on increases Traffic Impact Fees related to development projects

  Operating Budget Impacts: Engineering staff time for project management is addressed in the FY 2023/24 Operating Budget.

- ***Trailhead Connector Project*** – This project will fund the design and construction of a trailhead connection for Los Gatos Creek Trail to Highway 9. Construction of this project is scheduled to start in Fall 2023 and is supported by funds from the OBAG, TFCA, Measure B and TDA3 programs.

  Operating Budget Impacts: Engineering staff time for project management is addressed in the FY 2023/24 Operating Budget with additional temporary staffing required to deliver the project included in the project budget.

- ***Highway 17 Bicycle and Pedestrian Bridge Design –*** Design of this important bicycle and pedestrian connection over Highway 17 along Blossom Hill Road will continue. The project is fully funded through design. .

  Operating Budget Impacts: Engineering staff time for project management is addressed in the FY 2023/24 Operating Budget.

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

  Operating Budget Impacts: Engineering staff time for project management is addressed in the FY 2023/24 Operating Budget.

- ***Kennedy Road Sidewalks and Bike Lanes –*** LGB to Englewood – This project will fund the design and construction of sidewalks and bike lanes on Kennedy Road between Los Gatos Boulevard and Englewood Avenue. Measure B funds will supplement the costs for design. There is currently no funding construction.

  Operating Budget Impacts: Engineering staff time for project management is addressed in the FY 2023/24 Operating Budget.

Capital Improvement Program

STORM DRAIN FUNDS
FUNDS 461, 462, 463

FUND PURPOSE

The Town's three Storm Drain Funds are designated for support of the storm drain systems that carry surface runoff water off the Town's streets and route it into curbside catch basins. From there, runoff enters an underground pipe system that ultimately flows to San Francisco Bay. These Storm Drain Funds construct and maintain the Town's facilities, which collect and transport the surface runoff water.

Storm Drain revenues are a designated portion of the fees collected from private development building permit fees. Town Code Section 24.60.010 *et seq*. requires fees to be paid in conjunction with development in specified local drainage areas. Fees collected are placed in one of these three funds, known as Storm Drain Basin #1 (Fund 461), which encompasses the eastern portion of Los Gatos Town limits; Storm Drain Basin #2 (Fund 462), which encompasses a central corridor through the Town; and Storm Drain Basin #3 (Fund 463), which encompasses the Town's west side. The use of these funds is restricted to the construction of drainage facilities located in the designated areas.

BUDGET OVERVIEW

The use of these fees is controlled through Town Council action, and the benefit of each project is evaluated for improving a designated local drainage area. Expenditures from storm drain fees are limited to new construction only, not repair or maintenance work.

FY 2023/24 KEY PROJECTS

Examples of projects funded from this source include:

CAPITAL IMPROVEMENT PROGRAM
Storm Drain Fund - 461

Loma Street Drainage Evaluation: Created in the 2023/24 fiscal year, this project will evaluate the inadequate drainage system and design improvements to reduce the occurrence of street flooding.

Harwood / Belridge Drainage Study: This project provides funding to evaluate a cross country flow of storm drainage through a pipe contained in an easement in the back yard of residential property. Funding will be used to map the piping and consider options for relocating the system.

STATEMENT OF SOURCE AND USE OF FUNDS

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adopted	2022/23 Estimated	2023/24 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignatged	932,416	1,034,521	1,078,286	1,168,025	1,168,025	1,198,112
Total Beginning Fund Balance	932,416	1,034,521	1,078,286	1,168,025	1,168,025	1,198,112
Revenues						
Other Taxes	-	-	-	-	-	-
Carryforward	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Town Services	-	-	-	-	-	-
Licenses & Permits	95,259	30,212	77,495	45,000	25,407	45,000
Interest	16,846	13,553	12,244	4,680	4,680	4,990
Other Revenues	-	-	-	-	-	-
Total Revenues	**112,105**	**43,765**	**89,739**	**49,680**	**30,087**	**49,990**
Transfers In						
Transfer from General Fund	-	-	-	-	-	-
Transfer from CDBG	-	-	-	-	-	-
Transfes from Bulding Maint	-	-	-	-	-	-
Transfer from MIS Fund	-	-	-	-	-	-
Transfer from Equip Replacement	-	-	-	-	-	-
Total Transfers In	**-**	**-**	**-**	**-**	**-**	**-**
Total Revenues & Transfers In	**112,105**	**43,765**	**89,739**	**49,680**	**30,087**	**49,990**
TOTAL SOURCE OF FUNDS	**$ 1,044,521**	**$ 1,078,286**	**$ 1,168,025**	**$ 1,217,705**	**$ 1,198,112**	**$ 1,248,102**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-
Capital Projects - Carryfwd	-	-	-	-	-	-
Capital Projects - New	-	-	-	200,000	-	200,000
Total Expenditures	**-**	**-**	**-**	**200,000**	**-**	**200,000**
Transfers Out						
Transfers to General Fund	-	-	-	-	-	-
Transfers to GFAR	10,000	-	-	-	-	-
Total Transfers Out	**10,000**	**-**	**-**	**-**	**-**	**-**
Total Expenditures & Transfers Out	**10,000**	**-**	**-**	**200,000**	**-**	**200,000**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	1,034,521	1,078,286	1,168,025	1,017,705	1,198,112	1,048,102
Total Ending Fund Balance	1,034,521	1,078,286	1,168,025	1,017,705	1,198,112	1,048,102
TOTAL USE OF FUNDS	**$ 1,044,521**	**$ 1,078,286**	**$ 1,168,025**	**$ 1,217,705**	**$ 1,198,112**	**$ 1,248,102**

CAPITAL IMPROVEMENT PROGRAM
Storm Drain Fund - 462

STATEMENT OF SOURCE AND USE OF FUNDS

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adopted	2022/23 Estimated	2023/24 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignatged	1,800,548	1,853,117	1,968,244	2,205,725	2,205,725	2,032,828
Total Beginning Fund Balance	1,800,548	1,853,117	1,968,244	2,205,725	2,205,725	2,032,828
Revenues						
Other Taxes	-	-	-	-	-	-
Carryforward	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Town Services	-	-	-	-	-	-
Licenses & Permits	31,188	90,442	228,507	45,000	42,899	45,000
Interest	31,381	24,685	22,374	9,520	9,520	9,790
Other Revenues	-	-	-	-	-	-
Total Revenues	**62,569**	**115,127**	**250,881**	**54,520**	**52,419**	**54,790**
Transfers In						
Transfer from General Fund	-	-	-	-	-	-
Transfer from CDBG	-	-	-	-	-	-
Transfes from Bulding Maint	-	-	-	-	-	-
Transfer from MIS Fund	-	-	-	-	-	-
Transfer from Equip Replacement	-	-	-	-	-	-
Total Transfers In	**-**	**-**	**-**	**-**	**-**	**-**
Total Revenues & Transfers In	**62,569**	**115,127**	**250,881**	**54,520**	**52,419**	**54,790**
TOTAL SOURCE OF FUNDS	**$ 1,863,117**	**$ 1,968,244**	**$ 2,219,125**	**$ 2,260,245**	**$ 2,258,144**	**$ 2,087,618**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-
Capital Projects - Carryfwd	-	-	-	-	-	-
Capital Projects - New	-	-	13,400	300,000	225,316	250,000
Total Expenditures	**-**	**-**	**13,400**	**300,000**	**225,316**	**250,000**
Transfers Out						
Transfers to General Fund	-	-	-	-	-	-
Transfers to GFAR	10,000	-	-	-	-	-
Total Transfers Out	**10,000**	**-**	**-**	**-**	**-**	**-**
Total Expenditures & Transfers Out	**10,000**	**-**	**13,400**	**300,000**	**225,316**	**250,000**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	1,853,117	1,968,244	2,205,725	1,960,245	2,032,828	1,837,618
Total Ending Fund Balance	1,853,117	1,968,244	2,205,725	1,960,245	2,032,828	1,837,618
TOTAL USE OF FUNDS	**$ 1,863,117**	**$ 1,968,244**	**$ 2,219,125**	**$ 2,260,245**	**$ 2,258,144**	**$ 2,087,618**

CAPITAL IMPROVEMENT PROGRAM
Storm Drain Fund - 463

STATEMENT OF SOURCE AND USE OF FUNDS

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adopted	2022/23 Estimated	2023/24 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignatged	(104,407)	(127,362)	(128,841)	(129,092)	(154,940)	(151,742)
Total Beginning Fund Balance	(104,407)	(127,362)	(128,841)	(129,092)	(154,940)	(151,742)
Revenues						
Other Taxes	-	-	-	-	-	-
Carryforward	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Town Services	-	-	-	-	-	-
Licenses & Permits	24	774	1,342	2,500	4,818	2,500
Interest	(1,979)	(1,642)	(1,593)	(1,620)	(1,620)	(1,610)
Other Revenues	-	-	-	-	-	-
Total Revenues	**(1,955)**	**(868)**	**(251)**	**880**	**3,198**	**890**
Transfers In						
Transfer from General Fund	-	-	-	-	-	-
Transfer from CDBG	-	-	-	-	-	-
Transfes from Bulding Maint	-	-	-	-	-	-
Transfer from MIS Fund	-	-	-	-	-	-
Transfer from Equip Replacement	-	-	-	-	-	-
Total Transfers In	**-**	**-**	**-**	**-**	**-**	**-**
Total Revenues & Transfers In	**(1,955)**	**(868)**	**(251)**	**880**	**3,198**	**890**
TOTAL SOURCE OF FUNDS	**$ (106,362)**	**$ (128,230)**	**$ (129,092)**	**$ (128,212)**	**$ (151,742)**	**$ (150,852)**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-
Capital Projects - Carryfwd	-	-	-	-	-	-
Capital Projects - New	11,000	611	25,848	170,300	-	-
Total Expenditures	**11,000**	**611**	**25,848**	**170,300**	**-**	**-**
Transfers Out						
Transfers to General Fund	-	-	-	-	-	-
Transfers to GFAR	10,000	-	-	-	-	-
Total Transfers Out	**10,000**	**-**	**-**	**-**	**-**	**-**
Total Expenditures & Transfers Out	**21,000**	**611**	**25,848**	**170,300**	**-**	**-**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	(127,362)	(128,841)	(154,940)	(298,512)	(151,742)	(150,852)
Total Ending Fund Balance	(127,362)	(128,841)	(154,940)	(298,512)	(151,742)	(150,852)
TOTAL USE OF FUNDS	**$ (106,362)**	**$ (128,230)**	**$ (129,092)**	**$ (128,212)**	**$ (151,742)**	**$ (150,852)**

