Town of Los Gatos

California

Operating & Capital Summary Budget

Fiscal Year 2021/22

Cover Photo: Ricky Pan (Old Town Los Gatos)
Ken Benjamin (Yellow House)

TOWN OF LOS GATOS

CALIFORNIA

Operating and Capital Summary Budget

for

Fiscal Year July 1, 2021 to June 30, 2022

Town Council

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

Prepared under the direction of:
Laurel Prevetti.....Town Manager
Stephen D. Conway.....Finance Director

110 E. Main Street, Los Gatos, CA 95030
www.losgatosca.gov

TOWN VISION STATEMENT

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

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

TOWN OF LOS GATOS

OPERATING AND CAPITAL SUMMARY BUDGET
FISCAL YEAR 2021/22

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Introduction

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Town of Los Gatos

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

April 19, 2021

Honorable Mayor and Town Council:

I am pleased to present to you a balanced Fiscal Year (FY) 2021/22 Proposed Operating Budget for the Town of Los Gatos. This past year has truly been an unprecedented time in our nation's history and the Town continues to grapple with the repercussions of shuttering large swaths of the economy to mitigate the public health consequences of COVID-19. While the budget is balanced, it was balanced primarily through the use of one-time resources from the federal government as well as belt tightening expenditure reductions across Town operations.

On March 11, 2021, President Biden signed into law the American Rescue Plan Act (ARPA). The ARPA provided $65.1 billion in direct aid to every city, town, and village across the country to help stabilize communities. While this federal relief is welcome news, going forward maintaining balanced budgets and investing in our infrastructure will require a return to pre-pandemic revenue levels and identifying new revenue sources to maintain the high level of services Los Gatos residents, businesses, and visitors expect.

The proposed Budget addresses the Council identified Strategic Priorities and considers other areas of importance to our community, the Council, and the Town organization. The proposed Budget also acknowledges the economic realities associated with the global COVID-19 pandemic and other unforeseen budgetary impacts. As stated in last year's Budget message and remains true today, the ultimate impact to the organization is not expected to be known until the depth and breadth of the pandemic recession is fully understood. Even with areas of continued uncertainty, this Budget positions the organization well for continued excellence in service delivery to the community. However, in the event pre pandemic revenue levels do not return and new revenue sources are not identified, the current projected deficits may need to be addressed through service delivery reductions. If this occurs, the Council will need significant input from the community to identify and determine service reductions.

The FY 2021/22 General Fund Budget programs total revenues and reserve transfers of $47 million and expenditures and allocations of $46 million. The Budget currently anticipates no significant new programming, and does maintain existing service and staffing levels. This Budget also provides for limited, continued strategic investments toward important wildfire vegetation management as grant funding allows and other necessary infrastructure improvements, as the pandemic is not the only threat to our community's health and safety.

I would like to take this opportunity to thank the Town Council for your stewardship this past year as the Town navigated myriad issues associated with the pandemic crisis and subsequent economic impacts.

BUDGET DEVELOPMENT CONTEXT

An important aspect of the Town's budget development process is taking a multi-year approach to understand revenue and expenditure trends over time. Serving as the foundation of the budget planning process, the Town develops an initial Five-Year Financial Forecast ("Forecast") at the beginning of each calendar year. The Forecast takes a forward look at the Town's General Fund revenues and expenditures and is updated regularly. Its purpose is to identify financial trends, potential shortfalls, and other issues so the Town can proactively address them and budget accordingly. It does so by projecting out into the future the fiscal results of continuing the Town's current service levels and policies. The initial Forecast is predicated on estimates derived from the Mid-Year Budget Review and includes updates to Town revenues and expenditures based on the Mid-Year end of fiscal year projections. Like any forecast, the first year of the Forecast's revenue estimates is the most critical in the process as they ultimately define the expenditure limitations for the upcoming budget year.

As we consider the development of the FY 2021/22 Operating Budget and the Five-Year Forecast, it is helpful to provide context on the cascading effects of Public Health Orders on the Town's budget process beginning in January of 2020.

On January 21, 2020, the Town Council received the following initial Five-Year Forecast:

5 Year Forecast	2020/21 Forecast ($M)	2021/22 Forecast ($M)	2022/23 Forecast ($M)	2023/24 Forecast ($M)	2024/25 Forecast ($M)
Original Surplus/Deficit	$0.5	$1.7	$1.6	$2.3	$3.1

On May 19, 2020, staff presented an updated Five-Year Forecast incorporating initial COVID revenue impacts:

5 Year Forecast	2020/21 Forecast ($M)	2021/22 Forecast ($M)	2022/23 Forecast ($M)	2023/24 Forecast ($M)	2024/25 Forecast ($M)
Surplus/Deficit	$0.0	$0.0	($0.6)	($0.1)	($0.7)

On February 16, 2021, the Town Council received the following Five-Year Forecast which illustrated the continuing impacts of the unprecedented effects of pandemic mitigation measures relative to the previous year's assumptions.

5 Year Forecast	2020/21 Forecast ($M)	2021/22 Forecast ($M)	2022/23 Forecast ($M)	2023/24 Forecast ($M)	2024/25 Forecast ($M)
Base Case Modest Growth	($1.2)	($2.0)	($0.4)	$0.0	$0.2

Since the development of that original forecast in February 2021, staff has made significant revisions to growth projections for the Town's primary revenues of Property Tax, Sales Tax, and Transient Occupancy Tax (TOT). Revenue forecasts for the current Budget have been developed in close consultation with the Santa Clara County Assessor, Town Sales Tax consultant MuniServices, and a review of national and regional hospitality research, the following table illustrates the updated primary revenue growth projections.

	2021/22 Budget	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
Proposed Property Tax Growth Factor	3%	3%	3%	3%	3%
Proposed Sales Tax Growth Scenario	MuniServices Most Likely Scenario	MuniServices Most Likely Scenario	MuniServices Most Likely Scenario	MuniServices Most Likely Scenario	MuniServices Most Likely Scenario
Proposed TOT Growth Factor	20%	10%	10%	5%	5%

In addition to developing revenue growth projections, the Proposed Budget also forecasts anticipated increases in the Town's pension obligations and salaries. The delivery of Town services is highly dependent on talented staff which comprises 68.7% of budgeted General Fund expenditures and 51.0% of budgeted total expenditures for FY 2021/22. One of the major cost drivers for the Town's service delivery over the past decade has been unanticipated increases in pension and other post-employment benefits (OPEB).

The Town's pension plans over the past several decades, like all other CalPERS participants, have experienced unfavorable investment returns, changes in actuarial assumptions, and demographic changes which have outweighed any positive plan experiences. The outcome of these unfavorable economic and demographic results is unfunded pension and OPEB obligations for the Town. According to the 2019 actuarial valuations, the unfunded actuarial liability for pensions was $57.2million and $9.1 million for OPEB as of June 30, 2020.

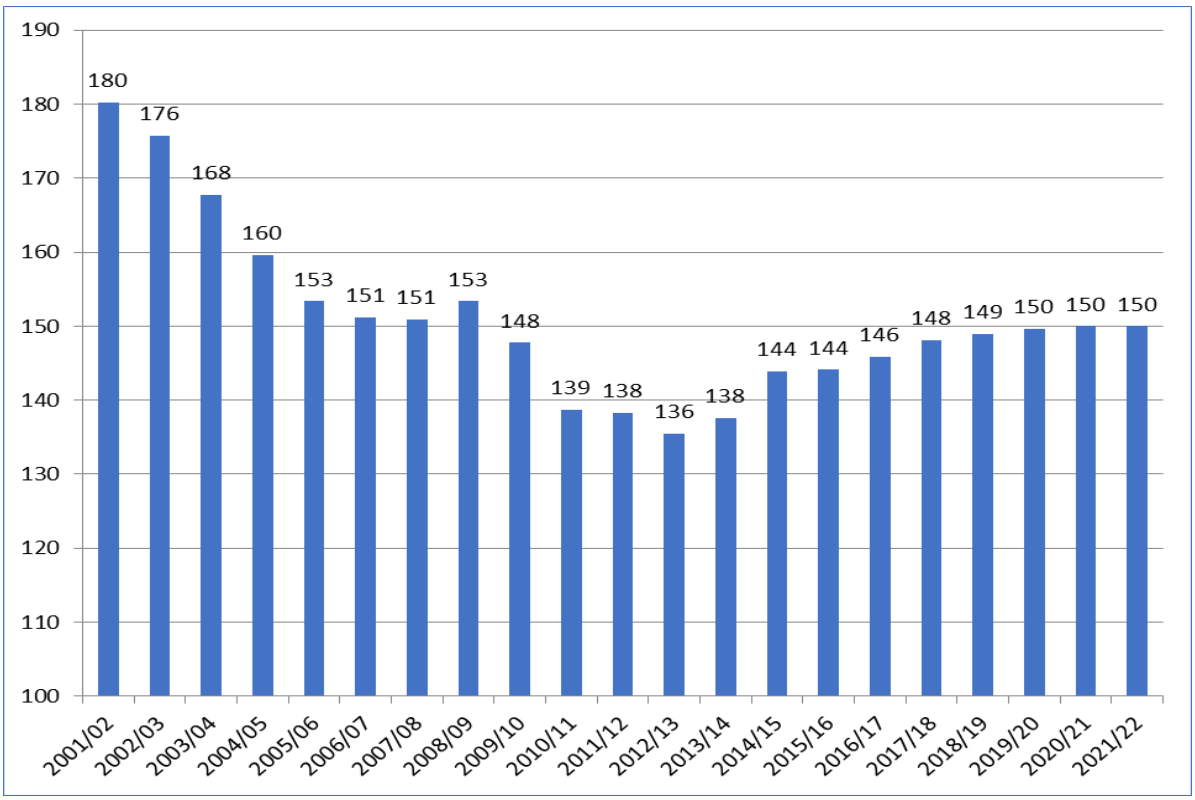
To address the escalation in pension costs, current and previous Councils have allocated additional discretionary pension funding totaling $10.4 million. These additional discretionary payments will ultimately yield an approximate $12.7 million in pension contribution savings. In addition to the management of the Town's pension obligations, prior Councils have worked to curb cost escalation in Other Post-Employment Benefits (OPEB). In 2009, the Town initiated prefunding of the retiree healthcare benefit and has since established approximately $23.5 million in OPEB assets from zero in 2009.

The Town and its bargaining groups have also worked to contain benefit costs. The Town closed the CalPERS retiree Tier 1 benefit for non-safety employees and created a new Tier 2 for non-safety new employees in 2012, implemented the Public Employees' Pension Reform Act (PEPRA) for all new non-classic employees starting in 2013, and participates in the CalPERS discounted prepayment option. In 2016, the Town's bargaining groups approved the introduction of

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

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

Even with the Town reducing its full-time employees by 16.7% to 150 FTE employees since 2001, pension and OPEB benefits have increased 20.4% in the past 5 years.



FISCAL YEAR (FY) 2020/21 BUDGET BALANCING STRATEGIES

For FY 2021/22 the Proposed Operating Budget was balanced utilizing two primary budget balancing strategies. The first was direction to all Departments to identify expenditure reductions that would not degrade service levels and other expense containment strategies. To that end all Departments programmed savings from traditional travel and training budgets, expecting that most professional development opportunities will continue to be offered remotely. Other examples include the use of one-time unbenefited part time employees where applicable, delayed purchase of additional recycling bins, and limited in-person Library programming to reflect the slow easing of the pandemic's effects.

The second strategy is the use of $1.9 million of the Town's $5.7 million allocation from the American Rescue Plan Act to replace lost revenue as a result of COVID as directed by the Town Council in early April. The Act identified four eligible uses for funding including the provision of government services to the extent that the COVID–19 public health emergency resulted in a reduction in revenue.

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

FIVE-YEAR FINANCIAL FORECAST

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

The Five-Year Forecast was developed with a cautionary post COVD-19 economic recovery base case. The economic ramifications of the pandemic have created lower revenue bases than in prior years which reverberate throughout the forecast period as future revenue growth is extrapolated from the lower initial base revenues. The revenue assumptions are further informed by the County Tax Assessor, the Town's sales tax consultant, and direct communication with the Town's hospitality industry.

On the expenditure side, the Forecast recognizes higher pension costs due to the continued annual payment for prior unfunded actuarial liability (UAL) amortization bases. This information was determined in coordination with the Town's actuarial consultant and CalPERS.

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

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

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

Account	Revenue Category	2020/21 Adjusted Budget	2020/21 Estimates	2021/22 Proposed Budget	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast
4100	Property Tax	$ 13.9	$ 14.7	$ 15.7	$ 15.8	$ 16.3	$ 16.8	$ 17.3	$ 17.8
4110	VLF Backfill Property Tax	4.1	4.1	4.2	4.3	4.4	4.5	4.7	4.8
4200	Sales & Use Tax	6.7	6.2	7.2	7.4	7.7	7.8	8.0	8.2
4200	Measure G District Sales Tax	1.0	0.9	1.0	1.0	1.0	1.1	1.1	1.1
4250	Franchise Fees	2.5	2.5	2.6	2.7	2.8	2.8	2.9	3.0
4251	Transient Occupancy Tax	0.7	0.7	0.9	1.1	1.2	1.3	1.4	1.5
4400	Business License Tax	1.1	1.3	1.3	1.3	1.4	1.4	1.4	1.4
4400	Licenses & Permits	3.0	3.0	2.7	2.8	2.9	3.0	3.0	3.1
4500	Intergovernmental	1.5	4.3	3.9	0.9	0.9	0.9	0.9	0.9
4600	Town Services	3.9	3.7	3.6	3.4	3.5	3.6	3.7	3.8
4700	Fines & Forfeitures	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2
4800	Interest	0.6	0.6	0.4	0.3	0.2	0.2	0.2	0.2
4850	Other Sources	3.4	3.5	2.4	2.3	2.3	2.2	2.2	2.2
4900	Fund Transfers In	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
TOTAL OPERATING REVENUES & TRANSFERS*		$ 43.1	$ 46.2	$ 46.7	$ 44.1	$ 45.4	$ 46.4	$ 47.6	$ 48.8
	Capital	3.4	3.4	0.6	0.8	0.8	0.8	0.8	0.8
	Use of Pension/OPEB Reserve	4.5	4.5	-	-	-	-	-	-
	Other	0.9	0.9	-	-	-	-	-	-
TOTAL REVENUES, TRANSFERS, AND USE OF RESERVES		$ 51.9	$ 55.0	$ 47.3	$ 44.9	$ 46.2	$ 47.2	$ 48.4	$ 49.6
								0	-

Account	Expenditure Category	2020/21 Adjusted Budget	2020/21 Estimates	2021/22 Proposed Budget	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast
5110	Salary	20.3	20.6	20.2	20.0	20.1	20.2	20.4	20.4
5120	CalPERS Benefits	7.3	6.4	7.3	7.5	7.9	8.2	8.0	8.2
5200	All Other Benefits	4.1	3.8	4.2	3.9	4.0	4.1	4.2	4.2
6211	OPEB Pay as You Go	1.3	1.3	1.3	1.4	1.5	1.7	1.8	1.9
6000	Operating Expenditures	6.6	6.1	6.1	6.1	6.1	6.4	6.4	6.7
7200	Grants & Awards	0.2	0.6	0.5	0.2	0.3	0.3	0.3	0.3
7400	Utilities	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.7
8060	Internal Service Charges	2.4	2.4	2.7	2.9	3.1	3.3	3.4	3.4
8900	Debt Service	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
TOTAL OPERATING EXPENDITURES		$ 44.6	$ 43.7	$ 44.9	$ 44.6	$ 45.5	$ 46.6	$ 46.9	$ 47.7
	GASB 45 Retiree Medical Actuarial	0.6	0.6	0.5	0.4	0.3	0.2	0.2	0.2
	Additional Discretionary Payment - Pension	4.9	4.9	0.4	0.4	0.4	0.4	0.4	0.4
TOTAL OPERATING & DISCRETIONARY EXPENDITURES		$ 50.1	$ 49.2	$ 45.8	$ 45.4	$ 46.2	$ 47.2	$ 47.5	$ 48.3
	Capital Transfers Out to GFAR	3.4	3.4	0.6	0.8	0.8	0.8	0.8	0.8
	Allocate to Property Surplus Reserve	1.2	1.2	-	-	-	-	-	-
	Allocate to ARPA Reserve	-	1.2	0.9	-	-	-	-	-
TOTAL EXPENDITURES & RESERVE ALLOCATIONS		$ 54.7	$ 55.0	$ 47.3	$ 46.2	$ 47.0	$ 48.0	$ 48.3	$ 49.1
NET REVENUES RESERVE TRANSFERS LESS EXPENDITURES & RESERVE ALLOCATIONS FOR FINAL ALLOCATION AFTER YEAR END CLOSE		$ (2.8)	$ -	$ -	$ (1.3)	$ (0.8)	$ (0.8)	$ 0.1	$ 0.5

* Due to rounding of individual categories FY 2021/22 Total Expenditures and Reserve Allocations includes $0.1 million.

General Fund (111) Forecast does not include Pension Trusts activities.

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

Account	Revenue Category	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals
4100	Property Tax	$ 10.8	$ 11.5	$ 12.5	$ 13.6	$ 14.5
4110	VLF Backfill Property Tax	3.0	3.2	3.4	3.7	3.9
4200	Sales & Use Tax	7.5	9.2	7.6	8.0	6.5
4200	Measure G District Sales Tax	-	-	-	0.2	1.0
4250	Franchise Fees	2.3	2.4	2.5	2.5	2.5
4251	Transient Occupancy Tax	1.9	2.3	2.6	2.7	1.9
4400	Business License Tax	1.5	1.7	1.7	1.5	1.4
4400	Licenses & Permits	3.5	3.0	3.0	3.1	2.8
4500	Intergovernmental	1.0	0.9	1.0	0.9	1.0
4600	Town Services	4.0	3.3	4.4	4.4	4.2
4700	Fines & Forfeitures	0.9	0.9	0.7	0.5	0.3
4800	Interest	0.6	0.2	0.2	1.4	2.2
4850	Other Sources	2.3	4.4	3.2	4.7	2.8
4900	Fund Transfers In	2.4	0.3	0.8	1.6	0.6
TOTAL OPERATING REVENUES & TRANSFERS*		$ 41.7	$ 43.3	$ 43.6	$ 48.8	$ 45.6
	Capital	-	1.4	3.2	2.8	8.0
	Use of Pension/OPEB Reserve	-	-	-	-	-
	Other	-	-	-	-	-
	Use of Almond Grove Reserve	-	5.9	-	-	-
TOTAL REVENUES, TRANSFERS, AND USE OF RESERVES		$ 41.7	$ 50.6	$ 46.8	$ 51.6	$ 53.6

Account	Expenditure Category	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals
5110	Salary	14.5	14.8	16.0	17.9	19.3
5120	CalPERS Benefits	3.6	3.9	4.3	5.3	6.1
5200	All Other Benefits	3.2	3.2	3.3	3.6	3.6
6211	OPEB Pay as You Go	0.9	1.0	1.1	1.2	1.2
6000	Operating Expenditures	4.7	4.8	5.0	5.6	5.1
7200	Grants & Awards	0.7	0.2	0.2	0.3	0.3
7400	Utilities	0.4	0.6	0.5	0.5	0.5
8060	Internal Service Charges	3.5	3.6	3.9	2.5	2.2
8900	Debt Service	1.9	1.9	1.9	1.9	1.9
TOTAL OPERATING EXPENDITURES		$ 33.6	$ 34.0	$ 36.2	$ 38.8	$ 40.2
	GASB 45 Retiree Medical Actuarial	1.5	2.6	1.6	1.1	1.1
TOTAL OPERATING & DISCRETIONARY EXPENDITURES		$ 35.1	$ 36.6	$ 37.8	$ 39.9	$ 41.3
	Capital Transfers Out to GFAR	0.5	7.3	2.6	2.3	7.0
	Operating Tranfer Out	0.1	-	0.6	0.5	1.1
	Fixed Assets/ Equipment	0.4	-	-	-	0.1
	Fund	-	-	1.2	3.6	0.4
AMOUNTS AVAILABLE FOR RESERVE ALLOCATIONS		$ 5.6	$ 6.7	$ 4.6	$ 5.3	$ 3.7
	Allocate to Almond Grove Reserve	2.5	-	-	-	-
	Allocate to Market Fluctuations Reserve	0.3	0.3	-	-	1.2
	Allocate to CalPERS/Pension Reserve	-	1.8	-	-	-
	Allocate to Measure G Reserve	-	-	-	-	1.2
	Allocate to VM & Stores Surplus Reserve	-	-	-	1.0	-
	Allocate to Authorized Carryforwards	0.1	-	-	-	-
	Sales Tax Prior - Year Adjusments	-	0.4	-	-	-
	Allocate to Property Surplus Reserve	-	-	-	1.9	-
TOTAL EXPENDITURES & RESERVE ALLOCATIONS		$ 39.0	$ 46.4	$ 42.2	$ 49.2	$ 52.2
NET REVENUES RESERVE TRANSFERS LESS EXPENDITURES & RESERVE ALLOCATIONS FOR FINAL ALLOCATION AFTER YEAR END CLOSE		$ 2.7	$ 4.2	$ 4.6	$ 2.4	$ 1.4

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

General Fund (111) Historical presentaion does not include Pension Trusts activities.

STRATEGIC PRIORITIES AND CORE GOALS

In January 2021, the Town Council determined the Strategic Priorities for 2021-2023, providing guidance to Town staff on workload prioritization. The Town Council reaffirmed its Core Goals, including: Community Character, Good Governance, Fiscal Stability, Quality Public Infrastructure, Civic Enrichment, and Public Safety. Even with the significant budgetary challenges associated with the COVID-19 pandemic, many of Council's primary goals and priorities are programmed in the FY 2021-22 Operating and Capital Budgets.

Several Strategic Priorities are not one-time projects, but rather are ongoing commitments due to their critical significance to ensure the Town's fiscal and infrastructure stability and the safety and quality of life for Los Gatos residents, businesses, and visitors. These commitments include continuing to address the Town's unfunded pension and other post-employment benefits (OPEB) obligations; developing Measure B transportation projects so the Town is positioned to receive its fair share of the funds; and fostering emergency preparedness and community wildfire resilience.

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

Other Strategic Priorities will position the Town well for its future. The Council committed to explore new revenue opportunities. The Council continues the General Plan Update to engage the community in land use planning and policies to guide development for the next couple of decades and address environmental sustainability and climate resiliency. Other Priorities included continuing to enhance economic and community vitality. As the Town continues to emerge from the economic upheaval of pandemic, the significance of enhancing economic and community vitality are paramount.

The following illustrates the Strategic Priorities adopted for FY 2021-23. Some of these priorities were acted upon during FY 2020/21 and the remaining items are included in this Operating and Capital Budget for FY 2021/22.

STRATEGIC PRIORITIES FY 2021-2023

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

ONGOING PRIORITIES

SAFETY

Emergency Preparedness

- CERT Recruitment and Training
- EOC Readiness and Emergency Plan Development

Fire Protection

- Vegetation management
- Implementation of Ad Hoc Wildfire Mitigation Plan

QUALITY OF LIFE

Community Vitality

- Diversity, Equity and Inclusion Efforts
- Engaging Seniors
- Events and Other Town-wide Efforts
- Community Engagement

Economic Vitality

- Policies and Ordinances

Land Use Planning

- Housing Element
- Potential Area Plans and rezoning to implement General Plan

TRAFFIC/TRANSPORTATION

Comprehensive Parking Study

- Short, Medium, and Long Term Actions

Transportation Demand Management

- Develop Measure B Transportation Projects
- Install Bicycle and Pedestrian Improvements
- Community Shuttle
- Summer/Rush Hour/School Traffic

PRUDENT FINANCIAL MANAGEMENT

Address Pension and OPEB Obligations

Explore New Revenue Opportunities

Sell or Lease Certain Town Properties

IN PROGRESS

General Plan 2040
- Objective Standards
- Environmental Sustainability/ Climate Resiliency

Vehicle Miles Travelled Policy

Regional Transportation Issues

Dittos Lane Afffordable Housing

Pandemic Recovery

Police Reforms

Inclusive Community Efforts

RECENTLY COMPLETED

Streamline regulations to enhance Town businesses

EOC Communication and Situational Awareness Upgrades

Leased Tait and Forbes Mill

Ad Hoc Wildfire Mitigation Plan

SMALL TOWN SERVICE, COMMUNITY STEWARDSHIP, FUTURE FOCUS

UNDERSTANDING THE BUDGET DOCUMENT

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

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

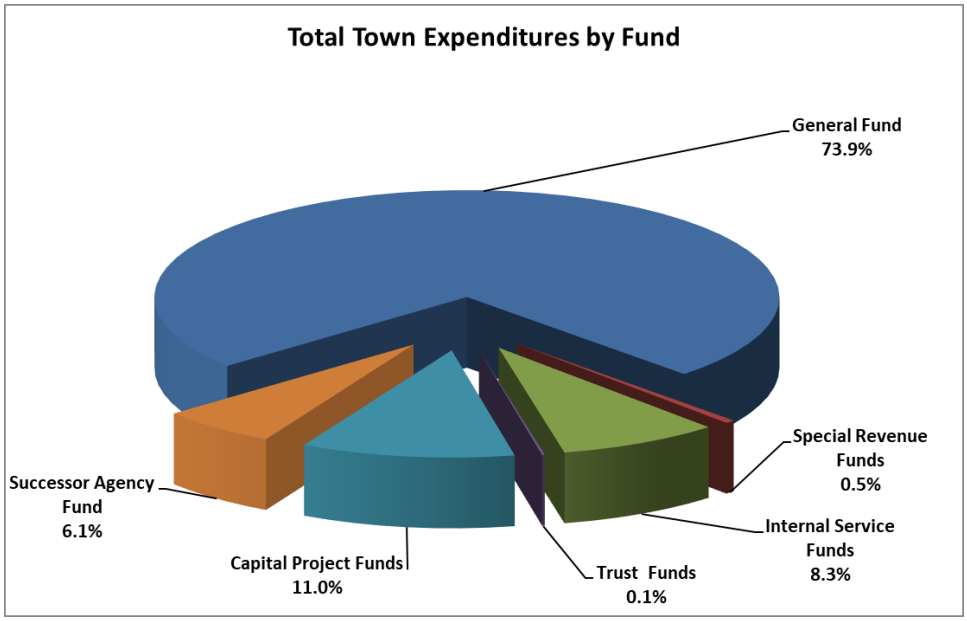
FY 2021/22 FISCAL OUTLOOK

Overview

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

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

As shown in the chart below, the Proposed Budget is largely funded by the General Fund (73.9%).



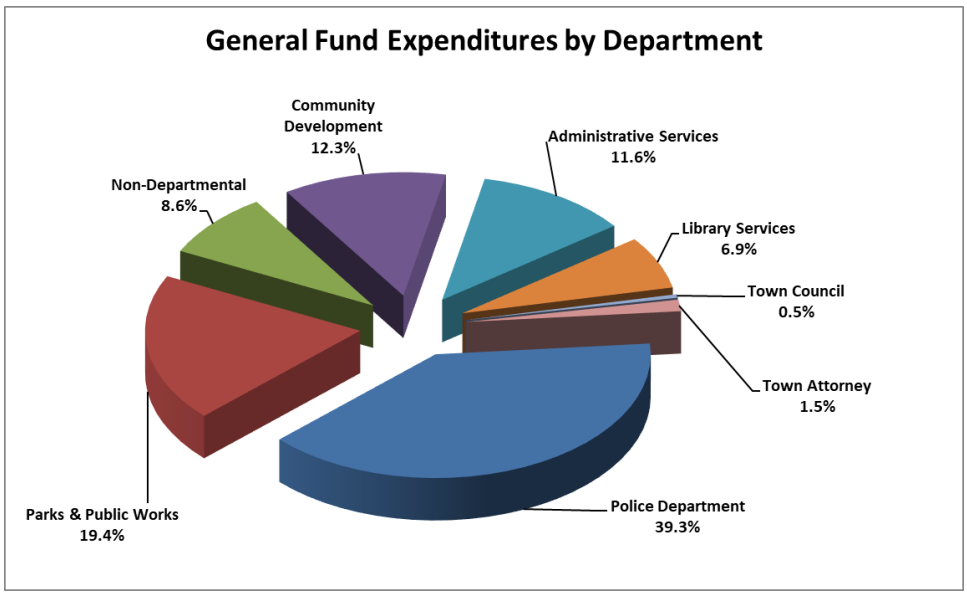
For Council's consideration, staff is recommending the following allocations:

- $1,903,988 from the American Recovery Act (ARPA) to balance the budget and provide previously approved rent forgiveness to non-profit organizations, increase grants for semi-permanent parklets, and assist with Conditional Use Permit costs to facilitate economic recovery. The unallocated ARPA funds are recommended to be placed in a new ARPA Reserve. This creates flexibility for the Town Council to determine the most appropriate use of the funds based on the eligibility criteria contained in the Act.
- $550,000 from the General Fund Capital/Special Projects Reserve to fund to the proposed Capital Improvement Program.
- $23,346 from the General Fund Capital/Special Projects Reserve to the Budget Stabilization and Catastrophic Reserves to maintain the required 25% funding level of the proposed Operating Budget consistent with the General Fund Reserve Policy.
- $1.2 million from Winchester property sale remain in the Surplus Property Reserve as additional contingency to maintain service levels if economic impacts continue to have a negative impact on the Town's primary revenue sources.

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

General Fund

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



General Fund revenue is estimated at $41.3 million in the FY 2021/22 Proposed Budget, excluding debt service, ARPA receipt, restricted pension trust activity, and fund transfers. This is an increase of $0.7 million (1.8%) when compared to the FY 2020/21 Adjusted Budget adopted with the Mid-Year Review and a 1.2% increase when compared to FY 2019/20 actuals. While Vehicle License Fee (VLF) backfill property tax, Franchise Fees, Sales Tax, and Transient Occupancy Tax are projected to increase, it is important to note that these increases are from significantly lower bases due to COVID. Property tax is expected to increase but this increase is attributable to more favorable Educational Revenue Augmentation Fund (ERAF) distributions. Revenues from Licenses and Permits is expected to decrease due to lower anticipated land use development and construction.

The Town's General Fund operating budget expenditures for FY 2021/22 are projected to be $43.5 million which is a slight $0.2 million increase compared to the prior year's Adjusted Budget (excluding fund transfers, $4.5 million payment to CalPERS in FY 2020/21, Council Approved ARPA grants and rent forgiveness, Pension Trust Fund activities, and debt service). Compared to the FY 2019/20 actuals, proposed operating expenditures are a 9.1% increase. The increase in FY 2021/22 is primarily attributable to merit step increases, employee promotions, and increased pension costs. Other components of the expenditures include grants and awards, internal service charges, operating expenses for supplies and services, and debt service. The delivery of Town services is highly dependent on a talented and skilled labor, which makes up 68.7% of budgeted General Fund expenditures for FY 2021/22.

Internal Service Funds

Internal Service Funds are used for areas where goods or services are provided to other Town Departments. Internal Service Funds include funds and programs for Information Technology, Liability Insurance, Workers' Compensation, Facilities Maintenance, and Equipment Replacement. The total proposed Budget for Internal Service Funds for FY 2021/22 is $5,226,055.

Capital Projects Fund

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

The proposed FY 2021/22 Town-wide expenditures from the Capital Projects Funds is $7.0 million (excluding transfers out) which is inclusive of $4.5 million in General Fund Appropriated Reserve for the Town's CIP program.

Special Revenue Funds

Special Revenue Funds are a fund type used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Special Revenue Funds account for 0.5% of the Town-wide expenditure budget. The Town's largest Special Revenue Fund is the Urban Run-Off Source Fund. The total proposed Budget for Special Revenue Funds for FY 2021/22 is $321,243.

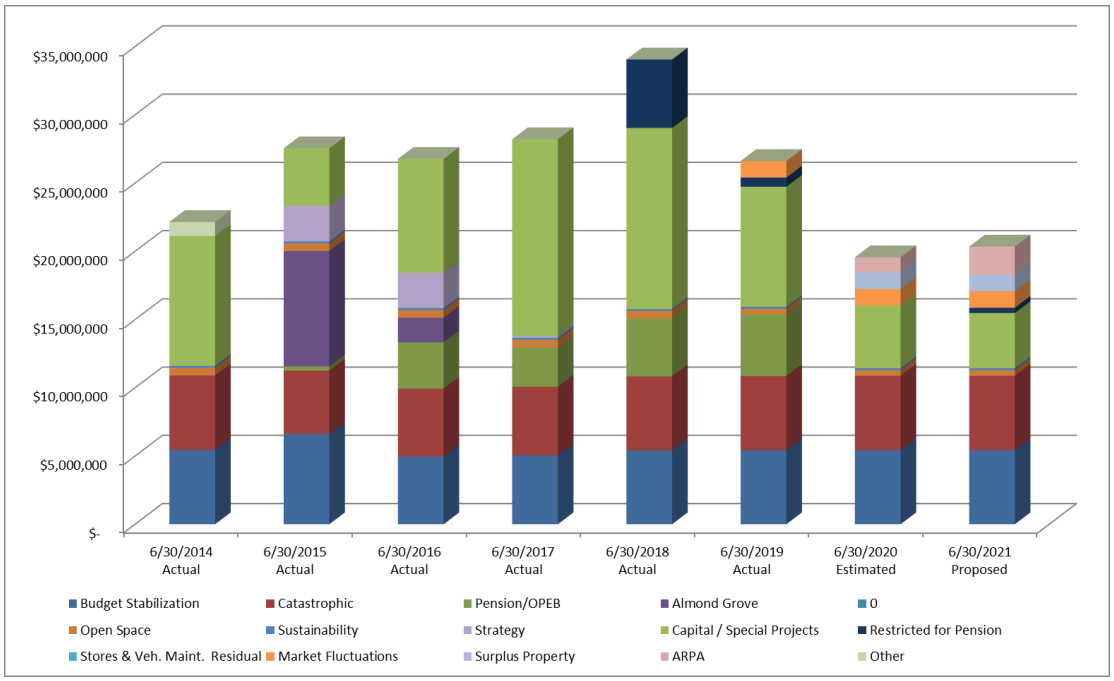
Trust Funds
Trust funds are used to account for assets held by the Town as a trustee agent for individuals, private organizations, and other governments. The Town's Trust Funds are comprised of four trusts established to provide for the servicing of donations and bequests to the Town's Library program. The FY 2021/22 budgeted expenditures in this trust fund total $88,955.

Successor Agency to the Los Gatos RDA Funds
The Successor Agency to the Los Gatos Redevelopment Agency (RDA) is a private purpose trust fund that accounts for the assets, liabilities, and operations transferred from the dissolution of the Town's RDA. These funds include Certificates of Participation issued to finance several capital improvement projects throughout the Town and repayment of obligations incurred by the Town's RDA prior to its dissolution. The FY 2021/22 budgeted expenditures in this trust fund total $3.6 million.

GENERAL FUND RESERVES

The total General Fund Reserves are forecasted at a balance of approximately $23.1 million as of June 30, 2022. Additional information on the estimated FY 2020/21 and FY 2021/22 year-end General Fund balances can be found in the Financial Summaries section. As indicated in the next chart, the General Fund reserves are decreasing from prior years due primarily to previous programmed payments toward the Town's unfunded pension/OPEB obligations and transfers to the CIP program. Transfers to the CIP program include $7.0 million (FY 2016/17), $2.4 million (FY 2017/18), $2.4 million (FY 2018/19), $5.7 million (FY 2019/20), $3.4 million in FY 2020/21, and $0.6 million in FY 2021/22.

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



General Fund Reserve	6/30/2015 Actual	6/30/2016 Actual	6/30/2017 Actual	6/30/2018 Actual	6/30/2019 Actual	6/30/2020 Actual	6/30/2021 Estimated	6/30/2022 Proposed
Restricted for:								
Pension					$ 5,015,316	$ 669,978	$ -	$ 390,000
Commited to:								
Budget Stabilization	$ 5,450,000	$ 6,621,808	$ 4,969,847	$ 5,037,243	$ 5,419,222	$ 5,427,603	$ 5,439,276	$ 5,439,276
Catastrophic	5,450,000	4,637,406	4,969,847	5,037,243	5,419,222	5,427,603	$ 5,439,276	$ 5,439,276
Pension/OPEB	-	300,000	3,388,913	2,878,913	4,232,500	4,532,500		-
Almond Grove	-	8,459,973	1,801,318	-	-	-	-	-
Assigned to:								
Open Space	562,000	562,000	562,000	562,000	562,000	410,000	410,000	410,000
Sustainability	140,553	140,553	140,553	140,553	140,553	140,553	140,553	140,553
Strategy		2,600,000	2,600,000	129,090	-	-	-	-
Capital / Special Projects	9,511,527	4,222,405	8,332,953	14,421,203	13,262,303	8,787,958	4,593,825	4,043,825
Authorized Carryforward	56,741	99,284	34,852	99,927	413,729	-	-	-
Compensated Absences			350,329	2,122,512	1,232,653	1,539,408	1,539,408	1,539,408
To Workers' Compensation					1,232,654			
Measure G District Sales Tax						1,181,162	1,181,162	1,181,162
Stores & Veh. Maint. Residual					1,040,375	-	-	-
Market Fluctuations						1,218,732	1,218,732	1,218,732
Surplus Property					-		1,200,000	1,200,000
ARPA							1,121,405	2,061,732
Other	1,032,563					-	-	-
Total General Fund Reserve	**$ 22,203,384**	**$ 27,643,429**	**$ 27,150,612**	**$ 30,428,684**	**$ 37,970,527**	**$ 29,335,497**	**$ 22,283,637**	**$ 23,063,964**

Catastrophic and Budget Stabilization Reserves

As per the Town's General Fund Reserve Policy and reaffirmed by Council, the Catastrophic and Budget Stabilization Reserves are to be maintained at combined minimum funding level of 25% of General Fund ongoing operating expenditures. The funding requirement is equally divided between the Catastrophic Reserve (12.5%) and the Budget Stabilization Reserve (12.5%). Fund balance in these reserves is used to fund future fluctuations in the economy due to catastrophic events and mitigating cyclical changes in locally generated revenues from temporary downturns in the local economy. Staff recommends transferring $23,346 from available prior year-end saving to meet the required 25% funding level, or $10.9million total for FY 2021/22.

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

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

Capital / Special Projects
With Council direction, upon the close of the fiscal year, the Capital/Special Projects Reserve receives the Town's annual revenues above operating expenditures after funding all legally restricted reserves at their required levels. Fund balance is assigned for the acquisition and construction of capital facilities or special projects as determined by the Town Council. In FY 2021/22, the amount being allocated to the Capital Improvement Program is $0.6 million. It is anticipated the Reserve will have approximately $4.0 million as of June 30, 2022.

Compensated Absences Reserve
A reserve is maintained annually to fund 50% of all vested hours of vacation earnings. It is anticipated the reserve will have approximately $1.5 million as of June 30, 2022.

Surplus Property Reserve
A reserve established for placing the proceeds from surplus property sales until further Town Council reallocation. It is anticipated the reserve will have approximately $1.2 million as of June 30, 2022.

American Recovery Act (ARPA) Reserve
A reserve established for placing the unallocated proceeds from ARPA funding. It is anticipated the reserve will have approximately $2.1 million as of June 30, 2022.

Measure G District Sales Tax Reserve
A reserve established tracking the receipt and the usage of the 1/8 cents District Tac funds collected by the Town. It is anticipated the reserve will have approximately $1.2 million as of June 30, 2022.

Other
The Town has several other smaller reserves that have been classified as other. These reserves include an authorized carryforward, open space reserve which may be used to make selective open space acquisitions, and a sustainability reserve which will be used to fund projects that

enhance the community environment. Please refer to the Financial Summaries section (C-1) for additional information.

KEY BUDGET ASSUMPTIONS

Revenues
The FY 2021/22 Budget incorporates the continued impacts of the COVID-19 pandemic and the subsequent economic disruption with the General Fund revenues (excluding debt payments. restricted pension trust activity, and fund transfers in) expected to increase by $0.7 million to $41.3 million (not including anticipated ARPA fund receipt) from prior year adjusted budgeted revenues. Revenue projections for each category were based upon estimates provided to the Town by the Santa Clara County Assessor, the Town's sales tax consultant, and careful examination of revenue trends, patterns, and industry research.

