

FINANCIAL SUMMARIES

Total Revenues and Expenditures

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

Total Budgeted Fund Activity	C – 3
Total Revenues, Expenditures, and Fund Balance Trend Information	C – 4
Total Revenues, Expenditures, and Fund Balance – 5 Year Summary.....	C – 6
Total Town Revenues – by Fund.....	C – 10
Total Town Expenditures – by Fund	C – 12
Total Town Revenues – by Category	C – 14
Total Town Expenditures – by Category	C – 15

General Fund Revenues and Expenditures

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

General Fund Revenues – by Department	C – 16
General Fund Expenditures – by Department	C – 17
General Fund Revenues – by Category.....	C – 18
General Fund Expenditures – by Category	C – 20
General Fund Tax Revenues per Capita – Cities of Santa Clara County	C – 21
General Fund Tax Revenues – 10 Year History of Key Tax Revenues	C – 22
General Fund – Fund Balance Activity	C – 23

Operating Transfers

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

Schedule of Interfund Transfers	C – 24
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FINANCIAL SUMMARIES

Fund Balance

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

Fund Balance Activity Summary – by Fund	C – 25
5 Year Comparative Fund Balance – by Fund	C – 27

Departmental Budgets

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

Department Revenues – by Program	C – 29
Department Expenditures – by Program	C – 31

In-Kind Donations

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

In-Kind Donations	C – 33
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Fee-Related Project List

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

Fee Related Project List	C – 34
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Staffing

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

Departmental Staff by Fund	C – 36
Summary of FTEs by Department	C – 37
5 Year History of Funded Positions by Department	C – 38
Summary of Personnel Changes	C – 39
Positions by Home Department	C – 43

**TOTAL BUDGETED FUND ACTIVITY SUMMARY
FY 2017/18**

	Estimated Fund Balance 7/1/2017	Revenues, PY Carryfwd & Transfers	Expenditures, PY Carryfwd & Transfers	Estimated Fund Balance 6/30/2018	Fund Balance Change From PY
Operating Funds					
Governmental Funds					
General Fund*	\$ 24,446,093	\$ 39,324,303	\$ 42,841,002	\$ 20,929,394	-14.4% (1)
Housing Conservation Program Fund	74,586	-	-	74,586	0.0%
Community Dev Block Grant Fund	(4,576)	-	-	(4,576)	0.0%
Urban Run-Off Source Fund	(16,317)	584,394	564,910	3,167	119.4% (2)
Blackwell Assessment District Fund	11,491	3,210	9,852	4,849	-57.8% (3)
Kennedy Assessment District Fund	41,621	10,322	38,634	13,309	-68.0% (3)
Gemini Assessment District Fund	22,878	4,647	11,701	15,824	-30.8% (3)
Santa Rosa Assessment District Fund	61,673	4,800	13,255	53,218	-13.7% (3)
Vasona Assessment District Fund	44,654	9,885	18,644	35,895	-19.6% (3)
Hillbrook Assessment District Fund	14,924	5,997	17,960	2,961	-80.2% (3)
Proprietary Funds - Internal Service Funds					
ABAG Self Insurance Fund	1,348,491	553,953	816,952	1,085,492	-19.5% (4)
Worker's Comp Self Insurance Fund	1,040,633	969,547	1,258,466	751,714	-27.8% (4)
Information Technology Fund	2,853,080	1,180,879	1,424,950	2,609,009	-8.6%
Office Stores Fund	166,627	118,000	134,500	150,127	-9.9%
Equipment Replacement Fund	1,751,729	924,279	658,688	2,017,320	15.2% (5)
Vehicle Maintenance Fund	484,535	586,654	583,491	487,698	0.7%
Facilities Maintenance Fund	455,559	1,736,089	1,402,052	789,596	73.3% (6)
Total Operating Funds	\$ 32,797,681	\$ 46,016,959	\$ 49,795,057	\$ 29,019,583	-11.5%
Trust & Agency Funds					
Library Trust Fund	\$ 36,695	\$ 74,050	\$ 72,500	\$ 38,245	4.2%
Ness Bequest tTrust Fund	41,593	850	-	42,443	2.0%
Betty McClendon Trust Fund	89,367	705	-	90,072	0.8%
Barbara J Cassin Trust Fund	350,282	2,760	-	353,042	0.8%
Total Trust & Agency Funds	\$ 517,937	\$ 78,365	\$ 72,500	\$ 523,802	1.1%
Capital Funds					
GFAR*	\$ 19,289,522	\$ 3,824,319	\$ 3,211,124	\$ 19,902,717	3.2%
Grant Funded CIP Projects Fund	(379,586)	250,000	250,000	(379,586)	0.0%
Storm Drain #1 Fund	769,808	48,850	-	818,658	6.3%
Storm Drain #2 Fund	999,394	50,000	-	1,049,394	5.0%
Storm Drain #3 Fund	(21,798)	2,390	150,000	(169,408)	-677.2% (3)
Traffic Mitigation Fund	207,226	30,000	10,000	227,226	9.7%
Construction Tax-Undergrounding Fund	2,925,911	44,280	42,000	2,928,191	0.1%
Gas Tax Fund	711,042	882,457	886,000	707,499	-0.5%
Total Capital Projects Funds	\$ 24,501,519	\$ 5,132,296	\$ 4,549,124	\$ 25,084,691	2.4%
Successor Agency of the Los Gatos RDA Fund					
SA- Trust Fund	\$ 3,601,794	\$ 3,857,721	\$ 3,856,383	\$ 3,603,132	0.0%
Total Successor Agency of the Los Gatos RDA Fund	\$ 3,601,794	\$ 3,857,721	\$ 3,856,383	\$ 3,603,132	0.0%
TOTAL ALL FUNDS	\$ 61,418,931	\$ 55,085,341	\$ 58,273,064	\$ 58,231,208	-5.2%

* Major Funds

- (1) One-time use of General Fund Capital Reserve for authorized capital projects
(2) Additional revenue source identified to cover increasing cost of Urban Run-off Program driven by State mandates
(3) One-time Capital Project budeted for FY 2017/18
(4) Based on estimated claims activity
(5) Equipment Replacement Fund was replenised by \$300,000 from General Fund
(6) Facilities Maintenance Fund was replenised by \$300,000 from General Fund

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

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

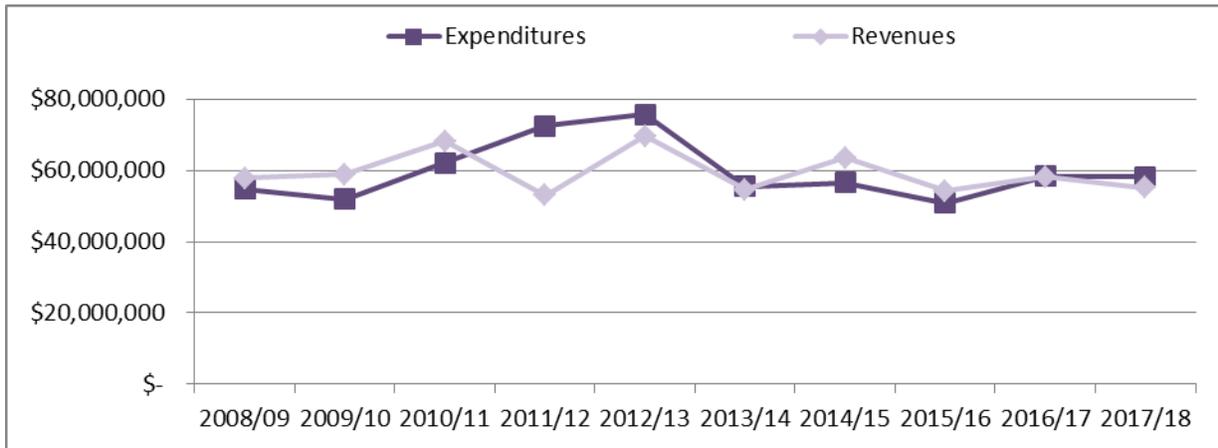
Fiduciary Funds - These funds include Trust and Agency funds and are held in a fiduciary capacity, with little variation in activity. The Library Trusts are held for special uses for the Library.

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.

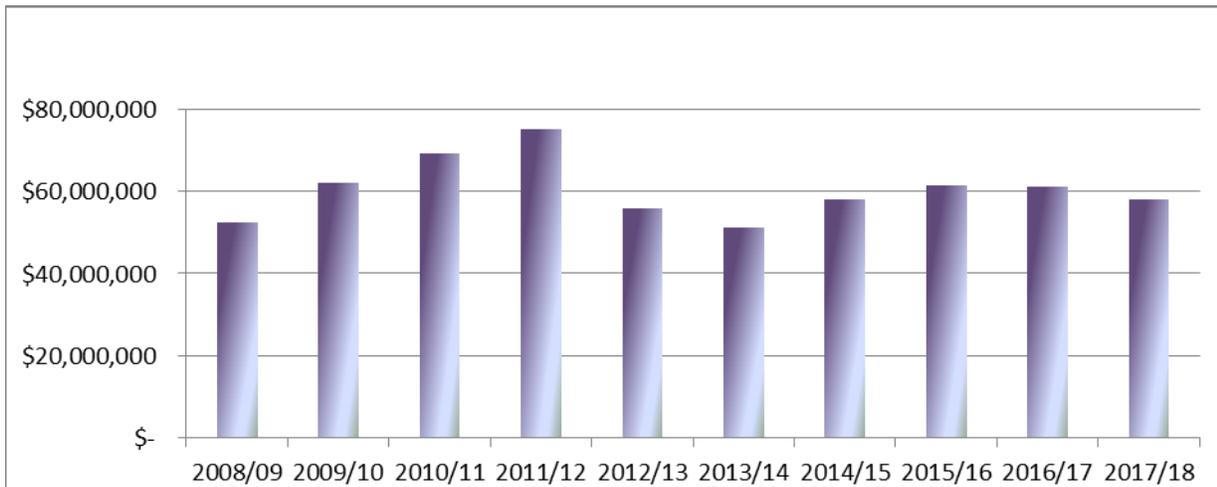
RDA Successor Agency Private Purpose Trust Fund - As required, a private purpose trust fund was established to account for the assets and liabilities transferred from the dissolution of the Town's former Redevelopment Agency (RDA) and the continuing operations related to the existing RDA obligations. The Successor Agency's Private Purpose Trust Fund has been incorporated into the Town's operating budget.

TOTAL TOWN

REVENUES AND EXPENDITURES



FUND BALANCE TREND INFORMATION



<u>Year End</u>	<u>Reference</u>	<u>Revenues & Transfers In</u>	<u>Expenditures & Transfers Out</u>	<u>Designated Fund Balance</u>
2008/09	Actuals	\$ 57,785,657	\$ 54,751,838	\$ 52,447,970
2009/10	Actuals	\$ 58,959,239	\$ 51,969,267	\$ 62,283,427
2010/11	Actuals	\$ 68,176,239	\$ 62,169,737	\$ 69,273,396
2011/12	Actuals	\$ 53,064,630	\$ 72,439,477	\$ 75,279,896
2012/13	Actuals	\$ 69,593,000	\$ 75,659,793	\$ 56,038,624
2013/14	Actuals	\$ 54,528,656	\$ 55,545,003	\$ 51,370,329
2014/15	Actuals	\$ 63,470,972	\$ 56,593,416	\$ 58,247,885
2015/16	Actuals	\$ 54,234,948	\$ 50,881,063	\$ 61,601,752
2016/17	Estimated	\$ 58,176,524	\$ 58,359,363	\$ 61,418,931
2017/18	Adopted	\$ 55,085,341	\$ 58,273,064	\$ 58,231,208

Note: Expenditures and Transfers Out may exceed Revenues due to the inclusion of planned and carry-forward capital projects.

TOTAL TOWN REVENUE, EXPENDITURE, AND FUND BALANCE TREND INFORMATION

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

Reflecting the strength of the local economy, FY 2017/18 operating budget is a balanced budget, with use of General Fund reserves dedicated for one-time uses. However, the five-year financial forecast projects revenue shortfalls resulting primarily from the increased pension contributions as a result of recent actions taken by CalPERS to lower its discount rate. The shortfalls are projected over future years and need to be addressed proactively either through revenue enhancements or service delivery adjustments, barring unforeseen increases in existing local revenue sources. The FY 2017/18 budget has been balanced largely due to revenue enhancements, resulting from the positive economy and the Town's growth in the economically sensitive revenue sources such as Property Tax, Transient Occupancy Tax, and Business Licenses. In regard to expenditures, the Town's employer-paid benefits are expected to increase for the foreseeable future, including obligated pension contributions, the pre-funding of premiums for retiree health coverage, and the increasing costs of current health plans. Specific trends affecting the fund balance forecast include:

Salaries and Benefits Increases – As in most municipalities, services are provided directly by employees to the Town's residents, businesses, and visitors. As a result, the cost of salaries and benefits are a significant portion of the budget. Salaries and benefits account for 46.3% of the Town's total expenditures and 59.5% of General Fund expenditures in FY 2017/18. When fiscal conditions worsened during the recession, employees participated in wage freezes and unpaid furloughs to assist in achieving a balanced budget. After multiple years of such concessions, the Town discontinued the furlough program in FY 2014/15 and implemented a 2% general wage increase for non-sworn employees and a 1.5% cash payment in lieu of an increase on base salary for sworn employees. A 2% increase in salaries was authorized by Council resolution, effective July 1, 2015 for nonsworn groups and effective October 1, 2015 for sworn personnel. A 2.5% all across the board salary increase was approved for all three bargaining units retroactive for FY 2016/17 and another 2.5% increase goes into effect for FY 2017/18. The Town's three bargaining units are: Association of Federal, State, County and Municipal Employees (AFSCME), Town Employees' Association (TEA) and Los Gatos Police Officers' Association (LGPOA).

Pension contributions are also a significant 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. The rates are established by actuarial formula and are controlled by the policies adopted in the Public Employment Retirement Law (PERL). Despite the \$4.5 million CalPERS side fund payoff in June 2014, the Town's employer pension contributions continue to rise reflecting the lower than expected CalPERS investment earnings for its pension trust coupled with a CalPERS January 2017 action to lower its discount over time from 7.5% to 7.0%. The lower discount rate takes effect for the Town in FY 2018/19 employer rates. For FY 2017/18, the rate for sworn employees will increase from 36.18% in FY 2016/17 to 39.60% in FY 2017/18. For all other employees, the rate will increase from 26.96% in FY 2016/17 to 27.40% in FY 2017/18.

The Public Employees' Pension Reform Act (PEPRA), effective January 1, 2013, implemented lower pension tiers for employees who are new to the PERS pension system. Under PEPRA, the formula is 2% at age 62 for non-sworn and 2.7% at age 57 for sworn employees. While this does not provide immediate cost savings, it is anticipated to reduce future salary and benefit expenditures in the next 10 to 15 years.

The Town's cost to fund current medical plans experienced an increase for FY 2017/18, while the prior year experienced a decrease. The rates may continue to be unstable, creating unpredictability for budget projections. To assist with cost-containment, employees are contributing a share of dependent premiums.

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 energy efficiency in Town facilities and is looking at ways to reduce fuel costs by utilizing electric vehicles and installing electric vehicle charging stations throughout the Town. Staff will continue to explore energy alternatives to reduce costs.

Revenue Recovery – On a positive note, all signs indicate that the economy remains strong as the Town is experiencing increases in many economically sensitive revenues such as Property Tax, Transient Occupancy Tax (TOT), Business License Tax, and Franchise Fees for FY 2017/18. General Fund revenues for FY 2017/18, (excluding debt payments and fund transfers in) are 3.4 % greater than budgeted prior year revenues. This increase is largely due to forecasted increases in Property Tax, Business License Tax, and Transient Occupancy Tax (TOT) as a result of strong travel and tourism offset by declines in forecasted Sales Tax.

**TOTAL TOWN
REVENUES, EXPENDITURES & FUND BALANCE FIVE-YEAR SUMMARY**

	GENERAL FUND					SPECIAL REVENUE FUNDS				
	2013/14 Actuals	2014/15 Actuals	2015/16 Actuals	2016/17 Estimated	2017/18 Adopted	2013/14 Actuals	2014/15 Actuals	2015/16 Actuals	2016/17 Estimated	2017/18 Adopted
REVENUES										
Property Tax	\$ 9,054,908	\$ 10,113,287	\$ 10,779,434	\$ 11,051,936	\$ 11,383,073	\$ -	\$ 36	\$ 17	\$ 13	\$ -
VLF Backfill	2,657,404	2,818,316	2,984,023	3,237,000	3,269,370	-	-	-	-	-
Sales & Use Tax	8,029,571	8,202,678	7,501,175	8,814,956	7,972,195	-	-	-	-	-
Franchise Fees	2,063,756	2,215,430	2,258,892	2,221,120	2,287,390	-	-	-	-	-
Transient Occupancy Tax	1,512,846	1,896,721	1,943,166	2,000,000	2,060,000	-	-	-	-	-
Other Taxes	1,155,802	1,809,620	1,475,425	1,457,000	1,582,000	38,142	37,723	28,096	37,775	38,220
Licenses & Permits	3,235,122	3,687,393	3,552,935	3,097,407	2,941,359	-	-	30,000	30,780	231,323
Intergovernmental	817,699	1,004,661	984,507	720,270	666,375	19,360	176,705	6,011	-	-
Town Services	2,684,126	2,643,276	2,677,944	2,321,086	2,464,177	328,648	328,868	338,813	336,684	353,071
Internal Srvc Reimbursement	-	-	-	-	-	-	-	-	-	-
Fines & Forfeitures	772,647	842,470	858,929	732,662	695,400	-	-	-	-	-
Interest	625,298	430,476	620,895	270,723	270,723	10,870	2,635	1,480	641	641
Other Sources	3,812,798	3,030,800	1,673,395	1,237,295	1,237,666	12,358	3,350	-	-	-
Debt Service Reimbursement	1,935,578	1,928,056	1,922,398	1,923,303	1,914,739	-	-	-	-	-
Transfers In	328,938	311,810	2,436,405	363,428	579,836	-	100,000	50,000	-	-
TOTAL REVENUES	\$ 38,686,493	\$ 40,934,994	\$ 41,669,523	\$ 39,448,186	\$ 39,324,303	\$ 409,414	\$ 649,298	\$ 454,413	\$ 405,880	\$ 623,255
EXPENDITURES										
Salaries & Benefits	\$ 25,036,702	\$ 20,658,173	\$ 21,342,278	\$ 21,380,673	\$ 25,426,213	\$ 65,163	\$ 108,556	\$ 111,664	\$ 122,270	\$ 165,668
Operating Expenditures	8,029,969	8,440,136	8,137,858	8,605,953	8,228,710	271,581	319,468	355,021	383,919	412,963
Grants & Awards	151,010	197,074	194,155	204,800	209,800	-	-	-	-	-
Fixed Assets	62,756	75,442	411,820	-	-	-	-	-	-	82,500
Interest	-	-	-	-	-	-	-	-	-	-
Internal Service Charges	3,377,031	3,325,373	3,539,936	3,567,022	3,979,314	3,139	4,867	5,519	8,208	8,905
Capital Projects	-	-	-	-	-	-	-	-	-	-
Capital Acquisitions	-	-	-	-	-	-	-	-	-	-
Debt Service	1,935,578	1,928,056	1,922,398	1,923,303	1,914,739	-	-	-	-	-
Transfers Out	2,891,384	7,386,491	581,014	6,963,773	3,082,227	24,280	181,625	4,920	4,920	4,920
TOTAL EXPENDITURES	\$ 41,484,430	\$ 42,010,745	\$ 36,129,459	\$ 42,645,524	\$ 42,841,003	\$ 364,163	\$ 614,516	\$ 477,124	\$ 519,317	\$ 674,956
Net Increase (Decrease)	(2,797,937)	(1,075,751)	5,540,064	(3,197,338)	(3,516,700)	45,251	34,782	(22,711)	(113,437)	(51,701)
Beginning Fund Balance	25,977,054	23,179,117	22,103,366	27,643,430	24,446,092	307,052	352,303	387,085	364,374	250,937
Ending Fund Balance	\$ 23,179,117	\$ 22,103,366	\$ 27,643,430	\$ 24,446,092	\$ 20,929,392	\$ 352,303	\$ 387,085	\$ 364,374	\$ 250,937	\$ 199,236