CAPITAL IMPROVEMENT PROGRAM
Storm Drain Funds

STORM BASIN FUNDS PROJECTS				
	Expended Through 2022/23	Estimated Carryfwd to 2023/24	2023/24 Budget	Total Budgeted
Carryforward Projects				
0420 Annual Storm Drain Improvement Prj	$ 73,100	$ 244,984	$ -	$ 318,084
0218 Shannon Road Ped & Bikeway Improvements	-	200,000	-	200,000
New Projects				
0421 Loma Street Drainage			100,000	100,000
0422 Harwood/Belridge Drainage Study			100,000	100,000
0423 709 University Avenue Drainage System Replacement			200,000	200,000
0424 333 University Inlet Capacity Improvements			50,000	50,000
	-			
Total Storm Basin Funds Projects	**$ 73,100**	**$ 444,984**	**$ 450,000**	**$ 968,084**

Capital Improvement Program

UTILITY UNDERGROUND
FUND 472

FUND PURPOSE

This fund accounts for the resources generated and utilized for placing overhead utility lines underground in the effort to improve power reliability, reduce utility maintenance costs, and remove unsightly poles and lines.

The Utility Underground Fund generates revenue through a construction fee placed on building permits. The fee is imposed on the construction of any building, portion of a building, or mobile home lot. Construction by definition includes both new construction and improvements. The underground utility fee imposed is a fixed rate per square foot, currently set at $0.18 for each square foot of building addition or alteration. The use of the proceeds of the fee is limited to the conversion of existing overhead utility lines to underground lines.

Utility Underground Improvements (along Los Gatos Boulevard from Lark Avenue to Chirco Drive) funded the Pacific Gas and Electric Company's (PG&E) Rule 20A credits accumulated from electrical rates collected for the Town completed in 2023. This corridor with a heavy concentration of overhead electric lines in areas used extensively by the general public was nominated by the Town to PG&E. This program is phasing out, with the most recent Town project likely the last to receive funding from this source.

BUDGET OVERVIEW

The use of Utility Underground Fund fees is controlled through Town Council action, after the benefit of each project is evaluated to ensure appropriate application of the fees to eligible projects. Total cash balances currently on hand from the utility undergrounding construction tax are approximately $3.4 million at FY 2022/23 year-end.

CAPITAL IMPROVEMENT PROGRAM
Utility Underground Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adopted	2022/23 Estimated	2023/24 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignatged	3,079,685	3,118,174	3,201,312	3,302,514	3,302,514	3,385,331
Total Beginning Fund Balance	3,079,685	3,118,174	3,201,312	3,302,514	3,302,514	3,385,331
Revenues						
Other Taxes	34,437	67,146	66,382	30,000	11,327	30,000
Carryforward	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Town Services	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-
Interest	53,052	40,618	35,247	22,490	22,490	15,190
Other Revenues	-	-	-	-	49,000	-
Total Revenues	**87,489**	**107,764**	**101,629**	**52,490**	**82,817**	**45,190**
Transfers In						
Transfer from General Fund	-	-	-	-	-	-
Transfer from CDBG	-	-	-	-	-	-
Transfes from Bulding Maint	-	-	-	-	-	-
Transfer from MIS Fund	-	-	-	-	-	-
Transfer from Equip Replacement	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
Total Revenues & Transfers In	**87,489**	**107,764**	**101,629**	**52,490**	**82,817**	**45,190**
TOTAL SOURCE OF FUNDS	**$ 3,167,174**	**$ 3,225,938**	**$ 3,302,941**	**$ 3,355,004**	**$ 3,385,331**	**$ 3,430,521**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-
Capital Projects - Carryfwd	-	-	-	-	-	-
Capital Projects - New	49,000	24,626	427	347,576	-	-
Total Expenditures	**49,000**	**24,626**	**427**	**347,576**	**-**	**-**
Transfers Out						
Transfers to General Fund	-	-	-	-	-	-
Transfers to Equip Repalcement	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	**49,000**	**24,626**	**427**	**347,576**	**-**	**-**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	3,118,174	3,201,312	3,302,514	3,007,428	3,385,331	3,430,521
Total Ending Fund Balance	3,118,174	3,201,312	3,302,514	3,007,428	3,385,331	3,430,521
TOTAL USE OF FUNDS	**$ 3,167,174**	**$ 3,225,938**	**$ 3,302,941**	**$ 3,355,004**	**$ 3,385,331**	**$ 3,430,521**

CAPITAL IMPROVEMENT PROGRAM
Utility Underground Fund

UTILITY UNDERGROUND FUND PROJECTS				
	Expended Through 2022/23	**Estimated Carryfwd to 2023/24**	**2023/24 Budget**	**Total Budgeted**
Carryforward Projects				
0218 Shannon Road Class 1 Multi-use Path	$ 71,201	$ 48,003	$ -	$ 119,204
0225 Utility Undergrounding Improvements	2,852	299,573	-	302,425
New Projects				
Total Utility Undergrounding Projects	$ 74,053	$ 347,576	**$ -**	**$ 421,629**


TOWN OF
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Capital Improvement Program

GAS TAX FUND
FUND 481

FUND PURPOSE

Gas Tax Fund revenue is a State-provided funding source for the purpose of street and highway maintenance and reconstruction. Street and Highway Code Sections 2103 (originally Prop 42), 2105, 2106, 2107, and 2107.5 govern the Gas Tax Fund. Expenditures from this fund are restricted to new construction and reconstruction of Town streets. The general classification of street and road work activities consist of construction, maintenance, and overhead as follow:

Construction is the building or rebuilding of streets, roads, and bridges; and the acquisition of rights of way or their component parts, to a degree that improved traffic service is provided and geometric or structural improvements are affected. The following types of work are examples of street and road construction:

- Removal of old streets and roadbeds, and detour costs connected with a construction project
- Modification of alignment, profile, and cross-section
- Addition of a frontage street or road
- Installation of original traffic signs and markers on routes
- Complete reconstruction or an addition to a culvert
- Reconstruction of an existing bridge or installation of a new bridge
- Installations or extensions of curb, gutter, sidewalks, and under drain
- Installation or expansion of street or road lighting system

Maintenance is the preservation and upkeep of a street or road condition and the operation of a street or road facility to provide safe, convenient, and economical highway transportation. Maintenance categories include:

- Patching, repairing, surface treating, and joint filling on bituminous or concrete surfaces
- Resealing street or road shoulders and side street and road approaches
- Removing landslides and restoring facilities damaged by slides
- Mowing, tree trimming, and watering within the street right-of-way
- Repairing curb, gutter, rip-rap, under drain, culverts, and drains
- Repainting of pavements, and striping and marking to the same standards
- Furnishing of power for street and road lighting and traffic control

Overhead includes those elements of cost necessary in the production of an article or performance of a service. Usually overhead relates to expenditures which do not become an integral part of the finished product or service. Overhead costs are only allowed under an approved cost allocation plan, or an equitable and auditable distribution of overhead to all departments. Components of overhead expenses include:

- Management
- Procurement
- Advertising
- Legal Costs
- Payroll
- General Accounting/Finance
- Facilities

Ineligible Activities

Although many types of work may be classified as "construction," this does not make them automatically eligible. To be eligible, the work must be for street or road purposes. The following is a list of the types of expenditures that are not eligible:

- Costs of rearranging non-highway facilities, including utility relocation, when not a legal road or street obligation
- New installation of utilities, including water mains, sanitary sewers, and other non-street facilities
- Decorative lighting
- Work outside the right-of-way that is not a specific right-of-way obligation
- Maintenance or construction on alleys that have not been formally designated as part of the jurisdiction's street and road system
- Improvements and maintenance to "Park and Ride" designated lots

CAPITAL IMPROVEMENT PROGRAM
Gas Tax Fund

The estimated Gas Tax revenue totals approximately $1.78 million for FY 2023/24 including the enacted Road Recovery and Repair Act of 2017 (SB1). The ongoing Street Repair and Resurfacing project was carried forward from FY2022/23, as is typical. There are no new Gas Tax funded projects scheduled for FY 2023/24.