The net increase from FY 2020/21 in overall revenues is mostly due to forecasted increases in some revenues such as property tax, sales tax, franchise fees, and transient occupancy tax. Licenses and permit revenues are expected to decrease in FY 2021/22 and then increase gradually over time. The sales tax projections include the voter approved one-eighth general purpose sales tax dedicated to the Town of Los Gatos. Revenue collection began in April 2019. Additional details regarding the assumptions used in the development of revenue estimates can be found in the Forecast Assumptions at the end of this section.

Expenditures - Staffing
The proposed Budget includes minor adjustments to staffing.

Departments	FY 20/21 Authorized/Funded Town Staff Positions	FY 21/22 Authorized/Funded Town Staff Positions
Town Council	0.50	0.50
Town Attorney	1.88	2.13
Administrative Services	20.18	20.18
Community Development	20.20	20.20
Police Department	60.00	60.00
Parks & Public Works	34.75	34.75
Library	12.50	12.50
Total Positions	**150.00**	**150.24**
All Department Hourly Staff Converted to FTE's	11.03	11.09
Total Positions	**161.03**	**161.33**

The FY 2021/22 Operating Budget has 150.24 full time employees and an additional 11.09 full time equivalent (FTE) hourly employees for a total of 161.33 budgeted FTEs, including temporary staff. This reflects an increase of 0.3 FTE compared to the prior year. The recommended FY 2021/22 staffing levels also reflect the following changes from the prior year's Adopted Budget:

- *Administrative Services and Town Offices* - The FY 2021/22 Budget reflects the continuation of a limited dated part time position to assist with the Town's emergency preparedness activities and regional emergency management engagement. The FY 2021/22 Budget also includes one-time temporary hours to help with special projects in Human Resources Department and Information Technology Program. Administration Services also includes a reclassification of Temporary Intern hours to Temporary Office Assistant hours. The Town Attorney Department includes a reclassification of a Deputy Town Attorney position to a Legal Administrative Assistant position.

- *Community Development Department (CDD)* –The FY 2020/21 Budget includes the part-time Code Compliance Officer position which will be continued for another year in FY 2021/22 with one-time funding. The Budget also reflects 195 hours deletion in Temporary Associate Planner hours.

- *Police* – The FY 2021/22 Budget contains one-time requests for Temporary Parking and Project Managers to assist with the implementation of the Comprehensive Parking Study. The FY 2021/22 Budget also includes deletion of 970 temporary hours.

- *Parks and Public Works (PPW)* – The FY 2021/22 Budget includes a reclassification of a 1 FTE Associate Civil Engineering position to a 1 FTE Senior Civil Engineering position, a reclassification of a 1 FTE Equipment Mechanic position to a 1 FTE Supervising Equipment Mechanic position and 256 Temporary Traffic Engineering hours.

Non-Personnel Operating Expenditures

Non-Personnel expenditure budgets were developed based on actual expenditures in prior years, adjusted for FY 2021/22 funding needs. In light of limited available resources, the FY 2021/22 proposed budgeted non-personnel expenditures are conservative, with additions primarily limited to non-discretionary, contractually obligated, or mandated increases. Additional details regarding the assumptions used in the development of the expenditure estimates can be found in the Forecast Assumptions discussion later in this section.

STATE BUDGET IMPACTS

Preliminary data for the State of California FY 2021/22 Proposed Budget anticipate a $15 billion surplus. The $15 billion surplus is driven by two factors: First, high income earners continued to fare well during the pandemic, and this group is responsible for a large share of the State's General Fund revenue due to the progressive personal income tax (PIT) system. Second, the pandemic-led recession has been less severe than expected, largely due to federal assistance to workers, families, and businesses. As a result, the administration projects General Fund revenue will be $71 billion higher than anticipated in the 2020 Budget Act over the three-year budget period, covering fiscal years 2019-20 through 2021-22. This includes higher estimates over the budget period for the three primary General Fund revenue sources, including $58 billion in personal income tax revenue, $9 billion in sales tax revenue, and $1.3 billion in corporation tax revenue.

Aside from tax payment deferral programs which are largely a question of cash flow, local revenues are well insulated from the State's budgetary problems. Unlike in prior recessions, local governments have strong and encompassing constitutional protection from State actions that might affect revenues and mandates

The estimated Gas Tax revenue totals approximately $1.4 million for FY 2021/22 due to the recently enacted Road Recovery and Repair Act of 2017 (SB1). These funds can only be used for new construction and reconstruction of Town streets.

ONGOING BUDGET CONSIDERATIONS:

Fire Protection Services

Fire Protection Services for the Town of Los Gatos are provided by the Santa Clara County Central Fire Protection District. These services have been provided under an annexation agreement effective March 18, 1970 in which the tax rate then in effect for Town's fire protection services was essentially transferred to the County's Central Fire Protection District. Based upon the latest assessed valuation reports provided by the County of Santa Clara, the property tax collected from Los Gatos residents for FY 2021/22 and remitted to the Santa Clara County Central Fire Protection District for fire protection services is estimated to be approximately $19.1 million.

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

The Town's pension unfunded actuarial liability (UAL) as of June 30, 2019 (the "date of value" for our most up to date actuarial valuation from the California Public Employees Retirement System or "PERS") is approximately $63.0 million. The Town's unfunded actuarial OPEB liabilities are projected to total approximately $8.7 million as of June 30, 2019.

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

CONCLUSION

While the Town and the nation appear to be emerging from the economic turmoil associated with COVID-19 pandemic, its impacts to the current Budget and Five-Year Forecast continue to be felt. For this reason, the FY 2021/22 Budget maintains a conservative posture until greater clarity emerges on the Town's primary revenue sources. To ensure the Town's high service levels are maintained, Council Strategic Priorities are addressed, and essential infrastructure investments are made, the Town's primary revenue sources will need to return to pre pandemic levels or new revenue sources secured.

Considering future anticipated deficits, opportunities to enhance service delivery, while lowering operating costs through resource and workload redeployments and organizational restructuring

will continue to be explored, evaluated, and implemented. However, in the event pre pandemic revenue levels do not return and new revenue sources are not pursued, the current projected deficits may need to be addressed through service delivery reductions. In the event this occurs, the Council will need significant input from the community to determine which service reductions the residents would be willing to accept.

In the interim, due to the proactive and conservative fiscal policies of the past, the Town is in an enviable position to manage the unprecedented nature of the pandemic. With this Budget, we continue to fund both the Catastrophic and Budget Stabilization Reserves per the Town's General Fund Reserve Policy at a combined minimum funding level of 25% of General Fund ongoing operating expenditures. The funding requirement is equally divided between the Catastrophic Reserve (12.5%) and the Budget Stabilization Reserve (12.5%) and currently approximates $10.8 million in reserves. In addition, thanks to Council's direction to use the federal ARPA funds to cure the prior and current year deficits, the Town has yet to program the $1.2 million in land sale proceeds from the Winchester/Lark property. These contingencies provide ample resources in the event the nascent economic recovery stalls.

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

Stephen Conway, Finance Director
Gitta Ungvari, Finance and Budget Manager
Mark Gaeta, Accountant
Maurice De Castro, Accountant
Melissa Ynegas, Administrative Analyst
Diane Howard, Administrative Analyst
Dorrie Romero, Administrative Technician
Arn Andrews, Assistant Town Manager

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

Respectfully submitted,

Laurel Prevetti
Town Manager

SUMMARY OF CHANGES

FROM PROPOSED TO ADOPTED

On May 18, 2021, the Town Council conducted public hearings to discuss the proposed FY 2021/22 Operating and Capital Summary Budget and Proposed FY 2021/22 – 2025/26 Capital Improvement Program. The budget hearing was preceded by four public Finance Commission meetings at which Commissioners discussed the Proposed Budgets and provided recommendations to the Town Council per Measures A and G. The Town Council considered public testimony, discussed both documents, considered the Finance Commission recommendations, and directed staff to bring back the documents for final approval incorporating the Council recommendations. The FY 2021/22 Adopted Budget incorporates all of the changes adopted by Town Council on June 1, 2021. The Transmittal Letter accompanied the Proposed Budget and reflect figures related the Proposed Budget, including the Five-Year Forecast. The Financial Summaries, Updated Five-Year Forecast, and Departmental Sections reflect the Adopted Budget with all of Council actions. The changes are summarized below and described fully in the Council Resolution.

SUMMARY OF CHANGES

- Dedicate the $1.2 million Surplus Property Reserve to Capital Improvement Projects
- Allocate 50% of the accumulated Measure G Funds to Capital Improvement Projects, the other 50% to provide funding for operating expenditures
- Dedicate 50% of the FY 2020/21 anticipated Measure G proceeds to Capital Improvement Projects, the other 50% to provide funding for operating expenditures
- Allocate 50% of the FY 2021/22 anticipated Measure G proceeds to Capital Improvement Projects, the other 50% to provide funding for operating expenditures
- Dedicate the remainder of the Measure G proceeds for the Forecast (FY 2022/23-FY 2026/27) as follows: 50% toward Capital Improvement Projects and 50% for operating expenditures
- Build in 2% inflation salary factor in the budget and the forecast
- Use additional ARPA funds in FY 2021/22 to cover the built in 2% salary inflation factor
- Decrease the FY 2021/22 other Post Employment Benefit (OPEB) payment as necessary to achieve balance budget for FY 2021/22

UPDATED FORECAST

BASED ON ADOPTED CHANGES AS OF JUNE 1, 2021

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

Account	Revenue Category	2020/21 Adjusted Budget	2020/21 Estimates	2021/22 Adopted Budget	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast
4100	Property Tax	$ 13.9	$ 14.7	$ 15.9	$ 15.9	$ 16.4	$ 17.0	$ 17.5	$ 18.0
4110	VLF Backfill Property Tax	4.1	4.1	4.2	4.3	4.4	4.5	4.7	4.8
4200	Sales & Use Tax	6.7	6.2	7.2	7.4	7.7	7.8	8.0	8.2
4200	Measure G District Sales Tax	1.0	0.9	1.0	1.0	1.0	1.1	1.1	1.1
4250	Franchise Fees	2.5	2.5	2.6	2.7	2.8	2.8	2.9	3.0
4251	Transient Occupancy Tax	0.7	0.7	0.9	1.1	1.2	1.3	1.4	1.5
4400	Business License Tax	1.1	1.3	1.3	1.3	1.4	1.4	1.4	1.4
4400	Licenses & Permits	3.0	3.0	2.7	2.8	2.9	3.0	3.0	3.1
4500	Intergovernmental	1.5	4.3	3.9	0.9	0.9	0.9	0.9	0.9
4600	Town Services	3.9	3.7	3.6	3.4	3.5	3.6	3.7	3.8
4700	Fines & Forfeitures	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2
4800	Interest	0.6	0.6	0.4	0.3	0.2	0.2	0.2	0.2
4850	Other Sources	3.4	3.5	2.4	2.3	2.3	2.2	2.2	2.2
4900	Fund Transfers In	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
TOTAL OPERATING REVENUES & TRANSFERS*		$ 43.1	$ 46.2	$ 46.9	$ 44.2	$ 45.5	$ 46.6	$ 47.8	$ 49.0
	Capital	3.4	3.4	0.6	1.3	1.3	1.3	1.3	1.4
	Use of Pension/OPEB Reserve	4.5	4.5	-	-	-	-	-	-
	Other	0.9	0.9	-	-	-	-	-	-
	Use of Property Surplus Reserve	-	-	1.2	-	-	-	-	-
	Use of Measure G Reserve	-	-	0.6	-	-	-	-	-
TOTAL REVENUES, TRANSFERS, AND USE OF RESERVES		$ 51.9	$ 55.0	$ 49.3	$ 45.5	$ 46.8	$ 47.9	$ 49.1	$ 50.4

Account	Expenditure Category	2020/21 Adjusted Budget	2020/21 Estimates	2021/22 Adopted Budget	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast
5110	Salary	20.3	20.6	20.6	20.7	21.1	21.6	21.9	22.3
5120	CalPERS Benefits	7.3	6.4	7.4	7.4	8.0	8.6	8.8	9.4
5200	All Other Benefits	4.1	3.8	4.2	4.2	4.3	4.4	4.5	4.6
6211	OPEB Pay as You Go	1.3	1.3	1.3	1.4	1.5	1.7	1.8	1.9
6000	Operating Expenditures	6.6	6.1	6.1	6.1	6.1	6.4	6.4	6.7
7200	Grants & Awards	0.2	0.6	0.5	0.2	0.3	0.3	0.3	0.3
7400	Utilities	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.7
8060	Internal Service Charges	2.4	2.4	2.7	2.9	3.1	3.3	3.4	3.4
8900	Debt Service	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
TOTAL OPERATING EXPENDITURES		$ 44.6	$ 43.7	$ 45.4	$ 45.5	$ 47.0	$ 48.7	$ 49.7	$ 51.2
	GASB 45 Retiree Medical Actuarial	0.6	0.6	0.1	0.4	0.3	0.2	0.2	0.2
	Additional Discretionary Payment - Pension	4.9	4.9	0.4	0.4	0.4	0.4	0.4	0.4
TOTAL OPERATING & DISCRETIONARY EXPENDITURES		$ 50.1	$ 49.2	$ 45.9	$ 46.3	$ 47.7	$ 49.3	$ 50.3	$ 51.8
	Capital Transfers Out to GFAR	3.4	3.4	2.8	1.3	1.3	1.3	1.3	1.4
	Allocate to Property Surplus Reserve	1.2	1.2	-	-	-	-	-	-
	Allocate to ARPA Reserve	-	1.2	0.6	-	-	-	-	-
TOTAL EXPENDITURES & RESERVE ALLOCATIONS		$ 54.7	$ 55.0	$ 49.3	$ 47.6	$ 49.0	$ 50.6	$ 51.6	$ 53.2
NET REVENUES RESERVE TRANSFERS LESS EXPENDITURES & RESERVE ALLOCATIONS FOR FINAL ALLOCATION AFTER YEAR END CLOSE		$ (2.8)	$ -	$ -	$ (2.1)	$ (2.2)	$ (2.7)	$ (2.5)	$ (2.8)

* Due to rounding of individual categories FY 2021/22 Total Expenditures and Reserve Allocations includes $0.1 million.
General Fund (111) Forecast does not include Pension Trusts activities.

FORECAST ASSUMPTIONS

REVENUE BASELINE AND PROJECTION FACTORS

Type of Revenue	Base Line Estimate	FY 2021/22 Budget	FY 2022/23 Forecast	FY 2023/24 Forecast	FY 2024/25 Forecast	FY 2025/26 Forecast
Property Tax/VLF Backfill	Current baseline set by SCC Assessor Office May 2021 report.	3%	3%	3%	3%	3%
North 40 Property Sales	Starting in FY 2021/22	North 40 Phase 1 Sales	3%	3%	3%	3%
ERAF	Current baseline set by SCC Assessor Office May 2021 report	SCCA recommend 50% of FY 2020/21 anticipated proceeds	$400K	$400K	$400K	$400K
Sales Tax	MuniServices 3/19/2021	MuniServices 3/19/2021 Optimistic Estimates	MuniServices 3/19/2021 Most Likely Estimates	MuniServices 3/19/2021 Most Likely Estimates	MuniServices 3/19/2021 Most Likely Estimates	MuniServices 3/19/2021 Most Likely Estimates
Sales Tax - Measure G	MuniServices 3/19/2021	MuniServices 3/19/2021 Most Likely Estimates	MuniServices 3/19/2021 Most Likely Estimates	MuniServices 3/19/2021 Most Likely Estimates	MuniServices 3/19/2021 Most Likely Estimates	MuniServices 3/19/2021 Most Likely Estimates
Franchise Fee	Current baseline set by FY 2020/21 Year End Estimates	3%	3%	3%	3%	3%
Transient Occupancy Tax	Current baseline set by FY 2020/21 Year End Estimates	20%	10%	10%	5%	5%

FORECAST ASSUMPTIONS
REVENUE BASELINE AND PROJECTION FACTORS

Type of Revenue	Base Line Estimate	FY 2021/22 Budget	FY 2022/23 Forecast	FY 2023/24 Forecast	FY 2024/25 Forecast	FY 2025/26 Forecast
Business License Tax	Current baseline set by FY 2020/21 Year End Estimates	5%	5%	0%	0%	0%
License & Permits	Current baseline set by FY 2020/21 Year End Estimates	3%	3%	3%	3%	3%
Town Services	Current baseline set by FY 2020/21 Year End Estimates	3%	0%	3%	3%	3%
Fine & Forfeitures	Current baseline set by FY 2020/21 Year End Estimates	Varies	Varies	Varies	Varies	Varies
Interest	Current baseline set by FY 2020/21 Year End Estimates	0%	0%	0.%	0%	0%
Other Sources	Current baseline set by FY 2020/21 Year End Estimates	Varies	Varies	Varies	Varies	Varies

FORECAST ASSUMPTIONS

EXPENDITURE BASELINE AND PROJECTION FACTORS

Beginning in FY 2020/21, the Town is budgeting salaries at the actual salary plus a one-step increase. 68% of the workforce is already top step or one step below top step. As of mid-April 2021, the Town has nine vacant positions and is actively recruiting eight of these positions. The FY 2021/22 budget and the Five-Year Forecast includes an annual 2% salary adjustment. Position base rates are set at the actual rate of pay including salaries and benefits as of April 1, 2021 and rate is increasing by both the 2% adjustment and potential step increases at the actual anniversary date.

Type of Expenditure	FY 2021/22 Budget	FY 2022/23 Forecast	FY 2023/24 Forecast	FY 2024/25 Forecast	FY 2025/26 Forecast	FY 2026/27 Forecast
Salaries*	2%	2%	2%	2%	2%	2%
Benefit - Medical**	7%	7%	7%	7%	7%	7%
Operating Expenditures***	Varies	3%	3%	3%	3%	3%
Grants & Awards	0%	0%	0%	0%	0%	0%
Utilities***	Varies	3%	3%	3%	3%	3%
Internal Service Charges***	Based on operating cost and scheduled replacement	Based on operating cost and scheduled replacement	Based on operating cost and scheduled replacement	Based on operating cost and scheduled replacement	Based on operating cost and scheduled replacement	Based on operating cost and scheduled replacement
Debt Service	Debt Service Schedules					

**Salary increases are based on actual step increases and approved Memoranda of Understanding with the bargaining units.*
*** Benefit increase estimates are provided by CalPERS/Public Employees' Medical and Hospital Care Act (PEMHCA)*
**** Based on historical trends.*

The Town's required employer contribution rate estimates were developed using estimates provided by each pension plan's most recent actuarial valuation received from CalPERS. The employer contribution rates illustrated below reflect percentages of covered payroll. Rates shown for FY 2021/22 are actual rates as prescribed by CalPERS. Forecasted rates for FY 2022/23 and subsequent years are based on the most recent CalPERS actuarial valuation reports and staff

assumptions regarding staff's current estimate of returns for FY 2020/21 which are presently expected to exceed the 7% discount rate.

Beginning in FY 2021/22, the estimates of employer contributions were credited with anticipated reductions associated with the approximate $4.8 million 2016 unfunded amortization base paid off in October 2019 and the total of approximately $5.8 million (2013 partial and 2015) unfunded amortization bases that were paid off in FY 2020/21. Employer contribution rate projections also include small percentage increases reflecting the anticipation of CalPERS gradually lowering its discount rate over the five-year forecast period in accordance with the CalPERS adopted risk mitigation strategy, lowering its discount rate from the present rate of 7.0% to 6.6% as of the 6/30/27 actuarial valuation. Estimates were also informed by recent rate estimates developed by the Town's actuary using the most recent actuarial valuation updated with current year projections of covered payrolls by plan type.

Type of Expenditure	FY 2021/22 Budget	FY 2022/23 Forecast	FY 2023/24 Forecast	FY 2024/25 Forecast	FY 2025/26 Forecast	FY 2026/27 Forecast
Safety POA	62.94%	74.89%	78.61%	82.33%	84.63%	86.78%
Safety Management POA	65.94%	77.89%	81.61%	85.33%	87.63%	89.78%
Safety POA - PEPRA	15.74%	15.07%	15.07%	14.03%	14.05%	14.06%
Miscellaneous TEA/Confidential/ Management	33.54%	31.37%	32.29%	33.31%	31.25%	31.94%
Miscellaneous TEA/Confidential/ Management PEPRA Separate PEPRA rate for Miscellaneous has not been established yet by CalPERS.	33.54%	31.37%	32.29%	33.31%	31.25%	31.94%

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

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Town of Los Gatos

California

For the Fiscal Year Beginning

July 1, 2020

Christopher P. Morrill

Executive Director

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

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

FUND DESCRIPTIONS

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

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

MAJOR AND NON-MAJOR GOVERNMENTAL FUNDS

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

General Fund

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

Special Revenue Funds

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

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

ꕥ FUND DESCRIPTIONS ꕥ

Capital Project Funds

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

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

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

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

NON-MAJOR PROPRIETARY FUNDS

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

Internal Service Funds

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

- **Equipment Replacement Fund** – established to accumulate monies for the replacement of major Town equipment and vehicles. When vehicles and equipment are acquired at a cost greater than $10,000, a normal life span is calculated, and replacement costs are charged directly to the Departments over that life span with funds accruing to the Equipment Reserve Fund.
- **Information Technology (IT) Fund** – established to budget and account for the cost of maintaining, replacing, and updating existing information technology used by Town Departments
- **Workers' Compensation Fund –** established to budget and account for revenues derived from charges made to operating Departments at rates based on the State Compensation Fund, annually adjusted to ensure an adequate reserve for future claims. This fund is charged for administrative costs of settling claims as well as material and other costs of job-related illness or injury.
- **The Pooled Liability Assurance Network (PLAN) Self-Insurance Fund** - established to ensure an adequate reserve for future property and liability claims.

ꕥ FUND DESCRIPTIONS ꕥ

- **Vehicle Maintenance Fund** (Discontinued)– established to budget and account for the cost of operating, maintaining and replacing automotive equipment used by other Town Departments. This fund is discontinued with the Fiscal Year 2019/20 Budget. Any fund balance was added to the General Fund Assigned Vehicle Maintenance and Store Residual Reserve.
- **Office Stores Fund** (Discontinued)- established to budget and account for photocopy equipment, postage and bulk meter expenses are controlled at one source point and expended to the Departments as they requisition the goods or services. Photocopies are charged to Departments at $.05/copy. This fund discontinued with the Fiscal Year 2019/20 Budget. Any fund balance was added to the General Fund Assigned Vehicle Maintenance and Store Residual Reserve.

FIDUCIARY FUNDS

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

Trust Funds

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

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

Debt Service Funds

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

FINANCIAL PRACTICES

REVENUE

- The Town maintains a diversified revenue base that is locally generated to shelter the community from fluctuations in any one revenue source.
- The Town audits and collects all locally generated taxes.
- The Town establishes and maintains all user charges and fees based on the cost of providing services. Due to the economic hardship brought on by the COVID-19 pandemic, the Town has not raised fees, charges, and fines since July 2019.

BUDGETING and EXPENDITURE

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

ꕥ FINANCIAL PRACTICES ꕥ

FUND BALANCE RESERVES

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

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

- IRS 115 Trusts are established for the Town's unfunded pension obligation and Other Post Employment Benefit (OPEB) obligations

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

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

- Reserves are maintained at a minimum of 25% of General Fund ongoing operating expenditures, equally divided between the Catastrophic Reserve (12.5%) and the Budget Stabilization Reserve (12.5%).
- When either Reserve drops below the minimum, per Town Council adopted policy, Town Council is required to develop a one to five-year reserve replenishment plan to meet the minimum threshold of 25% of General Fund ongoing, operating expenditures, excluding one-time expenditures.

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

- A Reserve is maintained for the maintenance of buildings.

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

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

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

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

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

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

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

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

- Capital/Special Projects Reserve – Funds reserved under this category are designated for key infrastructure, capital, and/or special projects as approved by the Town Council. This is an important reserve for the Town's Capital Improvement Program as there is no ongoing funding source to support the Town's capital needs. The Council may also allocate funds from this Reserve for other purposes.

CAPITAL IMPROVEMENT

Capital Improvement Projects are funded by the following revenue sources:

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

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

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

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

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

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

☙ FINANCIAL PRACTICES ❧

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

GENERAL FUND RESERVE POLICY

TOWN OF LOS GATOS CALIFORNIA	COUNCIL POLICY MANUAL	
	Small Town Service *Community Stewardship* *Future Focus*	

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

PURPOSE

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

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

BACKGROUND

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

GUIDING PRINCIPLES

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

- Diversity of revenue base
- Volatility of revenue structure

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

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

POLICY

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

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

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

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

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

ꕥ GENERAL FUND RESERVE POLICY ꕥ

Committed Fund Balance

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

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

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

Catastrophic Reserve

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

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

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

Budget Stabilization Reserve

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

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

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

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

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

Pension/OPEB Reserve

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

This Policy requires the Town to set aside additional annual discretionary payments (ADPs) to reduce the effective amortization period of the Town's pension unfunded actuarial liabilities from approximately 30 years to 20 years. To facilitate the

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

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

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

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

Almond Grove Street Project Reserve

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

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

ꕥ GENERAL FUND RESERVE POLICY ꕥ

Assigned Fund Balance

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

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

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

- GASB 31 Adjustments – unrealized investment gains that have been recorded in the financial statements in accordance with GASB 31.

Capital and Special Projects Reserve

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

Unassigned Fund Balance

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

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

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

ꕥ GENERAL FUND RESERVE POLICY ꕥ

Replenishment of Unreserved Fund Balance

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

/S/ Robert Schultz, Town Attorney

LONG TERM DEBT POLICY

TOWN OF LOS GATOS CALIFORNIA

COUNCIL POLICY MANUAL

Small Town Service *Community Stewardship* *Future Focus*

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

PURPOSE

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

SCOPE

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

POLICY

GENERAL PRACTICES

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

ꕥ LONG TERM DEBT POLICY ꕥ

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

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

PROCEDURES

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

/S/ Robert Schultz, Town Attorney

INVESTMENT POLICY

TOWN OF LOS GATOS CALIFORNIA

COUNCIL POLICY MANUAL

Small Town Service *Community Stewardship* *Future Focus*

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

PURPOSE

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

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

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

SCOPE

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

ꕥ INVESTMENT POLICY ꕥ

General Fund

Special Revenue Funds

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

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

POLICY

OBJECTIVES

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

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

DELEGATION OF AUTHORITY

Management responsibility for the Town's investment program is delegated annually by the Town Manager to the Town Treasurer/Finance Director (the "Treasurer") pursuant to California Government Code Section 36510. The Treasurer may delegate the authority to conduct investment transactions and to manage the operation of the investment portfolio to other specifically authorized staff members. The Treasurer shall maintain a list of persons authorized to transact securities business for the Town. No

person may engage in an investment transaction except as expressly provided under the terms of this Investment Policy.

The Treasurer shall develop written administrative procedures and internal controls, consistent with this Investment Policy, for the operation of the Town's investment program. Such

procedures shall be designed to prevent losses arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees.

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

PRUDENCE

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

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

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

ETHICS AND CONFLICTS OF INTEREST

Elected officials and Town employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or could impair or create the appearance of an impairment of their ability to make impartial investment decisions. Elected officials and Town employees shall disclose to the Town Council any business interests they have in financial institutions that conduct business with the Town and they shall subordinate their personal investment transactions to those of the Town. In

addition, the Town Manager and the Treasurer shall file a Statement of Economic Interests each year pursuant to California Government Code Section 87203 and regulations of the Fair Political Practices Commission.

SOCIALLY RESPONSIBLE INVESTING

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

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

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

institutions that are designated as a Community Development Financial Institution (CDFI) by the United States Treasury Department, or otherwise demonstrate commitment to community economic development.

AUTHORIZED SECURITIES AND TRANSACTIONS

All investments and deposits of the Town shall be made in accordance with California Government Code Sections 16429.1, 53600-53609 and 53630-53686, except that pursuant to California Government Code Section 5903(e), proceeds of bonds and any moneys set aside or pledged to secure payment of the bonds may be invested in securities or obligations described

in the ordinance, resolution, indenture, agreement, or other instrument providing for the issuance of the bonds. Any revisions or extensions of these code sections will be assumed to be part of this Investment Policy immediately upon being enacted. However, in the event that amendments to these sections conflict with this Investment Policy and past Town investment practices, the Town may delay adherence to the new requirements when it is deemed in the best interest of the Town to do so. In such instances, after consultation with the Town's attorney, the Treasurer will present a recommended course of action to the Town Council for approval. All investment limits specified in the Policy are calculated at the time of investment.

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

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

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

3. Federal Instrumentality (government sponsored enterprise) debentures, discount notes, callable securities, step-up securities, and mortgage-backed securities (including FNMA and FHLMC) with a final maturity not exceeding five years from the

4. date of trade settlement. There is no limit on the percentage of the portfolio that can be invested in this category, however, no more than 20% of the town's total portfolio shall be invested in the combination of GNMA, FNMA, and FHLMC mortgage-backed securities.

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

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

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

   Purchases of eligible commercial paper shall not exceed:
   - 10% of the outstanding commercial paper of any single corporate issuer,
   - 5% of the Town's total portfolio in the commercial paper of any one issuer, and
   - 25% of the Town's total portfolio.

6. Eligible Bankers Acceptances with a maturity not exceeding 180 days from the date of trade settlement, issued by a state or national bank with combined capital and surplus of at least $250 million, whose deposits are insured by the FDIC, and whose senior long-term debt is rated at least A or the equivalent by a NRSRO at the time of purchase. No more than 5% of the Town's total portfolio shall be invested in banker's acceptances of any one issuer, and the aggregate investment in banker's acceptances shall not exceed 30% of the Town's total portfolio.

7. Medium Term Notes (Corporate Notes) issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States, with a final maturity not exceeding five years from the date of trade settlement and rated at least "A" or the equivalent by a NRSRO. No more than 5% of the Town's total

portfolio shall be invested in the medium-term notes of any one issuer and the aggregate investment in medium term notes shall not exceed 30% of the Town's total portfolio.

8. Municipal & State Obligations:

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

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

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

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

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

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

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

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

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

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

PORTFOLIO MATURITIES AND LIQUIDITY

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

SELECTION OF BROKER/DEALERS

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

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

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

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

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

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

COMPETITIVE TRANSACTIONS

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

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

SELECTION OF BANKS

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

Authorized banks that accept deposits from the Town shall meet high standards with regard to liquidity, asset quality, profitability and capital adequacy. The Treasurer shall utilize a commercial bank rating service to perform credit analysis on banks seeking

authorization. Banks that in the judgment of the Treasurer no longer offer adequate safety to the Town shall be removed from the Town's list of authorized banks.

SAFEKEEPING AND CUSTODY

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

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

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

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

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

PORTFOLIO PERFORMANCE

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

REPORTING

No less than quarterly, the Treasurer shall prepare a report of the investment earnings and performance results of the Town's investment portfolio. The report shall be

submitted to the Town Clerk within 45 days after the end of each quarter for inclusion as an agenda item at the next scheduled Town Council meeting. The report shall include the following information:

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

PROCEDURES

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

APPROVED AS TO FORM:

/S/ Robert Schultz, Town Attorney

IRS SECTION 115 PENSION TRUST AND OPEB TRUST INVESTMENT POLICY

TOWN OF LOS GATOS CALIFORNIA

COUNCIL POLICY MANUAL

Small Town Service *Community Stewardship* *Future Focus*

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

PURPOSE

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

COMPOSITION

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

FIDUCIARY DUTIES AND RESPONSIBILITIES

☙ IRS SECTION 115 PENSION TRUST AND OPEB TRUST INVESTMENT POLICY ❧

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

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

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

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

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

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

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

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

INVESTMENT OBJECTIVES

1. The primary objective of the 115 Trusts investment portfolios is to satisfy the Pension Plans and OPEB Plan obligations to pay benefits to members and their beneficiaries. To do so, the 115 Trusts will seek to achieve long-term net returns

2. in excess of the actuarial investment return assumption while maintaining a reasonable level of investment risk.

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

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

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

    b) Risk of loss of plan assets.

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

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

    b) Modern Portfolio Theory.

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

INVESTMENT STRATEGY/ASSET ALLOCATION

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

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

MONITORING AND REPORTING

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

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

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

4. Measure and evaluate annual and quarterly fees.

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

6. Review the actuarial pension evaluation annually.

7. Review the actuarial OPEB evaluation biennially.

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

/S/ Robert Schultz, Town Attorney

BUDGET PROCESS OVERVIEW

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

Budget Purpose

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

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

Basis of Budgeting and Accounting

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

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

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

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

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

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

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

Summary of Budget Development

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

The Development Process

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

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

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

ꕥ BUDGET PROCESS OVERVIEW ꕥ

Budget Adoption

During the month of May, the Town Council reviews the proposed Operating and Capital Summary Budget, and the Capital Improvement Program for the five-year period in a public hearing. Notice of the hearing is published in a local newspaper at least ten days prior to the Council's public hearing date. The public is invited to participate, and copies of the proposed budgets are available for review this year exclusively on the Town website due to COVID-19 pandemic.

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

The approved resolutions to adopt the CIP and Operating Budgets and the appropriation limitation (aka Gann Limit) follow this section with the publication of the adopted Budget.

Budget Amendments

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

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

BUDGET CALENDAR

September/October/November/December

CIP work plan proposals and development

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

Determine and refine initiatives and directives for upcoming budget year

Update User Fee Schedule

January

Council Strategic Priorities Established

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

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

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

1st Draft revenue projections due to Budget Office

Analyze budget projections and review with Town Manager

February

1st Draft staffing requests due to Budget Office

Review and finalize staffing positions and requests

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

1st Draft CIP Budget due to Budget Office

Review Internal Service requests with responsible Program Managers

1st Draft Internal Service budgets due to Budget Office

Incorporate approved staffing, assets, internal services and program expenditure requests into a 1st Draft budget

ꕥ BUDGET CALENDAR ꕥ

March

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

1st Draft CIP budget briefing – determine program revisions

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

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

2nd Draft briefing and revisions with Town Manager and Departments

Public Hearings for proposed User Fee Schedule, as needed

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

April

Budget revisions finalized and proposed Budgets assembled

Proposed Budget briefing with Town Manager

Present Proposed Operating and CIP Budgets to Finance Commission for discussion

Present Proposed CIP to Planning Commission for determination of General Plan consistency

May

Finance Commission comments incorporated into staff report for Town Council

Distribute Proposed Operating and CIP budgets to Town Council

Public Hearings for proposed Operating and Capital, and CIP Budgets

Town Council revisions incorporated into budget documents

May/June

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

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

ꕥ BUDGET CALENDAR ꕥ

July/August/September

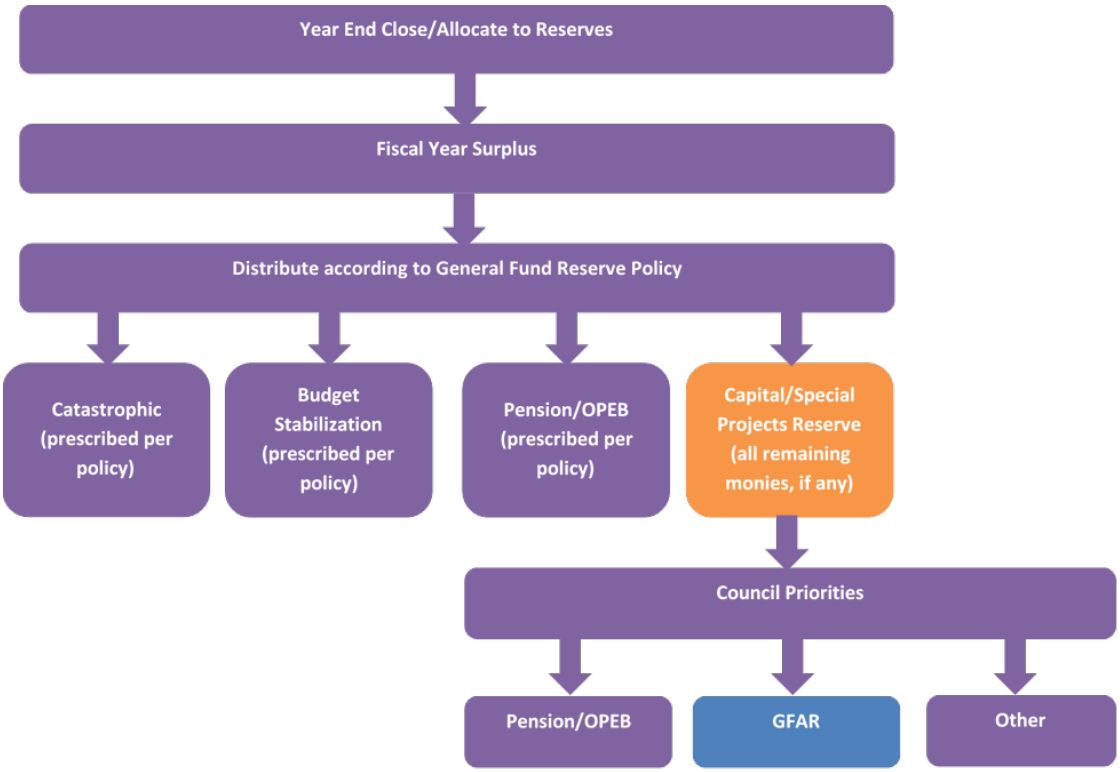
Adopted Operating and CIP Budget documents finalized, printed and distributed

ANNUAL REPORT AND BUDGET CYCLE

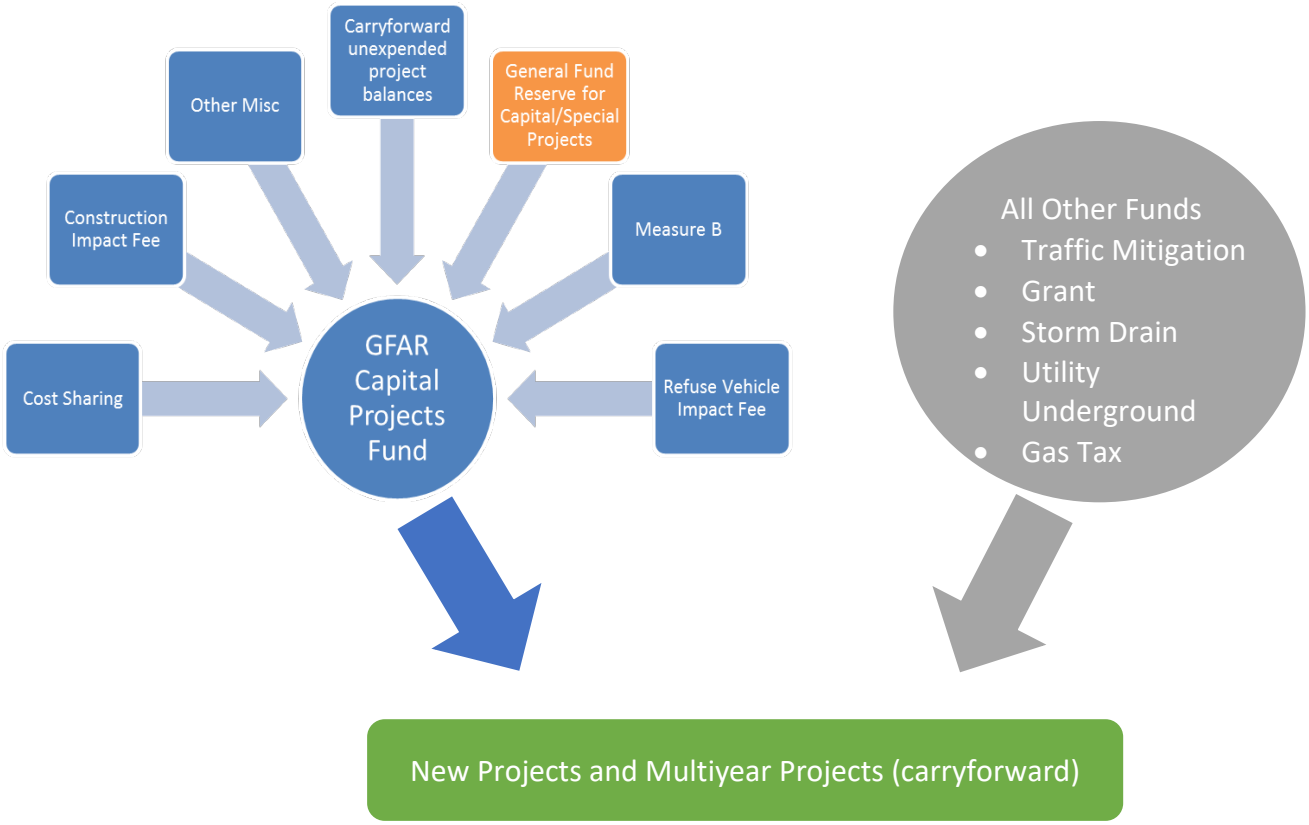
	Prior FY (2019/20)	Current FY (2020/21)	Next FY (2021/22)
December	**June 30, 2020 Annual Financial Report** finalized and presented for Council approval. **Annual Financial Report** surpluses assigned per the Council Reserve Policy as of June 30. 2020		
January		Council deliberates **Strategic Priorities** and **Budget** direction for FY 2021/22. Review of Five-year Forecast and assumptions. Council determines if previously assigned surpluses should be reallocated for FY 2021/22.	
February		Council considers **Mid-Year Budget** adjustments through 12/31/2020 for FY 2020/21 Budget.	
April		Finance Commission review and comment on Proposed FY 2021/22 **Operating & Capital Budgets.**	
May		Public hearing on FY 2021/22 **Operating & Capital Budgets**	
June		Council adoption of the FY 2021/22 **Operating & Capital Budgets**	End of **June 30, 2021 Annual Financial Report** period
July			Start of new FY 2021/22 **Operating Budget** year
December			**June 30, 2021 Annual Financial Report** finalized and presented for Council approval. **Annual Financial Report** surpluses assigned per the Council Reserve Policy as of June 30, 2021

All Council deliberations and actions include opportunities for public input

FISCAL YEAR SURPLUS FLOW OF FUNDS



CAPITAL IMPROVEMENT PROGRAM



GANN APPROPRIATION LIMIT

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

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

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

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

APPROPRIATION LIMIT CALCULATION

The following schedule reflects historical appropriation factors for the prior ten years, and the calculation for FY 2021/22:

ꕥ GANN APPROPRIATION LIMIT ꕥ

APPROPRIATION LIMIT FACTORS

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

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

the Town recently signed an annexation agreement with the County of Santa Clara in 2020 and subsequently, both parties reached a mutually agreed amount for Gann Limit calculation purposes that is reflected in the FY 2021/22 Gann Limit calculation. The Town of Los Gatos' appropriation limit for fiscal year 2021/22 is calculated as follows:

FY 2021/22 Calculation

County Population Factor		Per Capita Income Factor		Appropriation Factor		2020/21 Appropriation Limit		2021/22 Appropriation Limit
0.9944	X	1.0573	=	1.051379	X	$ 45,831,327	=	$ 48,186,101

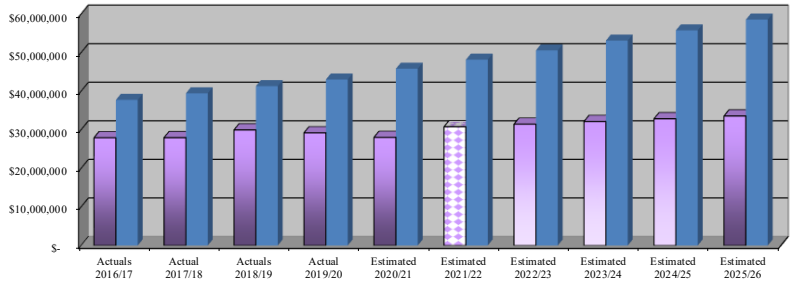
As illustrated above, the total amount of tax revenues appropriated to the Town in FY 2021/22 is not to exceed $48,186,101. The FY 2021/22 budget anticipates $30,797,977 in tax revenues which equates to $17,288,124 less than, or approximately 64% of, the appropriation limit for FY 2021/22. Therefore, the Town's tax revenues fall substantially below the appropriation limit.