TOTAL TOWN
REVENUES, EXPENDITURES & FUND BALANCE FIVE-YEAR SUMMARY
LIBRARY TRUSTS & PARKING ASSESSMENT FUNDS

	INTERNAL SERVICE FUNDS					LIBRARY TRUSTS & PARKING ASSESSMENT FUNDS				
	2013/14 Actuals	2014/15 Actuals	2015/16 Actuals	2016/17 Estimated	2017/18 Adopted	2013/14 Actuals	2014/15 Actuals	2015/16 Actuals	2016/17 Estimated	2017/18 Adopted
REVENUES										
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61	\$ -	\$ -	\$ -	\$ -
VLF Backfill	-	-	-	-	-	-	-	-	-	-
Sales & Use Tax	-	-	-	-	-	-	-	-	-	-
Franchise Fees	-	-	-	-	-	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	-	-	-	-	-	-
Other Taxes	116,020	135,959	44,453	40,000	40,000	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Town Services	162,884	162,999	147,850	95,000	95,000	-	-	-	-	-
Internal Svc Reimbursement	4,106,219	4,106,955	4,521,610	4,636,428	5,070,825	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-	-	-	-	-
Interest	10	5	6	-	-	14,328	(1,869)	4,863	4,865	4,865
Other Sources	439,798	733,878	327,920	260,880	263,576	38,200	37,304	163,517	67,000	73,500
CIP Proj Reimbursement	-	-	-	-	-	-	-	-	-	-
Transfers In	-	531,066	-	10,000	600,000	-	-	1,380	-	-
TOTAL REVENUES	\$ 4,824,931	\$ 5,670,862	\$ 5,041,839	\$ 5,042,308	\$ 6,069,401	\$ 52,589	\$ 35,435	\$ 169,760	\$ 71,865	\$ 78,365
EXPENDITURES										
Salaries & Benefits	\$ 1,050,092	\$ 1,192,214	\$ 1,298,397	\$ 1,334,710	\$ 1,412,565	\$ 123	\$ -	\$ -	\$ -	\$ -
Operating Expenditures	3,705,757	3,106,702	3,619,728	3,488,446	4,071,872	112,105	87,744	160,209	32,000	37,500
Grants & Awards	-	-	-	-	-	-	-	-	-	-
Fixed Assets	336,709	280,357	547,171	483,414	794,661	-	-	-	-	-
Interest	-	-	-	-	-	140,366	-	-	-	-
Internal Service Charges	1,129	-	170	-	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-	-	-	-	-
Capital Acquisitions	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-
Transfers Out	168,956	1,440,714	1,500,833	295,680	-	-	-	215,584	45,000	35,000
TOTAL EXPENDITURES	\$ 5,262,643	\$ 6,019,987	\$ 6,966,299	\$ 5,602,250	\$ 6,279,098	\$ 252,594	\$ 87,744	\$ 375,793	\$ 77,000	\$ 72,500
Net Increase (Decrease)	(437,712)	(349,125)	(1,924,460)	(559,942)	(209,697)	(200,005)	(52,309)	(206,033)	(5,135)	5,865
Beginning Fund Balance	11,371,894	10,934,182	10,585,057	8,660,597	8,100,655	981,421	781,416	729,107	523,074	517,939
Ending Fund Balance	\$ 10,934,182	\$ 10,585,057	\$ 8,660,597	\$ 8,100,655	\$ 7,890,958	\$ 781,416	\$ 729,107	\$ 523,074	\$ 517,939	\$ 523,804

TOTAL TOWN
REVENUES, EXPENDITURES & FUND BALANCE FIVE-YEAR SUMMARY

CAPITAL PROJECT FUNDS

SUCCESSOR AGENCY TO THE LOS GATOS RDA

	2013/14	2014/15	2015/16	2016/17	2017/18	2013/14	2014/15	2015/16	2016/17	2017/18
	Actuals	Actuals	Actuals	Estimated	Adopted	Actuals	Actuals	Actuals	Estimated	Adopted
REVENUES										
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
VLF Backfill	-	-	-	-	-	-	-	-	-	-
Sales & Use Tax	-	-	-	-	-	-	-	-	-	-
Franchise Fees	-	-	-	-	-	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	-	-	-	-	-	-
Other Taxes	116,020	135,959	44,453	30,000	30,000	-	-	-	-	-
Licenses & Permits	956,780	1,230,068	662,998	565,929	575,929	-	-	-	-	-
Intergovernmental	1,603,068	1,739,636	1,027,792	794,591	1,892,020	110,635	103,009	40,840	21,163	19,862
Town Services	13,800	-	-	7,500	-	-	-	-	-	-
Internal Svc Reimbursement	-	-	-	-	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-	-	-	-	-
Interest	135,996	(4,376)	75,932	31,020	44,120	224	3,544	2,393	50	3,150
Other Sources	647,000	668,956	591,123	648,452	108,000	-	-	-	-	-
CIP Proj Reimbursement	-	-	-	-	-	3,892,006	3,892,530	3,871,082	3,850,126	3,834,709
SCCRPTTF Reimbursement	-	-	-	-	-	-	-	-	-	-
Transfers In	3,058,013	8,411,057	582,800	7,259,453	2,482,227	21,687	-	-	-	-
TOTAL REVENUES	\$ 6,530,677	\$ 12,181,300	\$ 2,985,098	\$ 9,336,945	\$ 5,132,296	\$ 4,024,552	\$ 3,999,083	\$ 3,914,315	\$ 3,871,339	\$ 3,857,721
EXPENDITURES										
Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,032	\$ 13,455	\$ 14,102	\$ 1,435	\$ 1,475
Operating Expenditures	-	-	6,091	4,571	-	264,648	5,565	5,357	7,320	19,070
Grants & Awards	-	-	-	-	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	955,000	990,000	1,025,000	1,065,000	1,105,000
Internal Service Charges	-	-	-	-	-	2,915	552	561	56	59
Capital Projects	3,580,504	3,618,607	2,293,247	5,331,776	4,015,508	-	-	-	-	-
Capital Acquisitions	125,900	21,032	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	2,916,156	2,866,111	2,819,796	2,781,606	2,724,479
Transfers Out	213,383	219,933	698,580	315,808	533,616	110,635	125,169	69,654	7,700	6,300
TOTAL EXPENDITURES	\$ 3,919,787	\$ 3,859,572	\$ 2,997,918	\$ 5,652,155	\$ 4,549,124	\$ 4,261,386	\$ 4,000,852	\$ 3,934,470	\$ 3,863,117	\$ 3,856,383
Net Increase (Decrease)	2,610,890	8,321,728	(12,820)	3,684,790	583,172	(236,834)	(1,769)	(20,155)	8,222	1,338
Beginning Fund Balance	9,896,925	12,507,815	20,829,543	20,816,723	24,501,513	3,852,329	3,615,495	3,613,726	3,593,571	3,601,793
Ending Fund Balance	\$ 12,507,815	\$ 20,829,543	\$ 20,816,723	\$ 24,501,513	\$ 25,084,685	\$ 3,615,495	\$ 3,613,726	\$ 3,593,571	\$ 3,601,793	\$ 3,603,131

TOTAL ALL FUNDS

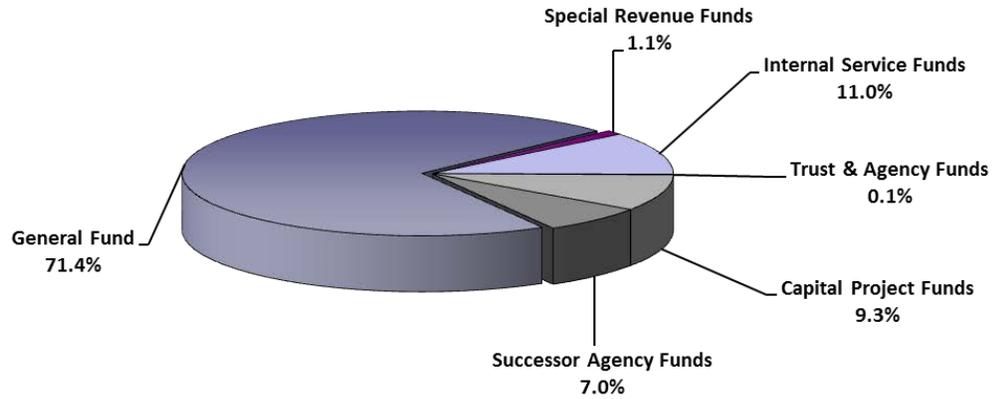
	2013/14	2014/15	2015/16	2016/17	2017/18
	Actuals	Actuals	Actuals	Estimated	Adopted
REVENUES					
Property Tax	\$ 9,055,005	\$ 10,113,304	\$ 10,779,447	\$ 11,051,936	\$ 11,383,073
VLF Backfill	2,657,404	2,818,316	2,984,023	3,237,000	3,269,370
Sales & Use Tax	8,029,571	8,202,678	7,501,175	8,814,956	7,972,195
Franchise Fees	2,063,756	2,215,430	2,258,892	2,221,120	2,287,390
Transient Occupancy Tax	1,512,846	1,896,721	1,943,166	2,000,000	2,060,000
Other Taxes	1,425,984	2,119,261	1,592,427	1,564,775	1,690,220
Licenses & Permits	4,191,902	4,917,461	4,245,933	3,694,116	3,748,611
Intergovernmental	2,550,762	3,024,011	2,059,150	1,536,024	2,578,257
Town Services	3,189,458	3,135,143	3,164,607	2,760,270	2,912,248
Internal Svc Reimbursement	4,106,219	4,106,955	4,521,610	4,636,428	5,070,825
Fines & Forfeitures	772,647	842,470	858,929	732,662	695,400
Interest	786,726	430,415	705,569	307,299	323,499
Other Sources	4,950,154	4,474,288	2,755,955	2,213,627	1,682,742
CIP Proj Reimbursement	5,827,584	5,820,586	5,793,480	5,773,429	5,749,448
SCC RPTTF Reimbursement	-	-	-	-	-
Transfers In	3,408,638	9,353,933	3,070,585	7,632,881	3,662,063
TOTAL REVENUES	\$ 54,528,656	\$ 63,470,972	\$ 54,234,948	\$ 58,176,523	\$ 55,085,341
EXPENDITURES					
Salaries & Benefits	\$ 26,164,112	\$ 21,972,398	\$ 22,766,441	\$ 22,839,088	\$ 27,005,921
Operating Expenditures	12,384,060	11,959,615	12,284,264	12,522,209	12,770,115
Grants & Awards	151,010	197,074	194,155	204,800	209,800
Fixed Assets	399,465	355,799	958,991	483,414	877,161
Interest	1,095,366	990,000	1,025,000	1,065,000	1,105,000
Internal Service Charges	3,384,214	3,330,792	3,546,186	3,575,286	3,988,278
Capital Projects	3,580,504	3,618,607	2,293,247	5,331,776	4,015,508
Capital Acquisitions	125,900	21,032	-	-	-
Debt Service	4,851,734	4,794,167	4,742,194	4,704,909	4,639,218
Transfers Out	3,408,638	9,353,932	3,070,585	7,632,881	3,662,063
TOTAL EXPENDITURES	\$ 55,545,003	\$ 56,593,416	\$ 50,881,063	\$ 58,359,363	\$ 58,273,064
Net Increase (Decrease)	(1,016,347)	6,877,556	3,353,885	(182,840)	(3,187,723)
Beginning Fund Balance	52,386,676	51,370,329	58,247,885	61,601,770	61,418,930
Ending Fund Balance	\$ 51,370,329	\$ 58,247,885	\$ 61,601,770	\$ 61,418,930	\$ 58,231,207

Note: Expenditures and Transfers Out may exceed Revenues due to the inclusion of planned and carry-forward capital projects.

TOTAL TOWN REVENUES
BY FUND
(Includes Transfers In)

Fund	Fund Name	2013/14 Actuals	2014/15 Actuals	2015/16 Actuals	2016/17 Adopted	2016/17 Estimated	2017/18 Adopted	Change from PY
General Fund								
111	General Fund	\$ 38,686,493	\$ 40,934,994	\$ 41,669,525	\$ 37,829,433	\$ 39,448,186	\$ 39,324,303	4.0%
Special Revenue Funds								
221	Solid Waste Fund	-	-	-	-	-	-	0.0%
211	Housing Conservation Program	20,006	6,823	67	-	-	-	0.0%
212	Community Dev Block Grant	19,360	176,705	6,011	70,000	-	-	-100.0%
222	Urban Run-Off Source Fund	328,648	428,868	418,813	367,464	367,464	584,394	59.0%
231	Blackwell Assessment District	3,310	3,113	3,233	3,210	3,210	3,210	0.0%
232	Kennedy Assessment District	11,132	10,089	346	10,337	10,337	10,322	-0.1%
233	Gemini Assessment District	4,595	3,936	4,850	4,187	4,187	4,647	11.0%
234	Santa Rosa Assessment District	5,485	4,305	5,000	4,800	4,800	4,800	0.0%
235	Vasona Assessment District	10,656	9,570	10,054	9,885	9,885	9,885	0.0%
236	Hillbrook Assessment District	6,223	5,887	6,041	5,997	5,997	5,997	0.0%
Internal Service Funds								
611	ABAG Self Insurance	497,185	985,397	492,341	535,838	535,838	553,953	3.4%
612	Worker's Comp Self Insurance	835,409	1,004,574	963,155	934,118	868,874	969,547	3.8%
621	Management Information Systems	1,038,393	1,089,254	1,114,384	1,129,006	1,138,993	1,180,879	4.6%
622	Office Stores Fund	98,057	147,983	117,734	95,000	118,000	118,000	24.2%
631	Equipment Replacement	506,979	536,018	501,093	381,322	392,322	924,279	142.4%
632	Facilities Maintenance	528,887	570,003	571,670	573,865	577,676	586,654	2.2%
633	Vehicle Maintenance	1,320,023	1,337,633	1,281,462	1,381,875	1,410,606	1,736,089	25.6%
Trust & Agency Funds								
710	Friends of the Library	-	-	-	-	-	-	0.0%
711	Library Trust	36,797	37,357	71,720	67,400	67,550	74,050	9.9%
712	Library History Project	97	(2)	1,380	-	-	-	0.0%
713	Ness Trust Bequest	3,741	(851)	845	500	850	850	70.0%
714	Betty McClendon Trust	1,867	(309)	705	750	705	705	-6.0%
716	Barbara J Cassin Trust	7,382	(1,125)	2,764	500	2,760	2,760	452.0%
Capital Projects Funds								
411	GFAR	4,182,948	9,946,793	1,282,823	11,347,982	8,423,498	3,824,319	-66.3%
421	Grant Funded CIP Projects	507,181	870,911	171,485	645,000	360	250,000	-61.2%
461	Storm Drain #1	144,872	218,895	51,538	49,000	48,610	48,850	-0.3%
462	Storm Drain #2	74,709	37,833	72,598	53,380	49,750	50,000	-6.3%
463	Storm Drain #3	473	5,172	46,944	1,500	2,490	2,390	59.3%
471	Traffic Mitigation	506,005	90,612	609,962	422,869	155,283	30,000	-92.9%
472	Construction Tax-Undergrounding	168,242	126,561	67,150	50,000	44,410	44,280	-11.4%
481	Gas Tax	946,246	884,525	682,594	631,843	612,544	882,457	39.7%
Successor Agency to the Los Gatos RDA Funds								
942	SA - Recognized Obligation Retiremer	4,024,552	3,999,083	3,914,315	3,872,939	3,871,339	3,857,721	-0.4%
943	SA- Trust Fund	-	-	-	-	-	-	0.0%
TOTAL Fund Rev & Transfers In		\$ 54,528,656	\$ 63,470,972	\$ 54,234,948	\$ 60,480,000	\$ 58,176,524	\$ 55,085,341	-8.9%

TOTAL TOWN REVENUES BY FUND



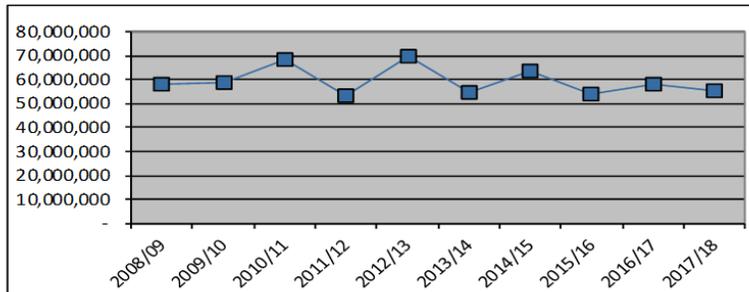
FY 2017/18 Revenues By Fund

	2013/14 Actuals	2014/15 Actuals	2015/16 Actuals	2016/17 Adopted	2016/17 Estimated	2017/18 Adopted	% of Total
General Fund	\$ 38,686,493	\$ 40,934,994	\$ 41,669,525	\$ 37,829,433	\$ 39,448,186	\$ 39,324,303	71.4%
Special Revenue Funds	409,415	649,296	454,415	475,880	405,880	623,255	1.1%
Internal Service Funds	4,824,933	5,670,862	5,041,839	5,031,024	5,042,309	6,069,401	11.0%
Trust & Agency Funds	52,587	35,435	169,760	69,150	71,865	78,365	0.1%
Capital Project Funds	6,530,676	12,181,302	2,985,094	13,201,574	9,336,945	5,132,296	9.3%
Successor Agency Funds	4,024,552	3,999,083	3,914,315	3,872,939	3,871,339	3,857,721	7.0%
Total Rev & Transfers In	\$ 54,528,656	\$ 63,470,972	\$ 54,234,948	\$ 60,480,000	\$ 58,176,524	\$ 55,085,341	100.0%