BUDGET OVERVIEW

STATEMENT OF SOURCE AND USE OF FUNDS

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adopted	2022/23 Estimated	2023/24 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignatged	853,822	290,372	1,425,097	1,836,069	1,836,069	1,644,729
Total Beginning Fund Balance	853,822	290,372	1,425,097	1,836,069	1,836,069	1,644,729
Revenues						
Other Taxes	-	-	-	-	-	-
Carryforward	-	-	-	-	-	-
Intergovernmental	1,249,696	1,273,788	1,370,786	1,535,078	1,589,686	1,786,112
Town Services	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-
Interest	12,238	10,178	14,401	1,335	1,335	1,402
Other Revenues	-	-	-	-	-	-
Total Revenues	**1,261,934**	**1,283,966**	**1,385,187**	**1,536,413**	**1,591,021**	**1,787,514**
Transfers In						
Transfer from General Fund	-	-	-	-	-	-
Transfer from CDBG	-	-	-	-	-	-
Transfes from Bulding Maint	-	-	-	-	-	-
Transfer from MIS Fund	-	-	-	-	-	-
Transfer from Equip Replacement	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
Total Revenues & Transfers In	**1,261,934**	**1,283,966**	**1,385,187**	**1,536,413**	**1,591,021**	**1,787,514**
TOTAL SOURCE OF FUNDS	**$ 2,115,756**	**$ 1,574,338**	**$ 2,810,284**	**$ 3,372,482**	**$ 3,427,090**	**$ 3,432,243**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-
Capital Projects - Carryfwd	-	-	-	-	-	-
Capital Projects - New	1,719,384	43,241	868,215	3,152,618	1,676,361	1,681,514
Total Expenditures	**1,719,384**	**43,241**	**868,215**	**3,152,618**	**1,676,361**	**1,681,514**
Transfers Out						
Transfers to General Fund	106,000	106,000	106,000	106,000	106,000	106,000
Transfers to Equip Repalcement	-	-	-	-	-	-
Total Transfers Out	**106,000**	**106,000**	**106,000**	**106,000**	**106,000**	**106,000**
Total Expenditures & Transfers Out	**1,825,384**	**149,241**	**974,215**	**3,258,618**	**1,782,361**	**1,787,514**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	290,372	1,425,097	1,836,069	113,864	1,644,729	1,644,729
Total Ending Fund Balance	290,372	1,425,097	1,836,069	113,864	1,644,729	1,644,729
TOTAL USE OF FUNDS	**$ 2,115,756**	**$ 1,574,338**	**$ 2,810,284**	**$ 3,372,482**	**$ 3,427,090**	**$ 3,432,243**

CAPITAL IMPROVEMENT PROGRAM
Gas Tax Fund

	Expended Through 2022/23	Estimated Carryfwd to 2023/24	2023/24 Budget	Total Budgeted
Carryforward Projects				
9901 Street Repair & Resurfacing	$ 10,511,506	$ 1,476,257	$ 1,681,514	$ 13,669,277
New Projects				
Total Gas Tax Fund Projects	**$ 10,511,506**	**$ 1,476,257**	**$ 1,681,514**	**$ 13,669,277**

FY 2023/24 KEY PROJECTS

The Gas Tax Fund has one carryforward project with remaining funding and additional appropriations:

- ***Street Repair and Resurfacing –*** The Town's Street Resurfacing Program of preventive and deferred maintenance includes new appropriations, using Gas Tax monies and 2016 Measure B. The work to be performed consists of a balanced program of surface seals, street reconstructions and pavement overlays, with supplemental ongoing maintenance activities performed by the Town's Parks and Public Works department staff.

  Operating Budget Impacts - Engineering staff time for project design and oversight is incorporated into the operating budget workplan.

Successor Agency

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Successor Agency to the Town of Los Gatos Redevelopment Agency

FUND 942

AGENCY OVERVIEW

The Los Gatos Town Council established the Los Gatos Redevelopment Agency on January 22, 1990, pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code, Section 33000 et seq.) and declared itself to constitute the Agency by Ordinance No. 1806 adopted on December 4, 1989. The Redevelopment Plan was pursued as a result of the Loma Prieta Earthquake in 1989 and the need to rebuild existing infrastructure. The Redevelopment Agency area encompassed approximately 440 acres in and around downtown Los Gatos, which included retail and residential areas, lodging, schools, and transportation thoroughfares.

Projects completed in the Plan area, including street and utility reconstruction, parking, streetscape, and civic improvements, were funded through property "tax increment" revenue collected by the Redevelopment Agency. When the Redevelopment Agency was initially formed, the tax base for all properties within the redevelopment area was "frozen" to form a "base year." When properties were reassessed, the tax base grew and the Agency received the majority of the difference in property taxes paid between the base year and the new level (known as "tax increment" revenue).

BUDGET OVERVIEW

On June 15, 2011, the California State Legislature adopted two budget "trailer" bills concerning redevelopment, ABx1 26 and ABx1 27 (hereafter AB 26 and AB 27). AB 26 (the "Dissolution Act") eliminated redevelopment agencies as of October 1, 2011, and essentially restricted redevelopment agencies from entering into agreements, borrowing or lending funds, or acquiring or disposing of real property prior to dissolution. Whereas, AB 27 (the "Voluntary Program Act") allowed redevelopment agencies to remain in existence and be exempt from AB 26 if certain "voluntary" payments were made to the State in FY 2012 and in each fiscal year

thereafter. These bills were signed into law by the governor on July 28, 2011.

The League of California Cities and the California Redevelopment Association (CRA) filed a petition with the California Supreme Court, challenging the constitutionality of AB 26 and AB 27. The California Supreme Court, in its decision in *California Redevelopment Association v. Matosantos* issued December 29, 2011 (the "Supreme Court Decision"), declared the Dissolution Act alone to be constitutional. Under the Dissolution Act, all California redevelopment agencies were dissolved effective February 1, 2012.

Following the provisions of the Dissolution Act, the Town Council of the Town of Los Gatos (the "Town Council") adopted a resolution accepting for the Town the role of Successor Agency (the "Successor Agency") to the Redevelopment Agency of the Town of Los Gatos (the "Redevelopment Agency"). An oversight board (the "Oversight Board"), consisting of members representing Santa Clara County, the Town, and various education and special districts was formed to approve and direct certain actions of the Town as Successor Agency.

Prior to the dissolution of redevelopment agencies, redevelopment law required that 20 percent of tax increment revenue received by an agency must be set aside for affordable housing activities. Under the Dissolution Act, tax increment revenue received by the Successor Agency did not include funding for affordable housing. However, tax-sharing agreements negotiated with affected public educational entities, the Mid-Peninsula Open Space District, and Santa Clara County continue to be recognized. Nearly half of all Redevelopment Agency tax increment had been passed through to these taxing entities.

Successor Agencies may also receive tax increment revenue to pay for enforceable obligations that were incurred prior to the passage of the Dissolution Act. Under the Dissolution Act, Successor Agencies must approve and submit a Recognized Obligation Payment Schedule (ROPS) that reflects enforceable obligations over a six-month period. Prior to the payment of any enforceable obligation, the ROPS must be certified by the County and subsequently approved by the Oversight Board. Successor Agencies must also approve and submit an administrative budget for operational expenses to the Oversight Board for approval. Successor Agencies may receive a minimum of up to $250,000 or up to 3 percent of tax increment revenues received by the Successor Agency per fiscal year for administrative expenses, which is significantly lower than the Successor Agency's current administrative expenses.

The Town has several existing enforceable obligations that must be paid over the remaining life of the debt service, or until the Successor Agency reaches the tax increment cap, which is the gross tax increment collected over the life of the Agency. The Town's tax increment cap, which is anticipated to be reached by FY 2027/28, is approximately $250 million. The Successor Agency currently pays debt service on two Certificates of Participation (COPs):

SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY

- ***2002 COPs Payments for Redevelopment Agency Capital Projects:*** In 2002, the Town issued debt for approximately $10.7 million to fund RDA infrastructure projects in the project area. Annual debt service payments of approximately $680,000 will continue through FY 2031/32.
- ***2010 COPs Payments for Town Library:*** In 2010, the Town issued debt for approximately $15.7 million to fund the construction of the new library building. Annual debt service payments of approximately $1.2 million will continue through FY 2027/28.
- ***Agency Administration:*** This pays for the day-to-day operations of the Successor Agency, including staff salary and benefits, supplies and materials, and consultant assistance. Annual budgeted expenditures are estimated to be approximately $13,000.

The Town submitted the Last & Final ROPS to the State and it was approved by the State on April 6, 2016. The Town no longer needs to submit ROPS every six months and has scheduled the ROPS budget through FY 2031/32. At the end of FY 2031/32, the Town and the County will resolve any remaining balances.

SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY

STATEMENT OF SOURCE AND USE OF FUNDS (BUDGETARY FUND BALANCE)

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Adopted
SOURCES OF FUNDS						
Beginning Budgetary Fund Balance						
Designated	$ 1,963,658	$ 1,963,657	$ 1,963,660	$ 1,967,496	$ 1,967,496	$ 1,963,327
Undesignated	1,840,123	1,875,145	1,881,289	1,888,552	1,888,552	1,903,670
Total Beginning Fund Balance	3,803,781	3,838,802	3,844,949	3,856,048	3,856,048	3,866,997
Revenues						
Property Tax	-	-	-	-	-	-
Other Taxes	-	-	-	-	-	-
Intergovernmetal	-	-	-	-	-	-
Lease Income - COP's	1,905,024	1,908,494	1,899,850	1,893,713	1,893,713	1,894,000
County RPTTF Reimbursement	1,949,284	1,946,787	1,937,791	1,902,713	1,902,713	1,903,000
Interest	32,531	4,967	3,897	3,500	2,750	3,000
Other Revenues	11,664	11,664	11,665	-	11,644	11,664
Total Revenues	**3,898,503**	**3,871,912**	**3,853,203**	**3,799,926**	**3,810,820**	**3,811,664**
Transfers In						
Transfer from SA Administration	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
Total Revenues and Transfer Ins	**$ 3,898,503**	**$ 3,871,912**	**$ 3,853,203**	**$ 3,799,926**	**$ 3,810,820**	**$ 3,811,664**
TOTAL SOURCE OF FUNDS	**$ 7,702,284**	**$ 7,710,714**	**$ 7,698,152**	**$ 7,655,974**	**$ 7,666,868**	**$ 7,678,661**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	1,654	1,674	1,675	1,825	1,825	1,796
Operating Expenditures	110,337	106,788	105,213	10,020	10,020	10,020
RDA - Loss on Sale	-	-	-	-	-	-
Debt Service	3,751,486	3,757,298	3,735,211	3,788,026	3,788,026	3,789,100
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	5	5	5	6	-	18
Total Expenditures	**3,863,482**	**3,865,765**	**3,842,104**	**3,799,877**	**3,799,871**	**3,800,934**
Transfers Out						
Transfer to Capital Projects	-	-	-	-	-	-
Transfer to General Funds	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	**3,863,482**	**3,865,765**	**3,842,104**	**3,799,877**	**3,799,871**	**3,800,934**
Ending Fund Balance						
Designated	1,963,657	1,963,660	1,967,496	1,963,327	1,963,327	1,963,327
Undesignated	1,875,145	1,881,289	1,888,552	1,892,770	1,903,670	1,914,400
Total Ending Fund Balance	3,838,802	3,844,949	3,856,048	3,856,097	3,866,997	3,877,727
TOTAL USE OF FUNDS	**$ 7,702,284**	**$ 7,710,714**	**$ 7,698,152**	**$ 7,655,974**	**$ 7,666,868**	**$ 7,678,661**

SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY

SUCCESSOR AGENCY TO THE LOS GATOS RDA PROGRAM STAFFING

Full Time Equivalent (FTE)

Town Staff	2019/20 Funded	2020/21 Funded	2021/22 Funded	2020/21 Funded	2023/24 Adopted
Accountant/Finance Analyst	0.01	0.01	0.01	0.01	0.01
Total SA FTEs	**0.01**	**0.01**	**0.01**	**0.01**	**0.01**


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Successor Agency to the Town of Los Gatos Redevelopment Agency

ADMINISTRATION
PROGRAM 9403

PROGRAM PURPOSE

The Successor Agency's Administration Fund encompasses administrative functions related to operational and fiscal matters of the Successor Agency, in conjunction with the Finance Department. Prior to the dissolution of the Redevelopment Agency, this fund also supported capital project development, management, and construction oversight; and economic vitality activities to enhance revenues through business promotion and retention. While there will be no future capital projects, with the exception of Almond Grove reconstruction project in the former Redevelopment Area, economic vitality efforts continue and are now supported by the General Fund.

BUDGET OVERVIEW

The FY 2023/24 Administration Fund budget reflects approximately $13,000 of tax increment revenue to cover the operational and fiscal reporting expenses of the Successor Agency. The Town's last and final ROPS has now been approved by the State. The Town will no longer have to submit ROPS every six months.


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Successor Agency to the Town of Los Gatos Redevelopment Agency

DEBT SERVICE
PROGRAMS 9404 and 9405

FUND PURPOSE

Prior to the Dissolution Act, the Los Gatos Redevelopment Agency assumed the obligation of paying the debt service on the Town's 2002 and 2010 Certificates of Participation (COPs) in return for the lease of Town property. The purpose of the COPs was to fund key capital infrastructure projects located in the former Redevelopment Area. Payments for this indebtedness were and will continue to be made from the Debt Service Fund.

BUDGET OVERVIEW

PROGRAM 9404 – 2002 CERTIFICATE OF PARTICIPATION

The Town bears an obligation for the 30-year Certificates of Participation issued in the original amount of $10,725,000, dated August 1, 2002. The COPs were issued to finance infrastructure improvements in the downtown Redevelopment Area, including plaza reconstruction, streetscape improvements, street reconstruction, storm drainage, and alley improvements, as well as partially funding the reconstruction of the pool at Los Gatos High School. The COPs principal payments are due annually on August 1, with interest payments payable semi-annually on February 1 and August 1.

The financing structure of the COPs includes two lease agreements between the Town of Los Gatos and the Successor Agency for the Town of Los Gatos Redevelopment Agency dated July 1, 2002.

SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY
Debt Service

The first agreement lease five Town-owned parcels, commonly known as the Miles Avenue Corporation Yard, to the Successor Agency through August 1, 2031 for a one-time fee of $1. In the second lease, the Successor Agency subleases the same land back to the Town, effective the date of the original lease. The annual sub-lease payments are equal to the annual debt service for the COPs.

A reimbursement agreement between the Town and the Successor Agency, also dated July 1, 2002, obligates the Agency to reimburse the Town in an amount equal to the annual lease payment the Town pays to the Agency for the sub-lease of the Corporation Yard. This reimbursement is in consideration of the Town's cost of the acquisition and construction of the yard facilities.

While the annual impact of these agreements nets to zero, the lease and reimbursement payments are included in both the Town's and Successor Agency's budgets each year to accurately reflect the terms of these agreements. The Agency remains responsible for making the principal and interest payments.

The maturity schedule for the Successor Agency's current Debt Service obligation under the 2002 COPs is as follows:

SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY
Debt Service

2002 COP DEBT SERVICE

Fiscal Year	Principal Maturing August 1st	Interest Due August 1st	Interest Due Feburary 1st	Total Debt Service	Principal Balance
Issue Date: August 1, 2002					$ 10,725,000
2002/03	-	-	$ 237,164	$ 237,164	10,725,000
2003/04	$ 210,000	$ 235,854	233,229	679,083	10,515,000
2004/05	215,000	233,229	230,541	678,770	10,300,000
2005/06	225,000	230,541	227,729	683,270	10,075,000
2006/07	230,000	227,729	224,854	682,583	9,845,000
2007/08	235,000	224,854	221,681	681,535	9,610,000
2008/09	240,000	221,681	218,081	679,763	9,370,000
2009/10	250,000	218,081	214,019	682,100	9,120,000
2010/11	255,000	214,019	209,556	678,575	8,865,000
2011/12	265,000	209,556	204,720	679,276	8,600,000
2012/13	275,000	204,720	199,426	679,146	8,325,000
2013/14	285,000	199,426	193,726	678,153	8,040,000
2014/15	295,000	193,726	187,679	676,405	7,745,000
2015/16	310,000	187,679	181,169	678,848	7,435,000
2016/17	320,000	181,169	174,209	675,378	7,115,000
2017/18	335,000	174,209	166,755	675,964	6,780,000
2018/19	350,000	166,755	158,793	675,548	6,430,000
2019/20	365,000	158,793	150,306	674,099	6,065,000
2020/21	385,000	150,306	141,163	676,469	5,680,000
2021/22	400,000	141,163	131,463	672,625	5,280,000
2022/23	420,000	131,463	121,225	672,688	4,860,000
2023/24	**440,000**	**121,225**	**110,500**	**671,725**	**4,420,000**
2024/25	465,000	110,500	98,875	674,375	3,955,000
2025/26	485,000	98,875	86,750	670,625	3,470,000
2026/27	510,000	86,750	74,000	670,750	2,960,000
2027/28	535,000	74,000	60,625	669,625	2,425,000
2028/29	565,000	60,625	46,500	672,125	1,860,000
2029/30	590,000	46,500	31,750	668,250	1,270,000
2030/31	620,000	31,750	16,250	668,000	650,000
2031/32	650,000	16,250	-	666,250	-
TOTALS:	**$ 10,725,000**	**+ $ 4,551,426**	**+ $ 4,552,737**	**= $ 19,829,163**	

SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY
Debt Service

PROGRAM 9405 – 2010 CERTIFICATES OF PARTICIPATION

The 2010 Certificates of Participation financing structure parallels the 2002 issue. The Town bears an obligation for the 18-year Certificates of Participation issued in the original amount of $15,675,000, dated June 1, 2010. The COPs were issued to finance the construction of the new Town library. The COPs principal payments are due annually on August 1, with interest payments payable semi-annually on February 1 and August 1.

The financing structure of the COPs includes two lease agreements between the Town of Los Gatos and the Successor Agency for the Town of Los Gatos Redevelopment Agency dated June 1, 2010. The first agreement leases Town-owned parcels, including the existing library, police administration building, and related property located at the Civic Center, to the Successor Agency through August 1, 2028 for a one-time fee of $1. In the second lease, the Successor Agency subleases the properties back to the Town, effective the date of the original lease. The annual sub-lease payments are equal to the annual debt service for the COPs.

A reimbursement agreement between the Town and Agency, also dated June 1, 2010, obligates the Agency to reimburse the Town in an amount equal to the annual lease payment the Town pays to the Agency for the sub-lease of the existing library, police administration building, and related properties. This reimbursement is in consideration of the Town's cost of the acquisition and construction of the library and police facilities.

While the annual impact of these agreements nets to zero, the lease and reimbursement payments are included in both the Town's and Successor Agency's budgets each year to accurately reflect the terms of these agreements. The Agency remains responsible for making the principal and interest payments.