ꕥ GANN APPROPRIATION LIMIT ꕥ

APPROPIATION TREND

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

ꕥ GANN APPROPRIATION LIMIT ꕥ



	Actuals 2016/17	Actual 2017/18	Actuals 2018/19	Actual 2019/20	Estimated 2020/21	Estimated 2021/22	Estimated 2022/23	Estimated 2023/24	Estimated 2024/25	Estimated 2025/26
Tax Revenues	$ 27,955,180	$ 27,962,762	$ 29,980,891	$ 29,221,395	$ 28,050,004	$ 30,797,977	$ 31,475,532	$ 32,167,994	$ 32,875,690	$ 33,598,955
Appropriation Limit	$ 37,754,174	$ 39,464,396	$ 41,317,775	$ 43,050,108	$ 45,831,327	$ 48,186,101	$ 50,595,406	$ 53,125,176	$ 55,781,435	$ 58,570,506
Revenue to Limit %	74%	71%	73%	68%	61%	64%	62%	61%	59%	57%

APPROPRIATION LIMIT ADOPTION

The resolution to adopt the appropriation limit of $45,700,824 was presented for Council adoption on June 15, 2021.

GANN APPROPRIATION LIMIT RESOLUTION

RESOLUTION 2021-025

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS ESTABLISHING THE FY 2021/22 APPROPRIATIONS LIMIT FOR THE TOWN OF LOS GATOS

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

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

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

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

THEREFORE, BE IT RESOLVED: that the Annual Appropriations Limit for the Town of Los Gatos for FY 2021/22 is $48,186,101 as reflected in Exhibit A.

ꕥ GANN APPROPRIATION LIMIT RESOLUTION ꕥ

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California, held on the 15th day of June 2021 by the following vote:

COUNCIL MEMBERS:

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

NAYS: None

ABSENT: Maria Ristow

ABSTAIN: None

SIGNED:

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: June 17, 2021

ATTEST:

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

DATE: 6/17/2021

ꕥ GANN APPROPRIATION LIMIT RESOLUTION ꕥ

APPROPRIATION LIMIT FACTORS

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2021	43,050,108	1.0037	1.0234	1.0373	45,831,327 *	6.46%
2022	45,831,327	0.9944	0.9919	1.0573	48,186,101	5.14%

FY 2020/21 Calculation

County Population Factor		Per Capita Income Factor		Appropriation Factor		2020/21 Appropriation Limit		2021/22 Appropriation Limit
0.9944	X	1.0573	=	1.051379	X	$ 45,831,327	=	$ 48,186,101

Percentage of Appropriation

2021/22 Tax Revenues		2021/22 Appropriation Limit		Percentage of Limit
30,797,977	/	$ 48,186,101	=	64%

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

EXHIBIT A

TOWN OF LOS GATOS
ANNUAL BUDGET RESOLUTION

RESOLUTION 2021-020

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS APPROVING THE FISCAL YEAR (FY) 2021/22 OPERATING BUDGET AND FY 2021/22 – 2025/26 CAPITAL BUDGET, NEW APPROPRIATIONS, OTHER ADJUSTMENTS, OTHER COUNCIL ACTIONS ON MAY18, 2021, MINOR CORRECTIONS, AND CARRY-FORWARD APPROPRIATIONS

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

WHEREAS, the Town Manager submitted to the Town Council and Finance Commission a Proposed Operating Budget for FY 2021/22 on April 19, 2021; and

WHEREAS, the Town Manager submitted to the Town Council and Finance Commission a Proposed Five-Year Capital Improvement Program for FY 2021/22 – 2025/26 on April 19, 2021; and

WHEREAS, the Town Council conducted a noticed public hearing on the Proposed Operating Budget and Capital Improvement Program on May 18, 2021; and

WHEREAS, per Measure A, the Town Council has considered and reviewed the Finance Commission written recommendations to the Town Council on the said proposed Budget and Capital Improvement Program during public hearings on May 18, 2021; and

WHEREAS, per Measures G and A, the Town Council has considered and reviewed the Finance Commission written recommendations to the Town Council regarding the potential allocation of Measure G proceeds during its public hearing on May 18, 2021; and

WHEREAS, the Town Council has determined the use of the $1.2 million accumulated Measure G Funds Reserve (through June 30, 2020) to be allocated 50% for operating expenditures in FY 2020/21 and FY 2021/22, and 50% for capital purposes; and

WHEREAS, the Town Council has determined the use of Measure G proceeds in 2020/21 to be 50% for operating expenditures in FY 2020/21 and 50% for capital purposes; and

WHEREAS, the Town Council has determined the use of Measure G proceeds in FY 2021/22 to be 50% for operating expenditures in FY 2021/22 and 50% for capital purposes; and

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

WHEREAS, the Town Council has determined that the Five-Year Forecast include a 2% base salary inflation in the FY 2021/22 budget and the remainder of the forecast period (FY 2022/23 - FY 2026/27); and

WHEREAS, the estimated FY 2021/22 property tax revenue increased by $171,714 based on updated information received from the Santa Clara County Assessor Office in May and updated information related to the sales of North 40 Phase 1; and

WHEREAS, on March 11, 2021, the president of the United States signed into law the American Recovery Plan Act (ARPA) which among other things established four eligible uses for said funds, and among those uses identified Revenue Replacement: "for the provision of government services to the extent of the reduction in revenue of such metropolitan city, nonentitlement unit of local government, or county due to the COVID–19 public health emergency relative to revenues collected in the most recent full fiscal year of the metropolitan city, nonentitlement unit of local government, or county prior to the emergency; or"; and

WHEREAS, the Town Council has determined that a portion of the proceeds of the American Recovery Plan Act (ARPA) up to the amount of $1,362,910 will be used for Revenue Replacement and balancing the FY 2020/21 budget; and

WHEREAS, the Town Council has determined that a portion of the proceeds of the American Recovery Plan Act (ARPA) up to the amount of $1,912,536 ($1,562,536 plus $350,000) will be used for Revenue Replacement and balancing the FY 2021/22 budget; and

WHEREAS, the Town Council has determined that to further balance the budget, the Town should cancel in FY 2021/22 the actuarial determined Other Post-Employment Benefits (OPEB) payment to the extent it is necessary (the actuarial determined scheduled amount is $508,000 for FY 2021/22 and remaining budgeted payment is $148,693); and

WHEREAS, the Town Council has determined the use of the $1.2 Million in the Surplus Property Reserve (Winchester property sale proceeds) be used for capital purposes; and

ANNUAL BUDGET RESOLUTION

WHEREAS, the Town Council has determined that $500,000 of the identified capital funding should be spent on the Roadside Fuel Reduction Project; and

WHEREAS, on June 1, 2021, Town Council considered and reviewed the proposed Budget and Capital Improvement Program making final determinations.

NOW, THEREFORE, BE IT RESOLVED: that the Town Council hereby adopts as the Operating Budget for the Town of Los Gatos for the 2021/22 fiscal year as depicted in Exhibit A entitled "Total Town Revenues and Expenditures by Fund" including the first year (FY 2021/22) of the Town's Capital Improvement Program budget as contained in the Town's FY 2021/22 – 2025/26 Capital Improvement Program.

BE IT FURTHER RESOLVED, that the final adopted Budget documents include minor corrections and approved appropriations for unspent prior year allocations, and that they be carried forward from prior years in a Reserve for Encumbrances whereby within each fund there is an amount sufficient to cover approved outstanding encumbrances as of June 30, 2021.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California, held on the 1st day of June, 2021 by the following vote:

COUNCIL MEMBERS:

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

NAYS: None

ABSENT: None

ABSTAIN: None

SIGNED:

Marico Sayoc

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: June 17, 2021

ATTEST:

Shannon Moir

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

DATE: 6/17/2021

TOTAL TOWN REVENUES AND EXPENDITURES BY FUND

	2021/22 Proposed Budget	Estimated Budget Revision	2021/22 Recommended Budget
REVENUES			
General Fund	$47,092,489	$ 171,714 (1)	$ 47,264,203
Special Revenue Funds	271,003	-	271,003
Internal Service Funds	4,095,437	-	4,095,437
Trust Funds	59,100	-	59,100
Capital Project Funds (does not include carryforwards)	4,735,640	2,251,047 (2)	6,986,687
Successor Agency Funds	3,912,200	-	3,912,200
TOTAL REVENUES	**$60,165,869**	**$ 2,422,761**	**$ 62,588,630**
OTHER FUNDING SOURCES			
Designated One-Time Use of General Fund Reserves	2,453,988	$ 2,601,047	5,055,035 (3)
TOTAL TOWN REVENUES & OTHER FUNDING SOURCES	**$62,619,857**	**$ 5,023,808**	**$ 67,643,665**
TOTAL TOWN EXPENDITURES, TRANSFERS OUT & CARRYFORWARD APPROPRIATION			
General Fund	$46,312,162	$ 2,420,717 (4)	$ 48,732,879
Special Revenue Funds	321,243	-	321,243
Internal Service Funds	5,226,055	-	5,226,055
Trust Funds	88,955	-	88,955
Capital Project Funds (does not include carryforwards)	6,919,352	500,000 (5)	7,419,352
Successor Agency Funds	3,811,432	-	3,811,432
TOTAL TOWN EXPENDITURE & OTHER FUNDING USES	**$62,679,199**	**$ 2,920,717**	**$ 65,599,916**
GENERAL FUND SOURCE(USE) OF FUND BALANCES	$ 3,234,315		$ 3,586,359
OTHER FUNDS SOURCE(USE) OF FUND BALANCES	(3,293,657)		(1,542,610) (6)
TOTAL SOURCE(USE) OF FUND BALANCES	$ (59,342)	$ 2,103,091	$ 2,043,749

(1) $171,714 Additional Estimated Property Tax

(2) Additional Transfer to Capital Projects (GFAR)

$590,581 - 50% of 6/30/2020 Accumulated Measure G Proceeds

$460,466 - 50% of Anticipated FY 2020/21 Measure G Proceeds

$1,200,000 - Surplus Property

(3) Designated One-Time Use of the General Fund Reserves during FY 2021/22

$2,253,988 - ARPA

$2,801,047 - Transfer to Capital Projects (GFAR)

(4) General fund Expenditures

$2,251,047 - Increase to Capital Transfer

$528,976 - Increase to Salaries and Benefits - 2% Accelerator built in

$359,307 - Decrease to OPEB Actuarial Payment

(5) $500,000 - Additional Funding for Roadside Fire Fuel Management

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

Numbers may differ between exhibits due to rounding.

EXHIBIT A

History and Culture of Los Gatos

Location

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

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

History

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

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

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

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

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

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

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

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

Community

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

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

Climate

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

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

Transportation

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

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

Economy

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

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

Like many economic barometers, nationwide home sales and valuations continued to rise prior to the pandemic, particularly in the Silicon Valley markets which trend well above the national average. Los Gatos property values reflected that strength and are among some of the highest in the State, confirming that the Town continues to be a highly desired location.

The FY 2021/22 Budget reflects the economic realities of shelter-in-place restrictions and local and regional expectations for the economy. Growth in economically sensitive revenues, such as transit occupancy tax, and sales tax are projected to slow significantly from prior levels until the region emerges from shelter-in-place. Private development activity continues with client specific projects maintaining access to funding from financial lending institutions.

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

Town of Los Gatos Vision

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

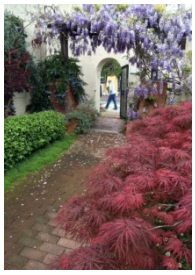
The small-town character of Los Gatos is important to the community and involves establishing acceptable levels of development, implementing design standards, preserving historic resources, encouraging walking and bicycling, protecting open spaces from wildfire threats, and welcoming a variety of businesses, . Los Gatos is a truly special place and residents expect all new development to fit into the fabric of the community.

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

What makes Los Gatos Special?

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

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



STATISTICS SECTION

Town of Los Gatos Statistics

TOWN DEMOGRAPHICS:

Current Town Area	15 Square Miles
Incorporated	August 10, 1887
Elevation	428 ft.
Miles of Streets	112
Number of Traffic Signals	31
Number of Registered Voters	19,000 – 21,000
Form of Government	Council Manager
Town Employee/Citizen Ratio	1:205

COMMUNITY FACILITIES

12 Neighborhood Parks

Los Gatos Creek Trail

161 Acres of Designated Open Space

Los Gatos-Saratoga Recreation District

- Adult Recreation Center
- Youth Recreation Center

Los Gatos Library

New Museum Los Gatos

HOSPITALS

Good Samaritan Hospital - Mission Oaks Campus

El Camino Hospital

PUBLIC EDUCATION

4 Elementary Schools

1 Middle School

1 High School

1 Continuation Program

1 Independent Study

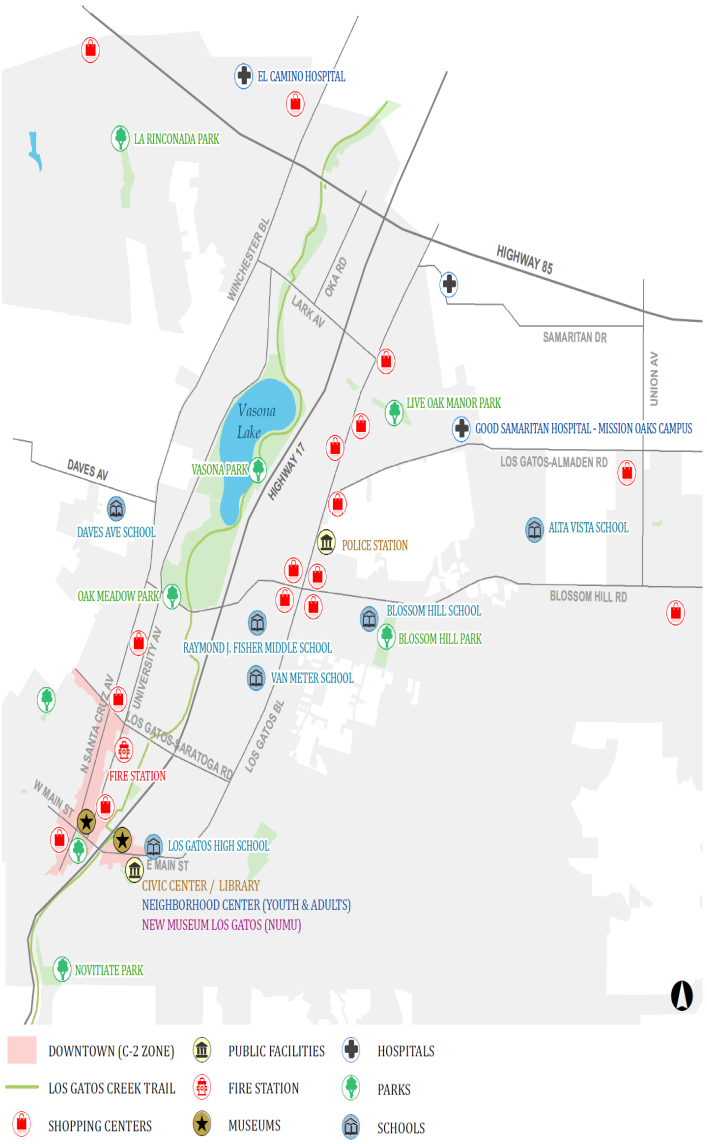
POLICE SERVICES

1 Police Station

1 Police Services Building

39 Police Officers

21 Support Personnel



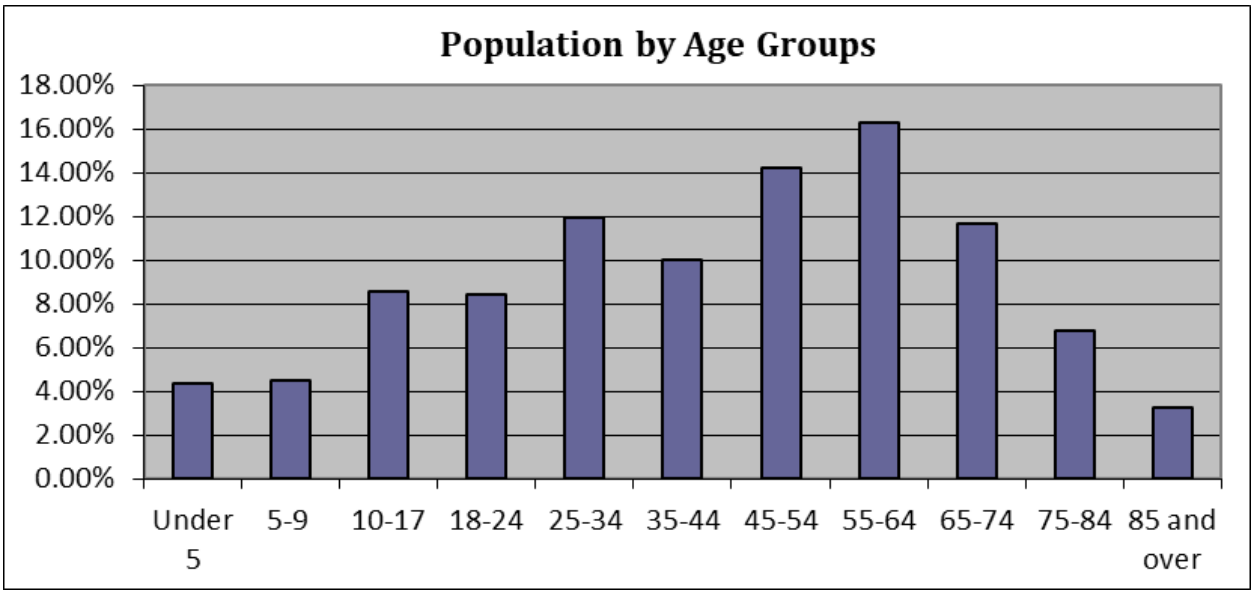
Town of Los Gatos Statistics

WEATHER:

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

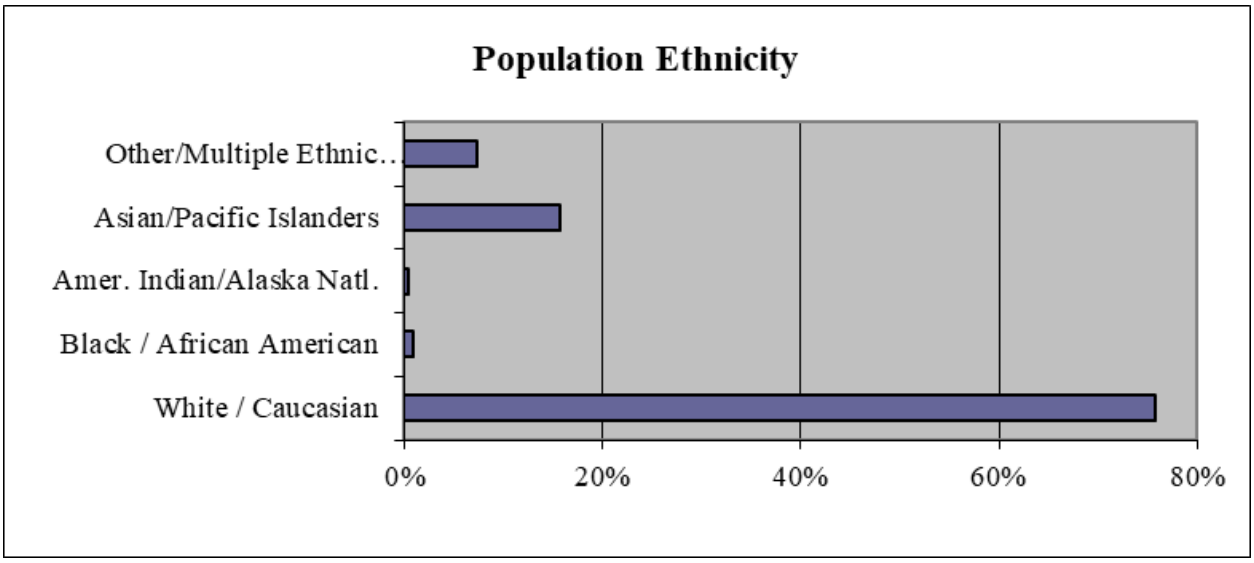
POPULATION:

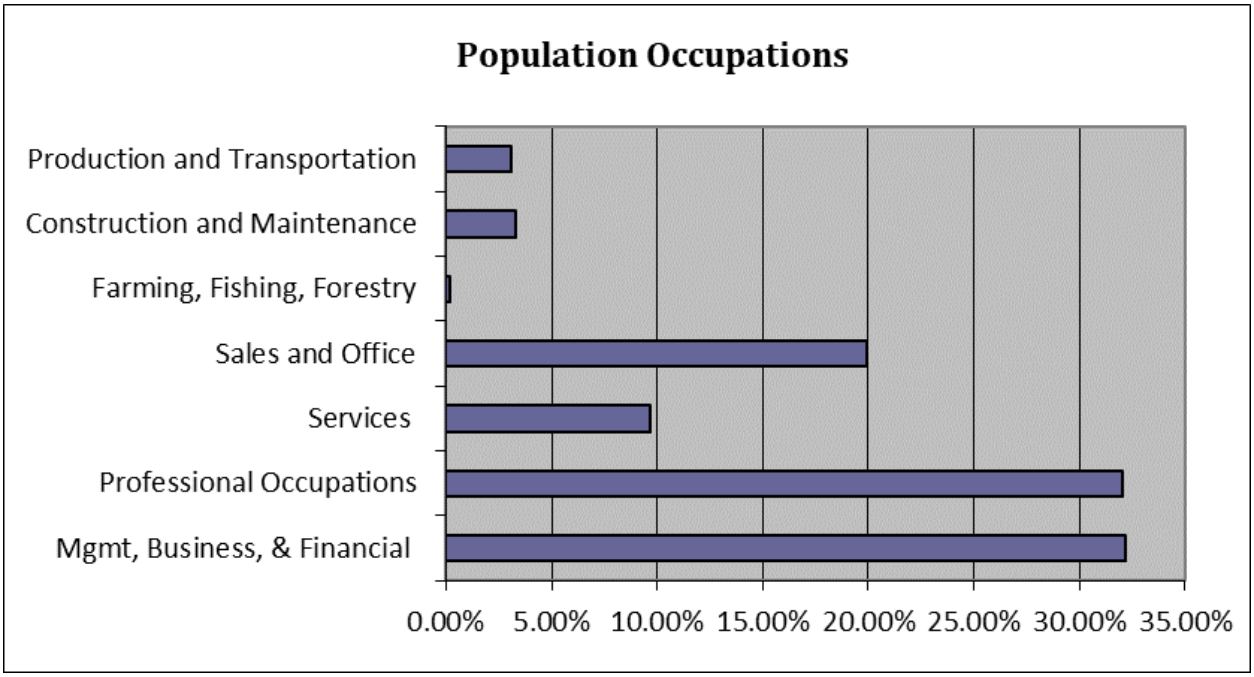
1990 Census	28,013
2000 Census	28,523
2010 Census	29,413
2020 Estimates	30,836
State Ranking in Population	239 of 482



Note: Demographic figures obtained from State of California and Claritas

Town of Los Gatos Statistics





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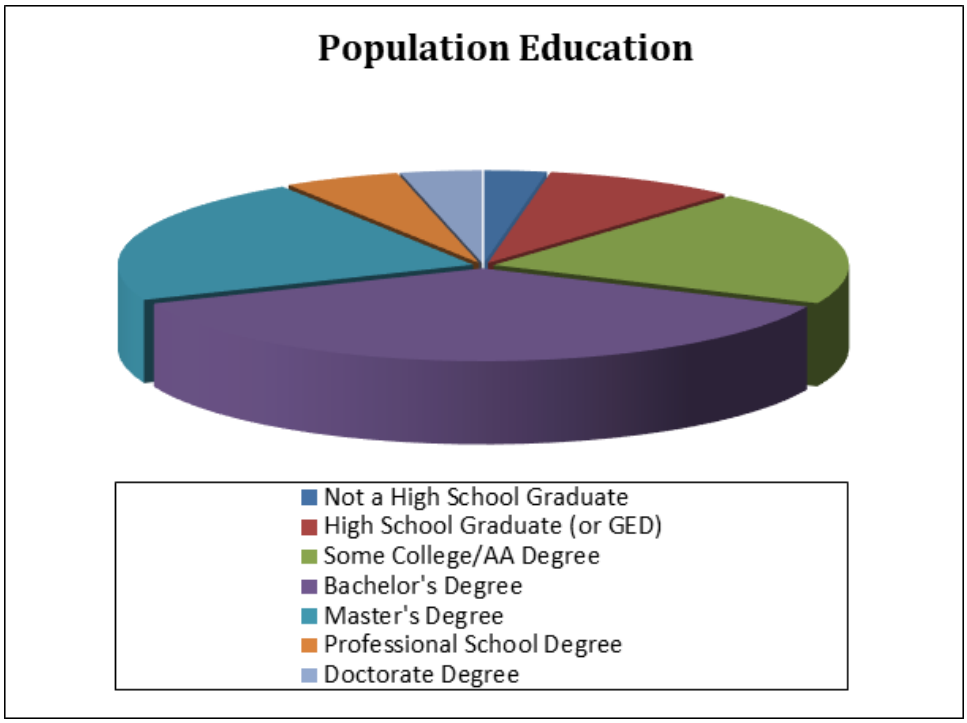
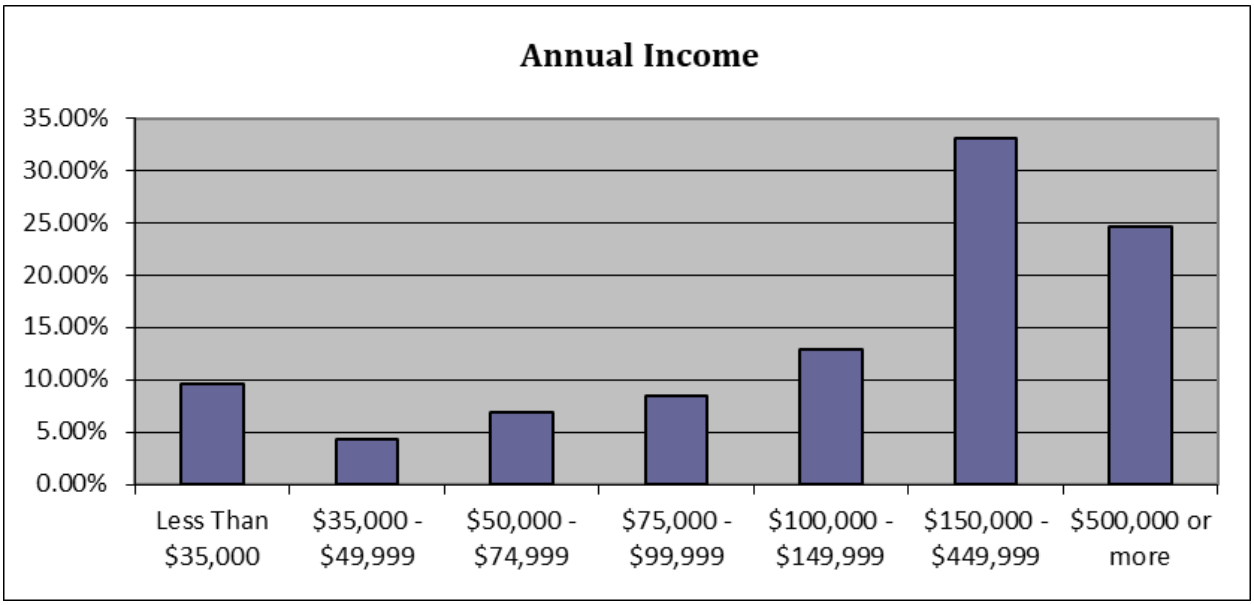
Town of Los Gatos Statistics

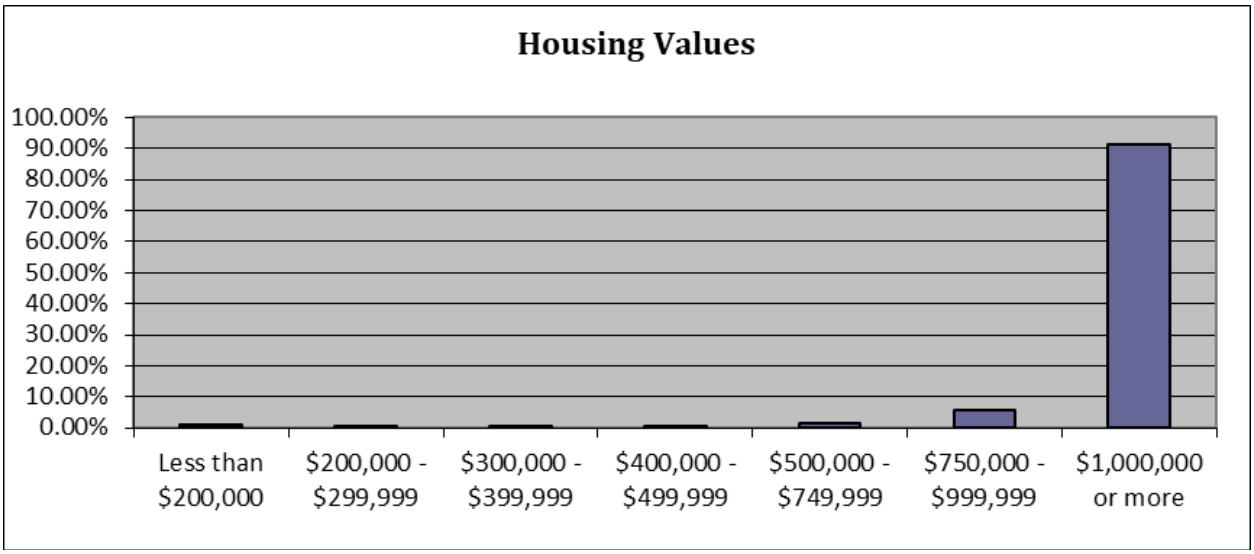




Note: Demographic figures obtained from State of California and Claritas

Town of Los Gatos Statistics

Housing Units	Units	Percentage
Owner Occupied	8,463	64.0%
Renter Occupied	4,771	36.1%
Total Housing Units	**13,234**	**100%**



Note: Demographic figures obtained from State of California and Claritas

Economic Factors

FY 2020/21 Twenty Local Secured Taxpayers

Property Owner	Land Use	Assessed Value	% of Total (1)
Serramonte Corporate Center LLC	Business Park	$ 208,958,729	1.43%
SI 32 LLC	Apartments	155,181,793	1.06%
Wealthcap Los Gatos 121	Business Park	118,093,347	0.81%
Preylock Los Gatos LLC	Business Park	95,880,000	0.66%
Donahue Schriber Realty Group LP	Shopping Center	58,647,535	0.40%
Summerhill N40 LLC	Residential Development	57,369,661	0.39%
Knowles Los Gatos LLC	Industrial	54,032,455	0.37%
San Jose Water Works	Water Company	49,649,154	0.34%
Sobrato Interests IV LLC	Apartments	45,682,006	0.31%
El Camino Hospital	Medical Buildings	42,611,768	0.29%
140 Toll House IV LLC	Hotel	35,043,180	0.24%
SRI Old Town LLC	Shopping Center	34,884,999	0.24%
KSL Capital Partners	Athletic Club	33,118,759	0.23%
International Hotel	Hotel	31,989,706	0.22%
Kay K. & Go Sasaki Sr., Trustee	Apartments	27,190,951	0.19%
750 University LLC	Office Building	26,786,863	0.18%
Equestrian 3 Investments LLC	Office Building	26,036,395	0.18%
Safeway, Inc.	Supermarkets	25,577,034	0.18%
Alberto Way Holdings LLC	Office Building	24,641,514	0.17%
Good Samaritan Hospital LP	Hospital	23,846,402	0.16%
		$ 1,175,222,251	8.05%

(1) 2020-21 Local Secured Assessed Valuation: $14,598,027,652

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

Source: California Municipal Statistics, Inc.

Economic Factors

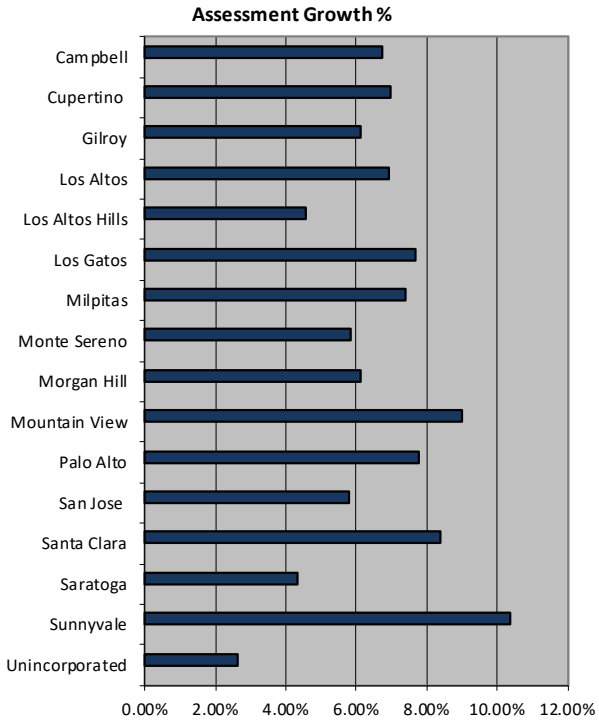
Santa Clara County
Assessment Roll Growth by City

(Values in $Billions*)

Santa Clara County Cities	Total Roll 2020	Total Roll 2019	Percent Growth**
Campbell	$ 11.81	$ 11.06	6.72%
Cupertino	27.82	26.01	6.95%
Gilroy	9.83	9.26	6.14%
Los Altos	17.97	16.81	6.94%
Los Altos Hills	8.91	8.52	4.57%
Los Gatos	14.91	13.84	7.70%
Milpitas	21.48	19.99	7.40%
Monte Sereno	2.43	2.29	5.84%
Morgan Hill	10.85	10.23	6.12%
Mountain View	34.78	31.91	8.99%
Palo Alto	42.39	39.34	7.77%
San Jose	206.99	195.68	5.79%
Santa Clara	50.12	46.23	8.41%
Saratoga	16.87	16.17	4.34%
Sunnyvale	54.83	49.68	10.37%
Unincorporated	19.55	19.05	2.64%
TOTALS	**$ 551.54**	**$ 516.07**	**6.87%**

*Net of nonreimbursable exemptions

**Percentage based on non-rounded values



Source: Santa Clara County's Office of the County Assessor 2020/21 Annual Report

Major Employers

Organization	Product/Services	Employees
Netflix	Internet Services	2524
El Camino Hospital, Los Gatos	Health Industry	560
Courtside Tennis Club*	Leisure/Recreation	542
Los Gatos -Saratoga Union High School District*	Education	320
Safeway (3 locations)	Food Industry	314
Los Gatos Elementary School District	Education	281
Vasona Creek Health Care Ctr*	Health Industry	250
Terraces of Los Gatos	Health Industry	228
Good Samaritan Regional Cancer Center	Health Industry	200
Town of Los Gatos*	Town Government	161
Whole Foods Market*	Food Industry	125

**Includes full and part time employees*

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

Town Management

Town Manager ..... Laurel Prevetti

Assistant Town Manager ..... Arn Andrews

Town Attorney .....Robert Schultz

Chief of Police ..... Peter Decena

Community Development Director ..... Joel Paulson

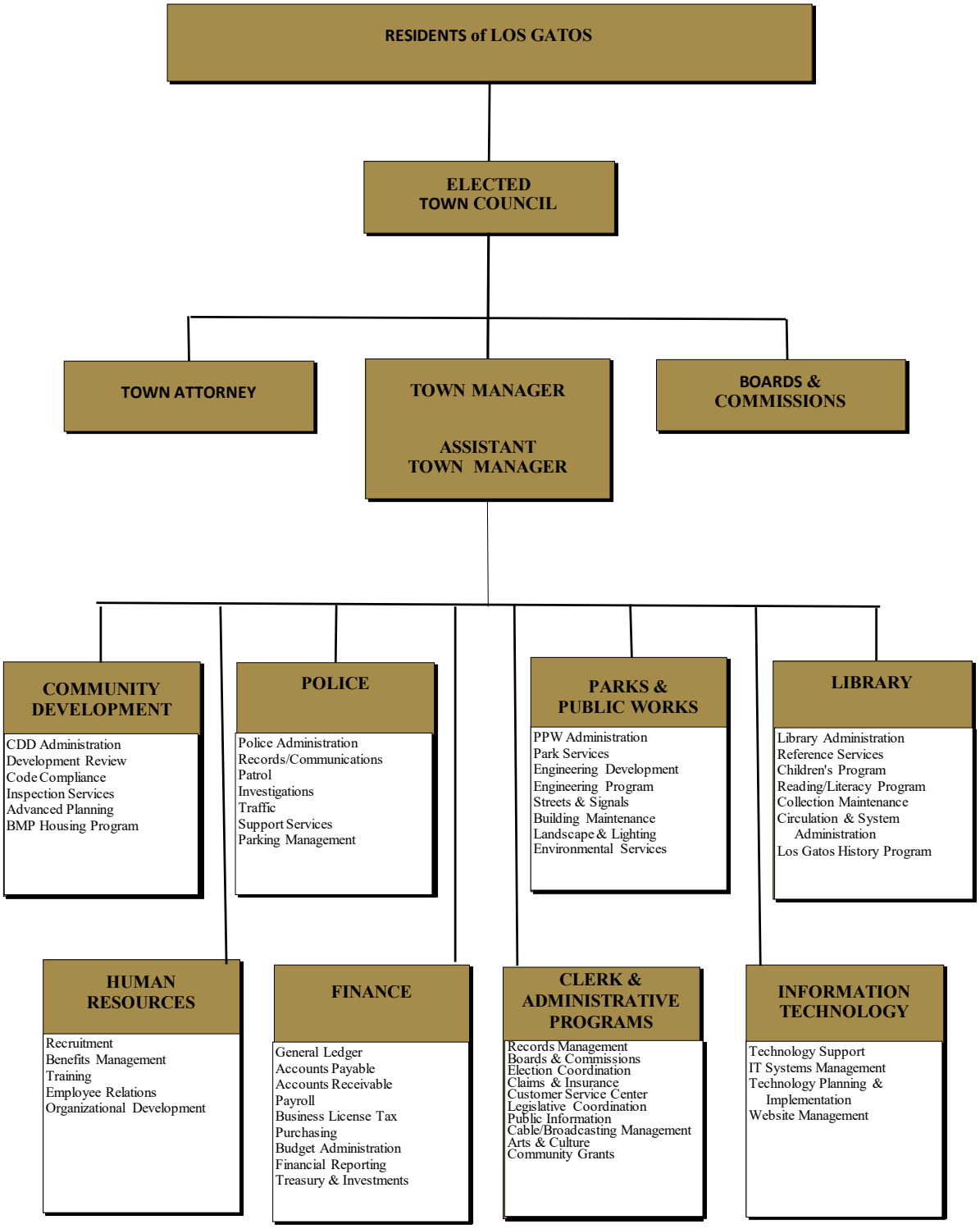
Parks and Public Works Director .....Matt Morley

Library Director ..... Ryan Baker

Finance Director .....Stephen Conway

Human Resources Director .....Lisa Velasco

Town of Los Gatos
Organizational Structure



Town of Los Gatos
Commissions, Committees, and Advisory Boards

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

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

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

Building Board of Appeals
Hears appeals of Building regulations.