TOWN REVENUE HISTORICAL TREND

(Includes Transfers In)

FY	Total	Status
2008/09	57,785,657	Actuals
2009/10	58,959,239	Actuals
2010/11	68,176,239	Actuals
2011/12	53,064,630	Actuals
2012/13	69,593,000	Actuals
2013/14	54,528,656	Actuals
2014/15	63,470,972	Actuals
2015/16	54,234,948	Actuals
2016/17	58,176,524	Estimated
2017/18	55,085,341	Projected



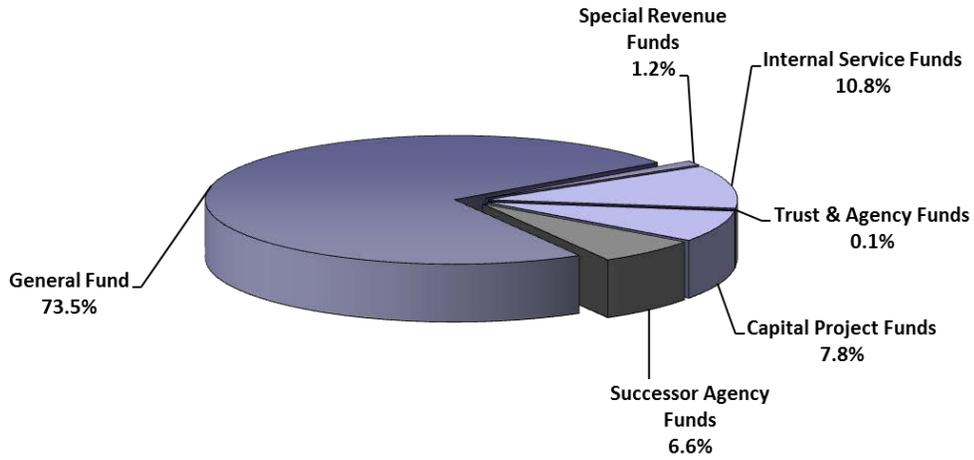
TOTAL TOWN EXPENDITURES

BY FUND

(Includes Transfers Out)

Fund	Fund Name	2013/14 Actuals	2014/15 Actuals	2015/16 Actuals	2016/17 Adopted	2016/17 Estimated	2017/18 Adopted	Change from PY
General Fund								
111	General Fund	\$ 41,484,431	\$ 42,010,746	\$ 36,129,459	\$ 46,959,225	\$ 42,645,523	\$ 42,841,002	-8.8%
Special Revenue Funds								
211	Housing Conservation Program	-	-	-	-	-	-	0.0%
212	Community Dev Block Grant	19,360	176,705	-	70,000	-	-	-100.0%
222	Urban Run-Off Source Fund	322,814	411,861	452,726	533,935	492,811	564,910	5.8%
231	Blackwell Assessment District	2,411	1,987	1,650	9,852	1,950	9,852	0.0%
232	Kennedy Assessment District	4,557	3,348	8,400	8,634	8,813	38,634	347.5%
233	Gemini Assessment District	1,851	6,767	1,406	11,701	1,701	11,701	0.0%
234	Santa Rosa Assessment District	3,837	3,107	2,955	13,255	3,255	13,255	0.0%
235	Vasona Assessment District	5,306	4,504	7,018	18,644	7,827	18,644	0.0%
236	Hillbrook Assessment District	4,026	6,238	2,969	17,384	2,960	17,960	3.3%
Internal Service Funds								
611	ABAG Self Insurance	792,660	474,795	656,053	808,361	590,796	816,952	1.1%
612	Worker's Comp Self Insurance	1,505,626	1,066,415	1,264,688	1,258,810	1,041,564	1,258,466	0.0%
621	Management Information Systems	872,826	901,293	1,059,092	1,351,188	1,174,365	1,424,950	5.5%
622	Office Stores Fund	107,977	109,320	122,562	134,500	134,500	134,500	0.0%
631	Equipment Replacement	337,867	306,698	2,028,117	336,369	788,598	658,688	95.8%
632	Facilities Maintenance	389,820	987,999	484,662	573,866	503,013	583,491	1.7%
633	Vehicle Maintenance	1,255,868	2,173,467	1,351,125	1,381,875	1,369,414	1,402,052	1.5%
Trust & Agency Funds								
711	Library Trust	18,812	30,018	64,896	67,000	77,000	72,500	8.2%
712	Library History Project	2,233	-	-	-	-	-	0.0%
713	Ness Trust Bequest	5,638	15,978	131,694	-	-	-	0.0%
714	Betty McClendon Trust	4,716	7,829	-	-	-	-	0.0%
716	Barbara J Cassin Trust	80,829	33,918	-	-	-	-	0.0%
721	Parking District #88	140,366	-	179,204	-	-	-	0.0%
Capital Projects Funds								
411	GFAR	2,493,750	2,717,504	2,025,650	13,567,691	3,922,778	3,211,124	-76.3%
421	Grant Funded CIP Projects	153,935	952,169	181,443	645,000	-	250,000	-61.2%
461	Storm Drain #1	-	-	-	-	-	-	0.0%
462	Storm Drain #2	-	-	95,820	-	-	-	0.0%
463	Storm Drain #3	-	-	-	-	21,500	150,000	0.0%
471	Traffic Mitigation	453,811	83,897	587,695	402,869	155,263	10,000	-97.5%
472	Construction Tax-Undergrounding	-	-	-	42,000	-	42,000	0.0%
481	Gas Tax	818,290	106,000	107,309	656,000	1,552,615	886,000	35.1%
Successor Agency to the Los Gatos RDA Funds								
942	SA- Trust Fund	4,261,386	4,000,853	3,934,470	3,871,255	3,863,117	3,856,383	
TOTAL Fund Exp & Transfers Out		\$ 55,545,003	\$ 56,593,416	\$ 50,881,063	\$ 72,739,414	\$ 58,359,363	\$ 58,273,064	-19.9%

TOTAL TOWN EXPENDITURES BY FUND



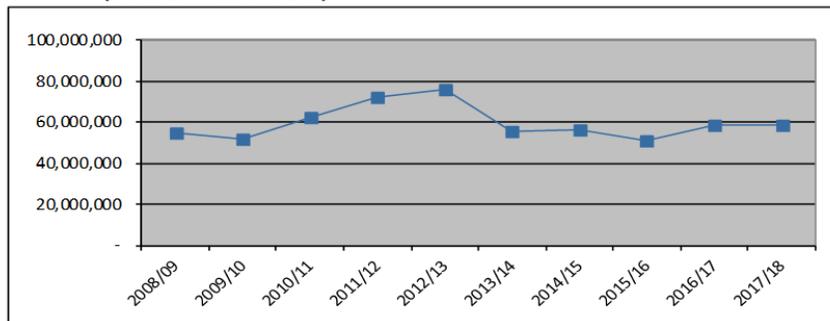
FY 2017/18 Expenditures by Fund

	2013/14 Actuals	2014/15 Actuals	2015/16 Actuals	2016/17 Adopted	2016/17 Estimated	2017/18 Adopted	% of Total
General Fund	\$ 41,484,431	\$ 42,010,746	\$ 36,129,459	\$ 46,959,225	\$ 42,645,523	\$ 42,841,002	73.5%
Special Revenue Funds	364,162	614,517	477,124	683,405	519,317	674,956	1.2%
Internal Service Funds	5,262,644	6,019,987	6,966,299	5,844,969	5,602,250	6,279,099	10.8%
Trust & Agency Funds	252,594	87,743	375,794	67,000	77,000	72,500	0.1%
Capital Project Funds	3,919,786	3,859,570	2,997,917	15,313,560	5,652,156	4,549,124	7.8%
Successor Agency Funds	4,261,386	4,000,853	3,934,470	3,871,255	3,863,117	3,856,383	6.6%
Total Exp & Transfers Out	\$ 55,545,003	\$ 56,593,416	\$ 50,881,063	\$ 72,739,414	\$ 58,359,363	\$ 58,273,064	100.0%

TOWN EXPENDITURE HISTORICAL TREND

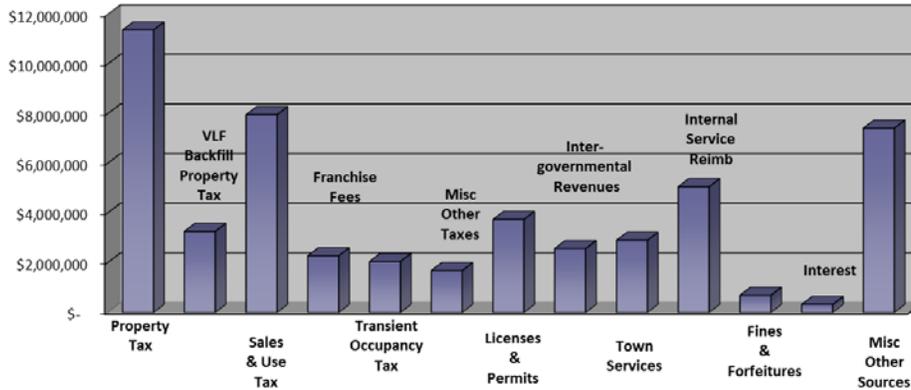
(Includes Transfers Out)

FY	Total	Status
2008/09	\$ 54,751,838	Actuals
2009/10	\$ 51,969,267	Actuals
2010/11	\$ 62,169,737	Actuals
2011/12	\$ 72,439,477	Actuals
2012/13	\$ 75,659,793	Actuals
2013/14	\$ 55,545,003	Actuals
2014/15	\$ 56,593,416	Actuals
2015/16	\$ 50,881,063	Actuals
2016/17	\$ 58,359,363	Estimated
2017/18	\$ 58,273,064	Projected



TOTAL TOWN REVENUES BY CATEGORY

FY 2017/18 Budgeted Revenues



Revenues	2013/14 Actuals	2014/15 Actuals	2015/16 Actuals	2016/17 Adopted	2016/17 Estimated	2017/18 Adopted	% of Total
Property Tax	\$ 9,055,004	\$ 10,113,303	\$ 10,779,448	\$ 10,458,633	\$ 11,051,936	\$ 11,383,073	20.7%
VLF Backfill Property Tax	2,657,404	2,818,316	2,984,023	3,013,840	3,237,000	3,269,370	5.9%
Sales & Use Tax	8,029,571	8,202,678	7,501,175	8,164,403	8,814,956	7,972,195	14.5%
Franchise Fees	2,063,756	2,215,430	2,258,892	2,191,120	2,221,120	2,287,390	4.2%
Transient Occupancy Tax	1,512,846	1,896,721	1,943,166	1,900,000	2,000,000	2,060,000	3.7%
Miscellaneous Other Taxes	1,425,984	2,119,260	1,592,427	1,414,775	1,564,775	1,690,220	3.1%
Licenses & Permits	4,191,902	4,917,461	4,245,933	3,522,863	3,694,116	3,748,611	6.8%
Intergovernmental Revenues	2,550,762	3,024,011	2,059,150	2,174,690	1,536,024	2,578,257	4.7%
Town Services	3,189,458	3,135,143	3,164,608	2,801,754	2,760,270	2,912,248	5.3%
Internal Service Reimbursements	4,106,219	4,106,955	4,521,610	4,678,685	4,636,428	5,070,825	9.2%
Fines & Forfeitures	772,647	842,470	858,929	650,900	732,662	695,400	1.3%
Interest	786,726	430,414	705,570	388,014	307,299	323,499	0.6%
Miscellaneous Other Sources	10,777,739	10,294,878	8,549,432	8,826,912	7,987,047	7,432,190	13.5%
Total Revenues	\$ 51,120,018	\$ 54,117,040	\$ 51,164,363	\$ 50,186,589	\$ 50,543,633	\$ 51,423,278	
Plus Transfers In:	3,408,638	9,353,932	3,070,585	10,293,401	7,632,881	3,662,063	6.6%
Total Revenues & Other Sources	\$ 54,528,656	\$ 63,470,972	\$ 54,234,948	\$ 60,479,990	\$ 58,176,514	\$ 55,085,341	100%

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

Property Tax – Property Tax revenues have increased by 9% as home sales continue to rise with the improving economy and low interest rates.

Sales and Use Tax – While the Town only receives 1 cent of the 9 cents of sales tax paid per dollar of taxable sales generated in Town, Sales and Use Tax remains one of the General Fund’s largest revenue sources. The FY 2017/18 budget reflects \$8.0 million in sales tax revenue, or a 2.4% decrease compared to the prior year budgeted amount. The negative impact is associated with the Netflix change in business model, increased on-line retail sales versus local brick and mortar shopping, and lower gasoline prices.

Licenses and Permits – FY 2017/18 Licenses and Permits reflect a 6% increase as a result of increased permitting activity.

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

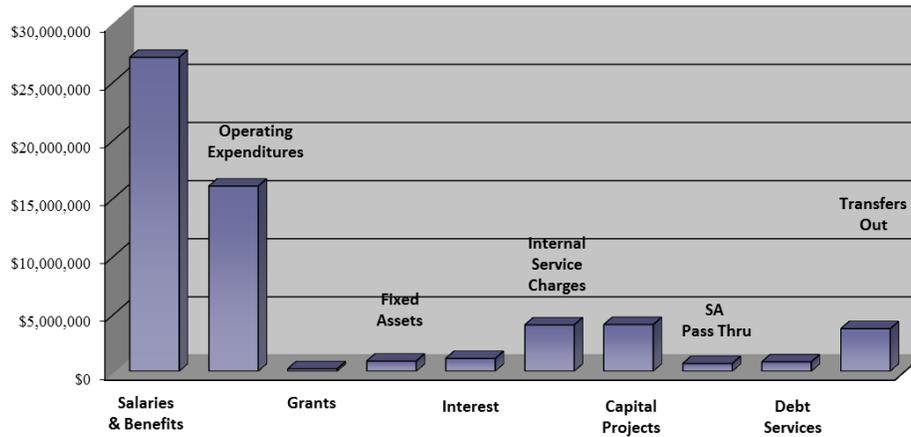
Transient Occupancy Tax– Transient Occupancy Tax (TOT) is expected to increase by 8.4% from FY 2016/17 budgeted amount of \$1.9 million due to the continued rising trend in travel and tourism and the increased TOT (from 10% to 12%) rate that was approved by voter at the November 8, 2016 election.

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 2017/18 Budgeted Expenditures



Expenditures	2013/14	2014/15	2015/16	2016/17	2016/17	2017/18	% of Total
	Actuals	Actuals	Actuals	Adopted	Estimated	Adopted	
Salaries and Benefits	\$ 26,164,113	\$ 21,972,399	\$ 22,766,441	\$ 25,064,162	\$ 22,839,088	\$ 27,005,920	46.3%
Operating Expenditures	14,868,013	14,618,759	15,342,699	15,381,680	15,694,314	15,928,899	27.3%
Grants	151,010	197,074	194,155	204,800	204,800	209,800	0.4%
Fixed Assets	399,465	355,799	958,991	528,065	483,414	877,161	1.5%
Interest	1,095,366	990,000	1,025,000	1,065,000	1,065,000	1,105,000	1.9%
Internal Service Charges	3,384,215	3,330,792	3,546,185	3,654,558	3,575,286	3,988,278	6.8%
Capital Projects	3,706,400	3,639,640	2,293,247	14,997,752	5,331,777	4,015,509	6.9%
Successor Agency Pass Thru	1,387,205	1,196,966	786,362	691,694	674,500	670,694	1.2%
Debt Services	980,578	938,055	897,398	858,303	858,303	809,740	1.4%
Total Expenditures	\$ 52,136,365	\$ 47,239,484	\$ 47,810,478	\$ 62,446,014	\$ 50,726,482	\$ 54,611,001	
Transfers Out	3,408,638	9,353,932	3,070,585	10,293,401	7,632,881	3,662,063	6.3%
Total Uses of Funds	\$ 55,545,003	\$ 56,593,416	\$ 50,881,063	\$ 72,739,415	\$ 58,359,363	\$ 58,273,064	100%

Total Budgeted Expenditures (exclusive of Transfers Out) include budgeted Capital Improvements, which can vary significantly from year to year. Net of Capital Projects, total expenditures reflect a 12.5 % decrease for FY 2017/18 compared to the prior year adopted budget. Expenditures of note include:

Salaries and Benefits – Salary and benefit expenditures reflect a 7.7% increase largely due to negotiated salary increases and increased benefit costs. Staffing modifications include eliminating certain vacant positions and reclassifying them to better align with service delivery within the existing budget, including the 0.5 FTE Events and Marketing Specialist position in the Town Manager Program. The 1.0 FTE Transportation & Mobility Manager position within the Parks and Public Works Department and the 0.125 FTE increase for the Economic Vitality Manager are permanent additions to the budget. Staff also proposes one-time temporary hours within Police, Parks and Public Works, and Library Departments. In addition, a one-time 0.5 FTE Administrative Analyst position is proposed for FY 2017/18 within the Human Resources Department. The FY 2017/18 operating expenditures also include post-retirement health benefit expenditures.

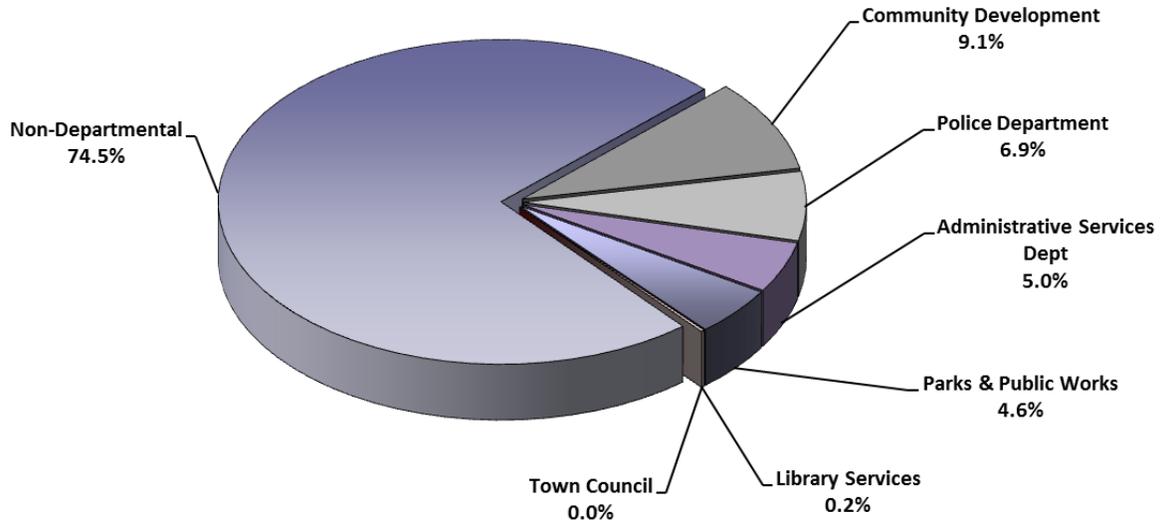
Fixed Assets – Budgeted fixed asset costs stem primarily from scheduled vehicle and equipment replacements. The variance in expenditures from year to year does not impact current year charges to the Departments, only the actual cash out to replace the asset.