The maturity schedule for the Successor Agency's current Debt Service obligation under the 2010 COPs is as follows:

SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY
Debt Service

2010 COP DEBT SERVICE

Fiscal Year	Interest Due August 1st	Principal Maturing August 1st	Interest Due February 1st	Total Debt Service	Principal Balance
Issue Date: June 1, 2010					$ 15,675,000
2010/11			423,161	423,161	15,675,000
2011/12	320,038	530,000	313,413	1,163,450	15,145,000
2012/13	313,413	650,000	300,413	1,263,825	14,495,000
2013/14	300,413	670,000	287,013	1,257,425	13,825,000
2014/15	287,013	695,000	269,638	1,251,650	13,130,000
2015/16	269,638	715,000	258,913	1,243,550	12,415,000
2016/17	258,913	745,000	244,013	1,247,925	11,670,000
2017/18	244,013	770,000	224,763	1,238,775	10,900,000
2018/19	224,763	800,000	208,763	1,233,525	10,100,000
2019/20	208,763	830,000	192,163	1,230,925	9,270,000
2020/21	192,163	865,000	174,863	1,232,025	8,405,000
2021/22	174,863	900,000	152,363	1,227,225	7,505,000
2022/23	152,363	935,000	133,663	1,221,025	6,570,000
2023/24	**133,663**	**975,000**	**114,163**	**1,222,825**	**5,595,000**
2024/25	114,163	1,020,000	93,763	1,227,925	4,575,000
2025/26	93,763	1,065,000	72,463	1,231,225	3,510,000
2026/27	72,463	1,115,000	50,163	1,237,625	2,395,000
2027/28	50,163	1,170,000	26,031	1,246,194	1,225,000
2028/29	26,031	1,225,000		1,251,031	-
TOTALS:	**$ 3,436,594**	**+ $ 15,675,000**	**+ $ 3,539,717**	**= $ 22,651,311**	

SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY
Debt Service

California Government Code Section 43605 states: *"A city shall not incur an indebtedness for public improvements which exceeds in the aggregate 15 percent of the assessed value of all real and personal property of the city. Within the meaning of this section indebtedness means bonded indebtedness of the city payable from the proceeds of taxes levied upon taxable property in the city."*

This schedule calculates the Town's legal debt margin by determining the 15% debt limit and comparing this limit to the Town's outstanding debt at the end of the fiscal year to determine the difference between the two. Only certain types of outstanding debt are subject to the legal debt limit; therefore, while this schedule recognizes all debt, the total debt is reduced by that debt not subject to the legal debt limit, as well as amounts held in sinking funds for debt repayment.

The Town's debt structure currently includes only Certificates of Participation, which are not subject to the legal debt limit, and are therefore removed from the calculation.

LEGAL DEBT MARGIN COMPUTATION
FY 2023/24

Assessed Secured Property Valuation for FY 2022/23		$ 16,403,289,146
Debt Limitation (15% of assessed value)		15%
Bonded Debt Limit		**$ 2,460,493,372**
Outstanding Bonded Debt at 6/30/2023		
2002 Certificates of Participation	4,860,000	
2010 Certificates of Participation	6,570,000	
TOTAL Outstanding Debt	**$ 11,430,000**	
LESS Debt not subject to limit:		
Special Assessment Bonds	-	
Special Revenue Bonds	-	
Certificate of Participation Debt	11,430,000	
Amounts held in Sinking Funds	-	
TOTAL Debt not subject to limit:	**$ 11,430,000**	
Amount of Debt Subject to Limit:	**$ -**	**$ -**
LEGAL DEBT MARGIN		**$ 2,460,493,372**

Reference Materials

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LIST OF FUNDS

GENERAL FUND 111

SPECIAL REVENUE FUNDS

HCD – Housing Rehabilitation Fund (Administrative Services) 211
HCD – CDBG Fund (Administrative Services) 212
Non-Point Source Maintenance Fund (Parks and Public Works) 222
Assessment District Funds (Parks and Public Works) 231-237
American Rescue Plan Act (ARPA) 241
Los Gatos Theatre 251
Library Trust (Library) 711
Clelles Ness Trust (Library) 713
Susan McClendon Trust (Library) 714
Barbara J Cassin Trust Fund (Library) 716

INTERNAL SERVICE FUNDS

Liability Self-Insurance Fund (Administrative Services) 611
Workers' Compensation Fund (Administrative Services) 612
Information Technology Fund (Administrative Services) 621
Equipment Replacement Fund (Parks and Public Works) 631
Facilities Maintenance Fund (Parks and Public Works) 633

TRUST AND AGENCY FUNDS

Successor Agency to the Town of Los Gatos RDA trust Fund (Administrative Services) 942

CAPITAL PROJECT FUNDS

General Fund Appropriated Reserves (GFAR) 411
Grant Funded Projects Fund 421
Storm Drain Basin Project Funds 461-463
Traffic Mitigation Fund 471
Utility Undergrounding Fund 472
Gas Tax 481

SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY FUNDS

Successor Agency to the Town of Los Gatos RDA Trust Fund (Administrative Services) 942

LIST OF PROGRAMS

GENERAL FUND

Town Offices

Town Council 1101
Town Attorney 1301

Administrative Services

Non-Departmental 1201
Town Manager's Office 2101
Human Resources 2201
Finance Services 2301
Clerk Administration 2401
Information Technology Management 2502
Operating Grants 2801

Community Development Department

Administration 3101
Development Review 3201
Advanced Planning 3202
Inspection Services 3301
Code Compliance 3401
BMP Housing 3501

Police Department

Administration 4101
Records & Communication 4201
Personnel & Community Services 4202
Patrol 4301
Traffic 4302
Investigations 4303
Parking Management 4304
Operating Grants ..... 4803 - 4815

Parks & Public Works Department

Administration 5101
Engineering Program 5201
Engineering Development Services 5202
Parks & Forestry 5301
Conservation, Recycling and Sustainability 5302
Streets & Signals 5401
Property Damage 5405
Vehicle Maintenance Management 5406
Facility Maintenance Management 5407
Los Gatos Theatre 5408

LIST OF PROGRAMS

GENERAL FUND CONTINUED

Library Services Department

Administration 7101
Adult Services / Reference 7201
Youth Services 7202
Acquisitions / Cataloging 7203
Circulation / Systems Administration 7204

INTERNAL SERVICE FUNDS

PLAN Liability Self-Insurance 1302
Workers Compensation 2202
Information Technology 2501
Equipment Replacement 5402
Building Maintenance 5404

SPECIAL REVENUE FUNDS

Non-Point Source Program 5203
HCD – Housing Rehabilitation 6501
HCD – CDBG Reimbursable Administration 6502
HCD – Community Development Block Grant 6503
ARPA 1241
Library Trust 7301
Clelles Ness Trust 7302
Susan McClendon Trust 7304
Barbara J Cassin Trust Fund 7305

Assessment Districts

Blackwell District 5501
Kennedy Meadows District 5502
Gemini Court District 5503
Santa Rosa Heights District 5504
Vasona Heights District 5505
Hillbrook District 5506

TRUST AND AGENCY FUNDS

Successor Agency to the Town of Los Gatos RDA Trust Fund 9403

CAPITAL PROJECT FUNDS

GFAR

GFAR Administration 8011
ADA Restrooms and HR Offices 411-821-2117
ADA Transition Plan 411-812-0129
ADA Upgrade Public Restrooms – Adult Recreation Building 411-821-2601
Adult Recreation Center HVAC 411-821-2207

LIST OF PROGRAMS

CAPITAL PROJECT FUNDS CONTINUED

Annual ADA Compliance Work 411-821-2404
Battery Power Supply – Library 411-821-2505
Building Replacement at Corporation Yard 411-821-2302
Charter Oaks Trail Repair 411-832-4503
Civic Center Plumbing Repair 411-821-2207
Creekside Park Turf Replacement 411-831-4404
Curb, Gutter, & Sidewalk Maintenance 411-813-9921
Downtown Parking Lots Seal Coat & Restriping 411-817-0705
Downtown Restroom Feasibility Study 411-821-2117
Downtown Streetscape Revitalization/Economic Recovery Efforts 411-813-0235
East Main Street Crosswalk Improvements 421-812-0131
Emergency Preparedness 411-821-2013
Engineering Center Modifications 411-821-2310
Enterprise Resource Planning Upgrade 411-841-6101
EOC Communications Upgrade 411-841-6103
Highway 17 Bicycle & Pedestrian Bridge - Design 411-848-0803
HVAC Improvement – POB Building 411-821-2504
IT Disaster Recovery Improvements 411-841-6104
Kennedy Sidewalk & Bike Lanes– LGB to Englewood 411-813-0241
Library Improvements 411-821-2505
Local Road Safety Plan 411-812-0132
Los Gatos Creek Trail to Highway 9 Trailhead Connector Project 411-832-4505
Lynne Ave Pedestrian Path Design 411-832-4510
Measure B Education & Encouragement 411-812-0134
Oak Meadow Bandstand Area Improvements 411-831-4007
Open Space Trail Upgrades 411-832-4504
Parking Lot 4 Repair & Waterproofing 411-818-0801
Parking Program Implementation 411-813-0242
Parks Playground Fibar Project..... 411-831-4610
Pavement Rehab Crack Seal..... 411-831-9903
Pinehurst Community Garden 411-831-4503
POB Space Study 411-821-2404
Public Arts Gateway Project 411-821-2011
Quito Road - Bridge Replacement 411-818-0803
Retaining Wall & Guardrail Repairs 411-815-9930
Roadside Fire Fuel Reduction 411-812-0130
Shannon Road Ped & Bikeway Improvements 411-813-0218
Shannon Road Repair 411-811-0008
Storm Related Repairs 411-813-0243
Stormwater System – Pollution Prevention Compliance 411-816-0414
Street Repair & Resurfacing 411-811-9901
Sidewalk Improvements – Multiple Locations 411-813-0221
Sound Mitigation in Library Lobby 411-821-2504
State Route 17 Corridor Congestion Relief Project 411-813-0237

LIST OF PROGRAMS

CAPITAL PROJECT FUNDS CONTINUED

State Route 17 Corridor Congestion Relief Project 411-813-0237
Termite Abatement at Water Tower 411-821-2310
Timber Bridge Inspection 411-818-0804
Town Beautification 411-821-2009
Town Plaza Turf Repairs 411-831-4202
Town-wide Document Imaging Project 411-841-6003
Unanticipated Repairs - Annual 411-818-0804
Vegetation Management – Town-wide 411-832-4508
VMT Mitigation Program 411-812-0133
Waterproofing – Town-wide 411-821-2010
Winchester Boulevard Complete Streets Final Design 411-831-0238
Winchester Class IV Bikeway 411-813-0240