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

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

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

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

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

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

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

Town of Los Gatos
Commissions, Committees, and Advisory Boards

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

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

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

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

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

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

Financial Summaries

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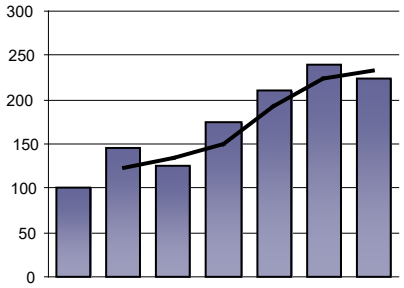


FINANCIAL SUMMARIES

Total Revenues and Expenditures

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

Total Budgeted Fund Activity ..... C – 3
Total Revenues, Expenditures, and Fund Balance Trend Information ..... C – 4
Total Revenues, Expenditures, and Fund Balance – 5 Year Summary ..... C – 8
Total Town Revenues – by Fund ..... C – 15
Total Town Expenditures – by Fund ..... C – 17
Total Town Revenues – by Category ..... C – 19
Total Town Expenditures – by Category ..... C – 21

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 – 23
General Fund Expenditures – by Department ..... C – 24
General Fund Revenues – by Category ..... C – 25
General Fund Expenditures – by Category ..... C – 27
General Fund Tax Revenues per Capita – Cities of Santa Clara County ..... C – 29
General Fund Tax Revenues – 10 Year History of Key Tax Revenues ..... C – 30
General Fund – Fund Balance Activity ..... C – 31

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 – 33

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 – 34
5 Year Comparative Fund Balance – by Fund ..... C – 36

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 – 38
Department Expenditures – by Program ..... C – 40

In-Kind Donations

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

In-Kind Donations ..... C – 42

Fee-Related Projects List

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

Fee-Related Projects List ..... C – 43

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 – 45
Summary of FTEs by Department ..... C – 46
5 Year History of Funded Positions by Department ..... C – 47
Summary of Personnel Changes ..... C – 48
Positions by Home Department ..... C – 52

TOTAL BUDGETED FUND ACTIVITY SUMMARY
FY 2021/22

	Estimated Fund Balance 7/1/2021	Revenues, Prior Year Carryfwds & Transfers	Expenditures, Prior Year Carryfwds & Transfers	Estimated Fund Balance 6/30/2022	Fund Balance Change From Prior Year
Operating Funds					
Governmental Funds					
General Fund*	$ 22,228,637	$ 47,264,203	$ 48,732,879	$ 20,759,961	-6.6% *(1)*
Housing Conservation Program Fund	177,240	-	-	177,240	0.0%
Community Dev Block Grant Fund	(10,587)	-	-	(10,587)	0.0%
Urban Run-Off Source Fund	330,564	231,323	221,044	340,843	3.1% *(2)*
Blackwell Assessment District Fund	13,386	3,210	11,100	5,496	-58.9% *(3)*
Kennedy Assessment District Fund	42,198	10,605	18,913	33,890	-19.7%
Gemini Assessment District Fund	33,814	4,750	12,723	25,841	-23.6% *(3)*
Santa Rosa Assessment District Fund	45,356	5,000	20,429	29,927	-34.0% *(3)*
Vasona Assessment District Fund	35,164	10,075	17,091	28,148	-20.0% *(3)*
Hillbrook Assessment District Fund	22,423	6,040	19,943	8,520	-62.0% *(3)*
Proprietary Funds - Internal Service Funds					
Liability Self-Insurance Fund	1,165,899	423,332	850,716	738,515	-36.7% *(4)*
Worker's Comp Self-Insurance Fund	1,063,737	1,007,620	1,782,569	288,788	-72.9% *(4)*
Information Technology Fund	2,713,145	914,018	843,991	2,783,172	2.6% *(5)*
Equipment Replacement Fund	727,473	570,957	569,271	729,159	0.2% *(5)*
Facilities Maintenance Fund	78,905	1,179,510	1,179,508	78,907	0.0% *(3)*
Total Operating Funds	**$ 28,667,354**	**$ 51,630,643**	**$ 54,280,177**	**$ 26,017,820**	**-9.2%**
Trust Funds					
Library Trust Fund	$ 60,833	$ 55,500	$ 65,000	$ 51,333	-15.6% *(3)*
Ness Bequest Trust Fund	21,660	-	20,755	905	-95.8% *(3)*
Betty McClendon Trust Fund	87,487	700	700	87,487	0.0%
Barbara J Cassin Trust Fund	357,736	2,900	2,500	358,136	0.1%
Total Trust Funds	**$ 527,716**	**$ 59,100**	**$ 88,955**	**$ 497,861**	**-5.7%**
Capital Funds					
GFAR*	$ 14,248,123	$ 4,579,909	$ 4,994,604	$ 13,833,428	-2.9%
Grant Funded CIP Projects Fund	(1,805,768)	837,883	837,883	(1,805,768)	0.0%
Storm Drain #1 Fund	1,083,991	49,670	50,000	1,083,661	0.0%
Storm Drain #2 Fund	1,936,607	53,930	50,000	1,940,537	0.2%
Storm Drain #3 Fund	(132,482)	940	75,000	(206,542)	-55.9% *(3)*
Traffic Mitigation Fund	348,661	10,000	10,000	348,661	0.0%
Construction Tax-Undergrounding Fund	3,158,462	52,490	-	3,210,952	1.7% *(3)*
Gas Tax Fund	771,711	1,401,865	1,401,865	771,711	0.0% *(3)*
Total Capital Projects Funds	**$ 19,609,305**	**$ 6,986,687**	**$ 7,419,352**	**$ 19,176,640**	**-2.2%**
Successor Agency to the Los Gatos RDA Fund					
SA- Trust Fund (Budgetary Fund Balance)	$ 3,565,994	$ 3,912,200	$ 3,811,432	$ 3,666,762	2.8%
Total Successor Agency of the Los Gatos RDA Fund	**$ 3,565,994**	**$ 3,912,200**	**$ 3,811,432**	**$ 3,666,762**	**2.8%**
TOTAL ALL FUNDS	**$ 52,370,369**	**$ 62,588,630**	**$ 65,599,916**	**$ 49,359,083**	**-5.7%**

** Major Funds*

(1) One-time use of General Fund Capital Reserve for authorized capital projects and other priorities and anticipated ARPA funding
(2) Urban Run-off Program driven by State mandates
(3) One-time Capital Project budgeted for FY 2021/22
(4) Based on estimated claims and insurance premium activity
(5) Equipment Replacement and Information Technology Fund reflects acquisition activities for FY 2021/22

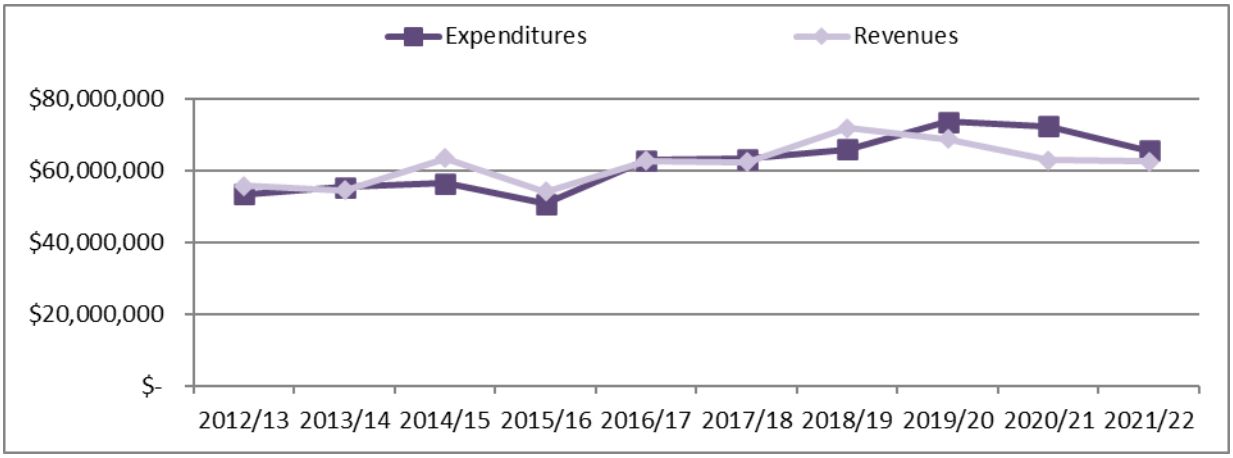
This Total Budgeted Fund Activity Summary schedule groups the Town's funds into three categories based on fund purpose:

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

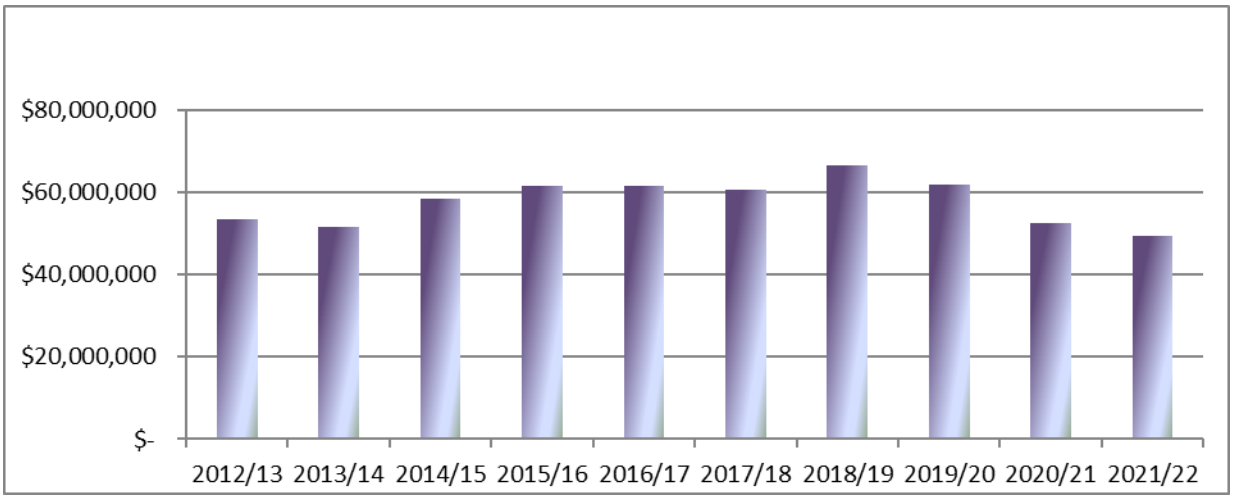
Fiduciary Funds - These funds include Trust funds and are held in a fiduciary capacity, with little variation in activity. The Library Trusts are held for special uses for the Library. RDA Successor Agency Private Purpose Trust Fund is established to account for the assets and liabilities transferred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

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

TOTAL TOWN
REVENUES AND EXPENDITURES



FUND BALANCE TREND INFORMATION



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

Year End	Reference	Revenues & Transfers In	Expenditures & Transfers Out	Designated Fund Balance
2012/13	Actuals	$ 55,847,086	$ 53,432,243	$ 53,386,677
2013/14	Actuals	$ 54,528,656	$ 55,545,002	$ 51,370,329
2014/15	Actuals	$ 63,470,973	$ 56,593,416	$ 58,247,886
2015/16	Actuals	$ 54,234,948	$ 50,881,063	$ 61,601,771
2016/17	Actuals	$ 62,873,000	$ 62,912,316	$ 61,562,435
2017/18	Actuals	$ 62,358,798	$ 63,386,198	$ 60,535,055
2018/19	Actuals	$ 71,882,122	$ 65,949,701	$ 66,467,476
2019/20	Actuals	$ 68,958,311	$ 73,634,424	$ 61,791,363
2020/21	Estimated	$ 63,045,132	$ 72,466,126	$ 52,370,369
2021/22	Proposed	$ 62,588,630	$ 65,599,916	$ 49,359,083

TOTAL TOWN
REVENUE, EXPENDITURE, AND FUND BALANCE TREND INFORMATION

The Town continues to focus on priority issues that involve maintaining public safety and Town infrastructure including streets and parks; and providing library, community development, and other services. These priorities are coordinated with other Core Goals that protect the Town's fiscal health and ensure cost efficient and effective delivery of Town-wide administrative services. In addition, the Town has addressed the myriad issues associated with the pandemic. Fortunately, the Town's pattern of proactive and prudent fiscal management of slowing reducing operating expenditures, identifying revenue enhancements, and implementing operating efficiencies over the years has helped the Town weather the current public health driven economic dislocation.

The FY 2021/22 operating budget is a balanced budget primarily through the use of onetime resources from the federal government. On March 11, 2021, President Biden signed into law the American Rescue Plan Act (ARPA). The ARPA provided $65.1 billion in direct aid to every city, town, and village across the country to help stabilize communities. While this federal relief is welcome news, going forward maintaining balanced budgets and investing in our infrastructure will require a return to pre-pandemic revenue levels and identifying new revenue sources to maintain the high level of services Los Gatos residents, businesses, and visitors expect.

The proposed Budget addresses the Council identified Strategic Priorities and considers other areas of importance to our community, the Council, and the Town organization. The proposed Budget also acknowledges the economic realities associated with the global COVID-19 pandemic and other unforeseen budgetary impacts. Several Strategic Priorities are not one-time projects, but rather are ongoing commitments due to their critical significance in ensuring the Town's fiscal and infrastructure stability and the safety and quality of life for Los Gatos residents, businesses, and visitors. These commitments include continuing to address the Town's unfunded pension and other post-employment benefits (OPEB) obligations; developing Measure B transportation projects so the Town is positioned to receive its fair share of the funds; and fostering emergency preparedness and community wildfire resilience.

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

Other Strategic Priorities will position the Town well for its future. The Council committed to exploring new revenue opportunities. The Council continues the General Plan Update to engage the community in land use planning and policies to guide development for the next couple of decades and address environmental sustainability and climate resiliency. Other Priorities included continuing to enhance economic and community vitality. As the Town continues to emerge from the economic upheaval of the pandemic, the significance of enhancing economic and community vitality are paramount.

Specific trends affecting the fund balance forecast include:

REVENUES

The FY 2021/22 Budget incorporates the continued impacts of the COVID-19 pandemic and the subsequent economic disruption with the General Fund revenues (excluding debt payments. restricted pension trust activity, anticipated ARPA proceeds, and fund transfers in) expected to increase by $0.9 million to $41.5 million from prior adjusted budgeted revenues. Revenue projections for each category were based upon estimates provided to the Town by the Santa Clara County Assessor, the Town's sales tax consultant, and careful examination of revenue trends, patterns, and industry research. The net increase in overall revenues is mostly due to forecasted increases in some revenues such as property tax, sales tax, franchise fees, and transient occupancy tax. It is important to note, that while revenues are projected to increase, it is from significantly lower base amounts due to the economic disruption of the pandemic. Licenses and permit revenues are expected to decrease in FY 2021/22 and then increase gradually over time. The sales tax projections include the voter approved one-eighth general purpose sales tax dedicated to the Town of Los Gatos. Revenue collection began in April 2019.

TOTAL TOWN
REVENUE, EXPENDITURE, AND FUND BALANCE TREND INFORMATION

EXPENDITURES

Salaries and Benefits – As in most municipalities, services are provided directly by employees to the Town's residents, businesses, and visitors. As a service delivery enterprise, the cost of salaries and benefits are a significant portion of the budget. Salaries and benefits account for 50.0% of the Town's total expenditures in FY 2021/22 (and 66.3% of General Fund expenditures). The Town endeavors to balance fiscal prudence with the need to attract and retain the requisite personnel to manage a 21st century municipality. As an example, when fiscal conditions worsened during the recession of 2008, employees participated in wage freezes and unpaid furloughs for several years to assist in achieving balanced budgets. After multiple years of such concessions, the Town discontinued the furlough program in FY 2014/15 and reinstituted general wage increases for both non-sworn and sworn employees. Even with unemployment at historic low levels and regional CPI above 3%, the Town and its employee bargaining groups agreed to a 2.5% across the board salary increase for all three bargaining units, management, and confidential plus a 1.5% cash bonus (non-PERSable) for non-sworn employees for FY 2018/19, a 3% increase for FY 2019/20 for all non-sworn employees and a 4% increase for sworn, and 1% across the board salary increase and 2% non-PERSable cash bonus for all three bargaining units, management, and confidential in FY 2021/22. The Town is in the process of negotiating successor agreements for all bargaining units. It should be noted that since 2000, the Town's bargaining groups have received salary increases of 51.50% (AFSME), 56.00% (TEA), 56.00% (Confidential), 61.25% (POA), 46.00% (Management), respectively. This compares to inflation in the San Francisco Statistical Area of 66.84% over the same time period.

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

The Town also provides a retiree healthcare benefit for all eligible employees. The healthcare plan pays all, or a portion of, health insurance premiums for qualified retirees and their survivors and dependents. Retiree healthcare benefits are also referred to as Other Post-Employment Benefits or OPEB. The Town's healthcare plan is an Internal Revenue Code Section 115 Trust which is administered by the Town Pension and OPEB Trusts Oversight Committee. The Oversight Committee is responsible for the management and control of the healthcare assets. As a result of collaboration with the Town's Bargaining Units during FY 2018/19, all units agreed to the elimination of retiree health benefits prospectively with the exception of the minimum employer contribution as required by the Public Employees' Medical and Hospital Care Act (PEMHCA). The PEMHCA minimum represents a significant reduction from the previous Town paid discretionary retiree payments. As a closed retiree medical plan, over time the Town will see significant cost savings from this negotiated change. In addition, employees contribute a share of dependent premiums to assist with cost-containment.

Pension contributions are a portion of the Town's budget, as the Town is obligated to contribute a mandatory amount established by the California Public Employees Retirement System (CalPERS) as a percent of salary. Town employees contribute a percentage of their salary towards their pension in what is referred to as the normal cost. The normal cost is the annual cost of service accrual for active employees and can be viewed as the cost of benefits earned by employees in the current year. The second source of normal cost funding is provided by employer normal cost contributions. The employer normal cost rates for all cities/towns in CalPERS are established annually by CalPERS. These rates are the minimum contractual obligations the Town must pay. It should be noted, that the

normal cost calculation assumes all actuarial assumptions will be met going forward. In the event the plans experience unfavorable economic or demographic assumptions, an unfunded actuarial liability (UAL) may occur. The cost associated with an unfunded liability is borne solely by the employer. The development of a UAL typically results from unfavorable investment returns, changes in actuarial assumptions, unfavorable demographic shifts, and other experiences that differ from those anticipated by the annual actuarial assumptions. According to the 2019 actuarial valuations, the unfunded actuarial liability for pensions was $57.2million and $9.1 million for OPEB as of June 30, 2020.

The Town's pension plans over the past several decades, like all other CalPERS participants, have experienced unfavorable investment returns, changes in actuarial assumptions, and unfavorable demographic shifts which have outweighed any positive plan experiences. As such, the Town's employer pension contributions are expected to continue to increase. The Town's employer contribution rate will increase from 58.98% in FY 2020/21 to 62.94% in FY 2021/22 for classic sworn employees. For all other employees, the rate will decrease from 34.23% in FY 2020/21 to 33.54% in FY 2020/21. The Public Employees' Pension Reform Act (PEPRA), effective January 1, 2013, implemented lower pension tiers for employees who are new to the PERS pension system. While this does not provide immediate cost savings, it is anticipated to reduce future benefit expenditures in the next 10 to 15 years. Employer contribution rates will decrease from 15.95% in FY 2020/21 to 15.74% in FY 2021/22 for PEPRA sworn employees.

The Town prudently recognized the potential impacts to future service delivery if unfunded pension and OPEB obligations were not addressed and additional funding strategies not identified to address the escalation in pension costs, current and previous Councils have allocated additional discretionary pension funding totaling $10,400,000. These additional discretionary payments will ultimately yield an approximate $12,700,000 in pension contribution savings. In addition to the management of the Town's pension obligations, prior Councils have worked to curb the cost escalation in Other Post-Employment Benefits (OPEB). In 2009, the Town initiated prefunding of the retiree healthcare benefit and has since established approximately $23.5 million in OPEB assets from zero in 2009.

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

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

TOTAL TOWN
REVENUES AND EXPENDITURES

GENERAL FUND

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Estimated	2021/22 Adopted
REVENUES					
Property Tax	$ 12,510,822	$ 13,636,099	$ 14,454,513	$ 14,652,355	$ 15,881,866
VLF Backfill	3,447,584	3,685,247	3,875,914	4,053,000	4,154,320
Sales & Use Tax	7,592,206	8,158,152	7,531,425	7,135,131	8,177,859
Franchise Fees	2,474,814	2,475,916	2,495,792	2,521,970	2,597,630
Transient Occupancy Tax	2,628,927	2,692,043	1,869,685	707,723	920,040
Other Taxes	1,686,251	1,526,894	1,357,080	1,300,000	1,250,000
Licenses & Permits	3,011,309	3,067,994	2,696,457	2,912,257	2,641,779
Intergovernmental	1,010,166	945,191	1,104,075	4,257,997	3,881,836
Town Services	4,630,893	4,640,804	4,447,213	3,900,311	3,860,490
Internal Srvc Reimbursement	-	-	-	-	-
Fines & Forfeitures	676,212	510,266	271,117	102,332	203,450
Interest	244,762	1,689,575	2,266,134	597,371	441,233
Other Sources	3,397,720	7,292,833	1,381,187	1,545,409	720,498
Debt Service Reimbursement	1,914,739	1,909,073	1,905,024	1,908,494	1,899,850
Transfers In	544,836	1,578,911	599,669	609,492	633,352
TOTAL REVENUES	$ 45,771,241	$ 53,808,998	$ 46,255,285	$ 46,203,842	$ 47,264,203
EXPENDITURES					
Salaries & Benefits	$ 23,574,425	$ 26,803,225	$ 28,933,568	$ 30,892,559	$ 32,269,661
Operating Expenditures	9,457,424	11,955,327	13,397,031	14,083,222	8,546,525
Grants & Awards	194,808	248,533	274,249	631,000	541,382
Fixed Assets	-	38,307	138,384	2,365	-
Interest	-	-	-	13,003	-
Internal Service Charges	3,867,445	2,527,470	2,188,211	2,378,580	2,674,415
Capital Projects	-	-	-	-	-
Capital Acquisitions	-	-	-	-	-
Debt Service	1,914,739	1,909,073	1,905,024	1,908,494	1,899,850
Transfers Out	3,484,330	2,785,220	8,053,847	3,401,479	2,801,047
TOTAL EXPENDITURES	$ 42,493,171	$ 46,267,155	$ 54,890,314	$ 53,310,702	$ 48,732,880
Net Increase (Decrease)	3,278,070	7,541,843	(8,635,029)	(7,106,860)	(1,468,677)
Beginning Fund Balance	27,150,613	30,428,683	37,970,526	29,335,497	22,228,637
Ending Fund Balance*	$ 30,428,683	$ 37,970,526	$ 29,335,497	$ 22,228,637	$ 20,759,960

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

TOTAL TOWN
REVENUES AND EXPENDITURES

SPECIAL REVENUE FUNDS

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Estimated	2021/22 Adopted
REVENUES					
Property Tax	$ 174	$ -	$ 29	$ -	$ -
VLF Backfill	-	-	-	-	-
Sales & Use Tax	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	-
Other Taxes	34,400	38,088	38,012	38,220	38,220
Licenses & Permits	231,323	236,451	231,323	231,323	231,323
Intergovernmental	903	-	-	-	-
Town Services	345,365	345,280	-	-	-
Internal Srvc Reimbursement	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-
Interest	2,416	3,550	3,562	1,460	1,460
Other Sources	-	134,621	-	29,528	-
Debt Service Reimbursement	-	-	-	-	-
Transfers In	-	-	10,000	-	-
TOTAL REVENUES	$ 614,581	$ 757,990	$ 282,926	$ 300,531	$ 271,003
EXPENDITURES					
Salaries & Benefits	$ 135,347	$ 143,545	$ 134,311	$ 135,204	$ 185,992
Operating Expenditures	405,064	509,551	55,002	62,451	63,209
Grants & Awards	-	-	-	-	-
Fixed Assets	6,870	-	25,079	-	62,500
Interest	-	-	-	-	-
Internal Service Charges	6,895	2,410	3,019	3,236	4,623
Capital Projects	-	-	-	-	-
Capital Acquisitions	-	-	-	-	-
Debt Service	-	-	-	-	-
Transfers Out	4,920	4,920	4,920	4,920	4,920
TOTAL EXPENDITURES	$ 559,096	$ 660,426	$ 222,331	$ 205,811	$ 321,244
Net Increase (Decrease)	55,485	97,564	60,595	94,720	(50,241)
Beginning Fund Balance	381,194	436,679	534,243	594,838	689,558
Ending Fund Balance*	$ 436,679	$ 534,243	$ 594,838	$ 689,558	$ 639,317

TOTAL TOWN
REVENUES AND EXPENDITURES

INTERNAL SERVICE FUNDS

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Estimated	2021/22 Adopted
REVENUES					
Property Tax	$ -	$ -	$ -	$ -	$ -
VLF Backfill	-	-	-	-	-
Sales & Use Tax	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	-
Other Taxes	31,838	28,390	34,437	40,000	40,000
Licenses & Permits	-	-	-	-	-
Intergovernmental	-	-	-	-	261,382
Town Services	161,595	148,284	115,314	85,000	85,000
Internal Srvc Reimbursement	4,880,836	3,529,840	3,094,669	3,348,173	3,679,055
Fines & Forfeitures	-	-	-	-	-
Interest	5	8	7	-	-
Other Sources	585,934	2,993,443	762,404	519,377	30,000
CIP Proj Reimbursement	-	-	-	-	-
Transfers In	703,371	450,000	1,061,256	-	-
TOTAL REVENUES	$ 6,363,579	$ 7,149,965	$ 5,068,087	$ 3,992,550	$ 4,095,437
EXPENDITURES					
Salaries & Benefits	$ 1,585,148	$ -	$ -	$ -	$ -
Operating Expenditures	3,593,992	3,544,783	3,779,285	4,286,617	4,656,784
Grants & Awards	-	-	-	-	-
Fixed Assets	620,915	601,961	644,366	1,607,593	474,455
Interest	-	-	-	-	-
Internal Service Charges	-	-	-	1,963	-
Capital Projects	-	-	-	-	-
Capital Acquisitions	-	-	-	-	-
Debt Service	-	-	-	-	-
Transfers Out	-	1,390,375	1,367,797	78,298	94,816
TOTAL EXPENDITURES	$ 5,800,055	$ 5,537,119	$ 5,791,448	$ 5,974,471	$ 5,226,055
Net Increase (Decrease)	563,524	1,612,846	(723,361)	(1,981,921)	(1,130,618)
Beginning Fund Balance	6,278,070	6,841,594	8,454,440	7,731,079	5,749,158
Ending Fund Balance	$ 6,841,594	$ 8,454,440	$ 7,731,079	$ 5,749,158	$ 4,618,540

TOTAL TOWN
REVENUES AND EXPENDITURES

LIBRARY TRUST FUNDS

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Estimated	2021/22 Adopted
REVENUES					
Property Tax	$ -	$ -	$ -	$ -	$ -
VLF Backfill	-	-	-	-	-
Sales & Use Tax	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	-
Other Taxes	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Intergovernmental	-	-	-	-	35,000
Town Services	-	-	-	-	-
Internal Srvc Reimbursement	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-
Interest	6,724	10,135	9,617	4,100	4,100
Other Sources	74,315	82,213	61,809	60,000	20,000
CIP Proj Reimbursement	-	-	-	-	-
Transfers In	-	-	-	-	-
TOTAL REVENUES	$ 81,039	$ 92,348	$ 71,426	$ 64,100	$ 59,100
EXPENDITURES					
Salaries & Benefits	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	77,252	69,029	82,626	63,200	68,200
Grants & Awards	-	-	-	-	-
Fixed Assets	-	21,048	-	-	20,755
Interest	-	-	-	-	-
Internal Service Charges	-	-	-	-	-
Capital Projects	-	-	-	-	-
Capital Acquisitions	-	-	-	-	-
Debt Service	-	-	-	-	-
Transfers Out	-	-	-	-	-
TOTAL EXPENDITURES	$ 77,252	$ 90,077	$ 82,626	$ 63,200	$ 88,955
Net Increase (Decrease)	3,787	2,271	(11,200)	900	(29,855)
Beginning Fund Balance	531,957	535,744	538,015	526,815	527,715
Ending Fund Balance	$ 535,744	$ 538,015	$ 526,815	$ 527,715	$ 497,860

TOTAL TOWN
REVENUES AND EXPENDITURES

CAPITAL PROJECT FUNDS

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Estimated	2021/22 Adopted
REVENUES					
Property Tax	$ -	$ -	$ -	$ -	$ -
VLF Backfill	-	-	-	-	-
Sales & Use Tax	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	-
Other Taxes	31,838	28,390	34,437	40,000	30,000
Licenses & Permits	1,381,590	844,064	1,153,364	849,790	998,176
Intergovernmental	1,306,153	1,641,511	3,161,010	1,574,191	3,091,663
Town Services	-	52,094	223,318	284,623	-
Internal Srvc Reimbursement	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-
Interest	93,198	127,251	158,756	35,540	35,801
Other Sources	181,503	784,085	325,608	2,471,998	30,000
CIP Proj Reimbursement	-	-	-	-	-
SCC RPTTF Reimbursement	-	-	-	-	-
Transfers In	2,638,224	2,685,220	8,325,591	3,401,479	2,801,047
TOTAL REVENUES	$ 5,632,506	$ 6,162,615	$ 13,382,084	$ 8,657,621	$ 6,986,687
EXPENDITURES					
Salaries & Benefits	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	892	-	-	-	-
Grants & Awards	-	-	-	-	-
Fixed Assets	-	-	-	-	-
Interest	-	-	-	-	-
Internal Service Charges	-	-	-	-	-
Capital Projects	10,041,532	8,987,510	7,907,339	8,556,898	6,885,736
Capital Acquisitions	-	-	-	-	-
Debt Service	-	-	-	-	-
Transfers Out	631,616	533,616	569,952	526,275	533,616
TOTAL EXPENDITURES	$ 10,674,040	$ 9,521,126	$ 8,477,291	$ 9,083,173	$ 7,419,352
Net Increase (Decrease)	(5,041,534)	(3,358,511)	4,904,793	(425,552)	(432,665)
Beginning Fund Balance	23,530,108	18,488,574	15,130,063	20,034,856	19,609,304
Ending Fund Balance	$ 18,488,574	$ 15,130,063	$ 20,034,856	$ 19,609,304	$ 19,176,639

TOTAL TOWN
REVENUES AND EXPENDITURES

SUCCESSOR AGENCY TO THE TOWN OF LOS GATOS RDA

	SUCCESSOR AGENCY TO THE LOS GATOS RDA				
	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Estimated	2021/22 Adopted
REVENUES					
Property Tax	$ -	$ -	$ -	$ -	$ -
VLF Backfill	-	-	-	-	-
Sales & Use Tax	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	-
Other Taxes	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Intergovernmental	1,958,325	1,945,763	1,949,284	1,917,494	1,908,850
Town Services	-	-	-	-	-
Internal Srvc Reimbursement	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-
Interest	22,788	43,706	32,531	500	3,500
Other Sources	-	11,664	11,664	-	-
CIP Proj Reimbursement	1,914,739	1,909,073	1,905,024	1,908,494	1,999,850
SCC RPTTF Reimbursement	-	-	-	-	-
Transfers In	-	-	-	-	-
TOTAL REVENUES	$ 3,895,852	$ 3,910,206	$ 3,898,503	$ 3,826,488	$ 3,912,200
EXPENDITURES					
Salaries & Benefits	$ 1,385	$ 1,555	$ 1,654	$ 1,756	$ 1,706
Operating Expenditures	5,270	111,712	110,337	10,020	10,020
Grants & Awards	-	-	-	-	-
Fixed Assets	-	-	-	-	-
Interest	756,482	823,734	1,195,635	1,250,000	1,300,000
Internal Service Charges	58	9	5	5	5
Capital Projects	-	-	-	-	-
Capital Acquisitions	-	-	-	-	-
Debt Service	3,013,089	2,936,788	2,862,783	2,566,988	2,499,700
Transfers Out	6,300	-	-	-	-
TOTAL EXPENDITURES	$ 3,782,584	$ 3,873,798	$ 4,170,414	$ 3,828,769	$ 3,811,431
Net Increase (Decrease)	113,268	36,408	(271,911)	(2,281)	100,769
Beginning Fund Balance	3,690,511	3,803,779	3,840,187	3,568,276	3,565,995
Ending Fund Balance	$ 3,803,779	$ 3,840,187	$ 3,568,276	$ 3,565,995	$ 3,666,764

TOTAL TOWN
REVENUES AND EXPENDITURES

TOTAL ALL FUNDS

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Estimated	2021/22 Adopted
REVENUES					
Property Tax	$ 12,510,996	$ 13,636,099	$ 14,454,542	$ 14,652,355	$ 15,881,866
VLF Backfill	3,447,584	3,685,247	3,875,914	4,053,000	4,154,320
Sales & Use Tax	7,592,206	8,158,152	7,531,425	7,135,131	8,177,859
Franchise Fees	2,474,814	2,475,916	2,495,792	2,521,970	2,597,630
Transient Occupancy Tax	2,628,927	2,692,043	1,869,685	707,723	920,040
Other Taxes	1,784,327	1,621,762	1,463,966	1,418,220	1,358,220
Licenses & Permits	4,624,222	4,148,509	4,081,144	3,993,370	3,871,278
Intergovernmental	4,275,547	4,532,465	6,214,369	7,749,682	9,178,731
Town Services	5,137,853	5,186,462	4,785,845	4,269,934	3,945,490
Internal Srvc Reimbursement	4,880,836	3,529,840	3,094,669	3,348,173	3,679,055
Fines & Forfeitures	676,212	510,266	271,117	102,332	203,450
Interest	369,893	1,874,225	2,470,607	638,971	486,094
Other Sources	4,239,472	11,298,859	2,542,672	4,626,312	800,498
CIP Proj Reimbursement	3,829,478	3,818,146	3,810,048	3,816,988	3,899,700
SCC RPTTF Reimbursement	-	-	-	-	-
Transfers In	3,886,431	4,714,131	9,996,516	4,010,971	3,434,399
TOTAL REVENUES	$ 62,358,798	$ 71,882,122	$ 68,958,311	$ 63,045,132	$ 62,588,630
EXPENDITURES					
Salaries & Benefits	$ 25,296,305	$ 26,948,325	$ 29,069,533	$ 31,029,519	$ 32,457,359
Operating Expenditures	13,539,894	16,190,402	17,424,281	18,505,510	13,344,738
Grants & Awards	194,808	248,533	274,249	631,000	541,382
Fixed Assets	627,785	661,316	807,829	1,609,958	557,710
Interest	756,482	823,734	1,195,635	1,263,003	1,300,000
Internal Service Charges	3,874,398	2,529,889	2,191,235	2,383,784	2,679,043
Capital Projects	10,041,532	8,987,510	7,907,339	8,556,898	6,885,736
Capital Acquisitions	-	-	-	-	-
Debt Service	4,927,828	4,845,861	4,767,807	4,475,482	4,399,550
Transfers Out	4,127,166	4,714,131	9,996,516	4,010,972	3,434,399
TOTAL EXPENDITURES	$ 63,386,198	$ 65,949,701	$ 73,634,424	$ 72,466,126	$ 65,599,917
Net Increase (Decrease)	(1,027,400)	5,932,421	(4,676,113)	(9,420,994)	(3,011,287)
Beginning Fund Balance	61,562,455	60,535,055	66,467,476	61,791,363	52,370,369
Ending Fund Balance	$ 60,535,055	$ 66,467,476	$ 61,791,363	$ 52,370,369	$ 49,359,082

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

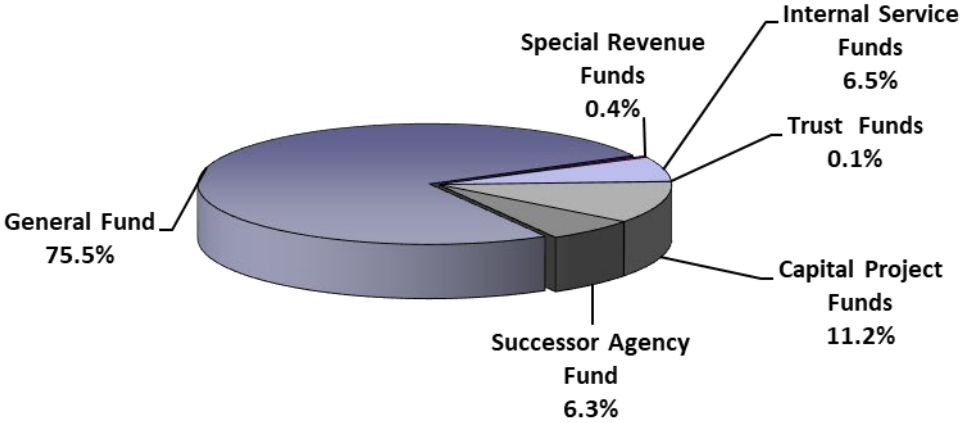
TOTAL TOWN REVENUES

BY FUND

(Includes Transfers In)