Internal Service Charges – Internal service charges have increased by 9.1% largely due to changes in salaries, operating costs, cost allocation, and equipment replacement schedules.

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

GENERAL FUND REVENUES

BY DEPARTMENT

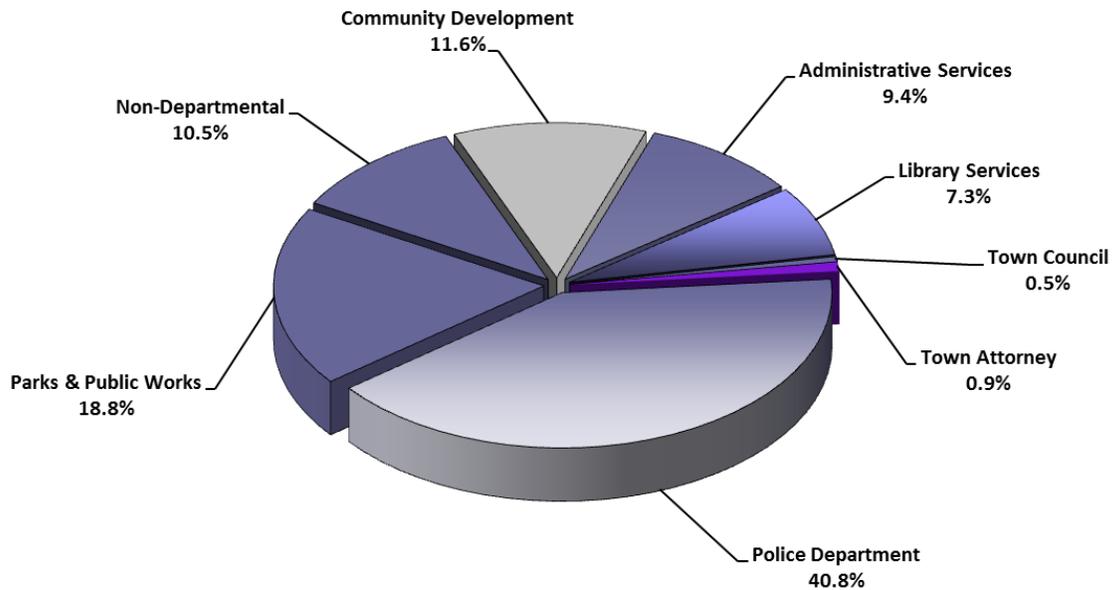


FY 2017/18 Departmental Revenues

Departments	2013/14 Actuals	2014/15 Actuals	2015/16 Actuals	2016/17 Adopted	2016/17 Estimated	2017/18 Adopted	% of Total
Town Council	\$ 4,251	\$ 19,736	\$ 119	\$ -	\$ -	\$ -	0.0%
Non-Departmental	24,571,629	26,064,222	25,815,403	26,483,091	27,790,314	27,220,552	73.9%
Administrative Services*	1,763,942	2,211,587	2,107,339	1,639,387	1,722,193	1,854,444	5.0%
Community Development	5,166,693	5,038,975	4,359,149	3,280,665	3,477,268	3,366,471	9.1%
Police Department	3,230,589	3,529,909	3,356,188	2,421,015	2,527,827	2,532,972	6.9%
Parks & Public Works	1,618,436	1,773,515	1,579,102	1,631,584	1,560,893	1,782,789	4.8%
Library Services	66,437	57,184	93,420	86,960	82,960	72,500	0.2%
Total General Fund Revenues	\$ 36,421,977	\$ 38,695,128	\$ 37,310,720	\$ 35,542,702	\$ 37,161,455	\$ 36,829,728	100%
Town Debt Payments:	\$ 1,935,578	\$ 1,928,056	\$ 1,922,398	\$ 1,923,303	\$ 1,923,303	\$ 1,914,739	
Transfers In:	328,938	311,810	2,436,405	363,428	363,428	579,836	
Net Operating Revenues	\$ 38,686,493	\$ 40,934,994	\$ 41,669,523	\$ 37,829,433	\$ 39,448,186	\$ 39,324,303	

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

GENERAL FUND EXPENDITURES BY DEPARTMENT



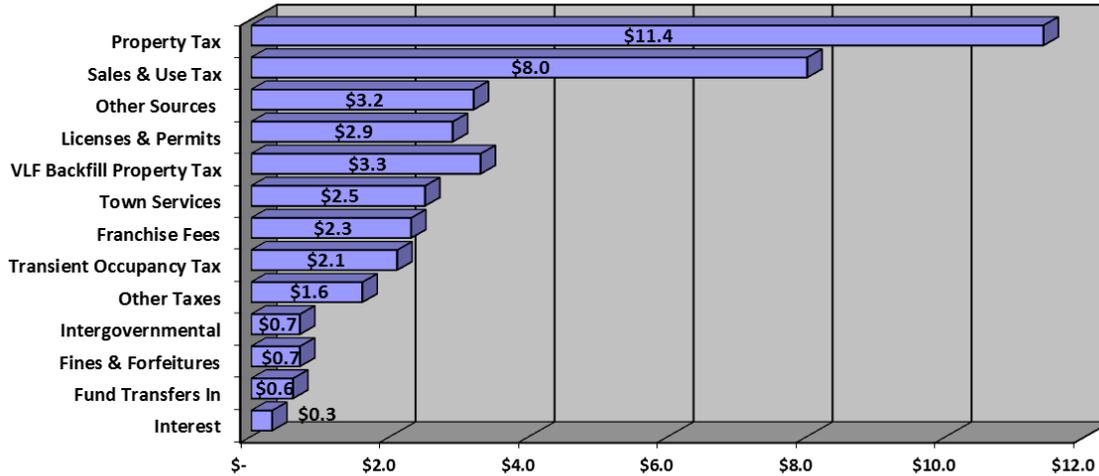
FY 2016/17 Departmental Expenditures

Departments	2013/14 Actuals	2014/15 Actuals	2015/16 Actuals	2016/17 Adopted	2016/17 Estimated	2017/18 Adopted	% of Total
Police Department	\$ 13,673,270	\$ 13,862,029	\$ 13,844,684	\$ 13,920,048	\$ 13,098,948	\$ 15,455,232	40.8%
Parks & Public Works	5,580,769	5,690,355	6,226,195	6,452,425	6,607,741	7,117,325	18.8%
Non-Departmental	7,817,184	3,287,385	3,839,490	4,108,723	4,611,261	3,992,490	10.5%
Community Development	4,320,634	4,233,465	4,032,333	4,143,098	3,573,161	4,376,673	11.6%
Administrative Services*	2,707,809	2,884,889	2,883,289	3,310,379	2,782,558	3,562,823	9.4%
Library Services	2,131,438	2,268,844	2,332,268	2,691,849	2,431,474	2,781,018	7.3%
Town Council	188,111	208,491	171,530	202,421	190,720	205,092	0.5%
Town Attorney	238,253	260,740	296,258	347,006	462,585	353,383	0.9%
Total General Fund Exp	\$ 36,657,468	\$ 32,696,198	\$ 33,626,047	\$ 35,175,949	\$ 33,758,448	\$ 37,844,036	100%
Town Debt Payments:	\$ 1,935,578	\$ 1,928,056	\$ 1,922,398	\$ 1,923,303	\$ 1,923,303	\$ 1,914,739	
Transfers Out:	2,891,384	7,386,491	581,014	9,859,973	6,963,773	3,082,227	
Net Operating Expenditures	\$ 41,484,430	\$ 42,010,745	\$ 36,129,459	\$ 46,959,225	\$ 42,645,524	\$ 42,841,002	

* The Town Manager's Office, Human Resources, Finance, Clerk Administrator, and Information Technology Programs are all accounted for within the Administrative Services Department. In FY 2009/10 the Town Treasurer was incorporated into Administrative Services Department.

GENERAL FUND REVENUES BY CATEGORY

\$39.3Million



Revenue Category	2013/14 Actuals	2014/15 Actuals	2015/16 Actuals	2016/17 Adopted	2016/17 Estimated	2017/18 Adopted	% of Total
Sales & Use Tax	\$ 8,029,571	\$ 8,202,678	\$ 7,501,175	\$ 8,164,403	\$ 8,814,956	\$ 7,972,195	20.3%
Property Tax	9,054,908	10,113,287	10,779,434	10,458,633	11,051,936	11,383,073	28.9%
VLF Backfill Property Tax	2,657,404	2,818,316	2,984,023	3,013,840	3,237,000	3,269,370	8.3%
Franchise Fees	2,063,756	2,215,430	2,258,892	2,191,120	2,221,120	2,287,390	5.8%
Transient Occupancy Tax	1,512,846	1,896,721	1,943,166	1,900,000	2,000,000	2,060,000	5.2%
Other Taxes	1,155,802	1,809,620	1,475,425	1,307,000	1,457,000	1,582,000	4.0%
Licenses & Permits	3,235,122	3,687,393	3,552,935	2,946,583	3,097,407	2,941,359	7.5%
Intergovernmental	817,699	1,004,661	984,507	717,684	720,270	666,375	1.7%
Town Services	2,684,126	2,643,276	2,677,944	2,370,070	2,321,086	2,464,177	6.3%
Fines & Forfeitures	772,647	842,470	858,929	650,900	732,662	695,400	1.8%
Interest	625,298	430,476	620,895	331,193	270,723	270,723	0.7%
Other Sources	5,748,376	4,958,856	3,595,793	3,414,579	3,160,598	3,152,405	8.0%
Total Revenues	\$ 38,357,555	\$ 40,623,184	\$ 39,233,118	\$ 37,466,005	\$ 39,084,758	\$ 38,744,467	
Transfers In:	\$ 328,938	\$ 311,810	\$ 2,436,405	\$ 363,428	\$ 363,428	\$ 579,836	1.5%
Total Revenues & Transfers In	\$ 38,686,493	\$ 40,934,994	\$ 41,669,523	\$ 37,829,433	\$ 39,448,186	\$ 39,324,303	100%

FY 2017/18 General Fund revenues and fund transfers are estimated to increase by 4% from the FY 2016/17 adopted budget. The Town's operations are funded through a variety of revenue sources as depicted above. Revenues were estimated by trend analysis and historical data as explained below:

Sales Tax – While the Town only receives 1 cent of the 9 cents of sales tax paid per dollar of taxable sales generated in Town, Sales and Use Tax remains one of the General Fund's largest revenue sources. The FY 2017/18 budget reflects \$7.9 million in sales tax revenue, or a 2.4% decrease compared to the prior year budgeted amount. The negative impact is associated with the Netflix change in business model, increased on-line retail sales versus local brick and mortar shopping, and lower gasoline prices.

Property Tax – Property Tax receipts in Los Gatos are expected to increase from the budgeted FY 2016/17 amount by 9% totaling \$11.4 million, as homes sales continue to rise with the positive economy and low interest rates. Property Tax budget projections are based on valuations projected by the Santa Clara County Assessor's Office, given increased home sales, coupled with anticipated adjustments in property tax distribution due to the dissolution of California redevelopment agencies. The Town receives 9.3 cents of each property tax dollar paid by property owners. The remaining 90.7 cents of each dollar is distributed to several other taxing jurisdictions, including local schools, community college districts, the County of Santa Clara, Santa Clara County Central Fire Protection District, and other special districts that serve the community.

**GENERAL FUND REVENUES
BY CATEGORY**

Town Services – Charges for Town Services remained flat as recent large scale development projects are winding down.

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

Intergovernmental Revenues – Intergovernmental revenues reflect a 7.1% decrease since less grant revenue is anticipated to receive than submitted and approved for the prior fiscal year.

Franchise Fees – Compared to the prior fiscal year, Franchise Fees, including cable television, electric utility and solid waste have increased by 4.4%. The increase is based on analysis of current year trends in fees collected and the improving local economy.

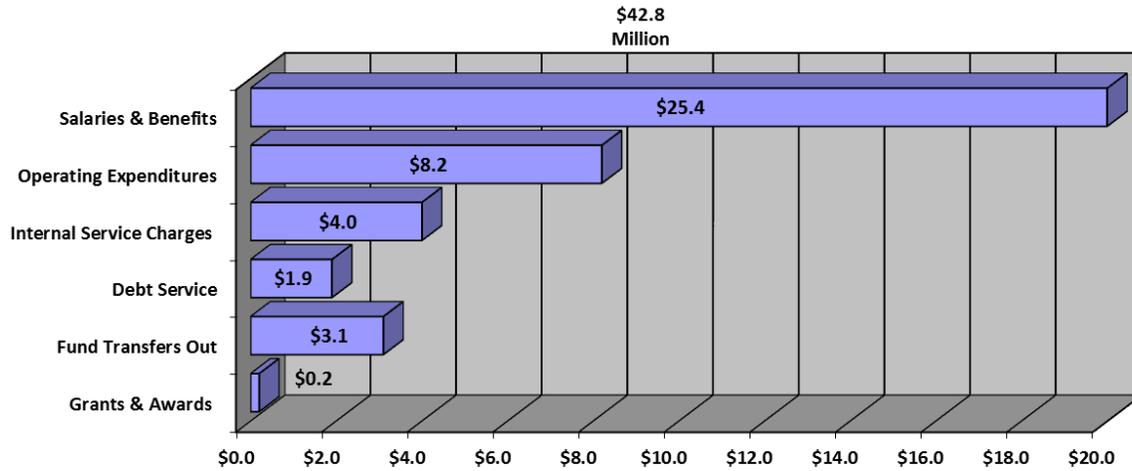
Transient Occupancy Tax – Transient Occupancy Tax (TOT) is expected to increase by 8.4% from FY 2016/17 budgeted amount of \$1.9 million due to the continued rising trend in travel and tourism and the increased TOT (from 10% to 12%) rate that was approved by voter at the November 8, 2016 election.

Fines and Forfeitures – Fines and Forfeitures include library and traffic fines and administrative citations which are expected to increase by 7.0%.

Transfers In – Compared to the prior fiscal year, transfers in have increased by \$215,628 from prior year.

Other Sources – Other sources reflects a 7.7% decrease compared to the prior fiscal year because of the reduction occurring in Town “pass Through” law enforcement grants.

GENERAL FUND EXPENDITURES BY CATEGORY



Expenditure Category	2013/14 Actuals	2014/15 Actuals	2015/16 Actuals	2016/17 Adopted	2016/17 Estimated	2017/18 Adopted	% of Total
Salaries & Benefits	\$ 25,036,702	\$ 20,658,173	\$ 21,342,278	\$ 23,549,693	\$ 21,380,673	\$ 25,426,213	59.5%
Operating Expenditures	8,029,970	8,440,137	8,137,857	7,775,162	8,605,953	8,228,710	19.2%
Fixed Assets	62,756	75,442	411,820	-	-	-	0.0%
Grants & Awards	151,010	197,074	194,155	204,800	204,800	209,800	0.5%
Debt Service	1,935,578	1,928,056	1,922,398	1,923,303	1,923,303	1,914,739	4.5%
Internal Service Charges	3,377,031	3,325,373	3,539,936	3,646,294	3,567,022	3,979,314	9.2%
Total Expenditures	\$ 38,593,047	\$ 34,624,255	\$ 35,548,444	\$ 37,099,252	\$ 35,681,751	\$ 39,758,776	
Transfers Out	\$ 2,891,384	\$ 7,386,491	\$ 581,014	\$ 9,859,973	\$ 6,963,773	\$ 3,082,227	7.2%
Total Exp & Transfers Out	\$ 41,484,431	\$ 42,010,746	\$ 36,129,458	\$ 46,959,225	\$ 42,645,524	\$ 42,841,003	100.1%

The FY 2017/18 General Fund Operating Budget of \$39,785,775 (net of transfers out) represents a 7.2% increase compared to the net FY 2016/17 adopted operating expenditures budget of \$37,099,294.

Salaries & Benefits – The delivery of Town services is highly dependent on labor which comprises 59.5% of budgeted General Fund expenditures for FY 2017/18. Salaries and benefits continue to be the largest portion of the Town costs and continue to rise. The FY 2017/18 budget reflects an 8.0% increase in salaries and benefits attributed to negotiated salary increases, and increased CalPERS and benefit rates.

Operating Expenditures – The FY 2016/17 operating expenditures represents a 5.8% increase when compared to the FY 2016/17 adopted budget. Town-wide efforts continue to emphasize the importance of containing operating costs while maintaining core services; however, factors such as escalating energy costs and general cost increases have offset many departmental reductions.

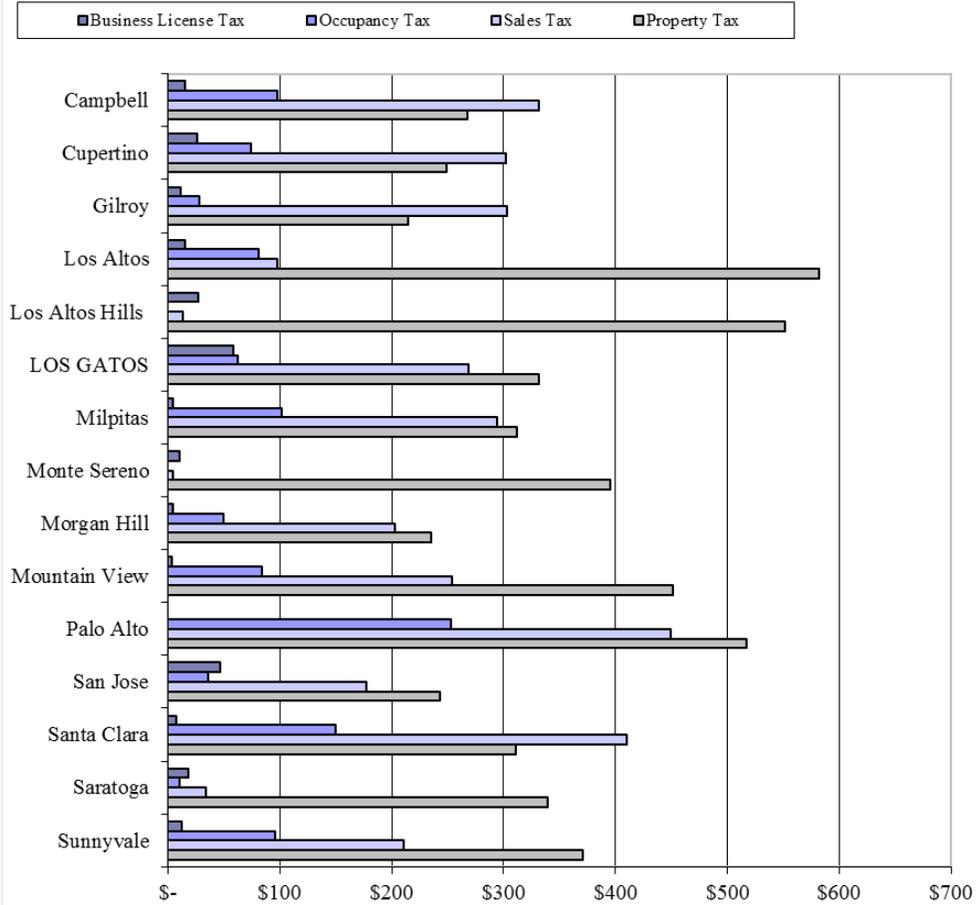
Grants & Awards – The Town provides General Fund grants and awards to local nonprofit organizations for a variety of human, art, and educational services. FY 2017/18 grants and awards reflect a 2.4% increase in grant funding from the prior year.