Traffic Mitigation

Traffic Mitigation Administration 8041
Highway 17/9 Interchange and Capacity Improvements 471-813-0237
Town-wide speed studies 471-812-0135
Traffic Signal Modernization 471-813-0227
Utility Undergrounding Improvements 471-813-0225

Grant Funded CIP Projects

Grant Administration Program 8021
ADA Transition Plan 421-812-0129
ADA Upgrade Public Restrooms – Adult Recreation Building 421-821-2601
Battery Power Supply -Library 421-821-2505
Bicycle & Pedestrian Improvements 421-813-0231
Charter Oaks Trail Repair 421-832-4503
Curb, Gutter & Sidewalk Maintenance 421-813-9921
East Main Street Crosswalk Improvements 421-812-0131
Guardrail Replacement Projects 421-812-0120
Highway 17 Bicycle & Pedestrian Bridge - Design 421-818-0803
Kennedy Sidewalk between LGB and Englewood 421-813-0241
Local Road Safety Plan 421-818-0803
Los Gatos Creek Trail to Highway 9 Trailhead Connector Project 421-832-4505
Measure B Education & Encouragement 421-812-0134
Oak Meadow Bandstand Area Improvements 421-831-4007
Shannon Road Pedestrian & Bikeway Improvements 421-813-0218
Street Repair & Resurfacing 421-811-9901
Traffic Signal Modernization 421-813-0227
Winchester Class IV Bikeway 411-813-0240
Winchester Blvd. Complete Streets Final Design 421-813-0238

Storm Drain Basin Projects

Storm Drain #1 Administration Program 8031
Storm Drain #2 Administration Program 8032

Storm Drain #3 Administration Program 8033
Annual Storm Drain Improvements 461-816-0420

CAPITAL PROJECT FUNDS CONTINUED

333 University Avenue Inlet Capacity Improvements 462-816-0424
709 University Avenue Drainage System Replacement 463-816-0423
Harwood/Belridege Drainage Study 461-816-0422
Loma Street Drainage 463-816-0421

Utility Undergrounding Projects

Utility Undergrounding Administration 8042
Highway 17/9 Interchange and Capacity Improvements 471-813-0237
Shannon Road Ped & Bikeway Improvements 472-813-0218
Town-wide Speed Studies 472-812-0135
Utility Undergrounding Improvements 472-813-0225

Gas Tax Fund Projects

Gas Tax Administration 8051
Street Repair & Resurfacing 481-811-9901

SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY FUNDS

Successor Agency to the Los Gatos RDA Capital Projects

Other 9402
Program Administration 9403

SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY FUNDS CONTINUED

Successor Agency (SA) to the Los Gatos RDA Debt Service program

SA Debt for 2002 COPs 9404
SA Debt for 2010 COPs 9405

Successor Agency Affordable Housing Program

Program Administration 9301

LIST OF DEPARTMENT PROGRAMS BY FUNDING SOURCE

Town Offices		
Program		**Fund**
1101 Town Council	111	General Fund
1301 Town Attorney	111	General Fund
1302 Liability Self Insurance	611	Liability Self Insurance Fund - Internal Service Fund
Administrative Services Department		
Program		**Fund**
1201 Non-Departmental	111	General Fund
2101 Town Manager Administration	111	General Fund
2102 Community Grants	111	General Fund
2201 Human Resources	111	General Fund
2202 Workers' Compensation	612	Workers' Compensation Fund - Internal Service Fund
2301 Finance & Administrative Services	111	General Fund
2401 Clerk Administration	111	General Fund
2502 Information Technology Management	111	General Fund
2501 Information Technology Systems	621	Information Technology System - Internal Service Fund
2999 Pass Through Accounts	111	General Fund
Community Development Department		
Program		**Fund**
3101 Administration	111	General Fund
3201 Developmental Review	111	General Fund
3202 Advanced Planning	111	General Fund
3301 Inspection Services	111	General Fund
3401 Code Compliance	111	General Fund
3501 BMP Housing Program	111	General Fund
3999 Pass Thru Accounts	111	General Fund
Police Department		
Program		**Fund**
4101 Administration	111	General Fund
4201 Records & Communication	111	General Fund
4202 Personnel & Community Services	111	General Fund
4301 Patrol	111	General Fund
4302 Traffic	111	General Fund
4303 Investigations	111	General Fund
4304 Parking Program	111	General Fund
4800 Grants Program - Police	111	General Fund
4999 Pass Thru Accounts	111	General Fund

LIST OF DEPARTMENT PROGRAMS BY FUNDING SOURCE

Parks & Public Works Department		
Program		**Fund**
5101 Administration	111	General Fund
5201 Engineering Program Services	111	General Fund
5202 Engineering Development Srvcs	111	General Fund
5203 Non-Point Source Fund	222	Non-Point Source Fund - Special revenue Fund
5301 Park Services	111	General Fund
5302 Environmental Services	111	General Fund
5401 Street & Signals	111	General Fund
5402 Equipment Replacement	631	Equipment Replacement - Internal Service Fund
5404 Facilities Maintenance	633	Facilities Maintenance Fund - Internal Service Fund
5405 Property Damage	111	General Fund
5406 Vehicle Maintenance Staffing	111	General Fund
5407 Facilities Maintenance Staffing	111	General Fund
5408 Los Gatos Theatre	251	Los Gatos Theatre - Special Revenue Fund
5501 Lighting & Landscape Districts	231-237	Lighting & Landscaping - Special Revenue Fund
5999 Pass Thru Accounts	111	General Fund
8011 GFAR	411	General Fund Appropriated Reserve Fund
8021 Grant Funded Capital Projects	421	Grant Funded Capital Projects Fund
8030 Storm Drain Basin Funds 1-3	461-463	Storm Drain Funds 1-3 - Capital Project Funds
8041 Traffic Mitigation	471	Traffic Mitigation Fund - Capital Project Fund
8042 Utility Undergrounding	472	Utility Undergrounding Fund - Capital Projects Fund
8051 Gas Tax - Street & Signals	482	Gas Tax Fund - Capital Projects Fund
Library Department		
Program		**Fund**
7101 Administration	111	General Fund
7201 Adult Services	111	General Fund
7202 Children's Services	111	General Fund
7203 Acquisitons & Cataloging	111	General Fund
7204 Circulation Services	111	General Fund
7801 Operating Grant	111	General Fund
7301 Library Trust	711	Library Trust - Trust Fund
7302 Clelles Ness Bequest Trust	713	Clelles Ness Bequest Trust - Trust Fund
7304 Betty McClendon Trust	714	Betty McClendon Trust -Trust Fund
7305 Barbara J Cassin Trust	716	Barbara J Cassin Trust -Trust Fund
Successor Agency to the Los Gatos RDA		
Program		**Fund**
9403 SA- Admin Services	942	Successor Agency to the Los Gatos RDA Find -Trust Fund
9404 SA- Debt to 2002 COP	942	Successor Agency to the Los Gatos RDA Find -Trust Fund
9405 SA-Debt to 2010 COP	942	Successor Agency to the Los Gatos RDA Find -Trust Fund

GLOSSARY

Accounting System - The set of records and procedures that are used to record, classify, and report information on the financial status and operations of the Town.

Accrual Basis Accounting - Under this accounting method, transactions are recognized when they occur, regardless of the timing of related cash receipts and disbursements.

Ad Valorem - Latin for "in proportion to the value". This refers to property taxes levied on value and includes the General Obligation (G.O.) Bond rates added to the 1% rate allowed by Prop. 13. These rates are applied to the secured, unsecured, supplemental, and other miscellaneous tax rolls.

Adoption - Formal action by the Town Council, which sets the spending limits for the fiscal year. The town's budget is adopted by Council resolution.

Agency Fund - A fund used to account for assets held by the Town in the capacity of an agent for individuals, organizations, or other governmental entities.

Annual Budget - A budget applicable to a single fiscal year.

Appropriation - An authorization made by the Town Council, which permits officials to incur obligations against and to make expenditures of government resources. Appropriations are typically granted for a one-year period.

Assessed Valuation - A value established for real property for use as a basis in levying property taxes. For all agencies in the State of California, the County for the secured and unsecured property tax rolls establishes assessed value; the utility property tax roll is valued by the State Board of Equalization. Under Article XIII of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978), properties are assessed at 100% of full value. Proposition 13 also modified the value of real taxable property for fiscal 1979 by rolling back values to fiscal 1976 levels. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property improvements or upon change of ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

Assessment Fund - A fund used to account for special levies made against certain properties to defray part or all of the costs of a specific improvement or service deemed to primarily benefit those parties.

Audit - Prepared by an independent Certified Public Accountant (CPA), the primary objective of an audit is to determine if the Town's Financial Statements present fairly the Town's financial position and results of operations in conformity with generally accepted accounting principles. In conjunction with their performance of an audit, it is customary for an independent auditor to issue a Management Letter stating the adequacy of the Town's internal controls as well as recommending improvements to the Town's financial management practices.

Balanced Budget – Balanced budget is a budget with operating revenues equal to operating expenditures and neither a budget deficit nor a budget surplus. More generally, it refers to a budget with no deficit, but possible with surplus.

GLOSSARY

Bonds - A bond is a written promise to pay a specified sum of money (called the face value or principle amount) at a specified date or dates in the future (called the maturity date) together with period interest at a specified rate. Bonds are typically used to finance capital facilities.

Budget - As the Town's financial operating plan for the fiscal year, the budget displays the estimated expenditures (costs) for providing services and the estimated sources of revenue (income) to pay for them. Once the Town Council adopts the budget, the total becomes the maximum spending limit. Los Gatos' budget encompasses fiscal year (July 1, through June 30).