Fund	Fund Name	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted	Change from PY
General Fund								
111	General Fund	$ 45,771,240	$ 53,808,998	$ 46,255,285	$ 44,386,334	$ 46,203,842	$ 47,264,203	6.5%
Special Revenue Funds								
211	Housing Conservation Program	-	-	-	-	-	-	0.0%
212	Community Dev Block Grant	-	-	-	-	-	-	0.0%
222	Urban Run-Off Source Fund	577,592	716,352	241,323	231,323	260,851	231,323	0.0%
231	Blackwell Assessment District	3,311	3,389	3,389	3,210	3,210	3,210	0.0%
232	Kennedy Assessment District	7,982	10,912	10,926	10,605	10,605	10,605	0.0%
233	Gemini Assessment District	4,544	5,077	5,109	4,750	4,750	4,750	0.0%
234	Santa Rosa Assessment District	5,402	5,354	5,299	5,000	5,000	5,000	0.0%
235	Vasona Assessment District	9,612	10,634	10,693	10,075	10,075	10,075	0.0%
236	Hillbrook Assessment District	6,138	6,272	6,187	6,040	6,040	6,040	0.0%
Internal Service Funds								
611	Liability Self-Insurance	506,519	657,152	378,133	453,135	376,531	423,332	-6.6%
612	Worker's Comp Self-Insurance	1,135,141	1,492,981	2,491,249	1,185,906	1,164,389	1,007,620	-15.0%
621	Information Technology	1,177,826	1,223,741	881,936	917,219	911,333	914,018	-0.3%
622	Office Stores Fund	127,786	141,938	-	-	-	-	0.0%
631	Equipment Replacement	1,070,616	1,082,492	236,083	297,546	391,541	570,957	91.9%
632	Facilities Maintenance	586,654	764,407	-	-	-	-	0.0%
633	Vehicle Maintenance	1,759,036	1,787,255	1,080,686	1,181,757	1,148,757	1,179,510	-0.2%
Trust Funds								
711	Library Trust	75,039	83,840	63,388	26,000	60,500	55,500	113.5%
712	Library History Project	-	-	-	-	-	-	0.0%
713	Ness Trust Bequest	516	736	368	-	-	-	0.0%
714	Betty McClendon Trust	1,079	1,495	1,487	700	700	700	0.0%
716	Barbara J Cassin Trust	4,404	6,277	6,182	2,900	2,900	2,900	0.0%
Capital Projects Funds								
411	GFAR	3,477,800	4,314,346	11,326,970	8,102,270	6,205,327	4,579,909	-43.5%
421	Grant Funded CIP Projects	261,534	257,968	396,335	6,658,041	140,352	837,883	-87.4%
461	Storm Drain #1	13,996	123,039	112,105	49,470	49,470	49,670	0.4%
462	Storm Drain #2	752,689	47,774	62,569	53,490	83,490	53,930	0.8%
463	Storm Drain #3	40,564	1,447	(1,955)	1,380	(620)	940	-31.9%
471	Traffic Mitigation	151,452	118,787	136,639	1,795,438	883,794	10,000	-99.4%
472	Construction Tax-Undergrounding	68,868	81,701	87,489	3,863,048	62,490	52,490	-98.6%
481	Gas Tax	865,606	1,217,552	1,261,933	1,233,317	1,233,317	1,401,865	13.7%
Successor Agency to the Los Gatos RDA Fund								
942	SA - Recognized Obligation Retirement	3,895,852	3,910,206	3,898,503	3,829,488	3,826,488	3,912,200	2.2%
TOTAL Fund Rev & Transfers In		**$ 62,358,798**	**$ 71,882,122**	**$ 68,958,311**	**$ 74,308,442**	**$ 63,045,132**	**$ 62,588,630**	**-15.8%**

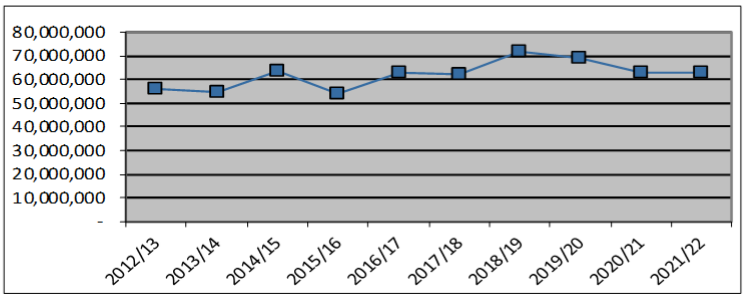
TOTAL TOWN REVENUES
BY FUND



	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted	% of Total
General Fund	$ 45,771,240	$ 53,808,998	$ 46,255,285	$ 44,386,334	$ 46,203,842	$ 47,264,203	75.5%
Special Revenue Funds	614,581	757,990	282,926	271,003	300,531	271,003	0.4%
Internal Service Funds	6,363,578	7,149,966	5,068,087	4,035,563	3,992,551	4,095,437	6.5%
Trust Funds	81,038	92,348	71,425	29,600	64,100	59,100	0.1%
Capital Project Funds	5,632,509	6,162,614	13,382,085	21,756,454	8,657,620	6,986,687	11.2%
Successor Agency Fund	3,895,852	3,910,206	3,898,503	3,829,488	3,826,488	3,912,200	6.3%
Total Rev & Transfers In	**$ 62,358,798**	**$ 71,882,122**	**$ 68,958,311**	**$ 74,308,442**	**$ 63,045,132**	**$ 62,588,630**	**100.0%**

TOWN REVENUE HISTORICAL TREND
(Includes Transfers In)

FY	Total	Status
2012/13	55,847,086	Actuals
2013/14	54,528,656	Actuals
2014/15	63,470,973	Actuals
2015/16	54,234,948	Actuals
2016/17	62,873,000	Actuals
2017/18	62,358,798	Actuals
2018/19	71,882,122	Actuals
2019/20	68,958,311	Actuals
2020/21	63,045,132	Estimated
2021/22	62,588,630	Projected



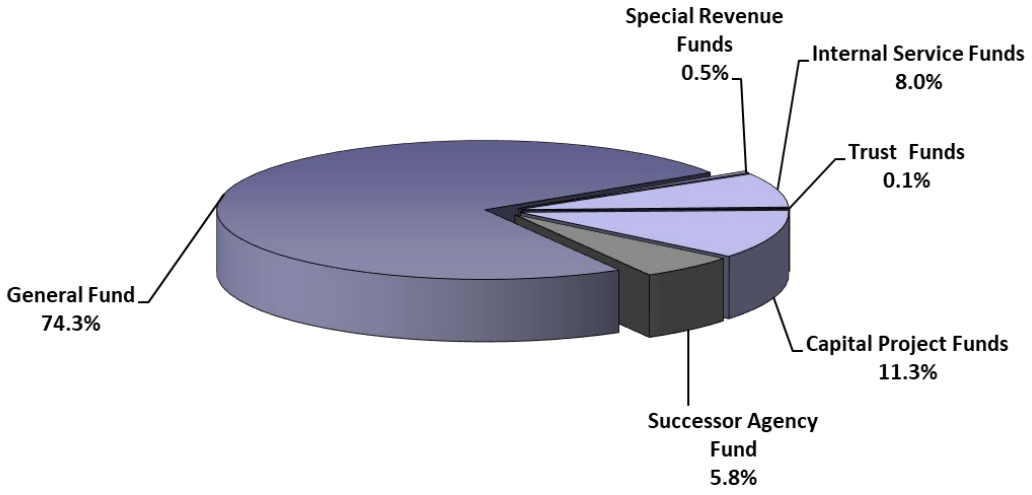
TOTAL TOWN EXPENDITURES

BY FUND

(Includes Transfers Out)

Fund	Fund Name	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted	Change from PY
General Fund								
111	General Fund	$ 42,493,171	$ 46,267,156	$ 54,890,314	$ 53,824,658	$ 53,310,702	$ 48,732,879	-9.5%
Special Revenue Funds								
211	Housing Conservation Program	-	-	-	-	-	-	0.0%
212	Community Dev Block Grant	-	-	-	-	-	-	0.0%
222	Urban Run-Off Source Fund	521,147	628,240	162,838	205,850	168,222	221,044	7.4%
231	Blackwell Assessment District	2,536	2,604	3,101	3,407	3,600	11,100	225.8%
232	Kennedy Assessment District	14,846	8,220	8,457	8,913	8,803	18,913	112.2%
233	Gemini Assessment District	2,244	2,244	2,244	2,544	2,723	12,723	400.1%
234	Santa Rosa Assessment District	9,172	9,172	9,172	9,472	10,429	20,429	115.7%
235	Vasona Assessment District	5,586	5,576	32,746	8,644	7,091	17,091	97.7%
236	Hillbrook Assessment District	3,565	4,370	3,772	4,757	4,943	19,943	319.2%
Internal Service Funds								
611	Liability Self-Insurance	397,190	338,617	400,823	703,059	501,246	850,716	21.0%
612	Worker's Comp Self-Insurance	1,416,722	1,270,628	1,525,589	1,900,050	1,909,392	1,782,569	-6.2%
621	Information Technology	1,267,349	867,082	796,201	1,070,891	802,391	843,991	-21.2%
622	Office Stores Fund	100,432	369,729	-	-	-	-	0.0%
631	Equipment Replacement	636,400	601,961	1,119,833	1,556,121	1,589,121	569,271	-63.4%
632	Facilities Maintenance	506,234	1,027,197	-	-	-	-	0.0%
633	Vehicle Maintenance	1,475,728	1,061,905	1,949,003	1,261,692	1,172,321	1,179,508	-6.5%
Trust Funds								
711	Library Trust	71,265	69,029	72,637	25,000	60,000	65,000	160.0%
713	Ness Trust Bequest	-	21,048	-	20,755	-	20,755	0.0%
714	Betty McClendon Trust	5,986	-	-	700	700	700	0.0%
716	Barbara J Cassin Trust	-	-	9,989	2,500	2,500	2,500	0.0%
721	Parking District #88	-	-	-	-	-	-	0.0%
Capital Projects Funds								
411	GFAR	9,556,483	7,970,424	5,984,879	18,199,345	5,818,286	4,994,604	-72.6%
421	Grant Funded CIP Projects	15,394	379,494	484,403	6,983,825	1,602,415	837,883	-88.0%
461	Storm Drain #1	-	-	10,000	150,000	-	50,000	-66.7%
462	Storm Drain #2	18,700	-	10,000	150,000	-	50,000	-66.7%
463	Storm Drain #3	107,992	29,700	21,000	185,058	4,500	75,000	-59.5%
471	Traffic Mitigation	119,507	74,626	92,626	1,795,438	883,794	10,000	-99.4%
472	Construction Tax-Undergrounding	-	-	49,000	6,836,204	22,201	-	-100.0%
481	Gas Tax	855,965	1,066,881	1,825,384	1,397,952	751,976	1,401,865	0.3%
Successor Agency to the Los Gatos RDA Fund								
942	SA- Trust Fund	3,782,584	3,873,798	4,170,413	3,828,791	3,828,770	3,811,432	
TOTAL Fund Exp & Transfers Out		**$ 63,386,198**	**$ 65,949,701**	**$ 73,634,424**	**$ 100,135,626**	**$ 72,466,126**	**$ 65,599,916**	**-34.5%**

TOTAL TOWN EXPENDITURES
BY FUND

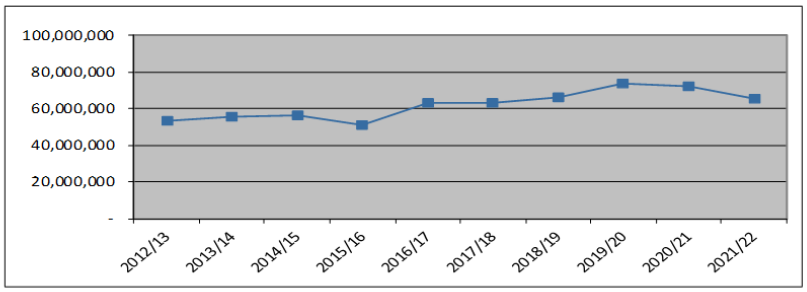


	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted	% of Total
General Fund	$ 42,493,171	$ 46,267,156	$ 54,890,314	$ 53,824,658	$ 53,310,702	$ 48,732,879	74.3%
Special Revenue Funds	559,096	660,426	222,330	243,587	205,811	321,243	0.5%
Internal Service Funds	5,800,055	5,537,119	5,791,449	6,491,813	5,974,471	5,226,055	8.0%
Trust Funds	77,251	90,077	82,626	48,955	63,200	88,955	0.1%
Capital Project Funds	10,674,041	9,521,125	8,477,292	35,697,822	9,083,172	7,419,352	11.3%
Successor Agency Fund	3,782,584	3,873,798	4,170,413	3,828,791	3,828,770	3,811,432	5.8%
Total Exp & Transfers Out	**$ 63,386,198**	**$ 65,949,701**	**$ 73,634,424**	**$ 100,135,626**	**$ 72,466,126**	**$ 65,599,916**	**100.0%**

TOWN EXPENDITURE HISTORICAL TREND

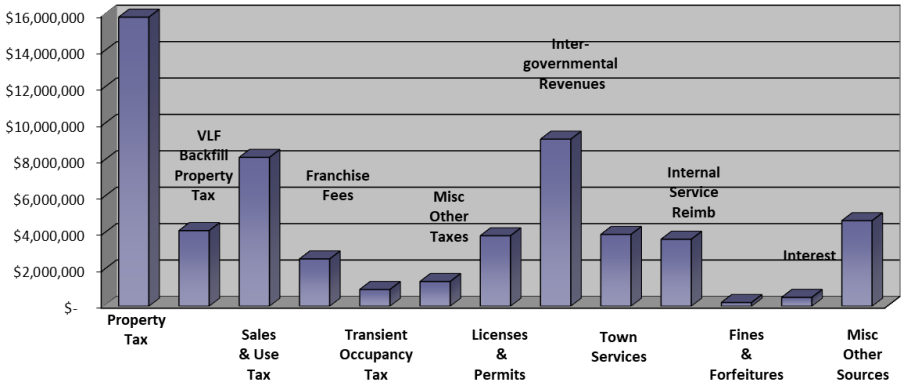
(Includes Transfers Out)

FY		Total	Status
2012/13	$	53,432,243	Actuals
2013/14	$	55,545,002	Actuals
2014/15	$	56,593,416	Actuals
2015/16	$	50,881,063	Actuals
2016/17	$	62,912,316	Actuals
2017/18	$	63,386,198	Actuals
2018/19	$	65,949,701	Actuals
2019/20	$	73,634,424	Actuals
2020/21	$	72,466,126	Estimated
2021/22	$	65,599,916	Projected



TOTAL TOWN REVENUES
BY CATEGORY

FY 2021/22
Revenues



Revenues	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted	% of Total
Property Tax	$ 12,510,996	$ 13,636,099	$ 14,454,542	$ 13,949,123	$ 14,652,355	$ 15,881,866	25.4%
VLF Backfill Property Tax	3,447,584	3,685,247	3,875,914	4,053,000	4,053,000	4,154,320	6.6%
Sales & Use Tax	7,592,206	8,158,152	7,531,425	7,662,900	7,135,131	8,177,859	13.1%
Franchise Fees	2,474,814	2,475,916	2,495,792	2,532,289	2,521,970	2,597,630	4.2%
Transient Occupancy Tax	2,628,927	2,692,043	1,869,685	707,723	707,723	920,040	1.5%
Miscellaneous Other Taxes	1,784,327	1,621,762	1,463,966	1,208,220	1,418,220	1,358,220	2.2%
Licenses & Permits	4,624,222	4,148,509	4,081,143	4,112,225	3,993,370	3,871,278	6.2%
Intergovernmental Revenues	4,275,547	4,532,466	6,214,369	16,406,133	7,749,682	9,178,731	14.7%
Town Services	5,137,853	5,186,462	4,785,845	4,827,968	4,269,934	3,945,490	6.3%
Internal Service Reimbursements	4,880,836	3,529,840	3,094,669	3,361,181	3,348,173	3,679,055	5.9%
Fines & Forfeitures	676,212	510,266	271,117	94,950	102,332	203,450	0.3%
Interest	369,892	1,874,224	2,470,608	671,009	638,971	486,094	0.8%
Miscellaneous Other Sources	8,068,951	15,117,005	6,352,720	10,635,409	8,443,300	4,700,198	7.5%
Total Revenues	**$ 58,472,367**	**$ 67,167,991**	**$ 58,961,795**	**$ 70,222,130**	**$ 59,034,161**	**$ 59,154,231**	
Plus Transfers In	3,886,431	4,714,131	9,996,516	4,086,313	4,010,971	3,434,399	5.5%
Total Revenues & Other Sources	**$ 62,358,798**	**$ 71,882,122**	**$ 68,958,311**	**$ 74,308,443**	**$ 63,045,132**	**$ 62,588,630**	**100%**

Total Budgeted Revenues (exclusive of Transfers In) have decreased 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, VLF Backfill, Franchise Fees, and Intergovernmental Revenues.

Key revenue highlights include:

Property Tax – Property Tax revenues are still projected to increase by 13.9% compared to the prior adjusted budget as property tax collection is based on the January 2021 assessment roll for FY 2021/22.

Sales and Use Tax – The Town receives 1.0 cents of the 9.125 cents of sales tax paid per dollar of taxable sales generated in Town, Sales and Use Tax remains one of the General Fund's largest revenue sources. In addition, the Town collects an additional 0.125 cent in dedicated sales tax as a result of a voter approved ballot initiative in 2018. The FY 2021/22 budget reflects $7.2 million in sales tax revenue and $1.0 million in dedicated sales tax revenue. Combined this represents 6.7% increase from prior year adjusted budget. Prior year estimates reflect the continued effect of the pandemic and the County shelter-in-place (SIP) order in response to the COVID-19 emergency.

Licenses and Permits – FY 2021/22 Licenses and Permits reflect a 7.1% decrease reflecting anticipated declines in permitting activity.

Intergovernmental Revenues – Increases in intergovernmental revenues are due to changes in available grant and the American Recovery Act funding.

TOTAL TOWN REVENUES
BY CATEGORY

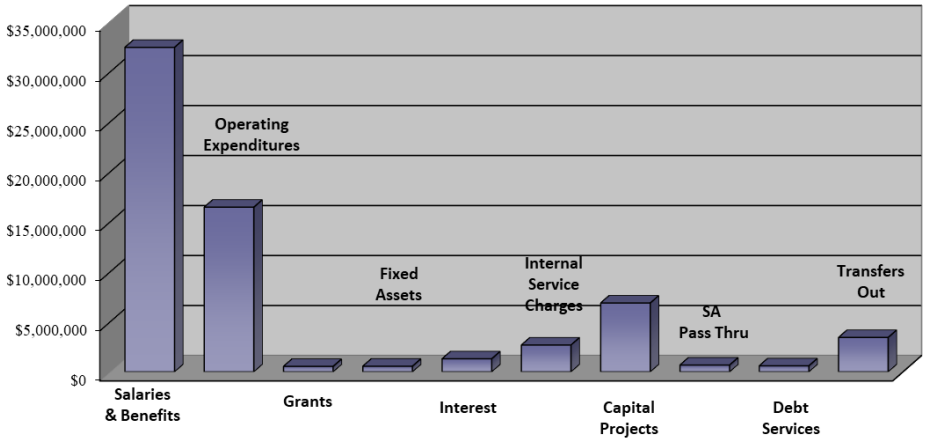
Transient Occupancy Tax – Transient Occupancy Tax (TOT) is expected to increase by 30% from FY 2020/21 adjusted budget. During FY 2020/21 TOT has experienced the most significant percentage decline relative to the adopted budget and Town Council approved a 69% decrease to the budget. In addition to the initial Shelter-in-Place (SIP) and Stay-at-Home restrictions instituted on March 17, 2020, on November 28, 2020, Santa Clara County issued new mandatory directives which included that hotels and other lodging facilities will be open only for essential travel and for use to facilitate isolation or quarantine. Unlike sales tax forecasts which predict an acceleration of revenues tied to pent up consumer demand, the Town's TOT revenue has historically been primarily driven by business travel. Given the uncertainty around physical business travel resuming at prior levels, as opposed to a continuation of remote work and online meeting forums, staff is recommending modest growth for base case development of the FY 2021/22 budget.

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 2021/22
Expenditures



Expenditures	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted	% of Total
Salaries and Benefits	$ 25,296,305	$ 26,948,324	$ 29,069,532	$ 31,783,720	$ 31,029,519	$ 32,457,359	49.5%
Operating Expenditures	16,354,841	18,844,565	20,372,090	22,299,445	21,590,205	16,467,937	25.1%
Grants	194,808	248,533	274,249	245,000	631,000	541,382	0.8%
Fixed Assets	627,785	661,315	807,829	1,562,349	1,609,958	557,710	0.9%
Interest	756,482	823,734	1,195,635	1,250,000	1,263,003	1,300,000	2.0%
Internal Service Charges	3,874,398	2,529,890	2,191,235	2,360,276	2,383,784	2,679,043	4.1%
Capital Projects	10,041,532	8,987,510	7,907,341	35,164,207	8,556,898	6,885,737	10.5%
Successor Agency Pass Thru	1,014,531	1,163,984	862,238	725,825	732,293	676,500	1.0%
Debt Services	1,098,350	1,027,715	957,759	658,494	658,494	599,850	0.9%
Total Expenditures	**$ 59,259,032**	**$ 61,235,570**	**$ 63,637,908**	**$ 96,049,316**	**$ 68,455,154**	**$ 62,165,518**	
Transfers Out	4,127,166	4,714,131	9,996,516	4,086,313	4,010,972	3,434,399	5.2%
Total Uses of Funds	**$ 63,386,198**	**$ 65,949,701**	**$ 73,634,424**	**$ 100,135,629**	**$ 72,466,126**	**$ 65,599,917**	**100%**

Total Budgeted Expenditures (exclusive of Transfers Out) include budgeted Capital Improvements, which can vary significantly from year to year. Net of Capital Projects and payment to CalPERS, total expenditures reflect a 1.9% decrease for FY 2021/22 compared to the prior adjusted budget numbers. Prior year adjusted budget numbers includes capital project carryforwards. Expenditures of note include:

Salaries and Benefits – The FY 2021/22 budget reflects an anticipated 2.1% increase in salaries compared to prior year adjusted budget and a 11.6% increase from the FY 2019/20 actuals. These increases are attributed to anticipated increases in CalPERS and medical benefits rates and anticipated merit step increases. In addition to these anticipated increases Council adopted an additional 2% base salary inflation factor. Staffing modifications include reclassification of a Deputy Town Attorney position to a Legal Administrative Assistant position, an Associate Engineer position to a Senior Civil Engineer position, and an Equipment Mechanic position to a Supervising Equipment Mechanic position to better align current service delivery within the existing budget. Staff also proposes one-time temporary hours within the Town Manager's Office, Human Resources, Information Technology, Community Development, Police, and Parks and Public Works Departments.

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

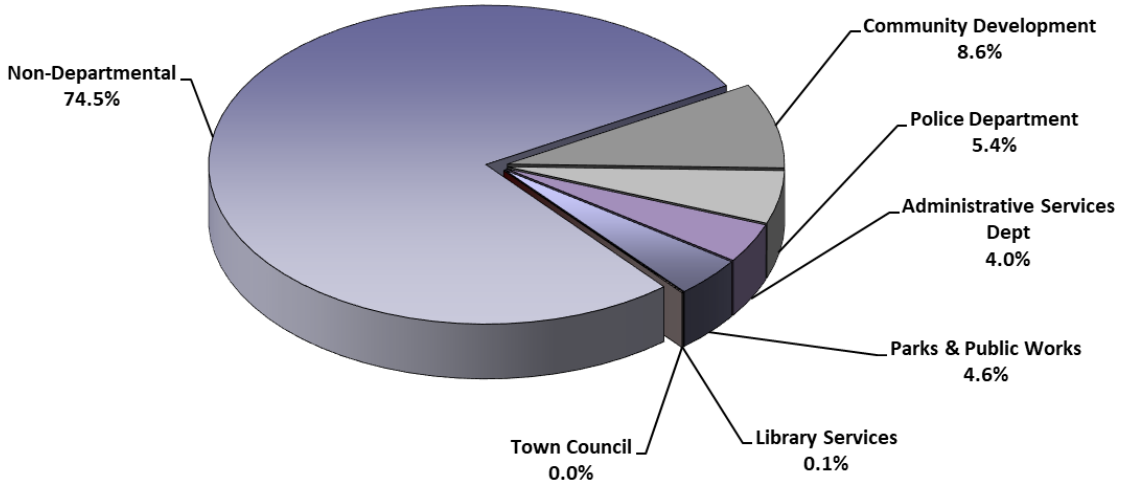
Internal Service Charges – These expenditures represent the service program costs charged back to the operational programs for Liability Insurance, Information Technology, Vehicle Replacement, and Building Maintenance services. The FY 2021/22 budget reflects an increase in the Internal Service Charges reflecting scheduled replacements.

TOTAL TOWN EXPENDITURES

BY CATEGORY

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

GENERAL FUND REVENUES
BY DEPARTMENT

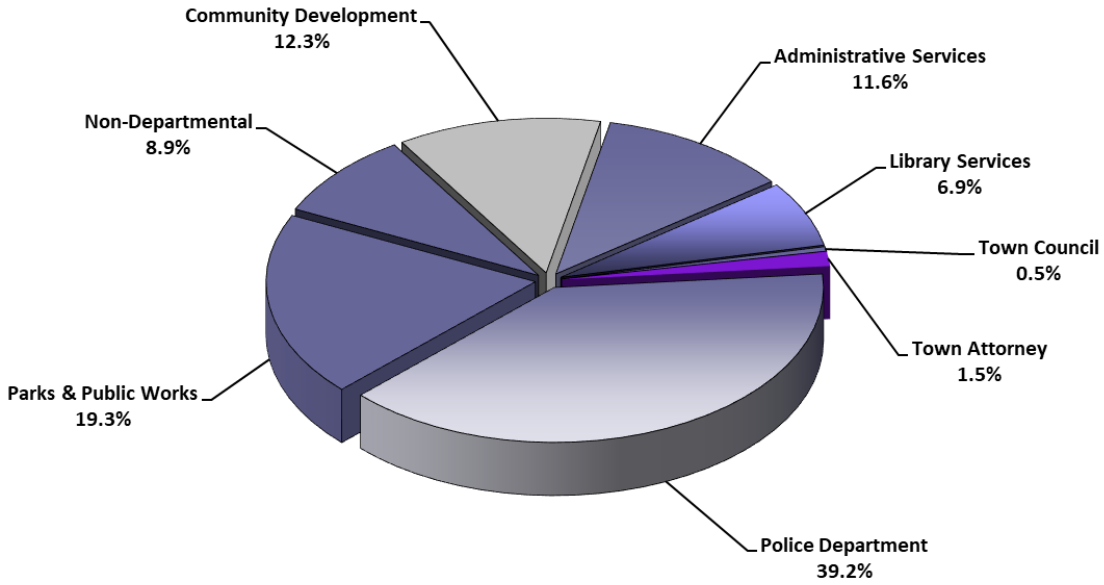


FY 2021/22 Departmental Revenues

Departments	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted	% of Total
Town Council	$ 730	$ 1,527	$ 2,509	$ -	$ 31,175	$ -	0.0%
Non-Departmental	28,988,473	34,475,646	30,578,565	30,407,640	33,488,814	34,525,337	77.9%
Administrative Services*	1,946,533	3,172,019	3,714,199	1,804,873	1,984,963	1,777,233	4.0%
Community Development	3,835,046	4,203,611	3,345,105	4,376,970	4,339,174	3,826,899	8.6%
Police Department	2,769,309	2,556,445	2,543,720	2,213,333	2,037,163	2,380,847	5.4%
Parks & Public Works	3,530,073	2,760,825	2,814,634	1,747,010	1,758,274	1,793,685	4.0%
Library Services	71,902	56,958	62,428	49,022	46,293	37,000	0.1%
Total General Fund Revenues	**$ 41,142,066**	**$ 47,227,031**	**$ 43,061,160**	**$ 40,598,848**	**$ 43,685,856**	**$ 44,341,001**	**100%**
Town Debt Payments	$ 1,914,739	$ 1,909,073	$ 1,905,024	$ 1,908,494	$ 1,908,494	$ 1,899,850	
Pension Trust**	-	5,022,848	689,432	1,262,158	-	390,000	
Compensated Absences**	2,169,600	(1,928,865)	-	-	-	-	
Transfers In	544,836	1,578,911	599,669	616,834	609,492	633,352	
Net Operating Revenues	**$ 45,771,241**	**$ 53,808,998**	**$ 46,255,285**	**$ 44,386,334**	**$ 46,203,842**	**$ 47,264,203**	

**The Town Manager's Office, Human Resources, Finance, Clerk Administration, and Information Technology Programs are all accounted for within the Administrative Services Department.*
*** Previously expensed transfers were returned to be included in the General Fund.*

GENERAL FUND EXPENDITURES
BY DEPARTMENT

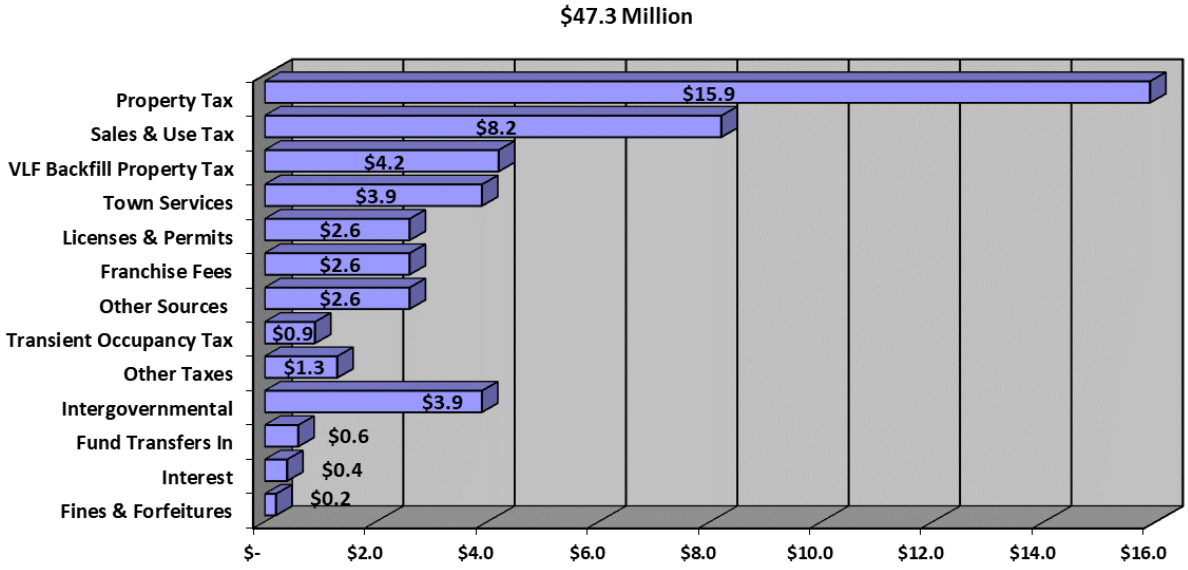


FY 2021/22 Departmental Expenditures

Departments	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted	% of Total
Police Department	$ 14,423,554	$ 14,948,952	$ 15,895,008	$ 17,452,539	$ 17,274,220	$ 17,239,483	39.2%
Parks & Public Works	7,099,527	7,969,631	8,168,040	8,200,370	7,866,603	8,494,628	19.3%
Non-Departmental	5,109,456	6,875,761	3,505,097	8,100,868	8,471,324	3,936,680	8.9%
Community Development	4,192,165	4,577,495	4,473,790	5,605,215	5,276,713	5,395,866	12.3%
Administrative Services*	3,193,995	3,931,807	4,388,762	4,995,847	4,718,987	5,087,204	11.6%
Library Services	2,529,017	2,493,617	2,700,802	2,957,531	2,852,778	3,016,395	6.9%
Town Council	192,183	205,903	206,163	243,486	207,335	201,499	0.5%
Town Attorney	354,205	562,542	559,010	658,831	619,766	660,228	1.5%
Total General Fund Exp	**$ 37,094,102**	**$ 41,565,708**	**$ 39,896,672**	**$ 48,214,687**	**$ 47,287,726**	**$ 44,031,983**	**100%**
Town Debt Payments	$ 1,914,739	$ 1,909,073	$ 1,905,024	$ 1,908,494	$ 1,921,497	$ 1,899,850	
Pension Trust**	-	7,155	5,034,771	300,000	700,000	-	
Compensated Absences**	240,735	-	-	-	-	-	
Transfers Out	3,484,330	2,785,220	8,053,847	3,401,479	3,401,479	2,801,047	
Net Operating Expenditures	**$ 42,493,171**	**$ 46,267,156**	**$ 54,890,314**	**$ 53,824,660**	**$ 53,310,702**	**$ 48,732,880**	

** The Town Manager's Office, Human Resources, Finance, Clerk Administrator, and Information Technology Programs are all accounted for within the Administrative Services Department.*
*** Pension Trust and Compensated absences are incorporated in the General Fund.*

GENERAL FUND REVENUES
BY CATEGORY



Revenue Category	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted	% of Total
Property Tax	$ 12,510,822	$ 13,636,099	$ 14,454,513	$ 13,949,123	$ 14,652,355	$ 15,881,866	33.6%
VLF Backfill Property Tax	3,447,584	3,685,247	3,875,914	4,053,000	4,053,000	4,154,320	8.8%
Sales & Use Tax	7,592,206	8,158,152	7,531,425	7,662,900	7,135,131	8,177,859	17.3%
Franchise Fees	2,474,814	2,475,916	2,495,792	2,532,289	2,521,970	2,597,630	5.5%
Transient Occupancy Tax	2,628,927	2,692,043	1,869,685	707,723	707,723	920,040	1.9%
Other Taxes	1,686,251	1,526,894	1,357,080	1,100,000	1,300,000	1,250,000	2.6%
Licenses & Permits	3,011,309	3,067,994	2,696,457	2,911,898	2,912,257	2,641,779	5.6%
Intergovernmental	1,010,166	945,191	1,104,075	1,456,773	4,257,997	3,881,836	8.2%
Town Services	4,630,893	4,640,804	4,447,213	4,006,639	3,900,311	3,860,490	8.2%
Fines & Forfeitures	676,212	510,266	271,117	94,950	102,332	203,450	0.4%
Interest	244,762	1,689,575	2,266,134	626,409	597,371	441,233	0.9%
Other Sources	5,312,459	9,201,906	3,286,211	4,667,796	3,453,903	2,620,348	5.5%
Total Revenues	**$ 45,226,405**	**$ 52,230,087**	**$ 45,655,616**	**$ 43,769,500**	**$ 45,594,350**	**$ 46,630,851**	
Transfers In:	$ 544,836	$ 1,578,911	$ 599,669	$ 616,834	$ 609,492	$ 633,352	1.3%
Total Revenues & Transfers In	**$ 45,771,241**	**$ 53,808,998**	**$ 46,255,285**	**$ 44,386,334**	**$ 46,203,842**	**$ 47,264,203**	**100%**

FY 2021/22 General Fund revenues and fund transfers are estimated to increase by 6.5% from the FY 2020/21 adjusted budget and an 2.2% increase from FY 2019/20 actuals. The Town's operations are funded through a variety of revenue sources as depicted above. Revenues were estimated by trend analysis and historical data as explained below:

Sales and Use Tax – The Town receives 1.0 cents of the 9.125 cents of sales tax paid per dollar of taxable sales generated in Town, Sales and Use Tax remains one of the General Fund's largest revenue sources. In addition, the Town collects an additional 0.125 cent in dedicated sales tax as a result of a voter approved ballot initiative in 2018. The FY 2021/22 budget reflects $7.2 million in sales tax revenue and $1.0 million in dedicated sales tax revenue. Combined this represents 6.7% increase from prior year adjusted budget. Prior year estimates reflect the continued effect of the pandemic and the County shelter-in-place (SIP) order in response to the COVID-19 emergency.

Property Tax – Property Tax revenues are still projected to increase by 13.9% compared to the prior adjusted budget as property tax collection is based on the January 2021 assessment roll for FY 2021/22 projected by the Santa Clara

County Assessor's Office. The Town receives 9.3 cents of each property tax dollar paid by property owners. The remaining 90.7 cents of each dollar is distributed to several other taxing jurisdictions, including local schools, community college districts, the County of Santa Clara, Santa Clara County Central Fire Protection District, and other special districts that serve the community.

Town Services – Charges for Town Services decreased by 3.6% reflecting the slowing of land use development and construction projects.

Licenses & Permits – Licenses and Permits decreased by 9.3% based on current and anticipated slowing building activities.

Intergovernmental Revenues – Intergovernmental revenues reflect a 166.5% increase anticipation of the ARPA grant proceeds.

Franchise Fees – Compared to the prior fiscal year, Franchise Fees, including cable television, electric utility and solid waste, have increased by 2.6%. The increase is based on an analysis of current year collection tends.

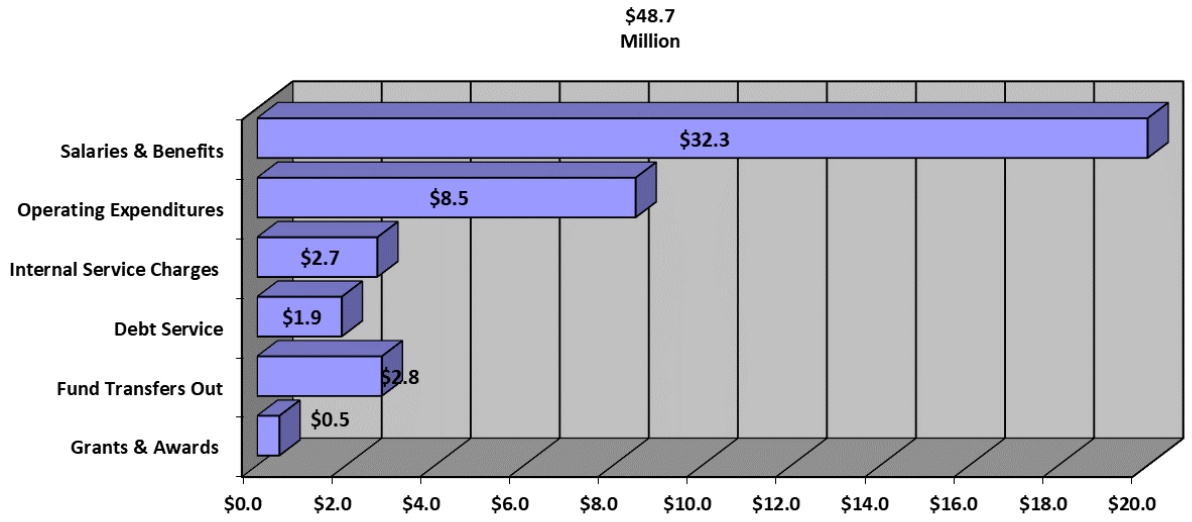
Transient Occupancy Tax – Transient Occupancy Tax (TOT) is expected to increase by 30% from FY 2020/21 adjusted budget. During FY 2020/21 TOT has experienced the most significant percentage decline relative to the adopted budget and Town Council approved a 69% decrease to the budget. In addition to the initial Shelter-in-Place (SIP) and Stay-at-Home restrictions instituted on March 17, 2020, on November 28, 2020, Santa Clara County issued new mandatory directives which included that hotels and other lodging facilities will be open only for essential travel and for use to facilitate isolation or quarantine. Unlike sales tax forecasts which predict an acceleration of revenues tied to pent up consumer demand, the Town's TOT revenue has historically been primarily driven by business travel. Given the uncertainty around physical business travel resuming at prior levels, as opposed to a continuation of remote work and online meeting forums, staff is recommending modest growth for base case development of the FY 2021/22 budget.

Fines and Forfeitures – Fines and Forfeitures include library and traffic fines and administrative citations which are expected to increase by 114%, restoring prior Shelter in Place parking violation enforcement.

Transfers In –Transfers in increased by 2.7% compared to the prior year budget, reflecting an utilization of a previously saved equipment replacement collection in FY 2021/11.

Other Sources – Other sources includes the Town "Pass Through" programs and restricted pension trust fund activities.

GENERAL FUND EXPENDITURES
BY CATEGORY



Expenditure Category	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted	% of Total
Salaries & Benefits	$ 23,574,425	$ 26,803,225	$ 28,933,568	$ 31,610,959	$ 30,892,559	$ 32,269,661	66.3%
Operating Expenditures	9,457,424	11,955,327	13,397,031	14,302,893	14,083,222	8,546,525	17.5%
Fixed Assets	-	38,307	138,384	-	2,365	-	0.0%
Grants & Awards	194,808	248,533	274,249	245,000	631,000	541,382	1.1%
Debt Service	1,914,739	1,909,073	1,905,024	1,908,494	1,921,497	1,899,850	3.9%
Internal Service Charges	3,867,445	2,527,470	2,188,211	2,355,834	2,378,580	2,674,415	5.5%
Total Expenditures	**$ 39,008,841**	**$ 43,481,935**	**$ 46,836,467**	**$ 50,423,180**	**$ 49,909,223**	**$ 45,931,833**	
Transfers Out	$ 3,484,330	$ 2,785,220	$ 8,053,847	$ 3,401,479	$ 3,401,479	$ 2,801,047	5.7%
Total Exp & Transfers Out	**$ 42,493,171**	**$ 46,267,155**	**$ 54,890,314**	**$ 53,824,659**	**$ 53,310,702**	**$ 48,732,880**	**100.0%**

The FY 2021/22 General Fund Operating Budget (net of transfers out) represents a 0.1% increase compared to the net FY 2020/21 adjusted operating expenditures budget (net of transfers out, payment to CalPERS totaling $4.5M).