Internal Service Charges – These expenditures represent the service program costs charged back to the operational programs for Liability Insurance, Office Equipment, Information Technology, Vehicle Maintenance, and Building Maintenance services. The FY 2017/18 budget reflects a 7.2% increase in the Internal Service Charges reflecting general increased cost for providing these services and negative claim experiences.

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 \$2,482,227 to the Capital Projects Fund, \$300,000 to the Facilities Maintenance Fund, and \$300,000 to the Equipment Replacement Fund for FY 2017/18.

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



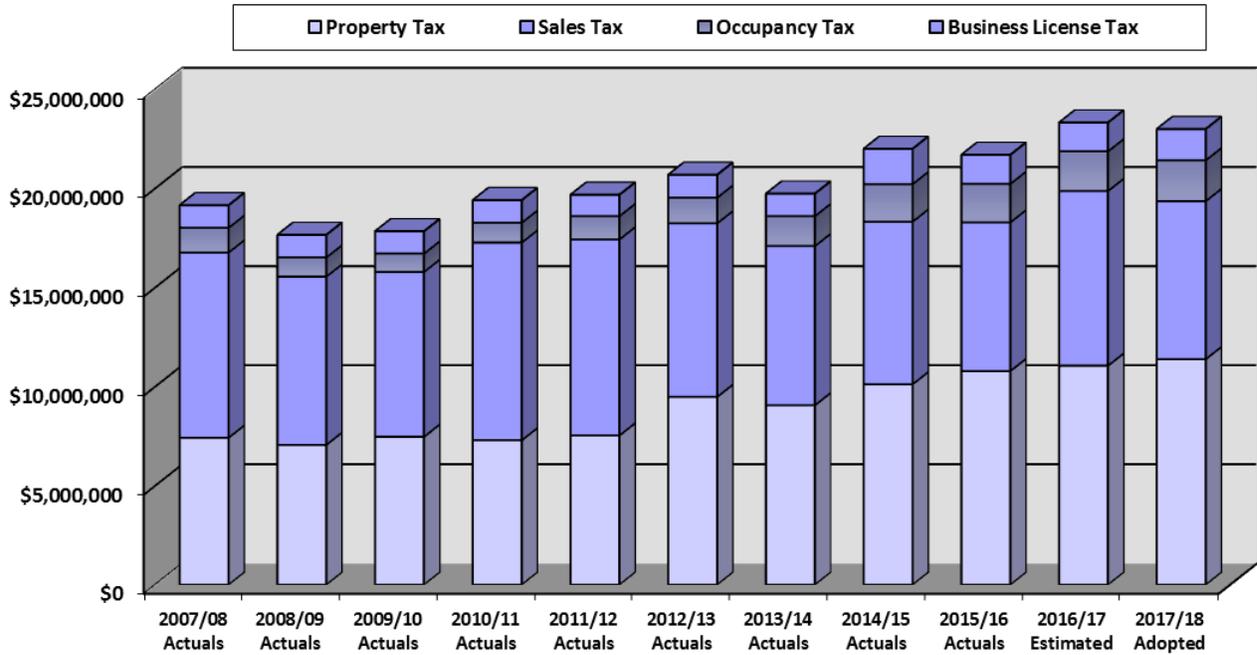
FY 2014/15 Actual Tax Revenue Amounts and Per Capita

Cities	Population	Property Tax		Sales Tax		Occupancy Tax		Business License Tax	
		Amount	Per Capita	Amount	Per Capita	Amount	Per Capita	Amount	Per Capita
Campbell	41,993	\$ 11,240,729	\$ 268	\$ 13,915,291	\$ 331	\$ 4,091,923	\$ 97	\$ 662,787	\$ 16
Cupertino	60,550	15,067,000	249	18,288,000	302	4,510,000	74	1,600,000	26
Gilroy	52,413	11,248,288	215	15,858,911	303	1,501,837	29	622,760	12
Los Altos	30,036	17,479,883	582	2,942,764	98	2,450,487	82	453,201	15
Los Altos Hills	8,354	4,606,184	551	113,333	14	-	-	223,369	27
LOS GATOS	30,505	10,113,287	332	8,202,678	269	1,896,721	62	1,779,407	58 *
Milpitas	70,092	21,849,000	312	20,606,000	294	7,114,000	101	349,000	5
Monte Sereno	3,700	1,462,590	395	15,917	4	-	-	38,000	10
Morgan Hill	41,779	9,833,512	235	8,467,396	203	2,062,260	49	183,857	4
Mountain View	77,914	35,176,621	451	19,773,384	254	6,559,072	84	257,706	3
Palo Alto	66,029	34,117,000	517	29,675,000	449	16,699,000	253	-	-
San Jose	1,016,000	247,258,000	243	180,407,000	178	36,980,000	36	47,431,000	47
Santa Clara	120,973	37,574,373	311	49,649,079	410	18,185,857	150	931,423	8
Saratoga	30,887	10,475,350	339	1,060,000	34	310,000	10	575,000	19
Sunnyvale	148,028	54,940,570	371	31,218,980	211	14,137,069	96	1,845,883	12
Average	119,950	\$ 34,829,492	\$ 290	\$ 26,679,582	\$ 222	\$ 7,766,548	\$ 65	\$ 3,796,893	\$ 32

* Business License Tax includes one-time true up.

Source: Santa Clara County and Cities of Santa Clara County

GENERAL FUND TAX REVENUES BUDGET WITH 10 YEAR HISTORY



Fiscal Year	Property Tax	Sales Tax	Occupancy Tax	Business License Tax	Sum of Key Revenues	Change from Prior Year
2007/08 Actuals	\$ 7,417,030	\$ 9,345,432	\$ 1,245,078	\$ 1,138,057	\$ 19,145,597	3.1%
2008/09 Actuals	\$ 7,057,258	\$ 8,487,000	\$ 966,638	\$ 1,139,107	\$ 17,650,003	(7.8%)
2009/10 Actuals	\$ 7,465,871	\$ 8,317,217	\$ 923,783	\$ 1,122,000	\$ 17,828,871	1.0%
2010/11 Actuals	\$ 7,289,897	\$ 9,971,409	\$ 1,004,659	\$ 1,136,511	\$ 19,402,476	8.8%
2011/12 Actuals	\$ 7,532,073	\$ 9,889,100	\$ 1,174,485	\$ 1,077,320	\$ 18,196,717	(6.2%)
2012/13 Actuals	\$ 9,477,043	\$ 8,757,428	\$ 1,295,887	\$ 1,151,579	\$ 20,681,937	13.7%
2013/14 Actuals	\$ 9,054,908	\$ 8,029,571	\$ 1,512,846	\$ 1,130,020	\$ 19,727,345	(4.6%)
2014/15 Actuals	\$10,113,287	\$ 8,202,678	\$ 1,896,721	\$ 1,779,407	\$ 21,992,093	11.5%
2015/16 Actuals	\$10,779,434	\$ 7,501,175	\$ 1,943,166	\$ 1,465,546	\$ 21,689,321	(1.4%)
2016/17 Estimated	\$11,051,936	\$ 8,814,956	\$ 2,000,000	\$ 1,450,000	\$ 23,316,892	7.5%
2017/18 Adopted	\$11,383,073	\$ 7,972,195	\$ 2,060,000	\$ 1,575,000	\$ 22,990,268	(1.4%)

GENERAL FUND
ESTIMATED FUND BALANCE ACTIVITY

Use of / Addition to GF Reserves:	Estimated July 1, 2017 Balance	Revenues	Expenditures	Fund Balance Sources (Uses)	Estimated June 30, 2018 Balance
Unreserved Fund Balances					
Undesignated Reserves	\$ -	\$ -	\$ -	\$ -	\$ -
Available to be Appropriated	4,766,437	39,324,303	42,841,001	3,527,822	4,777,561
Reserved Fund Balances					
Reserve for Encumbrances	-	-	-	-	-
Reserve for Long Term Notes	-	-	-	-	-
Actuarial	-	-	-	-	-
Committed to:					
Budget Stabilization Reserve	4,637,406	-	-	332,441	4,969,847
Catastrophic Reserves	4,637,406	-	-	332,441	4,969,847
CalPERS/OPEB Reserve	1,284,402	-	-	1,000,000	2,284,402
Almond Grove Reserve	2,896,200	-	-	(2,896,200)	-
Assigned to:					
Open Space Reserve	562,000	-	-	-	562,000
Sustainability	140,553	-	-	-	140,553
Strategy Reserve	2,600,000	-	-	(2,600,000)	-
Capital / Special Projects	2,822,405	-	-	303,496	3,125,901
Authorized Carryforwards	99,284	-	-	-	99,284
Total Use of and Addition To Reserves	\$ 24,446,093	\$ 39,324,303	\$ 42,841,001	\$ -	\$ 20,929,395

Fund Balance Activity includes:

- *FY 2017/18 Budgeted revenue and expenditure appropriations, and transfers to and from the General Fund.*
- *FY 2016/17 authorized carryovers reflect operating appropriations that were brought forward as a funding source. The actual carryover amount will be determined at FY 2016/17 year-end, with funding offset by undesignated reserves.*
- *In FY 2011/12, Council adopted a General Fund Reserve Policy that maintains a minimum of 25% of General Fund expenditures equally divided between the Budget Stabilization Reserve and Catastrophic Reserve.*
- *In FY 2015/16, Council established a General Fund California Public Employees Retirement System (CalPERS)/Other Post Employment Benefits (OPEB) Reserve Account. In the same time Council revised the General Fund Reserve Policy to provide for a maximum of \$300,000 in General Fund Year End Savings upon year close to be deposited in the CalPERS Reserve Account or used for lump sum pay down as authorized by Town Council.*
- *Undesignated Fund Balance is year-end fund balance not previously identified for a specific purpose; therefore, it can be reprogrammed as appropriations or designated reserves by Council. Town policy designates all year-end fund balance to the Budget Stabilization, Capital/Special Project, and CalPERS/OPEB Reserves eliminating undesignated fund balance. However, year-end fund balance will be distributed to the Capital Improvement/Special Projects and to the CalPERS/OPEB Reserves as the Catastrophic and Budget Stabilization Reserves are fully funded.*

SCHEDULE OF INTERFUND TRANSFERS
FISCAL YEAR 2016/17 & 2017/18

Fund Description	Estimated		Adopted Budget	
	2016/17	2016/17	2017/18	2017/18
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Funds				
General Fund	\$ 363,428	\$ 6,963,773	\$ 579,836	\$ 3,082,227
Special Revenue Funds				
Solid Waste Management	-	-	-	-
HCD Housing Rehabilitation	-	-	-	-
HCD-Community Dev Block Grant	-	-	-	-
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				
Self Insurance Fund	-	-	-	-
Worker's Comp Self Insurance	-	-	-	-
Management Information Systems	10,000	-	-	-
Office Stores Fund	-	-	-	-
Equipment Fund	-	295,680	300,000	-
Vehicle Maintenance Fund	-	-	-	-
Facilities Maintenance Fund	-	-	300,000	-
Trust & Agency Funds				
Barbara J. Cassin Trust	-	-	-	-
History Project Trust Fund	-	-	-	-
Library Trust Fund	-	45,000	-	35,000
Capital Project Funds				
GFAR	7,259,453	199,808	2,482,227	417,616
Grant Funded CIP Projects	-	-	-	-
Storm Drain #1	-	-	-	-
Storm Drain #2	-	-	-	-
Storm Drain #3	-	-	-	-
Traffic Mitigation	-	10,000	-	10,000
Construction Utility Underground	-	-	-	-
Gas Tax - Street & Signal	-	106,000	-	106,000
Successor Agency of the Los Gatos RDA Funds				
SA - Administration	-	-	-	-
SA - Debt Service	-	-	-	-
SA - Low / Moderate Housing	-	-	-	-
SA - Recognized Obligation Retirement	-	-	-	-
SA - General Fund	-	7,700	-	6,300
Total Transfers	\$ 7,632,881	\$ 7,632,881	\$ 3,662,063	\$ 3,662,063

FUND BALANCE ACTIVITY SUMMARY

FISCAL YEAR 2017/18

	Fiscal Year 2017/18 Proposed Budget							6/30/18 Estimated Fund Balance
	7/1/17 Estimated Fund Balance	Plus		Less			Use of Reserves	
		Revenues & Carryforwards	Transfers In	Expenditures & Carryforwards	Transfers Out			
GENERAL FUND								
Unreserved Fund Balances								
<i>Undesignated Reserves</i>								
Available to be Appropriated	\$ 4,766,437	\$ 38,744,467	\$ 579,836	\$ 39,758,775	\$ 3,082,227	\$ 3,527,822	\$	\$ 4,777,560
Reserved Fund Balances								
Reserve for Encumbrances	-	-	-	-	-	-	-	-
Reserve for Long Term Notes	-	-	-	-	-	-	-	-
Advance to RDA	-	-	-	-	-	-	-	-
Actuarial	-	-	-	-	-	-	-	-
Committed to:								
Budget Stabilization Reserve	4,637,406	-	-	-	-	332,441	-	4,969,847
Catastrophic Reserves	4,637,406	-	-	-	-	332,441	-	4,969,847
CalPERS/OPEB Reserve	1,284,402	-	-	-	-	1,000,000	-	2,284,402
Almond Grove Reserve	2,896,200	-	-	-	-	(2,896,200)	-	-
Assigned to:								
Open Space Reserve	562,000	-	-	-	-	-	-	562,000
Sustainability	140,553	-	-	-	-	-	-	140,553
Strategy Reserve	2,600,000	-	-	-	-	(2,600,000)	-	-
Capital / Special Projects	2,822,405	-	-	-	-	303,496	-	3,125,901
Authorized Carryforwards	99,284	-	-	-	-	-	-	99,284
Total General Fund Reserves	\$ 24,446,093	\$ 38,744,467	\$ 579,836	\$ 39,758,775	\$ 3,082,227	\$ -	\$	\$ 20,929,394

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

- *FY 2017/18 Budgeted revenue and expenditure appropriations, and transfers to and from the General Fund.*
- *FY 2016/17 authorized carryovers reflect operating appropriations that were brought forward as a funding source. The actual carryover amount will be determined at FY 2016/17 year-end, with funding offset by undesignated reserves.*
- *In FY 2011/12, Council adopted a General Fund Reserve Policy that maintains a minimum of 25% of General Fund expenditures equally divided between the Budget Stabilization Reserve and Catastrophic Reserve.*
- *In FY 2015/16, Council established a General Fund California Public Employees Retirement System (CalPERS)/Other Post Employment Benefits (OPEB) Reserve Account. In the same time Council revised the General Fund Reserve Policy to provide for a maximum of \$300,000 in General Fund Year End Savings upon year close to be deposited in the CalPERS Reserve Account or used for lump sum pay down as authorized by Town Council.*
- *Undesignated Fund Balance is year-end fund balance not previously identified for a specific purpose; therefore, it can be reprogrammed as appropriations or designated reserves by Council. Town policy designates all year-end fund balance to the Budget Stabilization, Capital/Special Project, and CalPERS/OPEB Reserves eliminating undesignated fund balance. However, year-end fund balance will be distributed to the Capital Improvement/Special Projects and to the CalPERS/OPEB Reserves as the Catastrophic and Budget Stabilization Reserves are fully funded.*

SPECIAL REVENUE FUNDS								
Housing Conservation Program	\$ 74,586	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 74,586
Community Dev Block Grant	(4,576)	-	-	-	-	-	-	(4,576)
Urban Run-Off Source Fund	(16,317)	584,394	-	564,910	-	-	-	3,167
Blackwell Assessment District	11,491	3,210	-	9,392	460	-	-	4,849
Kennedy Assessment District	41,621	10,322	-	37,124	1,510	-	-	13,309
Gemini Assessment District	22,878	4,647	-	11,091	610	-	-	15,824
Santa Rosa Assessment District	61,673	4,800	-	12,595	660	-	-	53,218
Vasona Assessment District	44,654	9,885	-	17,214	1,430	-	-	35,895
Hillbrook Assessment District	14,924	5,997	-	17,710	250	-	-	2,961
Total Special Revenue Funds Reserves	\$ 250,934	\$ 623,255	\$ -	\$ 670,036	\$ 4,920	\$ -	\$	\$ 199,233

FUND BALANCE ACTIVITY SUMMARY

FISCAL YEAR 2017/18

INTERNAL SERVICE FUNDS

ABAG Self Insurance	\$ 1,348,491	\$ 553,953	\$ -	\$ 816,952	\$ -	\$ -	\$ 1,085,492
Worker's Comp Self Insurance	1,040,633	969,547	-	1,258,466	-	-	751,714
Management Information Systems	2,853,080	1,180,879	-	1,424,950	-	-	2,609,009
Office Stores Fund	166,627	118,000	-	134,500	-	-	150,127
Equipment Replacement	1,751,729	624,279	300,000	658,688	-	-	2,017,320
Vehicle Maintenance	484,535	586,654	-	583,491	-	-	487,698
Facilities Maintenance	455,559	1,436,089	300,000	1,402,052	-	-	789,596
Total Internal Service Funds Reserves	\$ 8,100,654	\$ 5,469,401	\$ 600,000	\$ 6,279,099	\$ -	\$ -	\$ 7,890,956

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

TRUST & AGENCY

Library Trust	\$ 36,695	\$ 74,050	\$ -	\$ 37,500	\$ 35,000	\$ -	\$ 38,245
Ness Trust Bequest	41,593	850	-	-	-	-	42,443
Betty McClendon Trust	89,367	705	-	-	-	-	90,072
Barbara J Cassin Trust	350,282	2,760	-	-	-	-	353,042
Total Trust & Agency Funds Reserves	\$ 517,937	\$ 78,365	\$ -	\$ 37,500	\$ 35,000	\$ -	\$ 523,802