Budget Amendment - The Council has the sole responsibility for adopting the Town's budget, and may amend or supplement the budget at any time after adoption. The Town Manager has the authority to approve administrative adjustments to the budget as outlined in the Financial and Administrative Policies set by Council.

Budget Calendar - The schedule of key dates which the Town follows in the preparation and adoption of the budget.

Budget Document - The official financial spending and resource plan submitted by the Town Manager and adopted by the Town Council explaining the approved budget to the public and Town Council.

Budget Message - Included in the opening section of the budget, the Budget Message provides the Council and the Public with a general summary of the most important aspects of the budget, comparative data from previous fiscal years, goals and objectives, and the views and recommendations of the Town Manager.

Budget Overview - This section provides an overview of the changes adopted in the budget. Additionally, the significant impacts of budgetary changes are outlined along with dollar amounts (increase/decrease).

Budget Policies - General and specific guidelines adopted by the Council that governs the financial plan's preparation and administration.

Building Permit - Fee required for new construction or for any alteration or addition to a residence or commercial building. The fee is based on square footage and valuation. Electrical or plumbing/mechanical work will require a similar permit.

Business License Tax - A tax imposed on those conducting business within the Town limits. Business License Tax is a non-regulatory tax implemented for the purpose of raising revenue to support General Fund activities.

Capital Acquisitions/Assets – See “Fixed Assets.”

Capital Expenditures - Funds spent for the construction, improvement, or rehabilitation of Town infrastructure.

GLOSSARY

Capital Improvement Program (CIP) - The plan or schedule of expenditures for major construction of roads, sidewalks, Town facilities and/or park improvements and for the purchase of equipment. The Town of Los Gatos' CIP follows a five-year schedule. Although the Town adopts the CIP budget in a

process that is separate from the adoption of the budget, the budget incorporates the first-year of the five-year CIP.

Capital Projects - Expenditures that have a value of $25,000 or more which result in the acquisition of, construction of, rehabilitation of or additions to, infrastructure and fixed assets with a useful life of at least 5 years at a fixed location.

Depreciation – The process of allocating the total cost of fixed assets over each period of their usefulness to the government.

Capital Projects Fund - In governmental accounting, a fund that accounts for financial resources to be used for the acquisition or construction of capital facilities. The total cost of a capital project is accumulated in a single expenditure account which accumulates until the project is completed, at which time the fund ceases to exist.

Cash Basis Accounting - A basis of accounting under which transactions are recognized only when cash is received or disbursed.

Certificate of Participation (COP) - A type of financing in which investors purchase a share of the lease revenues of a program rather than the bond being secured by those revenues. The authority usually uses the proceeds to construct a facility that is leased to the municipality, releasing the municipality from restrictions on the amount of debt that they can incur.

Community Development Block Grant (CDBG) - Federal grant funds distributed from the U.S. Department of Housing and Urban Development that are passed through to the Town. The Town primarily uses these funds for housing rehabilitation, public improvements and local social programs.

Comprehensive Annual Financial Report (CAFR) - The official financial report of the Town. It includes an audit opinion as well as basic financial statements and supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions.

Contingency - A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Contingent Liabilities - Items which may become liabilities of the Town but are undetermined at a given date, such as pending lawsuits, unsettled disputed claims, unfilled purchase orders and uncompleted contracts.

Contract Services - Services provided to the Town from the private sector or other public agencies.

Debt Service - Payment of the principal and interest on an obligation resulting from the issuance of bonds, notes, or Certificates of Participation (COPs).

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

Deficit - The excess of liabilities over assets.

Department - A major organizational unit of the Town, which has been assigned overall management responsibility for an operation, or a group of related operations within a functional area. In Los Gatos, Department Heads are the chief administrators within a department.

Encumbrances - Commitments against an approved budget for unperformed (executory) contracts for goods or services. They cease to be encumbrances when the obligations are paid or otherwise terminated.

Enterprise Funds - Established to account for the financing of self-supporting activities of governmental units, which render services on a user charge basis to the general public.

Equipment Replacement Fund - This fund is used to account for the replacement of existing fixed assets as equipment, machinery or building improvements become unserviceable or obsolete.

Expenditure - The outflow of funds paid or to be paid for an asset obtained or goods and services obtained. Note: An encumbrance is not expenditure; an encumbrance reserves funds to be expended. (See encumbrances.)

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

Fiscal Year - A 12-month period to which the annual operating budget applies and at the end of which the Town determines its financial position and results of its operations. The Town's fiscal year runs from July 1st to June 30th.

Fixed Assets - Non-consumable assets of long-term nature such as land, buildings, machinery, furniture, and the other equipment. The Town has defined such assets as those with an expected life in excess of one year and value in excess of $10,000.

Franchise Fees - Imposed on utility companies for the privilege of doing business in the Town. Fees are usually based upon a percentage of gross revenue derived from business conducted in the Town.

Full-time Equivalents (FTE) - The amount of time a position has been budgeted for in terms of the amount of time a regular, full-time employee normally works in a year. Full-time employees are paid for 2,080 hours in a year equating 1.0 FTE. Correspondingly, a part-time employee who worked 1,040 hours would equate to 0.5 FTE.

Fund - An independent fiscal and accounting entity with a self-balancing set of accounts in which cities record financial transactions relating to revenues, expenditures, assets and liabilities. Each fund type typically has a unique funding source and purpose. Establishing funds enables the town to account for the use of restricted revenue sources and carry on specific activities or pursue specific objectives.

GLOSSARY

Fund Accounting - System used by non-profit organizations, particularly governments. Since there is no profit motive, accountability is measured instead of profitability. The main purpose is stewardship of financial resources received and expended in compliance with legal requirements.

Fund Balance - Also known as financial position, fund balance is the excess of current assets over current liabilities, and represents the cumulative effect of revenues and other financing sources over expenditure and other financing uses.

GAAP (Generally Accepted Accounting Principles) - Uniform minimum standards for financial accounting and reporting. They govern the form and content of the basic financial statements of the Town.

Gann Appropriation Limit - This is the common name of Proposition 4, approved by voters on November 6, 1979 which mandated an appropriation limit on the amount of tax revenues that government jurisdictions may appropriate within a fiscal year. This bill was named after Paul Gann, who was a co-sponsor of the famous Proposition 13 initiative enacted by the voters of California on June 6, 1978 which
resulted in a cap on property tax rates in the state, and a prominent author and advocate of this subsequent spending limitation bill.

Gas Tax Fund - The Gas Tax Fund is used to account for revenues and expenditures apportioned under the Streets and Highways Code of the State of California. Expenditures may be made for any street related purpose in the Town's system of streets.

General Fund - In governmental accounting, fund used to account for all assets and liabilities of a non-profit entity, except those particularly assigned for other purposes in another more specialized fund. It is the primary operating fund of the Town.

General Government - Town Council, Town Manager, Town Clerk's Office, Town Attorney, Town Treasurer, Personnel, Finance, Planning, Police, Parks and Public Works, and Library.

General Liability Self Insurance Fund - The General Liability Self Insurance Fund is used to provide the Town with liability and property insurance. Coverage is provided through the Town's participation in a joint powers agreement through (ABAG) Associations of Bay Area Governments.

General Obligation Bond - A municipal bond backed by the credit and "taxing power" of the issuing jurisdiction rather than the revenue from a given project. General obligation bonds are issued with the belief that a municipality will be able to repay its debt obligation through taxation or revenue from projects. No assets are used as collateral.

Government Finance Officers Association (GFOA) - GFOA is the professional association of state/provincial and local finance officers in the United States and Canada, and has served the public finance profession since 1906. Approximately 16,000 GFOA members are dedicated to the sound management of government financial resources.

Governmental Funds - the fund used to account for all assets and liabilities of a government agency, except those particularly assigned for other purposes in another more specialized fund. There are five different types of governmental funds: the general fund (which is the primary operating fund), special revenue funds, debt service funds, capital project funds, and permanent funds.

Grant - External contributions, and/or gifts of cash, or other assets typically from another governmental entity to be used or expended for a specific purpose, activity, or facility. An example is Community Development Block grant funding from the Federal Government.

Housing Fund (RDA) - Fund is used to account for the 20% set aside property tax increment revenues and the associated expenditures to be used for increasing or improving low and moderate-income housing.

Information Technology Fund - The Information technology Fund is used to account for the costs associated with the Town's centralized computer system and to distribute these costs to departments using the system on a pro rata basis. Included are costs for hardware and software maintenance and development, and computer training.

Infrastructure - The basic facilities, services, and installations needed for the functioning of a community or society, such as streets and roads, sidewalks, bridges, communications systems, water and power lines, and public institutions including schools, police stations, libraries, and post offices.

Interest Income - The prudent investment of idle funds. The types of investments that can be made are limited by the Government Code to protect the safety of taxpayers' money.

Intergovernmental Revenue - Revenue received from other governmental agencies and municipalities, such as grants from the State or Federal government.

Internal Services Fund - The Internal Service Funds are used to finance and account for special activities and services performed by a designated Town department for other departments on a cost reimbursement basis.

Inter-Fund Transfers - When the Town moves money between its various funds, it makes an inter-fund transfer, referred to as transfers-in and transfers-out. In aggregate, transfers in and out offset each other for the fiscal year.

Landscape and Lighting Fund - The Town has formed six landscape and lighting district funds established by written consent of the property owners owning all of the property within the boundaries of the district.

Levy - To impose taxes, special assessments or service charges for the support of governmental activities. The total amount of taxes, special assessments or service charges imposed by Santa Clara County levying property taxes.

Licenses and Permits - Revenues earned by the issuance of licenses or permits levied in accordance with the benefits conferred by the license or permit.