Salaries & Benefits – The delivery of Town services is highly dependent on talented staff which comprises 66.3% of budgeted General Fund expenditures for FY 2021/22. The FY 2021/22 budget reflects an increase in salaries related to merit increases, employee promotions, and benefits costs attributed to increased CalPERS and medical benefits rates.

Operating Expenditures – The FY 2021/22 operating expenditures decreased when compared to the FY 2020/21 adjusted budget. The prior year adjusted budgeted expenditures included a $4.5 million payment to CalPERS. Town-wide efforts continue to emphasize the importance of containing operating costs while maintaining core services; however, factors such as escalating energy costs and general cost increases have offset many departmental reductions.

Grants & Awards –The Town provides General Fund grants and awards to local nonprofit organizations for a variety of human, art, special events and educational services. FY 2021/22 grants and awards reflect anticipated ARPA proceeds toward non-profits and businesses.

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

GENERAL FUND EXPENDITURES
BY CATEGORY

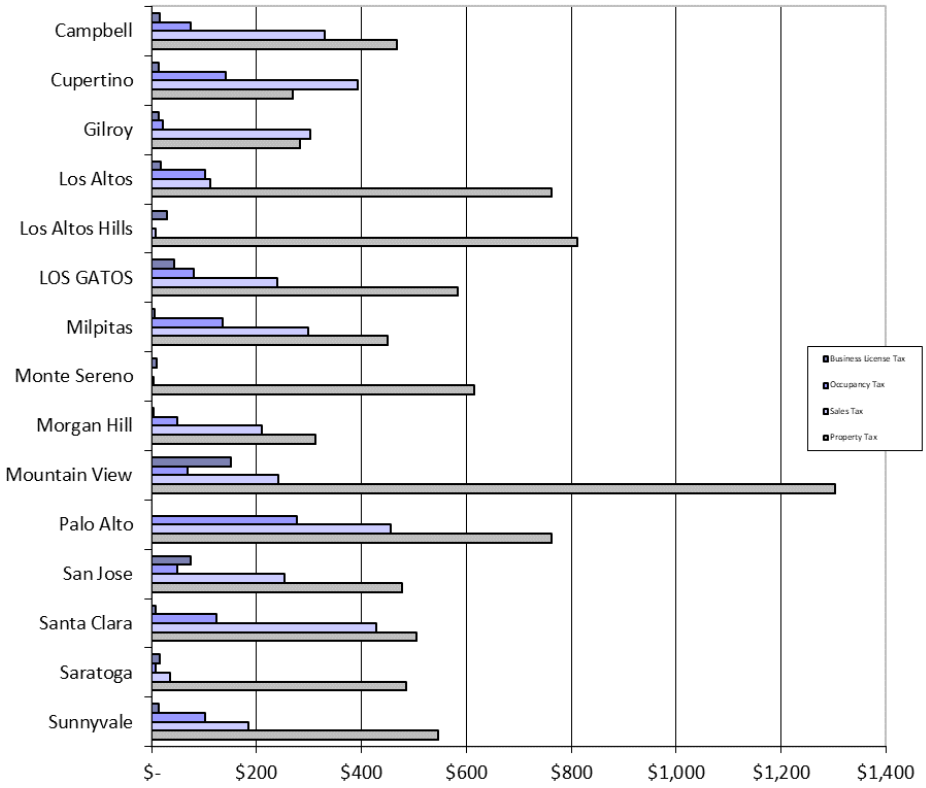
Debt Service – The Town facilitates the Successor Agency (SA) to the Los Gatos Redevelopment Agency's two Certificates of Participation (COPs) through a leasing expense and reimbursement revenue which nets to zero for the Town, while SA funds provide the actual debt payment for the bond issues.

Transfers Out – The General Fund Transfers Out include $2,801,047 to the Capital Projects Fund.

GENERAL FUND TAX REVENUES

CITIES OF SANTA CLARA COUNTY – TAX REVENUES PER CAPITA

(LATEST DATA AVAILABLE AT THE TIME OF PUBLICATION)



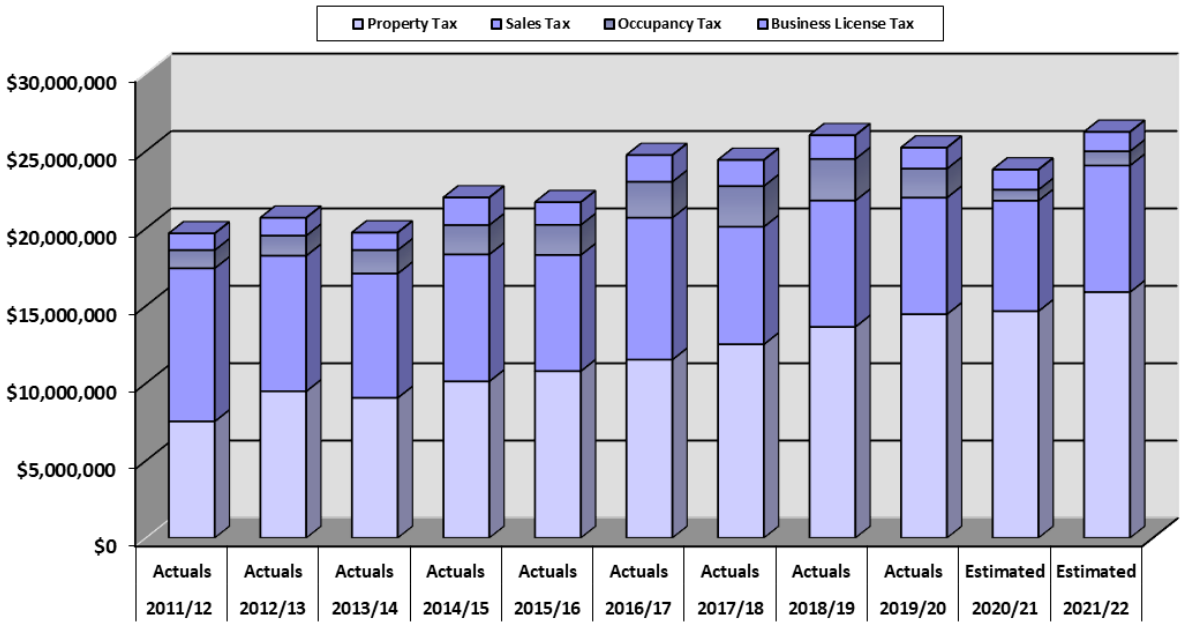
Actual Tax Revenue Amounts and Per Capita

Cities	Population	Property Tax		Sales Tax		Occupancy Tax		Business License Tax	
		Amount	Per Capita	Amount	Per Capita	Amount	Per Capita	Amount	Per Capita
Campbell	42,288	$ 19,768,145	467	$ 13,965,745	$ 330	$ 3,144,208	$ 74	$ 664,071	$ 16
Cupertino*	63,344	17,082,000	270	24,902,000	393	8,901,000	141	876,601	14
Gilroy	57,084	16,085,414	282	17,233,882	302	1,237,812	22	708,554	12
Los Altos*	31,190	23,791,531	763	3,461,298	111	3,166,067	102	540,262	17
Los Altos Hills	8,413	6,834,083	812	64,636	8	-	-	243,874	29
LOS GATOS	31,439	18,330,426	583	7,532,425	240	2,495,792	79	1,357,080	43
Milpitas	84,196	37,799,083	449	25,058,325	298	11,376,522	135	480,978	6
Monte Sereno*	3,500	2,152,155	615	15,516	4	-	-	33,580	10
Morgan Hill	46,454	14,464,689	311	9,737,739	210	2,275,822	49	143,258	3
Mountain View	82,272	107,192,000	1,303	19,792,000	241	5,602,000	68	12,368,000	150
Palo Alto	67,019	51,089,154	762	30,563,248	456	18,553,491	277	-	-
San Jose*	1,043,000	497,317,000	477	263,530,000	253	51,399,000	49	77,011,000	74
Santa Clara	129,104	65,132,029	504	55,269,668	428	15,993,791	124	925,717	7
Saratoga	31,030	15,031,057	484	1,056,700	34	210,326	7	447,337	14
Sunnyvale	156,503	85,495,611	546	28,833,160	184	15,895,540	102	1,935,129	12
Average	**125,122**	**$ 65,170,958**	**$ 521**	**$ 33,401,089**	**$ 267**	**$ 9,350,091**	**$ 75**	**$ 6,515,696**	**$ 52**

Source: Cities of Santa Clara County

GENERAL FUND TAX REVENUES

BUDGET WITH 10 YEAR HISTORY



Fiscal Year		Property Tax	Sales Tax	Occupancy Tax	Business License Tax	Sum of Key Revenues	Change from Prior Year
2011/12	Actuals	$ 7,532,073	$ 9,889,100	$ 1,174,485	$ 1,077,320	$ 19,672,978	8.8%
2012/13	Actuals	$ 9,477,043	$ 8,757,428	$ 1,295,887	$ 1,151,579	$ 20,681,937	5.1%
2013/14	Actuals	$ 9,054,908	$ 8,029,571	$ 1,512,846	$ 1,130,020	$ 19,727,345	(4.6%)
2014/15	Actuals	$ 10,113,287	$ 8,202,678	$ 1,896,721	$ 1,779,407	$ 21,992,093	11.5%
2015/16	Actuals	$ 10,779,434	$ 7,501,175	$ 1,943,166	$ 1,465,546	$ 21,689,321	(1.4%)
2016/17	Actuals	$ 11,518,257	$ 9,171,373	$ 2,322,910	$ 1,720,980	$ 24,733,520	14.0%
2017/18	Actuals	$ 12,510,822	$ 7,592,206	$ 2,628,927	$ 1,686,251	$ 24,418,206	(1.3%)
2018/19	Actuals	$ 13,636,099	$ 8,158,152	$ 2,692,043	$ 1,526,894	$ 26,013,188	6.5%
2019/20	Actuals	$ 14,454,513	$ 7,531,425	$ 1,869,685	$ 1,357,080	$ 25,212,703	(3.1%)
2020/21	Estimated	$ 14,652,355	$ 7,135,131	$ 707,723	$ 1,300,000	$ 23,795,209	(5.6%)
2021/22	Estimated	$ 15,881,866	$ 8,177,859	$ 920,040	$ 1,250,000	$ 26,229,765	10.2%

GENERAL FUND

FY 2021/22 ESTIMATED FUND BALANCE ACTIVITY

Use of / Addition to GF Reserves:	Estimated July 1, 2021 Balance	Revenues & Transfers In	Expenditures and Transfers Out	Fund Balance Sources (Uses)	Estimated June 30, 2022 Balance
Unreserved Fund Balances					
Undesignated Reserves	$ -	$ -	$ -	$ -	$ -
Available to be Appropriated	130,116	44,419,888	48,732,879	4,182,875	-
Restricted Fund Balances					
Pension	-	-	-	390,000	390,000
Committed to:					
Budget Stabilization Reserve	5,460,485			-	5,460,485
Catastrophic Reserves	5,460,485				5,460,485
Pension/OPEB Reserve	-	-	-	-	-
Assigned to:					
Open Space Reserve	410,000			-	410,000
Sustainability	140,553			-	140,553
Strategy Reserve	-			-	-
Capital/Special Projects	4,551,407			(550,000)	4,001,407
Authorized Carryforwards	-			-	-
Compensated Absences*	1,539,408			-	1,539,408
Market Fluctuations	1,218,732	-	-	-	1,218,732
Measure G District Sales Tax	1,051,046	-	-	(568,887)	482,159
Surplus Property Reserve	1,200,000	-	-	(1,200,000)	-
American Rescue Act	1,066,405	2,844,315	-	(2,253,988)	1,656,732
Total Use of and Addition To Reserves	**$ 22,228,637**	**$ 47,264,203**	**$ 48,732,879**	**$ -**	**$ 20,759,961**

The balances are estimates and will be finalized upon closing FY 2020/21.

GENERAL FUND

FY 2020/21 & FY 2021/22 ESTIMATED FUND BALANCE ACTIVITY

		Restricted for Pension	Budget Stabilization	Catastrophic	Pension/OPEB	Open Space	Sustainability	Capital/Special Projects	Carryforward Encumbrances	Market Fluctuations	Compensated Absences	Measure G District Sales Tax	Surplus Property Reserve	ARPA	Total GF Balance
Actual General Fund Balance June 30, 2020		**$ 669,978**	**$ 5,427,603**	**$5,427,603**	**$4,532,500**	**$410,000**	**$140,553**	**$ 8,787,958**	**$ -**	**$ 1,218,732**	**$1,539,408**	**$ 1,181,162**	**$ -**	**$ -**	**$29,335,497**
FY 2020/21 ACTIONS	Additional Capital Projects							(3,401,479)							
	FY2020/21 One -time Uses							(769,308)							
	Paying off CalPERS 2015 Gain/Loss Base				(3,660,342)										
	Residual Pension/OPEB Reserve to IRS 115 Pension Trust (CEPPT)	(669,978)			(872,158)										
	Sale of Winchester Property *(Council Action 4/21/2020, Escrow closed July 2021)*												1,200,000	-	
	Reserve 25% of FY 2021/22 GF Operating Expenditure *(per General Fund Reserve Policy)*		11,673	11,673				(23,346)							
	ARPA Proceeds													2,844,315	
	FY2020/21 One -time Uses *(Council Action 4/6/2021 Grants, CUP Subsidies, Destination Marketing Might Cross Fiscal Years)*													(415,000)	
	FY2020/21 One -time Uses (Council Action 4/6/2021 Replace Lost Revenue)													(1,362,910)	
	50% of the anticipated Fy 2020/21 Accumulated Measure G Sales Tax Proceeds											(590,581)			
	50% of FY 2020/21 Measure G Sales Tax Proceeds											460,465			
Estimated General Fund Balance June 30, 2021		**$ -**	**$ 5,439,276**	**$5,439,276**	**$ -**	**$410,000**	**$140,553**	**$ 4,593,825**	**$ -**	**$ 1,218,732**	**$1,539,408**	**$ 1,051,046**	**$1,200,000**	**$1,066,405**	**$22,098,521**
PROPOSED FY 2021/22 ACTIONS	50% of the anticipated FY 2021/22 Measure G Sales Tax Proceeds											482,159			
	Additional Capital Projects per 6/1/2021 Budget Adoption							(550,000)				(1,051,046)	(1,200,000)		
	Regular Payment to IRS 115 Pension Trust (CEPPT)	390,000													
	ARPA Proceeds													2,844,315	
	FY2021/22 One -time Uses *(Council Action 4/6/2021 Rent Forgiveness and Council Action 6/1/2021)*													(341,452)	
	FY2021/22 One -time Uses *(Council Action 4/6/2021 Replace Lost Revenue and Council Action 6/1/2021)*													(1,912,536)	
Estimated General Fund Balance June 30, 2022		**$ 390,000**	**$ 5,439,276**	**$5,439,276**	**$ -**	**$410,000**	**$140,553**	**$ 4,043,825**	**$ -**	**$ 1,218,732**	**$1,539,408**	**$ 482,159**	**$ -**	**$1,656,732**	**$20,759,961**

SCHEDULE OF INTERFUND TRANSFERS
FISCAL YEAR 2020/21 & 2021/22

	Estimated		Adopted Budget	
	2020/21	2020/21	2021/22	2021/22
Fund Description	**Transfers In**	**Transfers Out**	**Transfers In**	**Transfers Out**
General Funds				
General Fund	$ 609,492	$ 3,401,479	$ 633,352	$ 2,801,047
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				
Liability Self Insurance-Fund	-	-	-	-
Worker's Comp Self Insurance	-	-	-	-
Information Technology	-	37,800	-	-
Equipment Fund	-	40,498	-	94,816
Facilities Maintenance Fund	-	-	-	-
Trust & Agency Funds				
Barbara J. Cassin Trust	-	-	-	-
History Project Trust Fund	-	-	-	-
Library Trust Fund	-	-	-	-
Capital Project Funds				
GFAR	3,401,479	417,616	2,801,047	417,616
Grant Funded CIP Projects	-	-	-	-
Storm Drain #1	-	-	-	-
Storm Drain #2	-	-	-	-
Storm Drain #3	-	-	-	-
Traffic Mitigation	-	2,658	-	10,000
Construction Utility Underground	-	-	-	-
Gas Tax - Street & Signal	-	106,000	-	106,000
Successor Agency of the Los Gatos RDA Fund				
SA - Administration	-	-	-	-
SA - Debt Service	-	-	-	-
SA - Low / Moderate Housing	-	-	-	-
SA - Recognized Obligation Retirement	-	-	-	-
SA - General Fund	-	-	-	-
Total Transfers	$ 4,010,971	$ 4,010,971	$ 3,434,399	$ 3,434,399

FUND BALANCE ACTIVITY SUMMARY
FISCAL YEAR 2021/22

	7/1/21 Estimated Fund Balance	Fiscal Year 2021/22 Proposed Budget: Plus: Revenues & Carryforwards	Plus: Transfers In	Less: Expenditures & Carryforwards	Less: Transfers Out	Use of Reserves	6/30/22 Estimated Fund Balance
GENERAL FUND							
Unreserved Fund Balances							
Undesignated Reserves							
Available to be Appropriated	$ 130,116	$ 43,786,536	$ 633,352	$ 45,931,832	$ 2,801,047	$ 4,182,875	$ -
Restricted Fund Balances							
Reserve for Encumbrances	-	-	-	-	-	-	-
Pension Trust	-	-	-	-	-	390,000	390,000
Committed to:							
Budget Stabilization Reserve	5,460,485	-	-	-	-	-	5,460,485
Catastrophic Reserves	5,460,485	-	-	-	-	-	5,460,485
Pension/OPEB Reserve	-	-	-	-	-	-	-
Almond Grove Reserve	-	-	-	-	-	-	-
Assigned to:							
Open Space Reserve	410,000	-	-	-	-	-	410,000
Sustainability	140,553	-	-	-	-	-	140,553
Strategy Reserve	-	-	-	-	-	-	-
Capital/Special Projects	4,551,407	-	-	-	-	(550,000)	4,001,407
Authorized Carryforwards	-	-	-	-	-	-	-
Compensated Absences*	1,539,408	-	-	-	-	-	1,539,408
	-	-	-	-	-	-	-
Market Fluctuations	1,218,732	-	-	-	-	-	1,218,732
Measure G District Sales Tax	1,051,046	-	-	-	-	(568,887)	482,159
Surplus Property Reserve	1,200,000	-	-	-	-	(1,200,000)	-
American Rescue Act	1,066,405	2,844,315	-	-	-	(2,253,988)	1,656,732
Total General Fund Reserves	**$ 22,228,637**	**$ 46,630,851**	**$ 633,352**	**$ 45,931,832**	**$ 2,801,047**	**$ -**	**$ 20,759,961**

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

- ***FY 2021/22 Budgeted revenue and expenditure appropriations, and transfers to and from the General Fund.***
- ***Authorized carryforwards reflect operating appropriations that were brought forward as a funding source. The actual carryforward amount will be determined at FY 2020/21 year-end, with funding offset by undesignated reserves.***
- ***General Fund Reserve Policy requires a minimum of 25% of General Fund operating expenditures equally divided between the Budget Stabilization Reserve and Catastrophic Reserve.***
- ***In FY 2015/16, Council established a General Fund Pension/Other Post Employment Benefits (OPEB) Reserve Account. At the same time, the Council revised the General Fund Reserve Policy to provide for a maximum of $300,000 in General Fund Year End Savings upon year-end close to be deposited in the Pension/OPEB Reserve Account and used as authorized by Town Council.***
- ***Undesignated Fund Balance is a year-end fund balance not yet identified by the Town Council for a specific purpose. The Town General Fund Reserve Policy requires full funding of the Catastrophic and Budget Stabilization Reserves, distribution to the Pension/OPEB Reserve, and any remianing balance to the Capital/Special Project Reserve.***

SPECIAL REVENUE FUNDS							
Housing Conservation Program	$ 177,240	$ -	$ -	$ -	$ -	$ -	$ 177,240
Community Dev Block Grant	(10,587)	-	-	-	-	-	(10,587)
Urban Run-Off Source Fund	330,564	231,323	-	221,044	-	-	340,843
Blackwell Assessment District	13,386	3,210	-	10,640	460	-	5,496
Kennedy Assessment District	42,198	10,605	-	17,403	1,510	-	33,890
Gemini Assessment District	33,814	4,750	-	12,113	610	-	25,841
Santa Rosa Assessment District	45,356	5,000	-	19,769	660	-	29,927
Vasona Assessment District	35,164	10,075	-	15,661	1,430	-	28,148
Hillbrook Assessment District	22,423	6,040	-	19,693	250	-	8,520
Total Special Revenue Funds Reserves	**$ 689,558**	**$ 271,003**	**$ -**	**$ 316,323**	**$ 4,920**	**$ -**	**$ 639,318**

FUND BALANCE ACTIVITY SUMMARY
FISCAL YEAR 2021/22

	7/1/21 Estimated Fund Balance	Fiscal Year 2021/22 Proposed Budget: Plus: Revenues & Carryforwards	Plus: Transfers In	Less: Expenditures & Carryforwards	Less: Transfers Out	Use of Reserves	6/30/22 Estimated Fund Balance
INTERNAL SERVICE FUNDS							
Liability Self-Insurance	$ 1,165,899	$ 423,332	$ -	$ 850,716	$ -	$ -	$ 738,515
Worker's Comp Self-Insurance	1,063,737	1,007,620	-	1,782,569	-	-	288,788
Information Technology	2,713,145	914,018	-	843,991	-	-	2,783,172
Office Stores Fund	-	-	-	-	-	-	-
Equipment Replacement	727,473	570,957	-	474,455	94,816	-	729,159
Vehicle Maintenance	-	-	-	-	-	-	-
Facilities Maintenance	78,905	1,179,510	-	1,179,508	-	-	78,907
Total Internal Service Funds Reserves	**$ 5,749,159**	**$ 4,095,437**	**$ -**	**$ 5,131,239**	**$ 94,816**	**$ -**	**$ 4,618,541**
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	$ 60,833	$ 55,500	$ -	$ 65,000	$ -	$ -	$ 51,333
Ness Trust Bequest	21,660	-	-	20,755	-	-	905
Betty McClendon Trust	87,487	700	-	700	-	-	87,487
Barbara J Cassin Trust	357,736	2,900	-	2,500	-	-	358,136
Total Trust & Agency Funds Reserves	**$ 527,716**	**$ 59,100**	**$ -**	**$ 88,955**	**$ -**	**$ -**	**$ 497,861**
CAPITAL PROJECTS FUNDS							
GFAR	$ 12,787,913	$ 1,778,862	$ 2,801,047	$ 4,576,988	$ 417,616	$ -	$ 12,373,218
GFAR - Designated for Parking	1,460,210	-	-	-	-	-	1,460,210
Grant Funded CIP Projects	(1,805,768)	837,883	-	837,883	-	-	(1,805,768)
Storm Drain #1	1,083,991	49,670	-	50,000	-	-	1,083,661
Storm Drain #2	1,936,607	53,930	-	50,000	-	-	1,940,537
Storm Drain #3	(132,482)	940	-	75,000	-	-	(206,542)
Traffic Mitigation	348,661	10,000	-	-	10,000	-	348,661
Construction Tax-Undergrounding	3,158,462	52,490	-	-	-	-	3,210,952
Gas Tax	771,711	1,401,865	-	1,295,865	106,000	-	771,711
Total Capital Projects Funds Reserves	**$ 19,609,305**	**$ 4,185,640**	**$ 2,801,047**	**$ 6,885,736**	**$ 533,616**	**$ -**	**$ 19,176,640**
GFAR, Grant Fund, Storm Drain Funds, and Gas Tax Fund Balances reflect the spending down of available funds in FY 2021/22 in line with the planned Capital Improvement Program. The GFAR and Grant Funds also include transfers-in to fund these planned projects. Traffic Mitigation Fund reflects a transfer out of $10,000 for estimated annual administration fees. Grant Funded Projects Fund Balance reflects appropriations for incoming revenues and prior year carryforwards, which will result in either positive or negative fund balance depending on timing of receipts and budget. All grant projects net to zero at completion.							
Successor Agency of the Los Gatos RDA Fund							
SA- Trust Fund	$ 3,565,994	$ 3,912,200	$ -	$ 3,811,432	$ -	$ -	$ 3,666,762
Total SA of the Los Gatos RDA Funds Reserves	**$ 3,565,994**	**$ 3,912,200**	**$ -**	**$ 3,811,432**	**$ -**	**$ -**	**$ 3,666,762**
TOTAL RESERVES	**$ 52,370,369**	**$ 59,154,231**	**$ 3,434,399**	**$ 62,165,517**	**$ 3,434,399**	**$ -**	**$ 49,359,083**

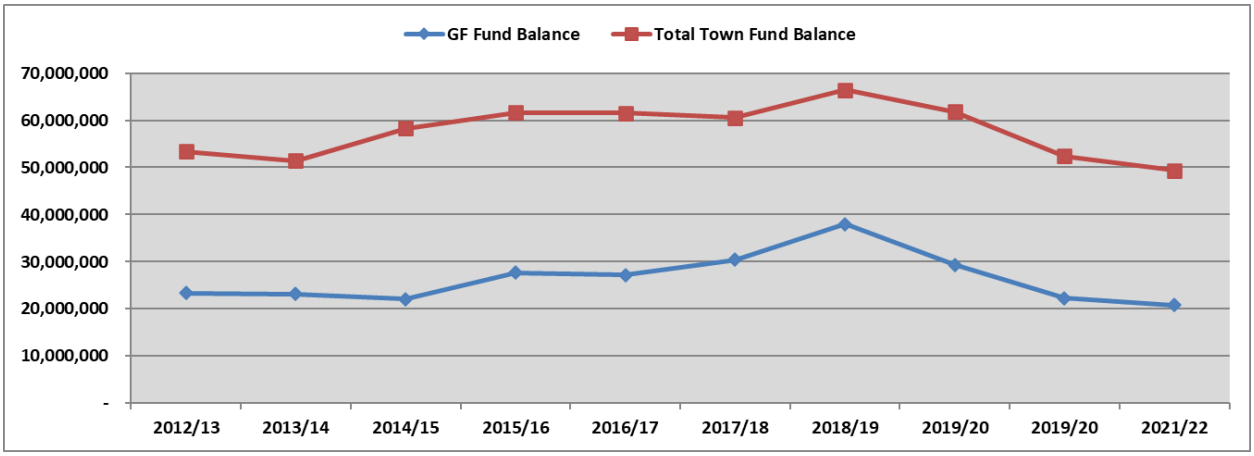
FUND BALANCE RESERVES
5 YEAR COMPARATIVE BALANCES

Fund Balance Reserves	6/30/2018 Actual YE Balance	6/30/2019 Actual YE Balance	6/30/2020 Actual YE Balance	6/30/2021 Estimated YE Balance	6/30/2022 Budgeted YE Balance
GENERAL FUND					
Restricted Fund Balances					
Pension	$ -	$ 5,015,316	$ 669,978	$ -	$ 390,000
Unreserved Fund Balances					
Undesignated Reserves					
Available to be Appropriated	-	-	-	130,116	-
Committed to:					
Budget Stabilization Reserve	5,037,243	5,419,222	5,427,603	5,460,485	5,460,485
Catastrophic Reserves	5,037,243	5,419,222	5,427,603	5,460,485	5,460,485
Pension/OPEB Reserve	2,878,913	4,232,500	4,532,500	-	-
Almond Grove Reserve	-	-	-	-	-
Assigned to:					
Open Space Reserve	562,000	562,000	410,000	410,000	410,000
Sustainability	140,553	140,553	140,553	140,553	140,553
Strategic Planning Reserve	129,090	-	-	-	-
Capital/Special Projects	14,421,203	13,262,303	8,787,958	4,551,407	4,001,407
Authorized Carryforwards	99,927	413,729	-	-	-
Compensated Absences*	2,122,512	1,232,653	1,539,408	1,539,408	1,539,408
To Workers Comp		1,232,654	-		-
Market Fluctuations			1,218,732	1,218,732	1,218,732
Measure G District Sales Tax			1,181,162	1,051,046	482,159
Stores and Vehicle Maintenance	-	1,040,375	-	-	-
Surplus Property Reserve	-	-	-	1,200,000	-
American Rescue Act				1,066,405	1,656,732
Total General Fund Reserves*	**$ 30,428,684**	**$ 37,970,527**	**$ 29,335,497**	**** $ 22,228,637**	**$ 20,759,961**
SPECIAL REVENUE FUNDS					
Housing Conservation Program	$ 177,240	$ 177,240	$ 177,240	$ 177,240	$ 177,240
Community Dev Block Grant	(10,587)	(10,587)	(10,587)	(10,587)	(10,587)
Urban Run-Off Source Fund	71,338	159,450	237,935	330,564	340,843
Blackwell Assessment District	12,700	13,488	13,776	13,386	5,496
Kennedy Assessment District	35,234	37,926	40,396	42,198	33,890
Gemini Assessment District	26,088	28,921	31,787	33,814	25,841
Santa Rosa Assessment District	58,477	54,659	50,785	45,356	29,927
Vasona Assessment District	49,175	54,233	32,180	35,164	28,148
Hillbrook Assessment District	17,010	18,912	21,326	22,423	8,520
Total Special Revenue Funds Reserves	**$ 436,675**	**$ 534,242**	**$ 594,838**	**$ 689,558**	**$ 639,318**
INTERNAL SERVICE FUNDS					
Liability Self-Insurance	$ 994,769	$ 1,313,304	$ 1,290,614	$ 1,165,899	738,515
Worker's Comp Self-Insurance	620,726	843,081	1,808,740	1,063,737	288,788
Information Technology	2,161,808	2,518,468	2,604,203	2,713,145	2,783,172
Office Stores Fund	227,790	-	-	-	-
Equipment Replacement	2,328,270	2,808,804	1,925,053	727,473	729,159
Vehicle Maintenance	262,791	-	-	-	-
Facilities Maintenance	245,437	970,786	102,469	78,905	78,907
Total Internal Service Funds Reserves	**$ 6,841,591**	**$ 8,454,443**	**$ 7,731,079**	**$ 5,749,159**	**$ 4,618,541**

** Year End Fund Balance represents General Fund 111 (Long Term Compensated Absences were accounted in Fund 961 prior to FY 2017/18) Pension Trust Fund 731 was incorporated in FY 2018/19.*

FUND BALANCE RESERVES
5 YEAR COMPARATIVE BALANCES

Fund Balance Reserves	6/30/2018 Actual YE Balance	6/30/2019 Actual YE Balance	6/30/2020 Actual YE Balance	6/30/2021 Estimated YE Balance	6/30/2022 Budgeted YE Balance
TRUST FUNDS					
Library Trust	$ 54,771	$ 69,582	$ 60,333	$ 60,833	$ 51,333
Ness Trust Bequest	41,603	21,291	21,660	21,660	905
Betty McClendon Trust	84,505	85,999	87,487	87,487	87,487
Barbara J Cassin Trust	354,865	361,142	357,336	357,736	358,136
Total Trust Reserves	**$ 535,744**	**$ 538,014**	**$ 526,816**	**$ 527,716**	**$ 497,861**
CAPITAL PROJECTS FUNDS					
GFAR	$ 10,714,868	$ 7,058,779	$ 12,400,872	$ 12,787,913	12,373,218
GFAR - Designated for Parking	1,460,210	1,460,210	1,460,210	1,460,210	1,460,210
Grant Funded CIP Projects	(134,111)	(255,637)	(343,705)	(1,805,768)	(1,805,768)
Storm Drain #1	809,377	932,416	1,034,521	1,083,991	1,083,661
Storm Drain #2	1,752,774	1,800,548	1,853,117	1,936,607	1,940,537
Storm Drain #3	(76,154)	(104,407)	(127,362)	(132,482)	(206,542)
Traffic Mitigation	260,487	304,647	348,661	348,661	348,661
Construction Tax-Undergrounding	2,997,984	3,079,685	3,118,173	3,158,462	3,210,952
Gas Tax	703,148	853,822	290,370	771,711	771,711
Total Capital Projects Funds Reserves	**$ 18,488,583**	**$ 15,130,063**	**$ 20,034,857**	**$ 19,609,305**	**$ 19,176,640**
Successor Agency Trust of the Los Gatos RDA					
SA - Trust Fund (Budgetary Fund Balance)	$ 3,803,778	$ 3,840,187	$ 3,568,276	$ 3,565,994	$ 3,666,762
Total Successor Agency Fund Reserves	**$ 3,803,778**	**$ 3,840,187**	**$ 3,568,276**	**$ 3,565,994**	**$ 3,666,762**
TOTAL RESERVES	**$ 60,535,055**	**$ 66,467,476**	**$ 61,791,363**	**$ 52,370,369**	**$ 49,359,083**



DEPARTMENT REVENUES
BY PROGRAM

		2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
Town Offices							
1101	Town Council	$ -	$ -	$ -	$ -	$ -	$ -
1301	Town Attorney	730	1,527	2,509	-	31,175	-
1302	Liability Self-Insurance Fund	506,519	657,152	378,133	453,135	376,531	423,332
Total Town Offices		**$ 507,249**	**$ 658,679**	**$ 380,642**	**$ 453,135**	**$ 407,706**	**$ 423,332**
Administrative Services Department							
1201	Non-Departmental	$ 31,218,827	$ 36,710,334	$ 32,854,004	$ 32,710,048	$ 35,791,222	$ 36,835,619
1231	Pension Trust- PARS	-	5,022,848	19,398	962,158	-	-
1232	Pension Trust- CEPPT	-	-	670,034	300,000	-	390,000
1261	Compensated Absences	2,169,600	(1,928,865)	-	-	-	-
2101	Town Manager Administration	14,590	28,989	27,974	3,464	2,592	1,000
2102	Community Grants	-	-	-	-	-	-
2103	Housing Program	-	-	-	-	-	-
2104	HCD Housing Rehab	-	-	-	-	-	-
2201	Human Resources	-	-	-	-	-	-
2202	Workers' Compensation Fund	1,135,140	1,492,981	1,429,993	1,185,906	1,164,389	1,007,620
2301	Finance & Administrative Services	1,931,943	2,973,730	3,685,775	1,801,409	1,982,371	1,776,233
2302	Office Stores Fund	127,786	141,938	-	-	-	-
2303	Parking Assessment District	-	-	-	-	-	-
2401	Clerk Administation	-	-	450	-	-	-
2502	Information Technology Management	-	169,300	-	-	-	-
2501	Information Technology Systems	1,172,455	1,223,741	881,936	917,219	911,333	914,018
2803	Smoking Restriction Implementation	-	-	-	-	-	-
2999	Pass Thru Accounts	-	-	-	-	-	-
Total Administrative Services		**$ 37,770,341**	**$ 45,834,996**	**$ 39,569,564**	**$ 37,880,204**	**$ 39,851,907**	**$ 40,924,490**
Community Development							
3101	Administration	$ -	$ 7,500	$ -	$ -	$ -	$ -
3201	Developmental Review	707,514	681,892	500,952	542,000	547,496	492,000
3202	Advanced Planning	142,006	570,034	498,433	805,129	736,944	540,000
3301	Inspection Services	2,105,643	2,184,412	1,884,409	2,302,500	2,332,521	2,069,000
3401	Code Compliance	4,800	60,378	9,600	5,000	3,500	5,000
3501	BMP Housing Program	190,833	144,712	130,111	189,841	186,213	188,399
3999	Pass Thru Accounts	684,249	554,682	321,600	532,500	532,500	532,500
Total Community Development		**$ 3,835,045**	**$ 4,203,610**	**$ 3,345,105**	**$ 4,376,970**	**$ 4,339,174**	**$ 3,826,899**
Police Department							
4101	Administration	$ 14,210	$ 30,047	$ 13,155	$ 23,735	$ 830	$ 20,830
4201	Records & Communication	9,530	11,909	7,892	6,000	261	4,872
4202	Personnel & Community Services	430,842	376,852	401,096	390,640	391,260	435,600
4301	Patrol	919,251	926,565	976,460	1,010,797	949,357	1,102,685
4302	Traffic	535,896	594,315	452,907	399,153	365,125	307,107
4303	Investigations	130,497	132,929	201,069	103,500	102,437	165,467
4304	Parking Program	676,242	478,574	294,203	122,400	105,900	211,250
4800	Grants Program - Police	50,579	1,309	135,481	54,695	43,695	15,000
4999	Pass Thru Accounts	2,263	3,946	6,661	24,115	-	23,220
Total Police Department		**$ 2,769,310**	**$ 2,556,446**	**$ 2,488,924**	**$ 2,135,035**	**$ 1,958,865**	**$ 2,286,031**

DEPARTMENT REVENUES
BY PROGRAM

		2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
Parks & Public Works							
5101	Administration	$ (3,272)	$ -	$ -	$ -	$ -	$ -
5201	Engineering Program Services	209,631	223,701	170,855	48,325	48,325	-
5202	Engineering Development Srvcs	1,817,315	1,092,535	1,160,960	712,100	691,937	712,100
5203	Non-Point Source Fund	577,591	716,352	231,323	231,323	260,851	231,323
5301	Park Services	318,940	233,408	228,232	125,270	135,297	170,270
5302	Environmental Services	148,110	187,706	181,106	160,156	185,705	160,156
5401	Street & Signals	198,030	279,912	280,026	245,543	240,043	295,543
5402	Equipment Replacement	672,616	632,492	236,083	297,546	391,541	570,957
5403	Vehicle Maintenance	586,654	764,407	-	-	-	-
5404	Facilities Maintenance	1,459,036	1,787,255	1,080,686	1,148,757	1,148,757	1,179,510
5405	Property Damage	206,630	83,025	25,682	-	1,351	-
5501	Lighting & Landscape Districts	36,990	41,638	41,604	39,680	39,680	39,680
5999	Pass Thru Accounts	319,073	334,920	452,157	140,000	140,000	140,000
8011	GFAR	839,574	1,629,129	3,001,375	4,700,792	2,803,849	1,778,862
8021	Grant Funded CIP Projects	261,534	257,968	396,334	6,623,041	140,352	837,883
8031	Storm Drain #1	13,997	123,039	112,105	49,470	49,470	49,670
8032	Storm Drain #2	752,689	47,774	62,569	53,490	83,490	53,930
8033	Storm Drain #3	40,564	1,447	(1,955)	1,380	(620)	940
8041	Traffic Mitigation	151,452	118,787	136,639	1,795,438	883,794	10,000
8042	Utility Undergrounding	68,868	81,701	87,489	3,863,048	62,490	52,490
8051	Gas Tax - Street & Signals	865,607	1,217,552	1,261,934	1,233,317	1,233,317	1,401,865
Total Parks & Public Works		**$ 9,541,629**	**$ 9,854,748**	**$ 9,145,204**	**$ 21,468,676**	**$ 8,539,629**	**$ 7,685,179**
Library							
7101	Administration	$ 206	$ 55	$ 6,686	$ -	$ -	$ -
7201	Adult Services	9,836	35,000	26,250	35,000	35,000	35,000
7202	Children's Services	14,066	-	-	-	-	-
7203	Acquisitons & Cataloging	1,762	(37)	-	-	-	-
7204	Circulation Services	23,832	9,458	6,391	3,000	-	2,000
7801	Operating Grant	22,200	12,482	23,101	11,022	11,293	-
7301	Library Trust	75,040	83,840	63,388	26,000	60,500	55,500
7302	Clelles Ness Bequest Trust	516	736	368	-	-	-
7304	Betty McClendon Trust	1,079	1,495	1,487	700	700	700
7305	Barbara J Cassin Trust	4,404	6,277	6,182	2,900	2,900	2,900
Total Library		**$ 152,941**	**$ 149,306**	**$ 133,853**	**$ 78,622**	**$ 110,393**	**$ 96,100**
Successor Agency to the Los Gatos RDA							
9403	SA- Admin Services	$ 25,623	$ 29,216	$ 28,292	$ 9,000	$ 9,000	$ 9,000
9404	SA- Debt to 2002 COP	1,365,839	1,371,401	1,369,114	1,353,938	1,353,438	1,346,250
9405	SA-Debt to 2010 COP	2,504,390	2,509,589	2,501,097	2,466,550	2,464,050	2,556,950
9406	SA- Debt to 1992 COP	-	-	-	-	-	-
Total SA to the Los Gatos RDA		**$ 3,895,852**	**$ 3,910,206**	**$ 3,898,503**	**$ 3,829,488**	**$ 3,826,488**	**$ 3,912,200**
	Transfers In	3,886,431	4,714,131	9,996,516	4,086,313	4,010,971	3,434,399
Total Revenues by Department:		**$ 62,358,798**	**$ 71,882,122**	**$ 68,958,311**	**$ 74,308,443**	**$ 63,045,133**	**$ 62,588,630**