CAPITAL PROJECTS FUNDS

GFAR	\$ 17,829,312	\$ 1,342,092	\$ 2,482,227	\$ 2,793,508	\$ 417,616	\$ -	\$ 18,442,507
GFAR - Designated for Parking	1,460,210	-	-	-	-	-	1,460,210
Grant Funded CIP Projects	(379,586)	250,000	-	250,000	-	-	(379,586)
Storm Drain #1	769,808	48,850	-	-	-	-	818,658
Storm Drain #2	999,394	50,000	-	-	-	-	1,049,394
Storm Drain #3	(21,798)	2,390	-	150,000	-	-	(169,408)
Traffic Mitigation	207,226	30,000	-	-	10,000	-	227,226
Construction Tax-Undergrounding	2,925,911	44,280	-	42,000	-	-	2,928,191
Gas Tax	711,042	882,457	-	780,000	106,000	-	707,499
Total Capital Projects Funds Reserves	\$ 24,501,519	\$ 2,650,069	\$ 2,482,227	\$ 4,015,508	\$ 533,616	\$ -	\$ 25,084,691

GFAR, Grant Fund, Storm Drain Funds, and Gas Tax Fund Balances reflect the spending down of available funds in FY 2017/18 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 Funds

SA - Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SA - Debt Service	-	-	-	-	-	-	-
SA - Low / Moderate Housing	-	-	-	-	-	-	-
SA - Recognized Obligation Retirement	-	-	-	-	-	-	-
SA - Trust Fund	\$ 3,601,794	\$ 3,857,721	\$ -	\$ 3,850,083	\$ 6,300	\$ -	\$ 3,603,132
Total SA of the Los Gatos RDA Funds Reserves	\$ 3,601,794	\$ 3,857,721	\$ -	\$ 3,850,083	\$ 6,300	\$ -	\$ 3,603,132

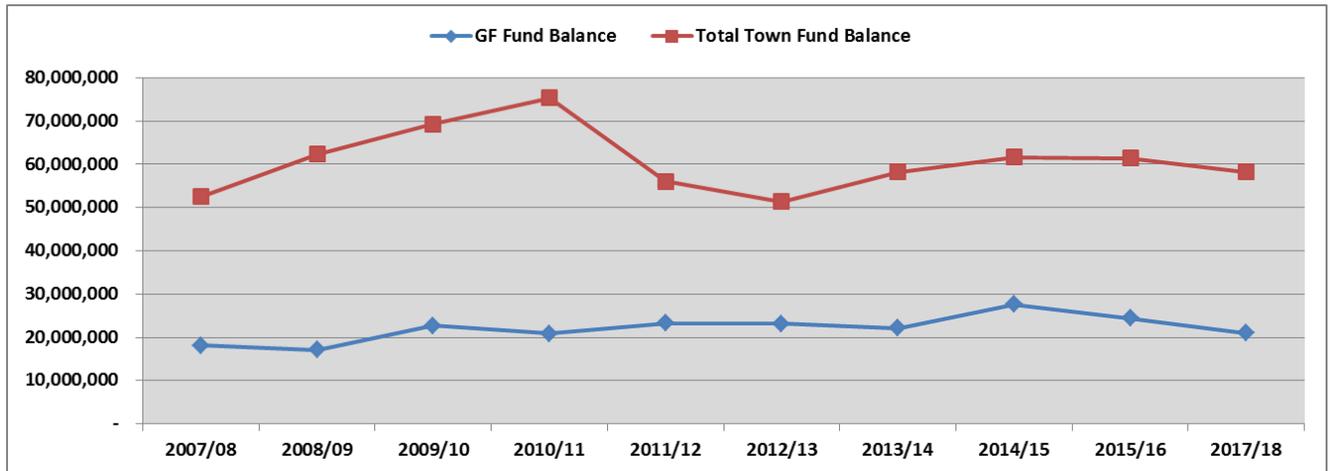
TOTAL RESERVES	\$ 61,418,931	\$ 51,423,278	\$ 3,662,063	\$ 54,611,001	\$ 3,662,063	\$ -	\$ 58,231,208
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FUND BALANCE RESERVES
5 YEAR COMPARATIVE BALANCES

	6/30/2014 Actual YE Balance	6/30/2015 Actual YE Balance	6/30/2016 Actual YE Balance	6/30/2017 Estimated YE Balance	6/30/2018 Budgeted YE Balance
Fund Balance Reserves					
GENERAL FUND					
Restricted Fund Balances					
Unreserved Fund Balances					
<i>Undesignated Reserves</i>					
Available to be Appropriated	-	-	-	4,766,437	4,777,560
Committed to:					
Budget Stabilization Reserve	6,621,808	6,621,808	6,621,808	4,637,406	4,969,847
Catastrophic Reserves	4,178,192	4,178,192	4,637,406	4,637,406	4,969,847
CalPERS/OPEB Reserve	-	-	300,000	1,284,402	2,284,402
Almond Grove Reserve	-	-	8,459,973	2,896,200	-
Assigned to:					
Open Space Reserve	562,000	562,000	562,000	562,000	562,000
Sustainability	140,553	140,553	140,553	140,553	140,553
Strategic Planning Reserve	-	-	2,600,000	2,600,000	-
Capital / Special Projects	10,218,579	9,511,527	4,222,405	2,822,405	3,125,901
Authorized Carryforwards	56,741	99,284	99,284	99,284	99,284
Post Retirement Medical	400,000	400,000	-	-	-
Vasona Land Sale	411,245	-	-	-	-
Productivity Contingency	100,000	100,000	-	-	-
Special Studies	490,000	490,000	-	-	-
Total General Fund Reserves	\$ 23,179,118	\$ 22,103,364	\$ 27,643,429	\$ 24,446,093	\$ 20,929,394
SPECIAL REVENUE FUNDS					
Housing Conservation Program	\$ 67,697	\$ 74,520	\$ 74,586	\$ 74,586	\$ 74,586
Community Dev Block Grant	(10,587)	(10,587)	(4,576)	(4,576)	(4,576)
Urban Run-Off Source Fund	125,936	142,943	109,030	(16,317)	3,167
Blackwell Assessment District	7,521	8,648	10,231	11,491	4,849
Kennedy Assessment District	41,410	48,151	40,097	41,621	13,309
Gemini Assessment District	19,779	16,948	20,392	22,878	15,824
Santa Rosa Assessment District	56,885	58,083	60,128	61,673	53,218
Vasona Assessment District	34,495	39,561	42,596	44,654	35,895
Hillbrook Assessment District	9,167	8,816	11,887	14,924	2,961
Total Special Revenue Funds Reserves	\$ 352,303	\$ 387,083	\$ 364,371	\$ 250,934	\$ 199,233
INTERNAL SERVICE FUNDS					
ABAG Self Insurance	\$ 1,056,559	\$ 1,567,162	\$ 1,403,449	\$ 1,348,491	1,085,492
Worker's Comp Self Insurance	1,576,698	1,514,857	1,213,323	1,040,633	751,714
Management Information Systems	2,661,264	2,833,159	2,888,452	2,853,080	2,609,009
Office Stores Fund	149,293	187,956	183,127	166,627	150,127
Equipment Replacement	3,429,643	3,675,029	2,148,005	1,751,729	2,017,320
Vehicle Maintenance	740,861	322,865	409,872	484,535	487,698
Facilities Maintenance	1,319,864	484,030	414,367	455,559	789,596
Total Internal Service Funds Reserves	\$ 10,934,182	\$ 10,585,058	\$ 8,660,595	\$ 8,100,654	\$ 7,890,956

FUND BALANCE RESERVES 5 YEAR COMPARATIVE BALANCES

Fund Balance Reserves	6/30/2014 Actual YE Balance	6/30/2015 Actual YE Balance	6/30/2016 Actual YE Balance	6/30/2017 Estimated YE Balance	6/30/2018 Budgeted YE Balance
TRUST & AGENCY					
Library Trust	\$ 31,981	\$ 39,320	\$ 46,145	\$ 36,695	\$ 38,245
Library History Project	(1,378)	(1,380)	-	-	-
Ness Trust Bequest	188,420	171,591	40,743	41,593	42,443
Betty McClendon Trust	96,095	87,957	88,662	89,367	90,072
Barbara J Cassin Trust	379,802	344,758	347,522	350,282	353,042
Parking District #88	86,492	86,858	-	-	-
Total Trust & Agency Funds Reserves	\$ 781,412	\$ 729,104	\$ 523,072	\$ 517,937	\$ 523,802
CAPITAL PROJECTS FUNDS					
GFAR	\$ 6,842,124	\$ 14,071,412	\$ 13,328,575	\$ 17,829,312	18,442,507
GFAR - Designated for Parking	1,460,210	1,460,210	1,460,210	1,460,210	1,460,210
Grant Funded CIP Projects	(288,730)	(369,988)	(379,946)	(379,586)	(379,586)
Storm Drain #1	450,765	669,660	721,198	769,808	818,658
Storm Drain #2	935,034	972,866	949,644	999,394	1,049,394
Storm Drain #3	(54,904)	(49,732)	(2,788)	(21,798)	(169,408)
Traffic Mitigation	178,226	184,941	207,206	207,226	227,226
Construction Tax-Undergrounding	2,687,790	2,814,352	2,881,501	2,925,911	2,928,191
Gas Tax	297,303	1,075,828	1,651,113	711,042	707,499
Total Capital Projects Funds Reserves	\$ 12,507,818	\$ 20,829,549	\$ 20,816,713	\$ 24,501,519	\$ 25,084,691
SUCCESSOR AGENCY TO THE LOS GATOS RDA					
SA - Trust Fund	\$ 3,615,496	\$ 3,613,727	\$ 3,593,572	\$ 3,601,794	\$ 3,603,132
Total Successor Agency Funds Reserves	\$ 3,615,496	\$ 3,613,727	\$ 3,593,572	\$ 3,601,794	\$ 3,603,132
TOTAL RESERVES	\$ 51,370,329	\$ 58,247,885	\$ 61,601,752	\$ 61,418,931	\$ 58,231,208



DEPARTMENT REVENUES BY PROGRAM

	2013/14 Actuals	2014/15 Actuals	2015/16 Actuals	2016/17 Adopted	2016/17 Estimated	2017/18 Adopted
Town Offices						
1101 Town Council	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1301 Town Attorney	4,251	19,736	119	-	-	-
1302 ABAG - Self Insurance Fund	497,185	485,397	492,341	535,838	535,838	553,953
Total Town Offices	\$ 501,436	\$ 505,133	\$ 492,460	\$ 535,838	\$ 535,838	\$ 553,953
Administrative Services Department						
1201 Non-Departmental	\$ 26,507,206	\$ 27,992,277	\$ 27,772,802	\$ 28,539,202	\$ 29,846,425	\$ 29,485,907
2101 Town Manager Administration	6,452	1,179	13,547	1,000	1,470	1,527
2102 Community Grants	1,869	-	-	-	-	-
2103 Housing Program	20,006	6,823	67	-	-	-
2104 HCD Housing Rehab	19,360	176,705	6,011	70,000	-	-
2201 Human Resources	-	-	-	-	-	-
2202 Workers' Compensation Fund	835,410	1,004,574	963,155	934,118	868,874	969,547
2301 Finance & Administrative Services	1,755,621	2,210,409	2,086,597	1,631,193	1,720,723	1,845,723
2302 Office Stores Fund	98,057	147,983	117,734	95,000	118,000	118,000
2303 Parking Assessment District	2,704	365	92,346	-	-	-
2401 Clerk Administration	-	-	-	-	-	-
2501 Management Information Systems	1,038,393	1,089,254	1,114,383	1,129,006	1,128,993	1,180,879
2999 Pass Thru Accounts	-	-	7,194	7,194	-	7,194
Total Administrative Services	\$ 30,285,078	\$ 32,629,569	\$ 32,173,836	\$ 32,406,713	\$ 33,684,485	\$ 33,608,777
Community Development						
3101 Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3201 Developmental Review	880,388	1,062,532	821,153	610,000	768,806	610,000
3202 Advanced Planning	251,974	262,328	211,700	121,000	136,534	116,000
3301 Inspection Services	2,794,383	2,477,969	2,244,922	1,878,000	2,055,028	1,978,000
3401 Code Compliance	3,700	2,800	10,300	3,100	5,400	3,100
3501 BMP Housing Program	35,990	170,455	360,877	158,065	1,000	148,871
3999 Pass Thru Accounts	1,200,257	1,062,891	710,196	510,500	510,500	510,500
Total Community Development	\$ 5,166,692	\$ 5,038,975	\$ 4,359,148	\$ 3,280,665	\$ 3,477,268	\$ 3,366,471
Police Department						
4101 Administration	\$ 11,383	\$ 46,415	\$ 33,528	\$ 20,500	\$ 20,500	\$ 22,000
4201 Records & Communication	13,185	46,526	9,993	11,800	7,000	9,800
4202 Personnel & Community Services	492,608	546,314	336,798	295,640	295,640	295,640
4301 Patrol	661,589	481,967	828,320	855,740	868,740	898,092
4302 Traffic	453,803	451,065	500,142	434,301	449,402	447,902
4303 Investigations	6,889	3,066	184,932	164,084	164,084	120,691
4304 Parking Program	738,112	825,449	824,936	624,566	683,066	676,066
4800 Grants Program - Police	80,398	10,307	77,239	5,384	15,170	53,782
4999 Pass Thru Accounts	772,624	1,118,802	560,300	9,000	24,225	9,000
Total Police Department	\$ 3,230,591	\$ 3,529,911	\$ 3,356,188	\$ 2,421,015	\$ 2,527,827	\$ 2,532,973

DEPARTMENT REVENUES BY PROGRAM

	2013/14 Actuals	2014/15 Actuals	2015/16 Actuals	2016/17 Adopted	2016/17 Estimated	2017/18 Adopted
Parks & Public Works						
5101 Administration	\$ 1,322	\$ 1,931	\$ 594	\$ 1,200	\$ -	\$ 1,200
5201 Engineering Program Services	-	-	-	-	-	-
5202 Engineering Development Svcs	734,890	952,138	776,907	727,860	645,722	691,260
5203 Non-Point Source Fund	328,648	328,868	368,813	367,464	367,464	584,394
5301 Park Services	298,314	323,259	298,408	285,703	275,699	279,014
5302 Environmental Services	162,487	159,309	165,753	158,470	150,770	160,156
5401 Street & Signals	191,087	187,654	198,969	195,543	223,667	195,543
5402 Equipment Replacement	506,979	504,952	501,093	381,322	392,322	624,279
5403 Vehicle Maintenance	528,887	570,003	571,670	573,865	577,676	586,654
5404 Facilities Maintenance	1,320,023	1,337,633	1,281,462	1,381,875	1,410,606	1,436,089
5405 Property Damage	52,244	24,029	67,785	-	12,227	-
5501 Lighting & Landscape Districts	41,401	36,901	29,524	38,416	38,416	38,861
5999 Pass Thru Accounts	178,092	125,195	70,686	165,000	155,000	140,000
8011 GFAR	1,144,294	1,712,434	700,029	1,488,000	1,164,036	1,342,092
8021 Grant Funded CIP Projects	487,821	694,207	171,485	575,000	360	250,000
8031 Storm Drain #1	144,872	218,896	51,538	49,000	48,610	48,850
8032 Storm Drain #2	74,709	37,833	72,598	53,380	49,750	50,000
8033 Storm Drain #3	473	5,172	46,944	1,500	2,490	2,390
8041 Traffic Mitigation	506,005	90,612	609,961	422,869	155,283	30,000
8042 Utility Undergrounding	168,242	126,562	67,150	50,000	44,410	44,280
8051 Gas Tax - Street & Signals	946,246	884,525	682,594	631,843	612,544	882,457
Total Parks & Public Works	\$ 7,817,036	\$ 8,322,113	\$ 6,733,963	\$ 7,548,310	\$ 6,327,052	\$ 7,387,519
Library						
7101 Administration	\$ 6,451	\$ 6,507	\$ 6,950	\$ 6,960	\$ 6,960	\$ -
7201 Adult Services	2,000	-	4,520	-	-	-
7202 Children's Services	-	-	-	-	-	-
7203 Acquisitions & Cataloging	3,404	5,271	5,596	5,000	5,000	5,500
7204 Circulation Services	54,582	45,407	41,354	40,000	36,000	32,000
7301 Library Trust	36,797	37,357	71,720	67,400	67,550	74,050
7302 Clelles Ness Bequest Trust	3,741	(851)	845	500	850	850
7303 Library History Project	97	(2)	-	-	-	-
7304 Betty McClendon Trust	1,867	(309)	705	750	714	705
7305 Barbara J Cassin Trust	7,382	(1,125)	2,764	500	2,760	2,760
Total Library	\$ 116,321	\$ 92,255	\$ 134,454	\$ 121,110	\$ 119,834	\$ 115,865
Successor Agency to the Los Gatos RDA						
9403 SA- Admin Services	\$ 110,635	\$ 106,517	\$ 42,854	\$ 22,763	\$ 21,163	\$ 21,462
9404 SA- Debt to 2002 COP	1,362,306	1,363,717	1,363,015	1,352,566	1,352,566	1,354,598
9405 SA-Debt to 2010 COP	2,529,802	2,507,849	2,508,446	2,497,610	2,497,610	2,481,661
9406 SA- Debt to 1992 COP	122	21,000	-	-	-	-
Total SA to the Los Gatos RDA	\$ 4,002,865	\$ 3,999,083	\$ 3,914,315	\$ 3,872,939	\$ 3,871,339	\$ 3,857,721
Transfers In	3,408,637	9,353,933	3,070,584	10,293,401	7,632,881	3,662,063
Carryforward of CIP Grant Revenue						
Total Revenues by Department:	\$ 54,528,656	\$ 63,470,972	\$ 54,234,948	\$ 60,479,991	\$ 58,176,524	\$ 55,085,342