Limited Obligation Bond - A bond sold by a municipality to finance projects which are secured by the revenue generated by those projects.

GLOSSARY

Line-Item Budget - A budget that lists detailed expenditure categories (salaries & benefits, office supplies, travel, dues, rents, etc.) separately, along with the amount budgeted for each specified category. The Summary Budget reflects the program rather than line item budgets. The Detail Budget reflects the line-item detail.

Major Fund – Major funds are funds whose revenues, expenditures/expenses, assets, or liabilities are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds for the same item The General Fund is always a major fund. The Town may also select other funds it believes should be presented as major funds.

Modified Accrual Basis - Under this accounting method, revenues are recognized when they become both measurable and available to finance expenditures of the current period. Expenditures for the most part are recognized when the related fund liability is incurred except for prepayments, accumulated employee leave and long-term debt. All governmental funds and expendable trust funds are accounted for using the modified accrual basis of accounting.

Motor Vehicle in Lieu Fee - A State fee charged for the privilege of operating a vehicle on public streets. A VLF is levied annually against the market value of a motor vehicle and is imposed by the State "in lieu" of local property taxes.

Non-Departmental - This program has the sole purpose of accounting for all expenditures that the Town cannot specifically designate to any operating department within the General Fund.

Non-major Fund – Non-major funds are all governmental and enterprises funds that are not classified as major funds.

Objective - A statement of specific direction, purpose, or intent based on the needs of the community and the goals established for a specific program or service level.

Ordinance - A formal legislative enactment by the Town Council. It has the full force and effect of law within Town boundaries unless pre-empted by a higher form of law. An Ordinance has a higher legal standing than a Resolution and is typically codified in a Town's municipal code.

Operating Budget - The operating budget is the primary means by which most of the financing of acquisition, spending and service delivery activities of a government are controlled. The use of annual operating budgets is required by law.

Other Revenues - Revenues from sources other than those specifically identified that are too immaterial in amount to justify the creation of new revenue account line items

Performance Measure - Sets forth a performance objective and a goal for achieving the objective.

Personnel Benefits - Those benefits paid by the Town as conditions of employment.

Personnel - Town employees.

Present Value - The amount that a future sum of money is worth today given a specified rate of return.

GLOSSARY

Proposition 218 - A statewide initiative passed by the voters of California on November 5, 1996. The initiative provided voters with the right to vote on new taxes.

Program - As subdivisions of departments, programs are budgetary or organizational units of government with limited sets of work responsibilities within their respective departments. Programs also serve to increase budgetary accountability. Los Gatos' budget is compiled on a program basis.

Property Tax - Imposed on real property (land and permanently attached improvements). The tax is based upon the assessed value of such property. The tax rate may not exceed 1% of assessed value.

Proprietary Funds - Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

Public Employees' Retirement System (PERS) - Provided for the Town's employees, by the State of California.

RDA - Redevelopment Agency, while a component unit, the Agency is a legal entity separate from the Town.

Redevelopment Agency Fund - Fund is used to account for the proceeds of notes, advances and other forms of indebtedness, and the expenditure of these funds for improvement, reconstruction and redevelopment projects within the specified boundaries of the Town of Los Gatos Redevelopment Agency.

Reserve - An account used to indicate that a portion of fund equity is legally restricted for a specific purpose.

Resolution - A special order of the Town Council which has a lower legal standing than an ordinance.

Resources - Total amounts available for appropriation including estimated revenues, inter-fund transfers, and beginning fund balances.

Revenue - Sources of income, which the Town receives during a fiscal year. Examples of revenue include taxes, intergovernmental grants, charges for services, resources forward from the prior year, operating transfers for other funds, and other financing sources such as the proceeds derived from the sales of fixed assets.

Road Impact Fees - Pursuant to Article III of Chapter 15 of the Town Code, the Town collects road impact fees in order to finance road construction and maintenance projects throughout the Town. Article IX of Chapter 15 authorizes the establishment of special fund accounts known as Road Impact #1, Road Impact #2, and Road Impact #3, into which all such fees are deposited. Because the road systems generally follow drainage patterns, the existing drainage basin map boundaries are used to track and expend funds for road construction and maintenance. The amount of each fee collected is based on an estimate of the weight of the loads to be hauled to or from the project and the weight of heavy vehicles to be used in connection with the project. The fee is collected for: Building Permits, Grading and Landscape Permits, Improvement Contracts, and Encroachment permits. Money collected from such fees is to be used solely for design, construction, and repair of town streets and installation of sidewalk curb cut ramps when the level of work as triggers such a requirement provided by the Americans with Disabilities Act, within the prescribed area. Projects will be brought forward on an as needed basis.

Sales Tax - 1% is returned to the Town by the State Board of Equalization on a monthly direct deposit basis.

Self-Insurance Fund - The Self-Insurance Fund (General Liability) is used to finance and account for the Town's general liability self-insurance program.

Special Assessment Bonds - Bonds payable from the proceeds of special assessment.

Special Revenue Fund - In governmental accounting, fund used to account for the proceeds of special revenue sources (other than special assessments, expandable trusts, or for major capital projects) that are legally restricted to expenditure for specified purpose.

Service Charge - Charges for specific services rendered.

Services and Supplies - Expenditures for services and supplies which are directly related to a department's primary service activities.

Sewer Service Charge - Sanitary Sewer Taxes are collected by the West Valley Sanitation District to maintain the Sanitary Sewer Collection System in District's Service Area. The Parks, Forestry and Maintenance Department provide sanitary Sewer collection maintenance within the Town limits. These operating costs are reimbursed to the Town from Sanitary Sewer fees.

Successor Agency to the Town of Los Gatos RDA – Effective February 1, 2012, all redevelopment agencies in the State of California were dissolved pursuant to AB 1X 26. Following the provisions of the Dissolution Act, the Town Council of the Town of Los Gatos adopted a resolution accepting for the Town role of Successor Agency to the Redevelopment Agency of the Town of Los Gatos.

Supplies - An expenditure classification for articles and commodities purchased for consumption or resale.

Taxes - Compulsory charges levied by the Town, County and State for the purpose of financing services performed for the common benefit.

Town Code - A book that contains the Town Council approved ordinances currently in effect. The code defines Town policy with respect to areas such as planning, etc.

GLOSSARY

Transient Occupancy Tax - Imposed on hotels, motels, inns or other lodging facilities. The rate in Los Gatos is 12%.

Transfers In/Out - Money transferred from one Town fund to another. Differs from revenues and expenses - see definition of these terms.

Workers' Compensation Fund - The Worker's Compensation Fund accounts for the cost to provide worker's compensation insurance coverage to all Town employees in compliance with State of California requirements.

LIST OF ACRONYMS

Following is a list of acronyms common to local government terminology:

AB	Assembly Bill
ACFR	Annual Comprehensive Financial Report
ADA	Americans with Disabilities Act
AFIS	Automated Fingerprint Identification System
AFSCME	American Federation of State, County, and Municipal Employees Union
ARPA	American Rescue Plan Act
ARS	Automated Reporting System
BMP	Below Market Price (Housing)
CDBG	Community Development Block Grant
CEQA	California Environmental Quality Act
CERT	Community Emergency Response Team
CLEEP	California Law Enforcement Equipment Program
CIP	Capital Improvement Program
COP	Certificates of Participation
COPS	Community Oriented Policing Services
CPUC	California Public Utilities Commission
CSMFO	California Society of Municipal Finance Officers
CSO	Community Services Officer
CY	Current Year
DARE	Drug Awareness Resistance Education
DART	Disaster Aid Response Team
DOJ	Department of Justice
DUI	Driving Under the Influence
EOC	Emergency Operations Center
ERAF	Educational Revenue Augmentation Fund
FEMA	Federal Emergency Management Agency
FTE	Full-Time Equivalent (2080 annual work hours)
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GFAR	General Fund Appropriated Reserve
GFOA	Government Finance Officers Association
GIS	Geographical Information System
GO	General Obligation (Bond)
HCD	Housing and Community Development

ACRONYMS

HHW	Household Hazardous Waste
HUD	Housing & Urban Development
HVAC	Heating / Ventilation & Air Conditioning
IT	Information Technology
JPA	Joint Powers Authority
LAIF	Local Agency Investment Fund
LAWCX	Local Agency Workers Compensation Excess (JPA)
LLD	Landscaping & Lighting District
LT	Long-Term (as in Long-Term Notes Receivable)
MIS	Management Information Systems
MOU	Memorandum of Understanding
MVLF	Motor Vehicle in Lieu Fee (see also VLF)
NPDES	National Pollutant Discharge Elimination System
OCJP	Office of Criminal Justice Planning
OES	Office of Emergency Services
OPEB	Other Post-Employment Benefits
PARS	Public Agency Retirement Services
PCI	Pavement Condition Index
PERS	Public Employees' Retirement System
PLAN JPA	Pooled Liability Assurance Network Joint Powers Authority
POA	Police Officers Association
POST	Peace Officers Standard Training
PPW	Parks & Public Works Department
PSAP	Public Safety Answering Point
PY	Prior Year
RATTF	Regional Auto Theft Task Force
RDA	Redevelopment Agency
SB	Senate Bill
SA	Successor Agency
SCC	Santa Clara County
SCCET	Santa Clara County Enforcement Team
SLESF	Supplemental Law Enforcement Services Fund Grant
SWAT	Special Weapons and Tactics
TDA	Transportation Development Act
TEA	Town Employees Association
TFCA	Transportation Fund for Clean Air
TOT	Transient Occupancy Tax
VLF	Motor Vehicles In Lieu Fee (see also MVLF)
VIP	Volunteers in Policing
VTA	Valley Transportation Agency
WVSD	West Valley Sanitation District

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