DEPARTMENTAL EXPENDITURES
BY PROGRAM

Department Budgets - by Program

		2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
Town Offices							
1101	Town Council	$ 192,183	$ 205,903	$ 206,163	$ 243,485	$ 207,335	$ 201,500
1301	Town Attorney	354,205	562,542	559,010	658,831	- 619,766	660,229
1302	Liability Self-Insurance Fund	397,190	338,617	400,823	668,059	501,246	850,716
Total Town Offices		**$ 943,578**	**$ 1,107,062**	**$ 1,165,996**	**$ 1,570,375**	**$ 1,328,347**	**$ 1,712,445**
Administrative Services Department							
1201	Non-Departmental	$ 7,024,195	$ 8,784,833	$ 5,410,121	$ 10,009,362	$ 10,392,821	$ 5,836,530
1231	Pension Trust - PARS	-	7,155	5,034,715	-	-	-
1232	Pension Trust - CEPPT	-	-	56	300,000	700,000	-
1261	Compensted Absences	240,735	-	-	-	-	-
2101	Town Manager Administration	1,070,761	1,077,603	1,271,552	1,427,653	1,274,323	1,441,685
2102	Community Grants	119,800	136,513	182,303	150,000	144,000	150,000
2201	Human Resources	630,554	678,490	713,842	785,883	784,894	825,848
2301	Finance & Administrative Services	1,049,871	1,145,906	1,293,793	1,550,837	1,469,419	1,563,928
2401	Clerk Administration	322,976	349,776	387,470	459,193	413,325	449,415
2502	Information Technology Management	33	540,044	539,802	622,280	633,026	656,329
2803	Tobacco Prevention Initiatitves	-	629	-	-	-	-
2802	Obesity Grant	-	-	-	-	-	-
2999	Pass Through	-	2,845	-	-	-	-
2202	Workers' Compensation Fund	1,416,722	1,270,628	1,525,589	1,900,050	1,909,392	1,782,569
2302	Office Stores Fund	100,432	104,345	-	-	-	-
2501	Information Technology Systems	1,267,349	567,082	796,201	1,033,091	764,591	843,991
2303	Parking Assessment District	-	-	-	-	-	-
Total Administrative Services		**$ 13,243,428**	**$ 14,665,849**	**$ 17,155,444**	**$ 18,238,349**	**$ 18,485,791**	**$ 13,550,295**
Community Development							
3101	Administration	$ 222,614	$ 210,791	$ 256,531	$ 330,196	$ 286,031	$ 267,124
3201	Developmental Review	1,258,291	1,329,381	1,376,229	1,580,428	1,523,045	1,610,494
3202	Advanced Planning	336,023	766,110	772,817	1,179,495	1,064,693	974,762
3301	Inspection Services	1,290,433	1,316,494	1,360,872	1,493,076	1,422,786	1,506,108
3401	Code Compliance	209,720	255,324	253,630	299,679	261,446	316,478
3501	BMP Housing Program	190,833	144,713	130,111	189,841	186,212	188,399
3999	Pass Thru Accounts	684,249	554,682	323,600	532,500	532,500	532,500
Total Community Development		**$ 4,192,163**	**$ 4,577,495**	**$ 4,473,790**	**$ 5,605,215**	**$ 5,276,713**	**$ 5,395,865**
Police Department							
4101	Administration	$ 1,026,502	$ 1,223,444	$ 1,248,607	$ 1,378,275	$ 1,432,481	$ 1,390,216
4201	Records & Communication	2,072,274	2,221,494	2,205,471	2,483,105	2,428,413	2,407,721
4202	Personnel & Community Services	773,826	562,528	874,807	1,023,462	998,069	1,058,747
4301	Patrol	6,575,258	7,112,700	7,371,256	7,925,958	7,977,366	7,976,990
4302	Traffic	992,689	1,011,364	798,833	1,083,687	1,114,905	1,026,341
4303	Investigations	2,282,295	2,219,461	2,705,333	2,877,009	2,759,088	2,813,257
4304	Parking Program	683,817	565,896	551,918	602,233	520,203	527,990
4800	Grants Program - Police	11,451	27,547	132,058	54,695	43,695	15,000
4999	Pass Thru Accounts	5,442	4,520	6,723	24,115	-	23,220
Total Police Department		**$ 14,423,554**	**$ 14,948,954**	**$ 15,895,006**	**$ 17,452,539**	**$ 17,274,220**	**$ 17,239,482**

DEPARTMENTAL EXPENDITURES
BY PROGRAM

		2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
Parks & Public Works							
5101	Administration	$ 562,340	$ 570,096	$ 614,753	$ 615,919	$ 629,977	$ 618,396
5201	Engineering Program Services	1,168,666	1,215,300	1,480,068	1,349,480	1,402,011	1,289,715
5202	Engineering Development Srvcs	721,593	742,264	757,990	788,192	739,923	815,692
5203	Non-Point Source Fund	521,147	628,241	162,839	205,850	168,222	221,045
5301	Park Services	1,835,775	1,737,287	1,965,843	2,040,375	2,036,336	2,142,938
5302	Environmental Services	342,130	337,937	278,918	370,876	349,943	473,167
5401	Street & Signals	2,087,096	2,220,248	2,084,477	2,276,016	2,085,468	2,339,816
5402	Equipment Replacement	636,400	601,961	540,036	1,482,623	1,548,623	474,455
5403	Vehicle Maintenance	506,234	252,206	-	-	-	-
5404	Facilities Maintenance	1,475,728	1,011,905	1,161,003	1,261,692	1,172,321	1,179,508
5405	Property Damage	76,898	56,226	18,632	25,000	25,000	25,000
5406	Vehicle Maintenance Management	-	221,062	199,072	244,673	125,884	263,876
5407	Facilities Maintenance Management	-	305,042	316,130	349,839	332,061	386,026
5501	Lighting & Landscape Districts	33,029	27,266	54,572	32,817	32,669	95,279
5999	Pass Thru Accounts	305,028	564,170	452,157	140,000	140,000	140,000
8011	GFAR	9,040,871	7,552,806	5,567,263	17,781,731	5,400,671	4,576,989
8021	Grant Funded CIP Projects	15,394	379,494	484,403	6,983,825	1,602,415	837,883
8031	Storm Drain #1	-	-	-	150,000	-	50,000
8032	Storm Drain #2	18,700	-	-	150,000	-	50,000
8033	Storm Drain #3	107,992	29,700	11,000	185,058	4,500	75,000
8041	Traffic Mitigation	109,507	64,626	76,290	1,785,438	881,135	-
8042	Utility Undergrounding	-	-	49,000	6,836,204	22,201	-
8051	Gas Tax - Street & Signals	749,965	960,881	1,719,384	1,291,952	645,976	1,295,865
Total Parks & Public Works		**$ 20,314,493**	**$ 19,478,718**	**$ 17,993,830**	**$ 46,347,560**	**$ 19,345,336**	**$ 17,350,650**
Library							
7101	Administration	$ 439,522	$ 451,284	$ 469,563	$ 514,552	$ 494,999	$ 532,952
7201	Adult Services	576,961	548,199	544,326	653,511	633,496	681,004
7202	Children's Services	533,279	502,330	510,064	599,182	582,238	622,272
7203	Acquisitons & Cataloging	123,873	-	-	-	-	-
7204	Circulation Services	836,336	969,174	1,149,220	1,179,264	1,135,752	1,180,167
7801	Operating Grant	19,045	22,632	27,629	11,022	6,293	-
7301	Library Trust	71,265	69,029	72,637	25,000	60,000	65,000
7302	Clelles Ness Bequest Trust	-	21,048	-	20,755	-	20,755
7304	Betty McClendon Trust	5,986	-	-	700	700	700
7305	Barbara J Cassin Trust	-	-	9,989	2,500	2,500	2,500
Total Library		**$ 2,606,267**	**$ 2,583,696**	**$ 2,783,428**	**$ 3,006,486**	**$ 2,915,978**	**$ 3,105,350**
Successor Agency to the Los Gatos RDA							
9402	SA- Housing Trust Others	$ -	$ -	$ -	$ -	$ -	$ -
9403	SA- Admin Services	1,443	109,556	108,276	8,083	8,061	8,011
9404	SA- Debt to 2002 COP	1,347,477	1,346,321	1,475,947	1,354,798	1,354,798	1,347,110
9405	SA-Debt to 2010 COP	2,427,364	2,417,921	2,586,191	2,465,910	2,465,910	2,456,310
9406	SA- Debt to 1992 COP	-	-	-	-	-	-
Total SA to the Los Gatos RDA		**$ 3,776,284**	**$ 3,873,798**	**$ 4,170,414**	**$ 3,828,791**	**$ 3,828,769**	**$ 3,811,431**
Total Operating Expenditures		**$ 59,499,767**	**$ 61,235,572**	**$ 63,637,908**	**$ 96,049,315**	**$ 68,455,154**	**$ 62,165,518**
	Transfers Out	3,886,431	4,714,129	9,996,516	4,086,313	4,010,972	3,434,399
Total Expenditures by Department:		**$ 63,386,198**	**$ 65,949,701**	**$ 73,634,424**	**$ 100,135,628**	**$ 72,466,126**	**$ 65,599,917**

IN-KIND DONATIONS
FY 2021 SUMMARY

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

Los Gatos Museum Association - The Town and Los Gatos Museum Association (LGMA), renamed NUMU, have amended the agreement in which NUMU leases 10,630 square feet in the Town Hall. NUMU has occupied the new space since the beginning FY 2015/16.

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

	NUMU (LG Museums)	***Adult Recreation Center***	***Recreation Department***
Location	110 E. Main St 10-Year Lease	208 E. Main St. 20-Year Lease	123 E. Main St.
Market Price Per Square Foot/Month*	*$3.1* *	*$3.1* *	*$3.2* **
Square Footage	10,630	12,000	6,479
Value of Rent/Year	*$395,436*	*$447,264*	*$244,949*
Rent Paid/Year	*$25,000*	*$251,861*	*$38,178*
Total value of Donation/Lease Term	***$ 370,436***	***$ 195,404***	***$ 206,771***

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

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

In addition to providing subsidized leases, the Town provides in-kind staffing support for the Holiday Tree Lighting and the Children's Holiday Parade. Costs to provide maintenance and public safety services for the Holiday Tree Lighting are estimated to be $4,100; the Children's Holiday Parade costs are estimated to be $45,500. These estimates only include expenses that occur at the event and do not include time dedicated to event planning and logistics. These events did not occur in FY 2020/21 due to the Public Health Orders and it is uncertain if one or more will occur in FY 2021/22.

If both events occur, the estimated total of all in-kind expenses for FY 2021/22 is $822,211.

FEE-RELATED PROJECTS LISTS

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

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

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

Below Market Price (BMP) Housing Program Potential Project List			
Source	**Description**	**Estimated Project Cost (2021 $)**	**BMP Fee Eligible Cost**
BMP	Extremely Low Income Housing Projects	$ 3,000,000	$ 3,000,000
BMP	Reacquisition of Distressed/Foreclosed Properties	700,000	700,000
BMP	HouseKeys Program Services	600,000	600,000
Total		**$ 4,300,000**	**$ 4,300,000**

Note:
BMP - Below Market Housing Program

Construction Impact Activity Project List			
Source	**Description**	**Estimated Project Cost (2021$)**	**Construction Impact Fee Eligible Cost**
CIP	Street Repair and Resurfacing Projects (5 year-plan)	$ 13,529,342	$ 13,529,342
Total		**$ 13,529,342**	**$ 13,529,342**

Note:
CIP - Town of Los Gatos, Capital Improvement Program

FEE-RELATED PROJECTS LISTS

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

Notes:

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

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

Source: Town of Los Gatos.

SUMMARY OF POSITIONS
DEPARTMENTAL STAFF BY FUND

	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted
General Fund					
Town Council	0.50	0.50	0.50	0.50	0.50
Town Attorney*	0.91	1.88	1.88	1.88	2.13
Administrative Services*	16.19	20.53	20.17	20.17	20.17
Community Development	20.08	20.08	20.08	20.20	20.20
Police Department	59.00	59.00	60.00	60.00	60.00
Parks & Public Works*	29.40	33.50	33.50	33.75	33.75
Library	12.25	12.50	12.50	12.50	12.50
Total General Fund Staff	**138.33**	**147.98**	**148.61**	**148.98**	**149.23**
Special Revenue Funds					
Parks & Public Works	1.00	1.00	1.00	1.00	1.00
Total Special Revenue Fund Staff	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**
Internal Service Funds					
Town Attorney*	0.71	-	-	-	-
Administrative Services*	3.95	-	-	-	-
Parks & Public Works*	4.10	-	-	-	-
Total Internal Services Funds Staff	**8.76**	**-**	**-**	**-**	**-**
Successor Agency to the Los Gatos RDA					
Administrative Services	0.01	0.01	0.01	0.01	0.01
Total Redevelopment Agency Staff	**0.01**	**0.01**	**0.01**	**0.01**	**0.01**
Total Town FTEs	**148.10**	**148.99**	**149.63**	**150.00**	**150.25**

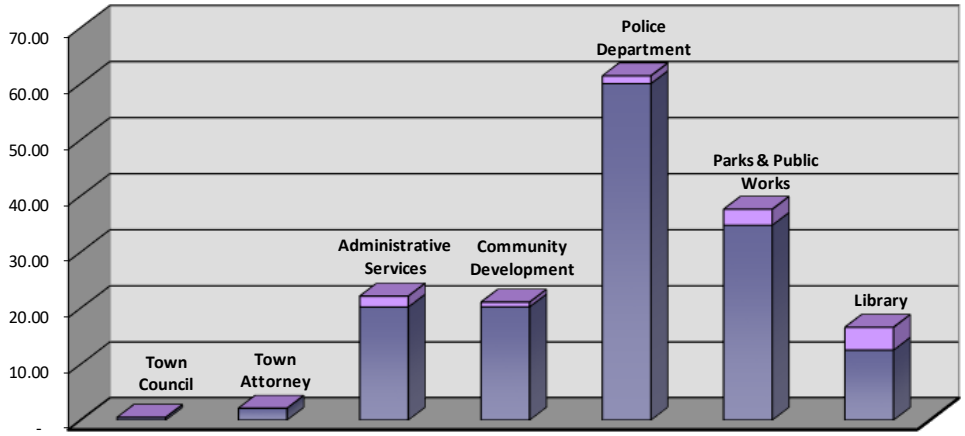
Full Time Equivalent (FTE)

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

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

SUMMARY OF POSITIONS

BUDGETED FTEs BY DEPARTMENT



Blue Bar – Town Staff
Purple Bar – Hourly Employees

FY 2021/22

Budgeted FTEs by Department

(Includes Converted Hourly Employees)

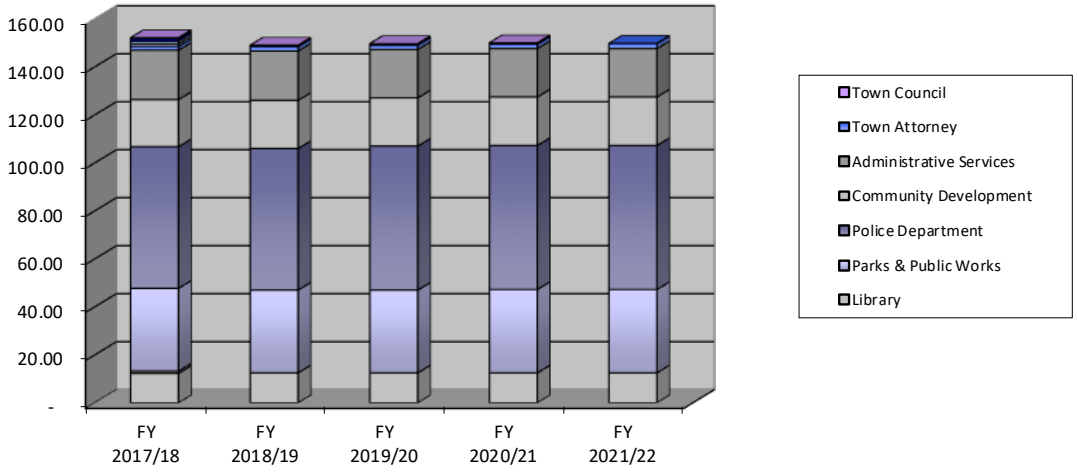
Departments	Authorized/ Funded Town Staff Positions	Hourly Emp Staff converted to FTEs	Total Budgeted Positions
Town Council	0.50	-	0.50
Town Attorney	2.13	-	2.13
Administrative Services	20.18	1.94	22.12
Community Development	20.20	0.85	21.05
Police Department	60.00	1.38	61.38
Parks & Public Works	34.75	2.86	37.61
Library	12.50	4.06	16.56
Total Positions	**150.25**	**11.09**	**161.34**

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

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

SUMMARY OF POSITIONS
FUNDED FTEs BY DEPARTMENT

Five Year Staffing Trend



Five Year Staffing Trend

Departments	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted
Town Council	0.50	0.50	0.50	0.50	0.50
Town Attorney	1.63	1.88	1.88	1.88	2.13
Administrative Services	20.59	20.53	20.18	20.18	20.18
Community Development	19.63	20.08	20.08	20.20	20.20
Police Department	59.00	59.00	60.00	60.00	60.00
Parks & Public Works	34.50	34.50	34.50	34.75	34.75
Library	12.25	12.50	12.50	12.50	12.50
Total Budgeted FTEs	**148.10**	**148.99**	**149.63**	**150.00**	**150.25**

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

SUMMARY OF PERSONNEL CHANGES
FY 2021/22

The Town's total budgeted personnel costs for FY 2021/22 increased to $31.9 million ($31.8 million in FY 2020/21) and accounts for 51.0 % of the total Town's expenditures. Rising healthcare and pension rates have increased labor costs; however, reduction strategies, structural reorganization, and realignments have helped to mitigate growing personnel expenditures. However, even with these measures and the Town reducing its full-time employees by 16.7% to 150 FTE employees since 2001, pension and OPEB benefits have increased 20.4% in the past 5 years alone. The following discussion describes some of the staffing expenditures, savings, and budget impacts.

Employee Compensation

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

Memoranda of Understanding (MOUs)

All bargaining units, confidential, and management employees received an across the board salary increase of 2.5% plus non-sworn, confidential, and management employees received a 1.5% base salary one-time payment (non-PERSable) during FY 2018/19. A 3% across the board salary increase was effective in FY 2019/20 for non-sworn, confidential, and management and a 4% across the board salary increase was effective for sworn employees. During the final year of the bargaining unit agreements, all bargaining unit, confidential and management employees received a 1% across the board salary increase plus a 2% base salary one-time payment (non-PERSable) bonus. Employees classified as temporary received a 1% across the board salary increase. It should be noted that since 2000, the Town's bargaining groups have received salary increases of 51.50% (AFSME), 56.00% (TEA), 56.00% (Confidential), 61.25% (POA), 46.00% (Management), respectively. This compares to inflation in the San Francisco Statistical Area of 66.84% over the same time period.

All bargaining unit agreements expire in 2021 and meetings to re-negotiate the agreements are in process.

Benefits

The Town contracts for medical coverage through CalPERS and rates are adjusted each January for the calendar year. Kaiser serves as the benchmark medical plan to determine the Town contribution toward all medical plan premiums. In the recent past, Kaiser rates have fluctuated and increased by as much as 11% in one year, simultaneously increasing the Town contribution. In 2021, Kaiser rates increased 6% from the prior year. As evidenced by this fluctuation, national health care costs continue to an area of concern and potential expense volatility. Employees contribute to the cost of medical premiums when enrolled in the majority of CalPERS plans.

Dental, vision and life insurance rates are expected to remain relatively stable as well as short and long-term disability insurance rates. During negotiations in FY 2018/19, the Town's discretionary retiree medical benefit contribution was eliminated for all future hires. It is important to note that changes in benefit coverage are generally subject to negotiations with affected employee groups.

Pension Plan

The Town's pension plans over the past several decades, like all other CalPERS participants, have experienced unfavorable investment returns, changes in actuarial assumptions, and unfavorable demographic shifts which have outweighed any positive plan experiences. As such, the Town's employer pension contributions are expected to continue to increase.

In order to help mitigate these negative plan experiences in FY 2012/13, CalPERS established a three-tier pension plan for non-sworn participants, changing the pension formula from 2.5% at 55 to 2% at 60 for new hires after September 15, 2012 or 2% at 62 for "new" employees hired after January 1, 2013 who have not previously worked

in a public pension system. Similarly, in FY 2012/13 the State implemented a new tier for safety employees, changing the pension formula for "new" employees from 3% at 50 to 2.7% at 57, effective January 1, 2013. While these changes do not provide immediate cost savings, it is anticipated to significantly reduce future salary and benefit expenditures in the future.

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

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

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

Pension reform continues to be an important topic in regard to cost containment and staff is monitoring a number of state-wide initiatives that may impact future pension costs. In addition to the potential for State mandated reforms the Town has been proactive in implementing pension/OPEB cost mitigation strategies. To address the escalation in pension costs, current and previous Councils have allocated additional discretionary pension funding totaling $10,400,000 million. These additional discretionary payments will ultimately yield an approximate $12,700,000 in pension contribution savings. In addition to the management of the Town's pension obligations, prior Councils have worked to curb cost escalation in Other Post-Employment Benefits (OPEB). In 2009, the Town initiated prefunding of the retiree healthcare benefit and has since established approximately $23.5 million in OPEB assets from zero in 2009.

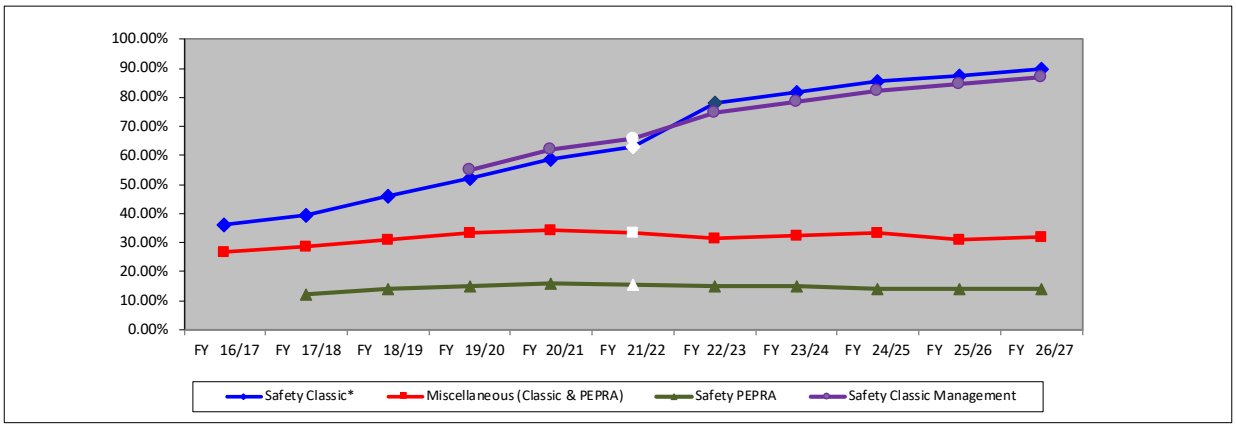
The Town and its bargaining groups have also worked to contain benefit costs. The Town closed the CalPERS retiree Tier 1 benefit for non-safety employees and created a new Tier 2 for non-safety new employees in 2012, implemented the Public Employees' Pension Reform Act (PEPRA) for all new non-classic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

While these collective measures have helped to slow the growth in salary and benefit expenses, the Forecast anticipates continued increases. In FY 2020/21 the Town's miscellaneous employee rate is projected to increase to 34.23%; the safety rate is projected to increase to 58.98%; and the PEPRA safety rate is projected to be 15.95%.

The Current estimates indicate that these changes would result in the Town increasing from the FY 2021/22 rate of 62.94% to 89.78% in FY 2025/26 of pay rate for safety employees and from the FY 2021/22 rate of 33.54% to approximately 31.94% in FY 2025/26.

SUMMARY OF PERSONNEL CHANGES
FY 2021/22

The following schedule reflects the Town's actual CalPERS pension rate for FY 2021/22 and the expected rates for the following fiscal years based on the Town's five-year forecast model which was updated using a CalPERS provided tool in January 2020 that provided a calculation method to estimate rate impacts of the current market earnings.



PERS Pension Plan	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
Safety Classic*	36.18%	39.36%	46.09%	52.22%	58.98%	62.94%	77.89%	81.61%	85.33%	87.62%	89.78%
Safety Classic Management				55.22%	61.98%	65.94%	74.89%	78.61%	82.33%	84.63%	86.78%
Safety PEPRA		12.25%	13.96%	15.02%	15.95%	15.74%	15.07%	15.07%	14.03%	14.05%	14.05%
Miscellaneous (Classic & PEPRA)	26.96%	28.90%	30.87%	33.18%	34.23%	33.54%	31.37%	32.29%	33.31%	31.25%	31.94%

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

Management Strategies

In light of limited available resources and uncertain economic trends in revenues sources such as Sales Tax, TOT limited staffing changes and one-time additions have been included in the FY 2021/22 budget. Departments continuously evaluate staffing structures, anticipate succession needs, and modify staffing to improve efficiencies, align with service delivery demands, and meet other Town goals. In this budget, a couple of Departments have included cost neutral restructuring.

Overtime

Overtime expenditures continue to be assessed and adjusted when appropriate. While unpredictable or non-controllable events will impact the Town's limited public safety and public works maintenance resources, continued adjustments to schedules and workload have been successful in reducing budgeted overtime. Although some non-critical Town services have experienced moderate service level reductions, scheduling restrictions have not seriously impacted routine operations. Total overtime cost grew from $373,000 in FY 2015/16 to $697,000 in FY 2019/20.

Staffing Changes

The FY 2021/22 Operating Budget has 161.3 budgeted FTEs, including temporary staff. This reflects an increase of 0.3 of FTEs compared to the prior year. The recommended FY 2021/22 staffing levels also reflect the following changes from the prior year's adopted budget:

- *Administrative Services and Town Offices* - The FY 2021/22 budget reflects the continuation of a limited dated part time position to assist with the Town's emergency preparedness activities and regional emergency management engagement. The FY 2021/22 budget also includes one-time temporary hours to help with special projects in Human Resources Department and Information Technology Program. Administration Services also includes a reclassification of Temporary Intern hours to Temporary Office Assistant hours. The Town Attorney Department includes a reclassification of a Deputy Town Attorney position to a Legal Administrative Assistant position.

SUMMARY OF PERSONNEL CHANGES
FY 2021/22

- *Community Development Department (CDD)* –The FY 2020/21 budget includes the part-time Code Compliance Officer position which will be continued for another year in FY 2021/22 with one-time funding. The budget also reflects 195 hours deletion in Temporary Associate Planner hours.

- *Police* – The FY 2021/22 budget contains one-time requests for Temporary Parking and Project Managers to assist with the review and the implementation of the Comprehensive Parking. The FY 2021/22 budget also includes deletion of 970 temporary hours.

- *Parks and Public Works (PPW)* – The FY 2021/22 budget includes a reclassification of a 1 FTE Associate Civil Engineering position to a 1 FTE Senior Civil Engineering position, a reclassification of a 1 FTE Equipment Mechanic position to a 1 FTE Supervising Equipment Mechanic position and 256 Temporary Traffic Engineering 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 2021/22 remain relatively consistent with prior year rates. The Self-Insurance Fund Balance is declining as a result of adverse claims against the Town over the last several years. Staff will closely monitor and recommend a budget strategy to be incorporated into the FY 2021/22 proposed budget.

Workers' Compensation
The Workers' Compensation fund balance is declining as a result of several new injuries that kept employees out of work for extensive periods of time along with the cost of related medical procedures and continuing medical expenses associated with past employee claims. The FY 2021/22 Workers' Compensation rates remain at the prior year level. Staff will closely monitor and recommend a budget strategy as needed.

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

TOWN STAFF
POSITIONS BY HOME DEPARTMENT

	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted	Comments
TOWN ATTORNEY'S OFFICE						
Town Attorney	1.00	1.00	1.00	1.00	1.00	
Deputy Town Attorney	0.63	0.75	0.75	0.75	-	*CY delete .75 FTE*
Legal Administrative Assistant	-	-	-	-	1.00	*CY add 1.0 FTE*
TOTAL DEPARTMENT FTEs	**1.63**	**1.75**	**1.75**	**1.75**	**2.00**	
TOWN MANAGER'S OFFICE						
Town Manager	1.00	1.00	1.00	1.00	1.00	
Assistant Town Manager	1.00	1.00	1.00	1.00	1.00	
Assistant to Town Manager	-	-	-	-	-	
Administrative Anaylst	1.00	1.00	1.00	1.00	1.00	
Executive Asst. to Town Mgr.	1.00	1.00	1.00	1.00	1.00	
Economic Vitality Manager	0.75	0.75	0.75	0.75	0.75	
Events & Marketing Specialist	0.50	0.50	0.50	0.50	0.50	
TOTAL DEPARTMENT FTEs	**5.25**	**5.25**	**5.25**	**5.25**	**5.25**	
HUMAN RESOURCES						
Human Resources Director	1.00	1.00	1.00	1.00	1.00	
Administrative Analyst	1.50	1.00	1.00	1.00	1.00	
Human Resources Technician	1.00	1.00	1.00	1.00	1.00	
TOTAL DEPARTMENT FTEs	**3.50**	**3.00**	**3.00**	**3.00**	**3.00**	
FINANCE SERVICES						
Finance Director	1.00	1.00	1.00	1.00	1.00	
Finance & Budget Manager	1.00	1.00	1.00	1.00	1.00	
Accountant/Finance Analyst	1.00	1.00	2.00	2.00	2.00	
Payroll Technician	1.00	1.00	1.00	-	-	
Administrative Analyst	2.00	2.00	2.00	3.00	3.00	
Account Technician	0.35	0.35	-	-	-	
TOTAL DEPARTMENT FTEs	**6.35**	**6.35**	**7.00**	**7.00**	**7.00**	
CLERK ADMINISTRATION						
Clerk Administrator	1.00	1.00	-	-	-	
Town Clerk	-	-	1.00	1.00	1.00	
Deputy Town Clerk	-	-	1.00	1.00	1.00	
Administrative Assistant	-	-	1.00	1.00	1.00	
Office Assistant	2.00	2.00	-	-	-	
TOTAL DEPARTMENT FTEs	**3.00**	**3.00**	**3.00**	**3.00**	**3.00**	
INFORMATION TECHNOLOGY SERVICES						
IT Manager	1.00	1.00	1.00	1.00	1.00	
Network Administrator	1.00	1.00	-	-	-	
IT Analyst	-	1.00	-	-	-	
IT Systems Administrator	-	-	1.00	1.00	1.00	
IT Technician	1.00	1.00	1.00	1.00	1.00	
TOTAL DEPARTMENT FTEs	**3.00**	**4.00**	**3.00**	**3.00**	**3.00**	

TOWN STAFF
POSITIONS BY HOME DEPARTMENT

	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted	Comments
COMMUNITY DEVELOPMENT						
Community Development Dir.	1.00	1.00	1.00	1.00	1.00	
Planning Manager	1.00	1.00	1.00	1.00	1.00	
Chief Building Official	1.00	1.00	1.00	1.00	1.00	
Administrative Analyst	1.00	1.00	1.00	1.00	1.00	
Executive Assistant	1.00	1.00	1.00	1.00	1.00	
Administrative Assistant	1.00	1.00	1.00	1.00	1.00	
Senior Planner	2.00	2.00	2.00	2.00	2.00	
Associate Planner	2.63	2.63	2.63	2.75	2.75	
Assistant Planner	1.00	1.00	1.00	1.00	1.00	
Planning Technician	1.00	1.00	1.00	1.00	1.00	
Senior Building Inspector	-	1.00	1.00	1.00	1.00	
Building Inspector	4.00	3.00	3.00	3.00	3.00	
Permit Technician	2.00	2.00	2.00	2.00	2.00	
Code Compliance Officer	1.00	1.00	1.00	1.00	1.00	
TOTAL DEPARTMENT FTEs	**19.63**	**19.63**	**19.63**	**19.75**	**19.75**	
POLICE						
Chief of Police	1.00	1.00	1.00	1.00	1.00	
Police Captain	1.00	2.00	2.00	2.00	2.00	
Police Lieutenant	2.00	-	-	-	-	
Police Sergeant	6.00	7.00	7.00	7.00	7.00	
Police Corporal	4.00	4.00	4.00	4.00	4.00	
Police Officer	25.00	25.00	25.00	25.00	25.00	
Community Outreach Coordinator	1.00	1.00	1.00	1.00	1.00	
Community Services Officer	1.00	1.00	1.00	1.00	1.00	
Police Records and Communication Mgr	-	-	1.00	1.00	1.00	
Police Records Manager	1.00	1.00	-	-	-	
Senior Administrative Analyst	-	1.00	1.00	1.00	1.00	
Administrative Analyst	1.00	-	-	1.00	1.00	
Executive Assistant to Chief	1.00	1.00	1.00	1.00	1.00	
Communications Dispatcher Lead	1.00	1.00	1.00	1.00	1.00	
Communications Dispatcher	7.00	7.00	7.00	7.00	7.00	
Senior Parking Control Officer				1.00	1.00	
Parking Control Officer	2.00	2.00	2.00	1.00	1.00	
Police Records Specialist	4.00	4.00	4.00	4.00	4.00	
Human Resources Specialist	1.00	1.00	-	-	-	
Administrative Technician	-	-	1.00	-	-	
IT Systems Administrator	-	-	1.00	1.00	1.00	
TOTAL DEPARTMENT FTEs	**59.00**	**59.00**	**60.00**	**60.00**	**60.00**	

TOWN STAFF
POSITIONS BY HOME DEPARTMENT

	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted	Comments
PARKS and PUBLIC WORKS DEPARTMENT						
Parks & Public Works Director	1.00	1.00	1.00	1.00	1.00	
Asst PPW Dir/Town Engineer	-	1.00	1.00	1.00	-	*CY delete 1.0 FTE*
Town Engineer	1.00	-	-	-	1.00	*CY add 1.0 FTE*
Superintendent	1.00	1.00	1.00	1.00	1.00	
Transportation & Mobility Mgr	1.00	1.00	1.00	1.00	1.00	
Park & Public Works Operations Mgr	2.00	2.00	2.00	2.00	2.00	
Senior Civil Engineer	1.00	1.00	1.00	1.00	2.00	*CY add 1.0 FTE*
Senior Administrative Analyst	-	1.00	1.00	1.00	1.00	
Administrative Analyst	1.00	-	-	-	-	
Executive Assistant	1.00	1.00	1.00	1.00	1.00	
Administrative Assistant	2.00	2.50	2.50	2.75	2.75	
Office Assistant	0.50	-	-	-	-	
Environmental Programs Specialist	1.00	1.00	1.00	1.00	1.00	
Associate Engineer	2.00	2.00	2.00	2.00	1.00	*CY delete 1.0 FTE*
Assistant Engineer	1.00	2.00	2.00	2.00	2.00	
Construction Project Mgr	1.00	1.00	1.00	1.00	1.00	
Senior Engineering Technician	-	-	-	1.00	1.00	
Engineering Technician	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	-	-	-	-	
Parks Service Officer	1.00	1.00	1.00	1.00	1.00	
Town Arborist	1.00	1.00	1.00	1.00	1.00	
Tree Trimmer/High Climber	1.00	1.00	-	-	-	
Lead Parks & Maint. Worker	3.00	3.00	3.00	3.00	3.00	
Parks & Maintenance Worker	8.00	8.00	9.00	9.00	9.00	
Supervising Equipment Mechanic	-	-	-	-	1.00	*CY add 1.0 FTE*
Equipment Mechanic	1.00	1.00	1.00	1.00	-	*CY delete 1.0 FTE*
TOTAL DEPARTMENT FTEs	**34.50**	**34.50**	**34.50**	**34.75**	**34.75**	
LIBRARY						
Library Director	1.00	1.00	1.00	1.00	1.00	
Division Manager	2.00	2.00	2.00	2.00	2.00	
Librarian	3.00	3.00	3.00	3.00	3.00	
Library Technology Specialist	1.00	2.00	2.00	2.00	2.00	
Library Assistant	1.00	-	-	-	-	
Library Specialist	0.75	1.75	1.75	1.75	1.75	
Customer Service Supervisor	1.00	-	-	-	-	
Customer Service Specialist	1.50	1.75	1.75	1.75	1.75	
Sr Library Page	1.00	1.00	1.00	1.00	1.00	
TOTAL DEPARTMENT FTEs	**12.25**	**12.50**	**12.50**	**12.50**	**12.50**	
TOTAL TOWN FTEs	**148.10**	**148.97**	**149.63**	**150.00**	**150.25**	

TOWN STAFF

POSITIONS BY HOME DEPARTMENT

	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 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

Temporary Hours by Department	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted	
Town Council	175	175	175	175	-	
Administrative Services	2,196	1,376	2,350	2,350	4,030	
Community Development	1,305	1,695	1,695	1,955	1,760	
Police Department	5,502	3,035	3,035	4,350	2,880	
Parks & Public Works	6,637	5,661	5,661	5,661	5,917	
Library Department	9,796	9,294	9,294	8,450	8,450	
Total Temporary Hours by Department	**25,611**	**21,236**	**22,210**	**22,941**	**23,037**	
CONVERTED HOURLY EMPLOYEES	**12.31**	**10.21**	**10.68**	**11.03**	**11.09**	*(1.00 FTE = 2080 hours)*

Departmental Budgets

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7204 Circulation / System Administration D-307
711 Library Trust Fund D-313
713 Clelles Ness Trust Fund D-315
714 Susan McClendon Trust Fund D-317
716 Barbara Jones Cassin Trust Fund D-319

Town Offices

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Town Offices

PROGRAM PURPOSE

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

BUDGET OVERVIEW

The FY 2021/22 budget includes increases in salary and benefit costs attributable to anticipated merit step increases and higher benefit and CalPERS pension rates. The FY 2021/22 Town Offices budget reflects a previously approved reclassification of the Deputy Town Attorney to Legal Assistant to better align current service delivery with Town needs.

☙ TOWN OFFICES ❧

DEPARTMENTAL SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Service Charge	$ 30	$ -	$ -	$ -	$ -	$ -
Interest	-	-	-	-	-	-
Fines & Forfeutires	700	850	2,050	-	31,175	-
Other Revenues	-	677	459	-	-	-
TOTAL REVENUES	**$ 730**	**$ 1,527**	**$ 2,509**	**$ -**	**$ 31,175**	**$ -**
EXPENDITURES						
*Salaries and Benefits**	$ 426,102	$ 666,306	$ 701,723	$ 781,962	$ 724,061	$ 749,348
Operating Expenditures	86,578	88,366	48,379	104,606	87,500	96,350
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	33,708	13,773	15,071	15,748	15,540	16,031
TOTAL EXPENDITURES	**$ 546,388**	**$ 768,445**	**$ 765,173**	**$ 902,316**	**$ 827,101**	**$ 861,729**

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
PROGRAM						
Town Council	$ 192,183	$ 205,903	$ 206,163	$ 243,485	$ 207,335	$ 201,500
Town Attorney	354,205	562,542	559,010	658,831	619,766	660,229
TOTAL EXPENDITURES	**$ 546,388**	**$ 768,445**	**$ 765,173**	**$ 902,316**	**$ 827,101**	**$ 861,729**

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

☙ TOWN OFFICES ❧

DEPARTMENT STAFFING

Full Time Equivalents (FTE)

General Fund	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted
Town Attorney	0.60	1.00	1.00	1.00	1.00
Deputy Town Attorney	0.31	0.75	0.75	0.75	-
Deputy Town Clerk	-	-	0.13	-	-
Executive Asst to the Town Mgr	0.50	0.50	0.50	0.50	0.50
Administrative Assistant	-	-	-	0.13	0.13
Office Assistant	0.13	0.13	-	-	-
Legal Administrative Assistant					1.00
Total General Fund FTEs	**1.54**	**2.38**	**2.38**	**2.38**	**2.63**
Non-General Fund FTEs					
Liability Self-Insurance					
Town Attorney	0.35	-	-	-	-
Deputy Town Attorney	0.31	-	-	-	-
Total Liability FTEs	**0.66**	**-**	**-**	**-**	**-**
Workers Compensation					
Town Attorney	0.05	-	-	-	-
Total Workers Comp FTEs	**0.05**	**-**	**-**	**-**	**-**
Total Town Offices FTEs	**2.25**	**2.38**	**2.38**	**2.38**	**2.63**
Elected Officials					
Councilmembers	5.00	5.00	5.00	5.00	5.00
TOTAL ELECTED OFFICIALS	**5.00**	**5.00**	**5.00**	**5.00**	**5.00**
Temporary Staff					
Intern	175	175	175	175	-
TOTAL ANNUAL HOURS	**175**	**175**	**175**	**175**	**-**

Town Council

TOWN COUNCIL ADMINISTRATION
PROGRAM 1101

PROGRAM PURPOSE

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

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

BUDGET OVERVIEW

The FY 2021/22 budget includes increases in salary and benefit costs attributable to anticipated merit step increases and higher benefit and CalPERS pension rates. The FY 2021/22 Council budget includes general administrative services, constituent services, elected official support, official meetings and events, and Council policy/program analysis.