DEPARTMENTAL EXPENDITURES BY PROGRAM

	2013/14 Actuals	2014/15 Actuals	2015/16 Actuals	2016/17 Adopted	2016/17 Estimated	2017/18 Adopted
Town Offices						
1101 Town Council	\$ 188,110	\$ 208,491	\$ 171,530	\$ 202,420	\$ 190,720	\$ 205,092
1301 Town Attorney	238,253	260,740	296,258	347,006	462,585	353,383
1302 ABAG - Self Insurance Fund	792,660	474,795	656,053	808,361	590,796	816,952
Total Town Offices	\$ 1,219,023	\$ 944,026	\$ 1,123,841	\$ 1,357,787	\$ 1,244,101	\$ 1,375,427
Administrative Services Department						
1201 Non-Departmental	\$ 9,752,762	\$ 5,230,442	\$ 5,761,887	\$ 6,032,025	\$ -	\$ 6,534,564
2101 Town Manager Administration	999,601	1,059,703	950,977	1,006,469	-	758,137
2102 Community Grants	99,850	114,522	103,519	119,800	-	119,800
2103 HCD Housing Rehab	-	-	-	-	-	-
2104 Comm. Development Block Grant	-	-	-	-	-	-
2201 Human Resources	423,843	484,291	559,612	601,545	572,092	683,958
2301 Finance & Administrative Services	1,021,792	1,057,993	992,764	1,263,974	1,033,078	1,279,607
2401 Clerk Administration	162,723	168,379	276,418	311,397	299,451	334,961
2802 Obesity Grant	-	-	-	-	-	-
2999 Pass Through	-	-	-	7,194	-	7,194
2202 Workers' Compensation Fund	1,505,626	1,066,415	1,264,689	1,258,810	1,041,564	1,258,466
2302 Office Stores Fund	107,977	109,320	122,562	134,500	-	134,500
2501 Management Information Systems	872,826	901,293	1,059,091	1,351,188	-	1,424,950
2303 Parking Assessment District	140,366	-	-	-	-	-
Total Administrative Services	\$ 15,087,366	\$ 10,192,358	\$ 11,091,519	\$ 12,086,902	\$ 11,667,551	\$ 12,287,967
Community Development						
3101 Administration	\$ 159,401	\$ 125,087	\$ 144,484	\$ 237,742	\$ 220,411	\$ 445,953
3201 Developmental Review	1,072,640	1,146,692	1,107,301	1,429,728	1,089,493	1,424,150
3202 Advanced Planning	303,893	243,737	225,602	335,439	306,170	365,369
3301 Inspection Services	1,183,058	1,178,836	1,167,902	1,274,612	1,086,869	1,262,399
3401 Code Compliance	144,241	160,414	187,513	197,013	204,833	219,431
3501 BMP Housing Program	257,147	315,807	489,335	158,065	154,885	148,871
3999 Pass Thru Accounts	1,200,257	1,062,891	710,196	510,500	510,500	510,500
Total Community Development	\$ 4,320,637	\$ 4,233,464	\$ 4,032,333	\$ 4,143,099	\$ 3,573,161	\$ 4,376,673
Police Department						
4101 Administration	\$ 561,900	\$ 774,187	\$ 889,742	\$ 992,203	\$ 976,338	\$ 1,023,502
4201 Records & Communication	1,607,418	1,756,928	1,914,577	2,196,149	1,958,590	2,306,596
4202 Personnel & Community Services	576,204	362,987	701,737	584,629	579,178	771,826
4301 Patrol	6,518,339	6,256,175	6,115,836	6,391,211	5,686,385	6,913,430
4302 Traffic	942,247	816,227	719,561	869,904	904,879	977,570
4303 Investigations	1,884,190	2,107,270	2,208,996	2,210,203	2,345,258	2,672,945
4304 Parking Program	732,415	649,866	665,850	661,364	624,753	726,581
4800 Grants Program - Police	78,235	30	71,920	5,384	14,567	53,782
4999 Pass Thru Accounts	772,325	1,123,359	556,467	9,000	9,000	9,000
Total Police Department	\$ 13,673,273	\$ 13,847,029	\$ 13,844,686	\$ 13,920,047	\$ 13,098,948	\$ 15,455,232

DEPARTMENTAL EXPENDITURES BY PROGRAM

	2013/14 Actuals	2014/15 Actuals	2015/16 Actuals	2016/17 Adopted	2016/17 Estimated	2017/18 Adopted
Parks & Public Works						
5101 Administration	\$ 264,694	\$ 307,031	\$ 348,234	\$ 313,250	\$ 353,588	\$ 551,395
5201 Engineering Program Services	739,658	902,915	1,002,319	1,031,612	1,141,480	1,058,501
5202 Engineering Development Svcs	638,721	640,975	670,247	753,496	673,234	808,134
5203 Non-Point Source Fund	322,813	411,860	452,727	533,935	492,811	564,910
5301 Park Services	1,561,076	1,496,032	1,677,669	1,739,562	1,796,825	1,832,817
5302 Environmental Services	171,123	280,035	378,396	428,581	351,286	391,421
5401 Street & Signals	2,016,963	1,920,447	2,015,412	1,995,924	2,086,732	2,310,057
5402 Equipment Replacement	337,867	290,633	531,130	336,369	492,918	658,688
5403 Vehicle Maintenance	389,821	487,999	484,662	573,866	503,013	583,491
5404 Facilities Maintenance	1,086,911	1,248,819	1,338,979	1,381,875	1,369,414	1,402,052
5405 Property Damage	10,442	17,726	63,203	25,000	49,595	25,000
5501 Lighting & Landscape Districts	17,068	21,031	19,478	74,550	21,586	105,126
5999 Pass Thru Accounts	178,092	125,195	70,715	165,000	155,000	140,000
8011 GFAR	2,388,043	2,609,078	1,484,857	13,367,883	3,722,970	2,793,509
8021 Grant Funded CIP Projects	153,935	952,169	141,803	645,000	-	250,000
8031 Storm Drain #1	-	-	-	-	-	-
8032 Storm Drain #2	-	-	95,820	-	-	-
8033 Storm Drain #3	-	-	-	-	21,500	150,000
8041 Traffic Mitigation	452,132	78,393	575,548	392,869	145,263	-
8042 Utility Undergrounding	-	-	-	42,000	-	42,000
8051 Gas Tax - Street & Signals	712,290	-	1,309	550,000	1,446,615	780,000
Total Parks & Public Works	\$ 11,441,649	\$ 11,790,338	\$ 11,352,508	\$ 24,350,772	\$ 14,823,830	\$ 14,447,101
Library						
7101 Administration	\$ 318,819	\$ 328,008	\$ 396,063	\$ 482,926	\$ 410,823	\$ 499,211
7201 Adult Services	503,080	608,632	597,085	654,119	620,913	676,974
7202 Children's Services	424,874	458,744	468,379	527,602	501,490	576,672
7203 Acquisitions & Cataloging	170,905	155,622	117,444	120,796	119,584	124,410
7204 Circulation Services	713,761	717,837	753,296	906,405	778,664	903,751
7301 Library Trust	18,812	30,018	28,515	32,000	32,000	37,500
7302 Clelles Ness Bequest Trust	5,638	15,978	131,694	-	-	-
7303 Library History Project	2,233	-	-	-	-	-
7304 Betty McClendon Trust	4,716	7,829	-	-	-	-
7305 Barbara J Cassin Trust	80,829	33,918	-	-	-	-
Total Library	\$ 2,243,667	\$ 2,356,586	\$ 2,492,476	\$ 2,723,848	\$ 2,463,474	\$ 2,818,518
Successor Agency to the Los Gatos RDA						
9402 SA- Housing Trust Others	\$ 254,674	\$ -	\$ -	\$ -	\$ -	\$ -
9403 SA- Admin Services	21,721	16,052	16,500	13,429	5,291	15,334
9404 SA- Debt to 2002 COP	1,357,905	1,354,570	1,359,456	1,352,516	1,352,516	1,354,563
9405 SA-Debt to 2010 COP	2,516,451	2,505,061	2,488,860	2,497,610	2,497,610	2,480,186
9406 SA- Debt to 1992 COP	-	-	-	-	-	-
Total SA to the Los Gatos RDA	\$ 4,150,751	\$ 3,875,683	\$ 3,864,816	\$ 3,863,555	\$ 3,855,417	\$ 3,850,083
Total Operating Expenditures	\$ 52,136,366	\$ 47,239,484	\$ 47,802,179	\$ 62,446,010	\$ 50,726,482	\$ 54,611,001
Transfers Out	3,408,637	9,353,932	3,078,884	10,293,401	7,632,881	3,662,063
Total Expenditures by Department:	\$ 55,545,003	\$ 56,593,416	\$ 50,881,063	\$ 72,739,411	\$ 58,359,363	\$ 58,273,064

IN-KIND DONATIONS FY 2017/18 SUMMARY

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

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

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

Location	NUMU (LG Museums)	Recreation Department	Adult Recreation Center
	110 E. Main St 10-Year Lease	123 E. Main St.	208 E. Main St. 20-Year Lease
Market Price Per Square Foot/Month	\$2.5	\$3.0	\$2.9
Square Footage	11,604	6,479	12,000
Value of Rent/Year	\$348,120	\$231,658	\$413,683
Rent Paid/Year	\$0	\$23,166	\$186,157
Net Estimated Value of Donation/Year	\$348,120	\$208,492	\$227,526

In addition to providing subsidized leases, the Town provides in-kind staffing support for the Holiday Tree Lighting and the Children's Holiday Parade. Costs to provide maintenance and public safety services for the Holiday Tree Lighting are estimated to be \$1,600; the Children's Holiday Parade costs are estimated to be \$25,000. These estimates only include expenses that occur at the event and do not include time dedicated to event planning and logistics. The estimated total of all in-kind expenses is \$810,738.

FEE RELATED PROJECT LISTS

Under California law, cities and other local agencies may exact 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 (2017 \$)	BMP Fee Eligible Cost
BMP	Extremely Low Income Housing Projects	\$ 1,100,000	\$ 1,100,000
BMP	Reacquisition of Distressed/Foreclosed Properties	700,000	700,000
BMP	Hello Housing Program Services	70,000	70,000
Total		\$ 1,870,000	\$ 1,870,000

Note:

BMP - Below Market Housing Program

Construction Impact Activity Project List			
Source	Description	Estimated Project Cost (2017 \$)	Construction Impact Fee Eligible Cost
CIP	Street Repair and Resurfacing Projects (5 year-plan)	\$ 12,113,285	\$ 12,113,285
Total		\$ 12,113,285	\$ 12,113,285

Note:

CIP - Town of Los Gatos, Capital Improvement Program

FEE RELATED PROJECT 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.

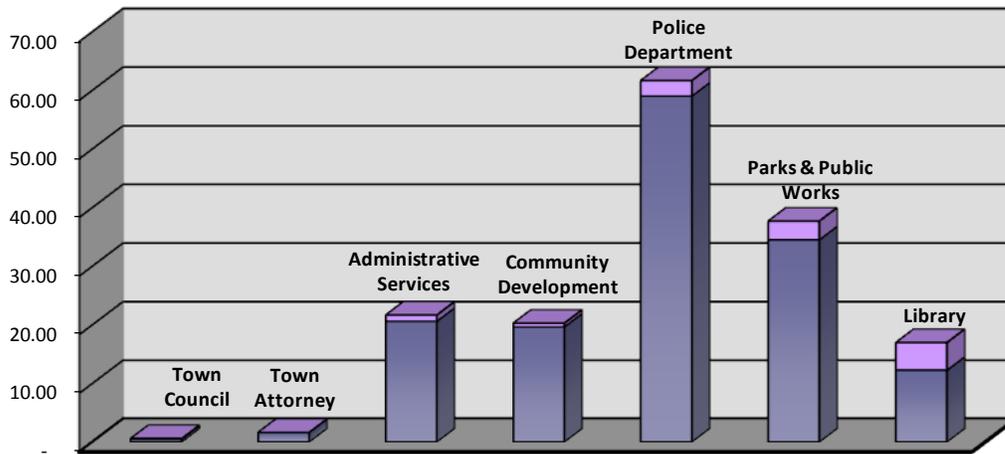
**SUMMARY OF POSITIONS
DEPARTMENTAL STAFF BY FUND**

	<u>2013/14</u> <u>Funded</u>	<u>2014/15</u> <u>Funded</u>	<u>2015/16</u> <u>Funded</u>	<u>2016/17</u> <u>Funded</u>	<u>2017/18</u> <u>Adopted</u>
<i>General Fund</i>					
Town Council	0.85	0.85	0.50	0.50	0.50
Town Attorney	0.85	0.85	0.85	1.04	0.91
Administrative Services	15.48	15.98	16.33	16.28	16.19
Community Development	17.65	19.78	19.28	19.99	20.08
Police Department	56.50	59.00	58.00	58.00	59.00
Parks & Public Works	26.60	27.10	28.40	28.40	29.40
Library	10.30	10.80	11.00	12.25	12.25
<i>Total General Fund Staff</i>	128.23	134.35	134.35	136.45	138.33
<i>Special Revenue Funds</i>					
Parks & Public Works	1.00	1.00	1.00	1.00	1.00
<i>Total Special Revenue Fund Staff</i>	1.00	1.00	1.00	1.00	1.00
<i>Internal Service Funds</i>					
Town Attorney	0.65	0.65	0.65	0.71	0.71
Administrative Services	3.65	3.90	3.90	3.70	3.95
Parks & Public Works	3.90	3.90	4.10	4.10	4.10
<i>Total Internal Services Funds Staff</i>	8.20	8.45	8.65	8.51	8.76
<i>Successor Agency to the Los Gatos RDA</i>					
Administrative Services	-	-	-	-	0.01
Community Development	0.10	0.10	0.10	0.01	-
<i>Total Redevelopment Agency Staff</i>	0.10	0.10	0.10	0.01	0.01
Total Town FTEs	137.53	143.90	144.10	145.98	148.10

Full Time Equivalent (FTE)

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

**SUMMARY OF POSITIONS
BUDGETED FTEs BY DEPARTMENT**



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

**FY 2017/18
Budgeted FTEs by Department
(Includes Converted Hourly Employees)**

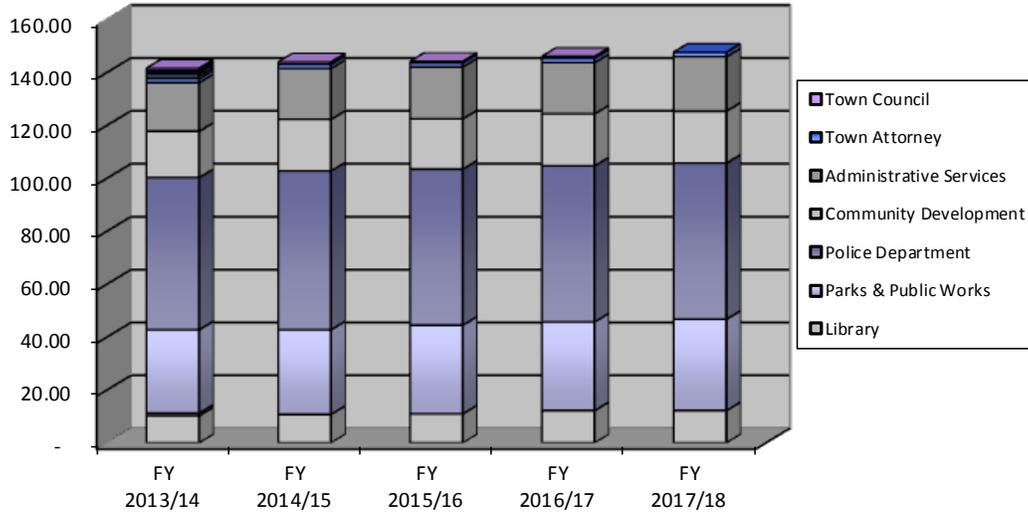
Departments	Authorized/ Funded Town Staff Positions	Hourly Emp Staff converted to FTEs	Total Budgeted Positions
Town Council	0.50	0.08	0.58
Town Attorney	1.63	-	1.63
Administrative Services	20.59	1.06	21.65
Community Development	19.63	0.63	20.26
Police Department	59.00	2.65	61.65
Parks & Public Works	34.50	3.19	37.69
Library	12.25	4.71	16.96
Total Positions	148.10	12.32	160.42

Administrative Services staffing numbers include the following six programs: Town Manager’s Office; Human Resources; Finance; Clerk Administration; Information Technology; Workers’ Compensation.

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

**SUMMARY OF POSITIONS
FUNDED FTEs BY DEPARTMENT**

Five Year Staffing Trend



Departments	2013/14 Funded	2014/15 Funded	2015/16 Funded	2016/17 Funded	2017/18 Adopted
Town Council	0.85	0.85	0.50	0.63	0.50
Town Attorney	1.50	1.50	1.50	1.63	1.63
Administrative Services	18.38	19.25	19.60	19.35	20.59
Community Development	17.50	19.50	19.00	19.63	19.63
Police Department	57.50	60.00	59.00	59.00	59.00
Parks & Public Works	31.50	32.00	33.50	33.50	34.50
Library	10.30	10.80	11.00	12.25	12.25
Total Budgeted FTEs	137.53	143.90	144.10	145.98	148.10

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 2017/18

The Town's total budgeted personnel costs for FY 2017/18 increased to \$27 million (\$25.1 million in FY 2016/17) and accounts for 46.8% of the total Town's expenditures. Rising health and pension rates have increased labor costs; however, reduction strategies including vacancy eliminations, structural reorganization, and realignments have helped to mitigate growing personnel expenditures. The following discussion describes some of the staffing expenditures, savings, and budget impacts.

Employee Compensation

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

Memorandums of Understanding (MOUs)

The FY 2017/18 budget reflect Town-wide negotiated salary changes. The status of current labor actions are as follows:

- In compliance with the California Public Employees' Pension Reform Act (PEPRA), an additional pension tier was implemented for all non-sworn and management employees, changing the pension formula to 2% at 62 for employees hired after January 1, 2013 who were not previously in a public pension system.
- For sworn employees, the pension formula under PEPRA changed to 2.7% at 57 for safety employees hired after January 1, 2013 who were not previously in a public pension.
- The Police Officers' Association (POA) MOU agreement expires on September 30, 2018.
- The TEA and AFSCME labor agreements expire on June 30, 2018.

Benefits

The Town contracts for medical coverage through CalPERS and rates are adjusted each January for the calendar year. During 2014 Kaiser, which serves as the Town's benchmark plan, surpassed the actuarial estimates and increased its annual rates by 11% over the prior year. In 2015 Kaiser rates decreased, reducing benefit costs to the Town; however, in 2017 Kaiser rates increased 4.5% from the prior year. As evidenced by this fluctuation, this is an area of continuing concern and volatility. Dental, vision and life insurance rates are expected to remain relatively stable. Conversely, short and long-term disability insurance costs are increasing significantly due to changes in the market and an increase in claims. Efforts are underway to identify measures to control and/or reduce costs. It is important to note that changes in health coverage are generally subject to negotiations with affected employee groups.

Pension Plan

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

More recently, however, CalPERS has significantly increased contribution rates to cover rising retiree costs and CalPERS investment losses sustained in the down economy. In FY 2014/15, the Town's miscellaneous employee rate was projected to increase to 23.45% and the safety rate was projected to increase to 43.87%. By Council authority in June 2014, the Town paid off its CalPERS side fund liability of \$4.5M which substantially decreased PERS sworn rates in future years. As a result of this payoff, the FY 2014/15 Town's miscellaneous employee rate was 22.38% and the safety rate was 29.56%, a sworn rate reduction of 14.31% from previously forecasted. In FY 2017/18, the Town's miscellaneous employee rate is projected to increase to 27.40%; the safety rate is projected to increase to 39.6%; and the PEPRA safety rate is projected to be 12.8%.

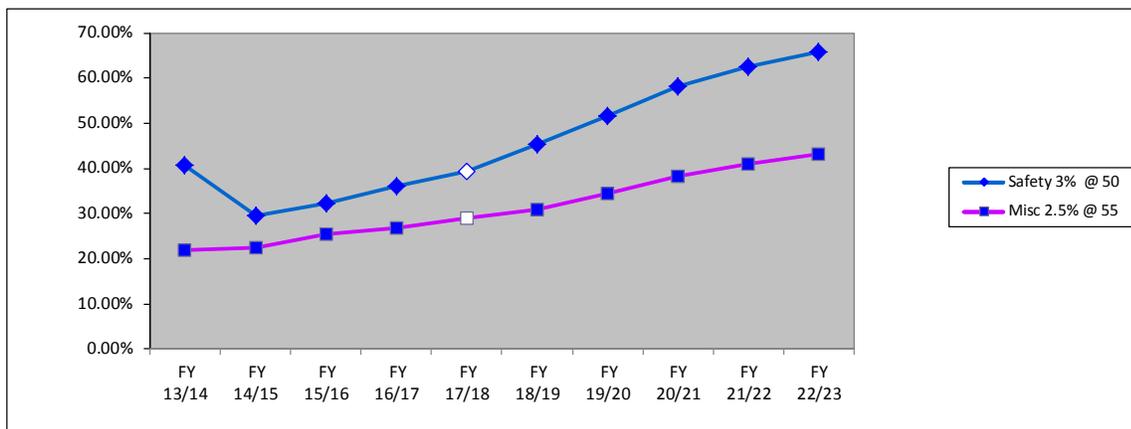
SUMMARY OF PERSONNEL CHANGES FY 2017/18

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

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

The immediate effect of this change is the actuarial valuation report being prepared for June 30, 2016 by CalPERS which sets the employer contribution rate for FY 2018/19 at a the lower discount rate of 7.375%. This action will in turn lead to increased actuarial accrued liabilities because with lower expected returns there are lower projected assets to meet the expected pension obligations. Town staff had already anticipated increases in employer contributions in its Five Year Financial Plan, but the rates in years three through five of the plan increased beyond staff estimates due to the lowering of the discount rate. The CalPERS Board had previously adopted recommendations to modify both the smoothing and amortization policies and implement these changes going forward with an impact to employer rates which began in FY 2015/16. As a result of this change, the smoothing period changed from a 15-year rolling period to a five-year direct smoothing rate. The amortization period changed from a 30-year rolling period to a 30-year fixed rate. The cumulative effect of these changes will require the Town to pay significantly more into the system. Estimates indicated that these changes would result in the Town increasing from the FY 2017/18 rate of 39.6% to 65.7% in FY 2022/23 of pay rate for safety employees and from the FY 2017/18 rate of 27.40% to approximately 43.30% in FY 2022/23.

Using official information issued by CalPERS, the following schedule reflects the Town's actual CalPERS pension rate for FY 2017/18 and the expected rates for the following fiscal years based on the Town's five-year forecast model which was updated using a CalPERS employer bulletin in January 2017 that provided a calculation method to estimate rate impacts of the discount rate change approved in December 2016.



PERS Pension Plan	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
Safety 3% @ 50	40.85%	29.56%	32.36%	36.18%	39.36%	45.50%	51.70%	58.30%	62.50%	65.70%
Misc 2.5% @ 55	21.90%	22.38%	25.43%	26.96%	28.90%	30.80%	34.50%	38.40%	41.10%	43.30%

SUMMARY OF PERSONNEL CHANGES FY 2017/18

Management Strategies

A number of strategies have been implemented to mitigate rising personnel costs. These include adjusting user fees to recover the cost of staff time to provide Town services, focusing staff time on core services to maintain planned reductions in budgeted overtime, reducing hourly staffing use, and eliminating vacant, benefited positions. In light of limited available resources and uncertain economic trends in revenues sources such as Sales Tax, limited staffing augmentations have been included in the FY 2017/18 budget. During FY 2015/16 mid-year budget adjustments, Council approved one time Town-wide hire ahead funding utilizing a pilot program. Hire ahead opportunities are available for any Department within the existing budget authority of the Town Manager. Hire ahead allows the Town to hire in advance of known separations using salary savings from specific Department budgets.

Overtime

Overtime expenditures continue to be assessed and adjusted when appropriate. While unpredictable or non-controllable events will impact the Town's limited public safety and public works maintenance resources, continued adjustments to schedules and workload have been successful in reducing budgeted overtime. Although some non-critical Town services have experienced moderate service level reductions, scheduling restrictions have not seriously impacted routine operations. In FY 2010/11, the patrol staffing schedule was modified from a combination 10-hour and 12-hour schedule with five patrol teams to a straight 12-hour schedule with four patrol teams. This structure provides increased patrol staffing levels across the shifts; however, the Department is evaluating the impact of increased time off levels.

Staffing Changes

The FY 2017/18 Operating Budget has 160.42 budgeted FTEs, including temporary staff. This reflects an increase of 2.32 FTE compared to the prior year. The recommended FY 2017/18 staffing levels reflect the following changes from the prior year's adopted budget:

- *Administrative Services and Town Offices* –The FY 2017/18 budget reflects a deletion of the Assistant to the Town Manager position and a 1.0 FTE addition of an Administrative Analyst position. In addition, a 0.63 FTE Administrative Analyst has been changed and funded to Economic Vitality Manager and increased to 0.75 FTE. The Economic Vitality Manager position is also funded partially through the Community Development Department. In addition, the budget shows a one-time funding of a 0.5 FTE Human Resources Analyst position dedicated to complete special projects within the program. The FY 2017/18 budget also reflects the reclassification of the Account Technician position to Administrative Analyst position in the Finance Department. This change reflects increased duties such as additional support for budget services, cross training in confidential finance functions, and daily departmental duties. The budget also reflects Council action in April 2017 to add the new job classification of Events and Marketing Specialist. This 0.5 FTE benefited position is responsible for organizing, promoting, and implementing all Town events (e.g., Spring Into Green and Fourth of July), as well as processing the applications for Special Event Permits in coordination with Town Departments.
- *Police* –While historically the 1.0 FTE Community Outreach Coordinator has been funded in the Town's Non-Departmental program, the work occurs in the Police Department; therefore, with this budget the funds are being transferred to the Personnel and Community Service program. To best meet the needs of the Department, the FY 2017/18 budget includes one operational reclassification. The 1.0 FTE Community Service Officer assigned to Personnel and Community Services is now reclassified to a 1.0 FTE Human Resources Specialist. The Human Resources Specialist position supports the Police Department with the recruitment of new personnel, continued education and training of personnel, and succession planning. Temporary staff funding is proposed for: technology support, evidence, records management, and Parking Control Officers. The temporary hours increase is funded from one-time funding. An additional \$32,416 in temporary staffing hours is proposed as one-time support for an IT Technician to assist with critical operational technology needs and the regional radio project including interoperability upgrades. An additional \$47,905 in temporary staffing hours is proposed for a Community Services Officer (CSO) as a one-time support to assist the Evidence and Property Division. This Division has seen an increase in the intake and discovery records requests over the past year; intensive staff research and documentation accompany these requests. An additional \$41,670 in temporary staffing hours is proposed for a Records Specialist as a one-time support to assist with the increased number of reported and processed cases. This increase is partially due to recent changes in legislation; additionally, the Records Division has seen an increase in public counter activity. An additional \$12,775 in temporary staffing hours is proposed as a one-time support to assist in the use of Parking Control Officer (PCO) during peak times. The part-time Community Services Officer (CSO) position will continue for another year in FY 2017/18 with one-time additional funding. The position is allocated between Code Compliance

SUMMARY OF PERSONNEL CHANGES FY 2017/18

and the Police Department due to noise concerns in the downtown area with emphasis on evening monitoring (e.g., hours of operation and noise complaints) and after hours code compliance issues.

- *Community Development Department (CDD)* – Staffing reallocations occurred between the different programs in this Department; however, the total Department staffing did not change. Budgeted salary and benefit expenditures include the aforementioned part-time Community Services Officer (CSO) position being continued for another year in FY 2017/18 with one-time funding.
- *Parks and Public Works (PPW)* – In FY 2017/18, the Department will annualize funding (\$217,000) for a Transportation and Mobility Manager to establish project feasibility and to best position the Town to compete for Measure B opportunities. In addition, a 1.0 FTE Facilities and Environmental Services Manager has been changed and funded to Parks and Public Works Operations Manager. Additionally, the Parks and Public Works Department has deleted a vacant Parks and Maintenance Worker, 1,000 temporary staff hours for a Park Services Officer, and 930 temporary staff hours for a Maintenance Assistant. These decreases will fund the addition of a second Parks and Public Works Operations Manager. An addition of \$43,000 in one-time monies is for temporary staff hours. Furthermore, a 1.0 FTE Executive Assistant was changed to an Environmental Programs Specialist.
- *Library* - The FY 2017/18 Library budget reflects and status quo budget and a one-time funding of 250 temporary librarian hours.

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

Liability Insurance

Self-Insurance Fund rates (liability claim insurance premiums) for FY 2016/17 remain at the prior year rates. The Self-Insurance Fund Balance is declining as a result of adverse claims against the Town over the last several years. Staff will be recommending a transfer into this fund to restore this fund to an appropriate funding level.

Workers' Compensation

The Workers' Compensation fund balance is declining as a result of several injuries keeping employees out of work for extensive periods of time. The FY 2016/17 Workers' Compensation rates remain the prior year level. Long-term job related injuries have resulted in a rapid decline in fund balance in the Workers' Compensation fund and therefore 1.5% increases in rates for FY 2015/16 were programmed to offset the declining fund balance.

Information Technology

The Information technology (IT) program is funded through two different charge-backs to the Departments. One charge is based on a percentage of salary to fund the salaries and operating expenditures of the IT program. The second allocation 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

	2013/14 Funded	2014/15 Funded	2015/16 Funded	2016/17 Funded	2017/18 Adopted	Comments
TOWN ATTORNEY'S OFFICE						
Town Attorney	1.00	1.00	1.00	1.00	1.00	
Deputy Town Attorney	0.50	0.50	0.50	0.63	0.63	
TOTAL DEPARTMENT FTEs	1.50	1.50	1.50	1.63	1.63	
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	
Asst. Town Manager/CDD Director	-	0.50	0.50	-	-	
Assistant to Town Manager	1.00	1.00	1.00	1.00	-	<i>CY delete 1.0 FTE</i>
Administrative Analyst	-	-	-	-	1.00	<i>CY add 1.0 FTE</i>
Executive Asst. to Town Mgr.	1.00	1.00	1.00	1.00	1.00	
Economic Vitality Manager	-	-	-	-	0.75	<i>CY add 0.75 FTE</i>
Economic Vitality Coordinator	0.50	0.63	0.63	0.63	-	<i>CY delete 0.63 FTE</i>
Communications Coordinator	-	1.00	1.00	-	-	
Office Assistant	1.63	1.63	0.63	-	-	
Administrative Technician	0.50	-	-	-	-	
Events & Marketing Specialist	-	-	-	-	0.50	<i>CY add 0.50 FTE</i>
TOTAL DEPARTMENT FTEs	6.63	6.76	5.76	4.63	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	1.50	<i>CY add 0.50 FTE</i>
Human Resources Specialist	0.50	1.00	1.00	1.00	1.00	
TOTAL DEPARTMENT FTEs	2.50	3.00	3.00	3.00	3.50	
FINANCE SERVICES						
Finance Director	1.00	1.00	1.00	1.00	1.00	
Finance & Budget Manager	1.00	1.00	1.00	1.00	1.00	
Accountant/Finance Analyst	1.00	1.00	1.00	1.00	1.00	
Payroll Specialist	1.00	1.00	1.00	1.00	1.00	
Administrative Analyst	-	-	-	1.00	2.00	<i>CY add 1.0 FTE</i>
Administrative Technician	1.00	1.00	1.00	-	-	
Account Technician	1.35	1.35	1.35	1.35	0.35	<i>CY delete 1.0 FTE</i>
TOTAL DEPARTMENT FTEs	6.35	6.35	6.35	6.35	6.35	
CLERK ADMINISTRATION						
Clerk Administrator	0.50	1.00	1.00	1.00	1.00	
Deputy Clerk	0.50	-	-	-	-	
Office Assistant	-	-	1.00	2.00	2.00	
TOTAL DEPARTMENT FTEs	1.00	1.00	2.00	3.00	3.00	
INFORMATION TECHNOLOGY SERVICES						
IT Manager	1.00	1.00	1.00	1.00	1.00	
Network Administrator	1.00	1.00	1.00	1.00	1.00	
IT Technician	0.75	1.00	1.00	1.00	1.00	
TOTAL DEPARTMENT FTEs	2.75	3.00	3.00	3.00	3.00	

TOWN STAFF
POSITIONS BY HOME DEPARTMENT

	2013/14 Funded	2014/15 Funded	2015/16 Funded	2016/17 Funded	2017/18 Adopted	Comments
COMMUNITY DEVELOPMENT						
Asst. Town Manager/CDD Director	-	0.50	0.50	-	-	
Community Development Dir.	1.00	-	-	1.00	1.00	
Asst. Community Dev. Dir.	1.00	-	-	-	-	
Planning Manager	1.00	1.00	1.00	1.00	1.00	
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	2.00	2.00	2.50	2.63	2.63	
Assistant Planner	-	1.00	1.00	1.00	1.00	
Planning Technician	0.50	2.00	1.00	1.00	1.00	
Building Inspector	4.00	4.00	4.00	4.00	4.00	
Permit Technician	2.00	2.00	2.00	2.00	2.00	
Code Compliance Officer	-	1.00	1.00	1.00	1.00	
TOTAL DEPARTMENT FTEs	17.50	19.50	19.00	19.63	19.63	
POLICE						
Chief of Police	1.00	1.00	1.00	1.00	1.00	
Police Captain	2.00	2.00	1.00	1.00	1.00	
Police Lieutenant	-	-	2.00	2.00	2.00	
Police Sergeant	6.00	6.00	6.00	6.00	6.00	
Police Corporal	5.00	5.00	4.00	4.00	4.00	
Police Officer	24.00	26.00	25.00	25.00	25.00	
Community Outreach Coordinator	1.00	1.00	1.00	1.00	1.00	
Community Services Officer	4.00	2.00	2.00	2.00	1.00	<i>CY delete 1.0 FTE</i>
Police Admin Services Mgr.	1.00	-	-	-	-	
Records & Evidence Manager	-	1.00	1.00	-	-	
Police Records Manager	-	-	-	1.00	1.00	
Administrative Analyst	-	1.00	1.00	1.00	1.00	
Executive Assistant to Chief	1.00	1.00	1.00	1.00	1.00	
Communications Dispatcher Lead	-	-	1.00	1.00	1.00	
Communications Dispatcher	7.50	7.00	6.00	7.00	7.00	
Parking Control Officer	2.00	2.00	2.00	2.00	2.00	
Police Records Specialist	3.00	5.00	5.00	4.00	4.00	
Human Resources Specialist	-	-	-	-	1.00	<i>CY add 1.0 FTE</i>
TOTAL DEPARTMENT FTEs	57.50	60.00	59.00	59.00	59.00	

TOWN STAFF
POSITIONS BY HOME DEPARTMENT

	2013/14 Funded	2014/15 Funded	2015/16 Funded	2016/17 Funded	2017/18 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	-	-	-	-	
Town Engineer	-	1.00	1.00	1.00	1.00	
Superintendent	1.00	1.00	1.00	1.00	1.00	
Facilities & Environmental Services Mgr	1.00	1.00	1.00	1.00	-	<i>CY delete 1.0 FTE</i>
Transportation & Mobility Mgr	-	-	-	-	1.00	<i>CY add 1.0 FTE</i>
Park & Public Works Operations Mgr	-	-	-	-	2.00	<i>CY add 2.0 FTE</i>
Senior Civil Engineer	-	-	1.00	1.00	1.00	
Administrative Analyst	1.00	1.00	1.00	1.00	1.00	
Executive Assistant	1.00	1.00	2.00	2.00	1.00	<i>CY delete 1.0 FTE</i>
Administrative Assistant	2.00	2.00	2.00	2.00	2.00	
Office Assistant	-	-	0.50	0.50	0.50	
Environmental Service Coordinator	0.50	1.00	-	-	-	
Environmental Programs Specialist	-	-	-	-	1.00	<i>CY add 1.0 FTE</i>
Associate Engineer	3.00	3.00	2.00	2.00	2.00	
Assistant Engineer	1.00	1.00	1.00	1.00	1.00	
Construction Project Mgr	-	-	1.00	1.00	1.00	
Engineering Technician	1.00	1.00	1.00	1.00	1.00	
Sr Public Works Inspector	1.00	1.00	1.00	1.00	1.00	
Public Works Inspector	1.00	1.00	1.00	1.00	1.00	
Parks Service Officer	1.00	1.00	1.00	1.00	1.00	
Town Arborist	1.00	1.00	1.00	1.00	1.00	
Tree Trimmer/High Climber	1.00	1.00	1.00	1.00	1.00	
Lead Parks & Maint. Worker	3.00	3.00	3.00	3.00	3.00	
Sweeper Operator	1.00	1.00	-	-	-	
Parks & Maintenance Worker	8.00	8.00	9.00	9.00	8.00	<i>CY delete 1.0 FTE</i>
Equipment Mechanic	1.00	1.00	1.00	1.00	1.00	
TOTAL DEPARTMENT FTEs	31.50	32.00	33.50	33.50	34.50	
LIBRARY						
Library Director	-	-	-	1.00	1.00	
Town Librarian	2.00	2.00	2.00	-	-	
Division Manager	-	-	-	2.00	2.00	
Librarian	2.55	3.55	3.75	3.00	3.00	
Library Technology Specialist	1.00	1.00	1.00	1.00	1.00	
Library Assistant	1.50	1.00	1.00	1.00	1.00	
Library Technician	0.75	0.75	0.75	0.75	0.75	
Customer Service Supervisor	1.00	1.00	1.00	1.00	1.00	
Customer Service Specialist	1.50	1.50	1.50	1.50	1.50	
Sr Library Page	-	-	-	1.00	1.00	
TOTAL DEPARTMENT FTEs	10.30	10.80	11.00	12.25	12.25	
TOTAL TOWN FTEs	137.53	143.90	144.10	145.98	148.10	

**TOWN STAFF
POSITIONS BY HOME DEPARTMENT**

ELECTED OFFICIALS					
	2013/14 Funded	2014/15 Funded	2015/16 Funded	2016/17 Funded	2017/18 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						
	2013/14 Funded	2014/15 Funded	2015/16 Funded	2016/17 Funded	2017/18 Adopted	
<i>Temporary Hours by Department</i>						
Town Council	175	175	175	175	175	
Administrative Services	1,370	1,370	1,476	2,196	2,196	
Community Development	3,328	2,130	1,165	1,305	1,305	
Police Department	2,920	3,977	4,504	3,422	5,502	
Parks & Public Works	8,791	10,754	9,566	8,567	6,637	
Library Department	10,237	10,237	10,237	9,546	9,796	
Total Temporary Hours by Department	26,821	28,643	27,123	25,211	25,611	
CONVERTED HOURLY EMPLOYEES	12.89	13.77	13.04	12.12	12.31	<i>(1.00 FTE = 2080 hours)</i>