☙ TOWN COUNCIL ❧

SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Service Charge	$ -	$ -	$ -	$ -	$ -	$ -
Interest	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
EXPENDITURES						
Salaries and Benefits	$ 169,966	$ 190,652	$ 191,749	$ 219,824	$ 191,958	$ 180,860
Operating Expenditures	19,032	14,598	14,081	23,250	15,000	20,250
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	3,185	653	333	411	377	390
TOTAL EXPENDITURES	**$ 192,183**	**$ 205,903**	**$ 206,163**	**$ 243,485**	**$ 207,335**	**$ 201,500**

KEY PROGRAM SERVICES

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

☙ TOWN COUNCIL ❧

TOWN COUNCIL STAFFING

Full Time Equivalents (FTE)					
	2017/18	**2018/19**	**2019/20**	**2020/21**	**2021/22**
Town Staff	**Funded**	**Funded**	**Funded**	**Funded**	**Adopted**
Executive Asst. to the Town Mgr.	0.50	0.50	0.50	0.50	0.50
TOTAL PROGRAM FTEs	**0.50**	**0.50**	**0.50**	**0.50**	**0.50**
Elected Officials					
Councilmembers	5.00	5.00	5.00	5.00	5.00
TOTAL ELECTED OFFICIALS	**5.00**	**5.00**	**5.00**	**5.00**	**5.00**
Temporary Staff Hours					
Intern	175	175	175	175	-
TOTAL ANNUAL HOURS	**175**	**175**	**175**	**175**	**-**

Town Attorney

TOWN ATTORNEY ADMINISTRATION
PROGRAM 1301

PROGRAM PURPOSE

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

BUDGET OVERVIEW

The FY 2021/22 budget includes increases in salary and benefit costs attributable to anticipated merit step increases and higher benefit and CalPERS pension rates. The FY 2021/22 Town Attorney budget reflects a previously approved reclassification of the Deputy Town Attorney to a Legal Assistant to better align current service delivery with Town needs.

ꕥ TOWN ATTORNEY ꕥ

ACCOMPLISHMENTS

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

☙ TOWN ATTORNEY ❧

SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Service Charge	$ 30	$ -	$ -	$ -	$ -	$ -
Interest	-	-	-	-	-	-
Fines & Forfeitures	700	850	2,050	-	31,175	-
Other Revenues	-	677	459	-	-	-
TOTAL REVENUES	**$ 730**	**$ 1,527**	**$ 2,509**	**$ -**	**$ 31,175**	**$ -**
EXPENDITURES						
*Salaries and Benefits**	$ 256,136	$ 475,654	$ 509,974	$ 562,138	$ 532,103	$ 568,488
Operating Expenditures	67,546	73,768	34,298	81,356	72,500	76,100
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	30,523	13,120	14,738	15,337	15,163	15,641
TOTAL EXPENDITURES	**$ 354,205**	**$ 562,542**	**$ 559,010**	**$ 658,831**	**$ 619,766**	**$ 660,229**

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

FY 2021/22 KEY PROJECTS

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

ꕥ TOWN ATTORNEY ꕥ

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

KEY PROGRAM SERVICES

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

☙ TOWN ATTORNEY ❧

TOWN ATTORNEY STAFFING

Full Time Equivalents (FTE)

Town Staff	**2017/18 Funded**	**2018/19 Funded**	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Adopted**
Town Attorney	0.60	1.00	1.00	1.00	1.00
Deputy Town Attorney	0.31	0.75	0.75	0.75	-
Office Assistant	0.13	0.13	-	-	-
Administrative Assistant	-	-	-	0.13	0.13
Deputy Town Clerk	-	-	0.13	-	-
Legal Administrative Assistant	-	-	-	-	1.00
TOTAL PROGRAM FTEs	**1.04**	**1.88**	**1.88**	**1.88**	**2.13**

Performance Objectives and Measures	**2017/18 Actual**	**2018/19 Actual**	**2019/20 Actual**	**2020/21 Estimated**	**2021/22 Planned**
1. *To reduce the legal and financial consequences of claims and lawsuits against the Town.*					
a. Claims for denial or approval processed within 45 days of filing:	95%	95%	95%	95%	95%
2. *To protect the Town from legal exposure through the timely review of contracts, staff reports, and Town policies and practices.*					
a. Staff reports reviewed within 24 hours of receipt:	90%	95%	90%	90%	90%
b. Contracts reviewed and signed within 48 hours of receipt:	90%	90%	90%	90%	90%
c. Staff questions and referrals responded to within 3 working days:	95%	95%	95%	95%	95%

Activity and Workload Highlights	**2017/18 Actual**	**2018/19 Actual**	**2019/20 Actual**	**2020/21 Estimated**	**2021/22 Planned**
1. Number of incident reports processed:	14	16	10	10	10
2. Number of property loss reports processed:	29	13	10	10	10
3. Number of subpoenas handled:	7	7	5	3	5
4. Number of cases closed:	6	3	2	1	0
5. Number of claims closed:	29	16	10	7	7
6. Number of Town Council and Advisory Body meetings attended:	52	52	100	100	100

Town Attorney

LIABILITY SELF-INSURANCE FUND
PROGRAM 1302

FUND PURPOSE

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

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

BUDGET OVERVIEW

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

ꕥ TOWN ATTORNEY ꕥ
Liability Self-Insurance Program

STATEMENT OF SOURCE AND USE OF FUNDS

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignated	885,441	994,770	1,313,305	1,290,615	1,290,615	1,165,900
Total Beginning Fund Balance	885,441	994,770	1,313,305	1,290,615	1,290,615	1,165,900
Revenues						
Service Charge	$ 506,519	$ 365,155	$ 378,133	$ 418,135	$ 376,531	$ 423,332
Interest	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	35,000	-	-
Other Revenues	-	291,997	-	-	-	-
Total Revenues	**$ 506,519**	**$ 657,152**	**$ 378,133**	**$ 453,135**	**$ 376,531**	**$ 423,332**
TRANSFERS IN						
Transfer from Equipment Replacement	$ -	$ -	$ -	$ -	$ -	-
TOTAL TRANSFERS IN	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
TOTAL REVENUES & TRANSFERS	**506,519**	**657,152**	**378,133**	**453,135**	**376,531**	**423,332**
TOTAL SOURCE OF FUNDS	**$ 1,391,960**	**$ 1,651,922**	**$ 1,691,438**	**$ 1,743,750**	**$ 1,667,146**	**$ 1,589,232**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ 203,614	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	193,576	338,617	400,823	668,059	501,246	850,716
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	-	-	-	-	-	-
Total Expenditures	**$ 397,190**	**$ 338,617**	**$ 400,823**	**$ 668,059**	**$ 501,246**	**$ 850,716**
Transfers Out						
Transfer to Grant Fund	-	-	-	35,000	-	-
Total Transfers Out	**-**	**-**	**-**	**35,000**	**-**	**-**
Total Expenditures & Transfers Out	**397,190**	**338,617**	**400,823**	**703,059**	**501,246**	**$ 850,716**
Designated	-	-	-	-	-	-
Undesignated	994,770	1,313,305	1,290,615	1,075,691	1,165,900	738,516
Total Ending Fund Balance	994,770	1,313,305	1,290,615	1,075,691	1,165,900	738,516
TOTAL USE OF FUNDS	**$ 1,391,960**	**$ 1,651,922**	**$ 1,691,438**	**$ 1,743,750**	**$ 1,667,146**	**$ 1,589,232**

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

ꕥ TOWN ATTORNEY ꕥ
Liability Self-Insurance Program

FY 2021/22 KEY PROJECTS

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

KEY PROGRAM SERVICES

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

LIABILITY SELF-INSURANCE PROGRAM STAFFING

Full Time Equivalent (FTE)

Town Staff	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted
Town Attorney*	0.35	-	-	-	-
Deputy Town Attorney*	0.31	-	-	-	-
Administrative Analyst*	0.10	-	-	-	-
Total Liability FTEs	**0.76**	**-**	**-**	**-**	**-**

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

Administrative Services

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Administrative Services

DEPARTMENT PURPOSE

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

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

BUDGET OVERVIEW

The majority of revenues which support Town wide services are accounted for in the Non-departmental program within Administrative Services. For FY 2021/22, revenues captured in Administrative Services reflect changes in Transient Occupancy Tax, Sales Tax, Franchise Fees Licenses and Permits, and Charges for Services due to the forecasted continuation of economic

impacts associated with the COVID-19 pandemic and the corresponding mandated Public Health Orders. In addition, changes in Property Tax reflect adverse impacts associated with legal challenges to excess surplus Education Revenue Augmentation Fund (ERAF) distributions and legacy Redevelopment Agency distributions. These revenue modifications are informed by the Town's sales tax consultant MuniServices, the County Tax Assessor, communications with Los Gatos hoteliers, and other sources.

In terms of expenditures, the FY 2021/22 budget includes increases in salary and benefit costs attributable to anticipated merit step increases and higher benefit and CalPERS pension rates. The budget also proposes some decreased expenditures in light of reduced revenues due to the economic impact of the pandemic, including reductions in training, travel, supplies, and other items.

The FY 2021/22 budget reflects the proposed continuation of a part time, two-year position to assist with the Town's emergency preparedness activities and regional emergency management engagement, one-time temporary Project Manager hours to assist with IT needs, one-time temporary hours to assist with Human Resources special projects, and a reclassification of Temporary Intern hours to Temporary Office Assistant hours to better align current service delivery and Town needs.

ADMINISTRATIVE SERVICES

SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adopted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Other Taxes	$ 1,686,251	$ 1,526,894	$ 1,357,080	$ 1,100,000	$ 1,300,000	$ 1,250,000
Licenses and Permits	965	11,405	2,444	2,964	227	1,000
Intergovernmental Revenues	-	-	8,258	-	2,365	-
Service Charges	990	200	-	-	-	-
Interest	244,762	1,196	90,593	75,000	85,000	85,000
Other Revenues	13,565	1,632,324	2,255,824	1,589,067	597,371	441,233
TOTAL REVENUES	**$ 1,946,533**	**$ 3,172,019**	**$ 3,714,199**	**$ 2,767,031**	**$ 1,984,963**	**$ 1,777,233**
EXPENDITURES						
*Salaries and Benefits**	$ 2,493,535	$ 3,341,837	$ 3,742,818	$ 4,234,929	$ 4,084,297	$ 4,349,117
Operating Expenditures	368,698	347,429	319,300	470,061	347,658	441,361
Grants	119,800	136,513	182,303	150,000	144,000	150,000
Pass Through Accounts	-	2,845	-	-	-	-
Fixed Assets	-	-	8,258	-	2,365	-
Internal Service Charges	211,962	103,182	136,083	140,856	140,667	146,727
TOTAL EXPENDITURES	**$ 3,193,995**	**$ 3,931,806**	**$ 4,388,762**	**$ 4,995,846**	**$ 4,718,987**	**$ 5,087,205**

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adopted	2020/21 Estimated	2021/22 Adopted
PROGRAM						
Town Manager's Office	$ 1,070,761	$ 1,077,603	$ 1,271,552	$ 1,427,653	$ 1,274,323	$ 1,441,685
Community Grants	119,800	136,513	182,303	150,000	144,000	150,000
Human Resources	630,554	678,490	713,842	785,883	784,894	825,848
Finance & Admin Services	1,049,871	1,145,906	1,293,793	1,550,837	1,469,419	1,563,928
Clerk Administration	322,976	349,776	387,470	459,193	413,325	449,415
Information Technolgy Management	33	540,044	539,802	622,280	633,026	656,329
Smoking Restriction Implemantation	-	629	-	-	-	-
Pass Through	-	2,845	-	-	-	-
TOTAL EXPENDITURES	**$ 3,193,995**	**$ 3,931,806**	**$ 4,388,762**	**$ 4,995,846**	**$ 4,718,987**	**$ 5,087,205**

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

ꕥ ADMINISTRATIVE SERVICES ꕥ

DEPARTMENT STAFFING

Full Time Equivalents (FTE)	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted
General Fund					
Town Manager	1.00	1.00	1.00	1.00	1.00
Assistant Town Manager	1.00	1.00	1.00	1.00	1.00
Executive Asst. to Town Mgr.	0.50	0.50	0.50	0.50	0.50
Economic Vitality Manager	0.30	0.30	0.30	0.30	0.30
Administrative Assistant	-	-	1.00	1.00	0.88
Office Assistant	1.75	1.88	-	-	-
Human Resources Director	0.75	1.00	1.00	1.00	1.00
Administrative Analyst	4.10	4.00	4.00	4.00	5.00
Human Resources Technician	1.00	1.00	1.00	1.00	1.00
Finance Director	1.00	1.00	1.00	1.00	1.00
Finance & Budget Manager	1.00	1.00	1.00	1.00	1.00
Accountant/Finance Analyst	0.99	0.99	1.99	1.99	1.99
Payroll Technician	0.95	1.00	1.00	1.00	-
Account Technician	0.35	0.35	-	-	-
Town Clerk	-	-	1.00	1.00	1.00
Clerk Administrator	1.00	1.00	-	-	-
Deputy Town Clerk	-	-	0.88	0.88	1.00
Events & Marketing Specialist	0.50	0.50	0.50	0.50	0.50
IT Manager	-	1.00	1.00	1.00	1.00
IT Systems Administrator	-	-	1.00	1.00	1.00
Network Administrator	-	1.00	-	-	-
IT Analyst	-	1.00	-	-	-
IT Technician	-	1.00	1.00	1.00	1.00
Total General Fund FTEs	**16.19**	**20.52**	**20.17**	**20.17**	**20.17**
Non-General Fund FTEs (located in Administrative Services programs unless otherwise noted)					
Successor Agency to the Los Gatos RDA					
Accountant/Finance Analyst	0.01	0.01	0.01	0.01	0.01
Total Successor Agency FTEs	**0.01**	**0.01**	**0.01**	**0.01**	**0.01**
Equipment Replacement					
Administrative Analyst	0.10	-	-	-	-
Total Equip Replace FTEs	**0.10**	**-**	**-**	**-**	**-**
Liability Self-Insurance					
Administrative Analyst	0.10	-	-	-	-
Total Liability Self-Insurance	**0.10**	**-**	**-**	**-**	**-**

ADMINISTRATIVE SERVICES

ADMINISTRATIVE SERVICES STAFFING

Full Time Equivalents (FTE)	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted
Workers Compensation					
Human Resources Director	0.25	-	-	-	-
Payroll Technician	0.05	-	-	-	-
Administrative Analyst	0.20	-	-	-	-
Total Workers Comp FTEs	**0.50**	**-**	**-**	**-**	**-**
Information Technology Services					
IT Manager	1.00	-	-	-	-
Network Administrator	1.00	-	-	-	-
IT Technician	1.00	-	-	-	-
Office Assistant	0.13	-	-	-	-
Total IT FTEs	**3.13**	**-**	**-**	**-**	**-**
Total Admin Services FTEs	**20.02**	**20.53**	**20.18**	**20.18**	**20.18**
Temporary Staff Hours					
Intern I	450	450	1,050	1,050	-
Office Assistant	-	-	-	-	1,040
Facility Attendant	50	50	50	50	50
Administrative Analyst	726	626	-	-	-
IT Technician	720	-	-	-	-
Mail Room Clerk (Library Dept Temps	250	250	250	250	250
Emergency Management	-	-	1,000	1,000	1,000
Human Resources Technician	-	-	-	-	1,040
IT Program Manager	-	-	-	-	650
Total Annual Hours	**2,196**	**1,376**	**2,350**	**2,350**	**4,030**

Administrative Services

TOWN MANAGER'S OFFICE ADMINISTRATION
PROGRAM 2101

PROGRAM PURPOSE

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

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

BUDGET OVERVIEW

The FY 2021/22 budget includes increases in salary and benefit costs attributed to anticipated merit step increases and higher benefit and CalPERS pension rates. The FY 2021/22 Town Manager's Office budget is programmed to maintain existing staffing and service levels with the continuation of a part time, two-year position to assist with the Town's emergency preparedness activities and regional emergency management engagement.

As in prior years, the Town Manager's Office will continue to direct its attention in managing key special projects and policies as reflected in the 2021-2023 Town Council Strategic Priorities.

ꕥ ADMINISTRATIVE SERVICES ꕥ
Town Manager's Office

ACCOMPLISHMENTS

Core Goals	Accomplishments
Community Character Preserve and enhance the appearance, character, and environmental quality of the community	• Provided support to the Council Policy Committee as it evaluated a variety of land use policies and good government practices. • Assisted businesses to locate, expand, or stay in Los Gatos, including support through the Council-adopted Economic Recovery Initiatives, providing a variety of process streamlining, reduced fees, and other business opportunities to create a more flexible business environment. • Continued work on the downtown parklet pilot program and assisted businesses with expanding into temporary outdoor spaces to comply with Public Health Orders. • Administered a grant match program for businesses to provide platforms, ramps, and other essential items that allow the parklets to become accessible and meet ADA requirements. • Provided strategic guidance for the Town's General Plan update process, involving all Town Departments and Boards, Commissions, and Committees. • Led the Town's Diversity, Equity, and Inclusion work, including launching the "Becoming an Inclusive Community" website to provide a single location for Town activities, Council Actions, Police Reforms Implementation, and community workshops. • Organized, promoted, and held a series of Community Workshops over Zoom regarding Police Reform, Affordable Housing, and Community Culture.
Good Governance Ensure responsive, accountable, and collaborative government	• Led the Town organization as it continued to pivot and adapt to providing high quality municipal services during the COVID-19 pandemic consistent with the changing Public Health Orders, implementing online service delivery in some instances, and managing a partial remote workforce. Council, Board, Committee, and Commission meetings occurred over Zoom with at times higher public participation rates. • Developed a work plan with actions internal to the Town organization and external to the community to advance the Town's justice, equity, diversity, and inclusion work. A consultant is expected to be hired to assist with the implementation of the work plan, including community engagement. • Supported the Town Council in its decision making.

ꕥ ADMINISTRATIVE SERVICES ꕥ
Town Manager's Office

ACCOMPLISHMENTS

Core Goals	Accomplishments
Good Governance Ensure responsive, accountable, and collaborative government	• Led streamlining efforts to improve the efficiency of Town processes. • Provided administrative support to the Pension and OPEB Trusts Oversight Committee to manage the additional discretionary monies deposited into the Town's IRS 115 Pension and healthcare accounts. • Led an inter-departmental Communications Team to begin writing a Town Communication Plan to increase community engagement and government transparency. • Conducted a public survey regarding the community's strategic priorities for the Town. • Represented the Town in County-wide and regional forums. • Supported the Town Council as it took positions on pending legislation and funding items affecting Los Gatos. • Continued to enhance community awareness and engagement through increased content on the Town's Facebook, Instagram, Nextdoor, and Twitter accounts. Launched a new Town LinkedIn account. • Promoted community participation in Town matters by signing up for notifications through a dedicated email and Notify me on the Town's website. • Utilized teleconferencing technology for public meetings in compliance with Public Health Orders.

ꕥ ADMINISTRATIVE SERVICES ꕥ
Town Manager's Office

ACCOMPLISHMENTS

Core Goals	Accomplishments
Fiscal Stability Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community	• Led a series of Town Council discussions and in-depth examinations of municipal financial practices. • Led the development of additional discretionary payments directly to CalPERS. • Led the development of a comprehensive Town-wide budget. • Provided technical and administrative support to the new Finance Commission. • Continued to increase transparency and community access to Town financial information through work on dedicated Fiscal Transparency webpages.
Quality Public Infrastructure Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	• Supported respective Council Members as they serve on regional boards governing transportation, clean energy, and other topics. • Supported the economic vitality and infrastructure elements of the downtown parklet program, economic recovery efforts, and pilot program to create a public space on Grays Lane.

ꕥ ADMINISTRATIVE SERVICES ꕥ
Town Manager's Office

ACCOMPLISHMENTS

Core Goals	Accomplishments
Civic Enrichment Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	• Supported the Arts and Culture Commission in the implementation of the Gateway Art Project, the Utility Art Box Program, and potential funding sources for Town art. • Worked with the Farmers' Market to ensure community access to market vendors in compliance with Public Health Orders. • Worked with the Chamber of Commerce to provide large festive lighting displays throughout Los Gatos in the winter months to provide additional holiday cheer and promote economic vitality. • Oversaw the continuation of the Town's action items in support of its World Health Organizations Age-Friendly Community Designation.
Public Safety Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness	• Led the Town's response to the COVID-19 emergency. • Continued to lead the virtual activation of the Town's Emergency Operations Center during the COVID-19 pandemic, ensuring that the Town was implementing its emergency plans and following all Public Health Orders to protect employees and the public. • Continued to participate in County-led Emergency Management training programs and exercises. • Continued to implement a comprehensive training plan for all Town staff involved in the activation of the Emergency Operation Center. • Expanded communication and coordination with County Fire and other agencies regarding wildfire prevention and preparedness. • Provided support to the Council Ad Hoc Wildfire Committee to study wildfire mitigation in the Wildland Urban Interface and assisted with preparing the Committee's report and findings. • Managed and implemented crisis communications, including the pandemic response and associated changing Public Health Orders, wildfire and evacuations in close proximity, poor air quality due to smoke, potential PG&E public safety power shutoffs, record heat waves, storms, and general emergency preparedness. The Town expanded its social media messaging and provided up-to-date information on the front page of the Town's website pertaining to the incidents mentioned above that were affecting the lives of residents, businesses, and visitors. • Maintained a dedicated COVID-19 website with links to resources, County Health Orders, and other useful information for the public. • Initiated work on implementing the Independent Police Auditor function.

ADMINISTRATIVE SERVICES
Town Manager's Office

SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Other Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and Permits	965	11,405	2,444	2,964	227	1,000
Intergovernmental Revenues	-	-	8,258	-	2,365	-
Service Charges	60	200	-	-	-	-
Interest	-	-	-	-	-	-
Other Revenues	13,565	17,384	17,272	500	-	-
TOTAL REVENUES	**$ 14,590**	**$ 28,989**	**$ 27,974**	**$ 3,464**	**$ 2,592**	**$ 1,000**
EXPENDITURES						
Salaries and Benefits	$ 894,948	$ 945,000	$ 1,105,538	$ 1,226,814	$ 1,161,346	$ 1,243,534
Operating Expenditures	83,539	81,929	90,491	131,850	41,714	127,350
Grants	-	-	-	-	-	-
Pass Through Accounts	-	-	-	-	-	-
Fixed Assets	-	-	8,258	-	2,365	-
Internal Service Charges	92,274	50,674	67,265	68,989	68,898	70,801
TOTAL EXPENDITURES	**$ 1,070,761**	**$ 1,077,603**	**$ 1,271,552**	**$ 1,427,653**	**$ 1,274,323**	**$ 1,441,685**

ꕥ ADMINISTRATIVE SERVICES ꕥ
Town Manager's Office

FY 2021/22 KEY PROJECTS

Core Goals	Key Projects
Community Character Preserve and enhance the appearance, character, and environmental quality of the community	***Land Use Policies Review***
	Continue to support the Council Policy Committee in its evaluation of land use and other policies.
	Business Attraction and Retention
	Continue to assist businesses to find available locations in Los Gatos, encourage diverse and unique offerings in the downtown, and implement economic recovery initiatives. Economic Vitality staff will also continue to identify actions in collaboration with other Town Departments to enhance overall community vitality for Council consideration.
	Music in the Park
	Oversee the transition of production of the Music in the Park summer concert series to a new management team as Public Health Orders allow.
	Special Events
	Continue to work with event organizers to fine tune the Special Events Permit process, providing guidelines and other information to assist events and processing all Special Event Permit applications, consistent with Public Health Orders.
	General Plan Update
	Continue to ensure all Departments and Town Commissions are actively engaged in the General Plan Update, foster community involvement, and provide strategic support to the Community Development Department throughout the General Plan Update process.
	COVID-19 Recovery
	Leverage the Town organization to ensure an efficient and robust recovery from the impacts of COVID-19.
	Diversity, Equity, and Inclusion
	Continue to work with all Departments to use a lens of diversity, equity, and inclusion in the development of the Town budget, delivery of services, and the creation of all new programs, projects, and policies.
	Sustainability
	Continue to work with all Departments to increase sustainability efforts Town-wide.

ꕥ ADMINISTRATIVE SERVICES ꕥ
Town Manager's Office

FY 2021/22 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative government	***Communication with the Public***
	Enhance the usefulness of the Town's website and social media channels to improve accessibility and transparency of information and services for the public. Work with KCAT-TV to maintain the Town-branded YouTube page for viewing live and archived Town Council and other meetings. Continue the new postcard mailing program to all Los Gatos residents, businesses, and property owners encouraging online engagement with the Town.
	Town Council Policies
	Continue to provide support, research, and analysis to the Policy Committee for the review and revision of Town policies regarding a wide range of topics. Continue to lead the inter-departmental Communications Team and complete the Town Communications Plan and supporting policies and procedures.
	Town Council Priorities
	Lead an annual Strategic Priorities session with the Town Council to provide guidance on policy, special projects, and key capital investments to align the work of Town Department and Commissions with current and future budgets.
	IT
	Complete migration of eFinance hosted 5.1 finance system to enhance efficiencies and remove dependence on physical server data storage. Explore online Business Tax acceptance forms and other IT applications for enhanced customer experience.

ꕥ ADMINISTRATIVE SERVICES ꕥ
Town Manager's Office

FY 2021/22 KEY PROJECTS

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

ADMINISTRATIVE SERVICES
Town Manager's Office

FY 2021/22 KEY PROJECTS

Core Goals	Key Projects
Civic Enrichment Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	***Arts and Culture*** Support the Arts and Culture Commission's Gateway Art Project and the Parks and Public Works' Outside the Box Utility Box Art Program. ***Cultural Partnerships*** Continue to oversee the ongoing partnerships with the Museums of Los Gatos, the Friends of the Los Gatos Library, Los Gatos-Saratoga Recreation, local school districts, and other organizations. ***Senior Initiatives*** Support the Community Health and Senior Services Commission in the implementation of the Council's identification of senior initiatives as a Strategic Priority.
Public Safety Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness	***Overall Emergency Preparedness*** Increase emergency preparedness activities in collaboration with the County Fire Department, County Office of Emergency Management, City of Monte Sereno, and volunteer organizations. Staff and manage a part-time Emergency Services Coordinator position. Continue updating and preparing the Town's Emergency Operations Center for activation when necessary. Further enhance the "emergency preparedness" sections of the Town's website. ***PG&E Shutoffs*** Prepare for potential PG&E Public Safety Power Shutoff Events and keep website information current for future events. ***Wildfire Preparedness*** Prepare implementation plans for the short-term and long-term goals identified in the Council Ad Hoc Wildfire Committee's plan. ***COVID-19 Emergency*** Continue to lead the Town's implementation of State and County Public Health Orders.

ꕥ ADMINISTRATIVE SERVICES ꕥ
Town Manager's Office

KEY PROGRAM SERVICES

- Provides staff support to the Mayor and Town Council.
- Provides administrative direction and leadership over Town departments, programs, and services.
- Oversees the Town's organizational and fiscal management efforts and program development and evaluation processes.
- Leads the preparation of the annual Operating and Capital Budgets.
- Oversees and administers the Economic Vitality program.
- Oversees the Town Council agenda process.
- Provides centralized customer service through email, telephone, counter, and website assistance.
- Provides staff support to the Finance Commission, Policy Committee, and the Community Health and Senior Services Commission.
- Manages the provision of senior services at the Los Gatos Adult Recreation Center through the long-term lease agreement with LGS Recreation.
- Manages the contracts with NUMU, Friends of the Library, LGS Recreation, Farmers' Market, KCAT, and other community organizations.
- Manages the annual Community Grant process in partnership with the Library Director.
- Oversees and executes Town events consistent with Public Health Orders, such as Spring into Green, 4th of July, and Screen on the Green. Some events may not occur in FY 2021/22 due to the lingering pandemic.
- Processes all Special Event Permits consistent with Public Health Orders.
- Addresses resident complaints, inquiries, and requests.
- Oversees continuous improvements in Town administrative processes, measurements, and other activities.
- Provides public information and website/social media management.
- Oversees special projects and new initiatives, particularly during policy development stages.
- Monitors and participates in regional activities to represent the Town interests.
- Monitors state and federal legislation.

TOWN MANAGER'S OFFICE STAFFING

Full Time Equivalents (FTE)

Town Staff	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted
Town Manager	1.00	1.00	1.00	1.00	1.00
Assistant Town Manager	1.00	1.00	1.00	1.00	1.00
Administrative Analyst	1.00	1.00	1.00	1.00	1.00
Deputy Town Clerk	-	-	0.25	0.13	0.13
Executive Asst. to Town Mgr.	0.50	0.50	0.50	0.50	0.50
Administrative Assistant	-	-	0.13	0.25	0.25
Office Assistant	0.38	0.38	-	-	-
Economic Vitality Manager	0.30	0.30	0.30	0.30	0.30
Events & Marketing Specialist	0.50	0.50	0.50	0.50	0.50
Total Manager's Program FTEs	**4.68**	**4.68**	**4.68**	**4.68**	**4.68**

Temporary Staff Hours	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted
Facility Attendant	50	50	50	50	50
Emergency Management	-	-	1,000	1,000	1,000
Administrative Analyst	100	-	-	-	-
Intern I	450	450	675	675	-
Office Assistant	-	-	-	-	520
Total Annual Hours	**600**	**500**	**1,725**	**1,725**	**1,570**

ꕥ ADMINISTRATIVE SERVICES ꕥ
Town Manager's Office

Performance Objectives and Measures	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. *Supplement resources for nonprofit agencies providing human services and art, cultural, and educational programming so that residents may maintain or improve their quality of life.*					
a. The average percentage of a grantee's budget that comes from the Town's grant contributions:	10%	2%	1.5%	*Measure Discontinued*	*Measure Discontinued*
2. *Foster a comprehensive arts environment in Los Gatos through the support, development, and appreciation of the arts.*					
a. Percentage of public art pieces in good to excellent condition:	80%	80%	*Public survey not conducted due to COVID*	*Measure Discontinued*	*Measure Discontinued*
b. Resident satisfaction with Arts and Cultural opportunities in Los Gatos:	81%	76%	*Public survey not conducted due to COVID*	*Public survey not conducted due to COVID*	70%
3. *Foster business growth and success to provide jobs and enhance economic vitality. Ensure efforts are being made for business attraction, retention, and promotion.*					
a. Percentage of businesses satisfied or very satisfied with business assistance received:**	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*

ADMINISTRATIVE SERVICES
Town Manager's Office

Activity and Workload Highlights	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. Number of community/customer referrals:	414	744	784	1,102	1,220
2. Grant agreements administered:					
a. Number of Human Service grants:	8	8	10	*Measure Discontinued*	*Measure Discontinued*
b. Number of Arts/Cultural/Educational grants:	5	5	7	*Measure Discontinued*	*Measure Discontinued*
c. Number of Special Events grants:*	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*
d. Dollar amount of Special Event grants:**	*Data Not Available*	$13,513	*$10,000*	*Measure Discontinued*	*Measure Discontinued*
e. Number of One-Time Grants***			*N/A*	10	10
f. Dollar amount of One-Time Grants***			*N/A*	$69,500	$69,500
g. Number of Innovation Grants***			*N/A*	3	3
h. Dollar amount of Innovation Grants***			*N/A*	$4,500	$4,500
i. Number of Sustaining Grants***			*N/A*	5	5
j. Dollar amount of Sustaining Grants***			*N/A*	$70,000	$70,000
3. Total dollar amount of General Fund grant agreements administered:	$124,800	$136,513	$182,303	$144,000	$144,000
4. Number of Los Gatos residents directly served by Town grant-funded organizations:	40,000	29,000	37,000	30,000	30,000
5. Number of Art in the Council Chambers exhibitions installed and curated:	4	4	3	0	2
6. Number of events, presentations or meetings designed to attract, retain or educate businesses:*	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*
7. Number of business, commercial property owners, and industry professionals receiving business liaison services through the Economic Vitality Office: *	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*
8. Number of attendees at events and meeting designed to attract, retain and educate businesses, and foster commerce:*	*Data Not Available*	*Data Not Available*	*Data Not Available*	*Data Not Available*	*Data Not Available*
9. Number of businesses receiving general business liaison assistance:	75	100	115	75	75
10. Commercial Brokers/Property Owner Outreach Communications:	50	75	50	50	50

**Measure discontinued effective FY 19/20.*
***New measure effective FY 19/20.*
****New measure effective FY 20/21*

ꕥ ADMINISTRATIVE SERVICES ꕥ
Town Manager's Office

COMMUNITY GRANT PROGRAM

The Community Grant program underwent a significant procedural change in FY 2020/21 compared to previous years. Changes included shifting the grant calendar process for applications and awards to earlier in the fiscal year and budgeting the lump sum amounts of all grant expenditures rather than noting each individual grantee at the time of budget adoption. The three expenditure lines that have been added going forward, "one-time grants," "innovation grants," and "recurring grants," include the lump sum amounts of all smaller grant funds that will be dispersed to grantees after the application and award process is completed. When the FY 2021/22 actuals are reported at the close of year, these lump sum amounts will be noted as individual smaller grant amounts to the individual Grantees in order to compare historical budget year trends. The total amount of grant funding budgeted for FY 2021/22 is $150,000.

ADMINISTRATIVE SERVICES
Town Manager's Office

GRANTS AND ARTS FUNDING SUMMARY

	2017/18 Actuals	2018/19 Awarded	2019/20 Awarded	2020/21 Awarded	2021/22 Proposed
Grants to Award					
Recurring Grants					
West Valley Community Services	$ -	$ -	$ -	$ 20,000	
Next Door Solutions	-	-	-	5,000	
Live Oak Senior Nutrition	-	-	-	22,000	
CASSY	-	-	-	10,000	
Live Oak Adult Day Services	-	-	-	13,000	
Total Recurring Grants	**-**	**-**	**-**	**70,000**	**$ 70,000**
One-Time Grants					
Parent Helping Parents	-	-	-	7,500	
St. Luke's Episcopal Church	-	-	-	7,500	
Mariposa Montessori School	-	-	-	7,500	
Los Gatos Lions	-	-	-	7,500	
Los Gatos Chamber	-	-	-	7,500	
Art Docents	-	-	-	7,000	
Silicon Valley Jewish Film Festival	-	-	-	5,000	
JCC Los Gatos	-	-	-	7,500	
New Museum of Los Gatos (NUMU)	-	-	-	7,500	
New Millennium Foundation	-	-	-	5,000	
Total One-Time Grants	**-**	**-**	**-**	**69,500**	**74,000**
Innovation Grants					
Bruce Preville	-	-	-	1,500	
Cheryl Hanson	-	-	-	1,500	
Arjun Seshadri	-	-	-	1,500	
Total Innovation Grants	**-**	**-**	**-**	**4,500**	**6,000**
Total Human Services Grants	100,000	103,000	152,500	-	
Total Arts, Cultural & Educational Grants	19,800	20,000	20,000	-	
Total Special Events Grants	-	19,000	10,000	-	
Total Arts Funding	5,000	5,000	-	-	
Total Grants to Award	**$ 124,800**	**$ 128,000**	**$ 182,500**	**$ 144,000**	**$ 150,000**

Administrative Services

HUMAN RESOURCES
PROGRAM 2201

PROGRAM PURPOSE

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

BUDGET OVERVIEW

The FY 2021/22 budget includes increases in benefit costs attributable to higher benefit and CalPERS pension rates. The FY 2021/22 Human Resource's budget includes one-time temporary Human Resources Technician hours to assist with special projects.

Human Resource staff will continue to assist the organization with filling critical Town-wide positions through effective recruitment and selection methods that strive to support workforce diversity and will continue to assist Departments with succession planning; retention and training; and restructuring and redesigning jobs to meet evolving needs of the Town as vacancies become available. In addition, Human Resources invested in software focused on the automation of the performance evaluation process, new employee onboarding, and creation of electronic

forms to improve efficiencies.

ACCOMPLISHMENTS

Core Goals	Accomplishments
Good Governance Ensure responsive, accountable and collaborate government	• Successfully recruited and onboarded 16 positions. • Conducted a virtual benefits open enrollment and shifted from an in-person Health and Wellness Fair to a remote Town-wide wellness challenge. • Created new administrative procedures related to the pandemic; such as, Cal-OSHA COVID reporting requirements and Teleworking. • Continued to support the organization with a remote oral board experience using MS Teams to ensure continuation of the recruitment process for vacancies during the shelter-in-place order. • Implemented a virtual onboarding portal for new employees to assist with the orientation process as well as the secure delivery and return of new employee forms and benefit enrollment information.
Fiscal Stability Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community	• Concluded the meet and confer process with AFSCME and TEA to implement successor agreements and initiated the meet and confer process with POA • Continued the revision and creation of job classifications to meet the changing needs of the Departments, including modifications to job qualifications.

ADMINISTRATIVE SERVICES
Human Resources

SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Other Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental Revenues	-	-	-	-	-	-
Service Charges	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
EXPENDITURES						
*Salaries and Benefits**	$ 454,488	$ 550,744	$ 611,571	$ 624,666	$ 630,991	$ 668,629
Operating Expenditures	141,199	114,411	83,899	142,156	134,756	137,656
Grants	-	-	-	-	-	-
Pass Through Accounts	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	34,867	13,335	18,372	19,061	19,147	19,563
TOTAL EXPENDITURES	**$ 630,554**	**$ 678,490**	**$ 713,842**	**$ 785,883**	**$ 784,894**	**$ 825,848**

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

ꕥ ADMINISTRATIVE SERVICES ꕥ
Human Resources

FY 2021/22 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable and collaborate government	***Personnel Rules and Regulations*** Complete the process to review and update the Town's Personnel Rules and Regulations, which includes: meeting and conferring with employee groups regarding the proposed changes and bringing a recommendation to the Town Council to formally adopt a resolution accepting the revisions. Create an Administrative Procedure to capture the new California Department of Transportation provisions related to commercial drivers participating in a nationwide clearing house database. ***Labor Relations*** Initiate and complete the negotiation process of the full labor contracts for the TEA and AFSCME groups prior to June 20, 2021. Initiate the meet and confer negotiation process with POA prior to the contract expiration on September 30, 2021. ***Training and Development*** Develop and present an internal employee training program related to interview and public presentation skills. Continue to identify and make available other training opportunities. ***Records Management*** Activate the Forms module of the Town's current recruitment platform, NeoGov, to transition all Human Resources related forms to an electronic format allowing for the creation of signature workflows/routing and a seamless upload to employee files as well as automated delivery of executed forms to employees and management. ***Response to the COVID-19 Pandemic*** Strive to adapt and implement new protocols and procedures related to the County, State, and Federal government's frequently changing directives connected to testing, vaccines, contact tracing, employment, workers' compensation, and employee benefits to ensure Town compliance.

ꕥ ADMINISTRATIVE SERVICES ꕥ
Human Resources

FY 2021/22 KEY PROJECTS

Core Goals	Key Projects
Fiscal Stability Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community	***Recruitment/Onboarding*** Support all Town Departments to quickly fill vacancies while using recruitment efforts that encourage diversity within the Town's workforce. ***Succession Planning*** Continue to partner with Departments to identify future retirements and create a plan to ensure the transfer of institutional knowledge while simultaneously providing training opportunities to prepare employees for upcoming promotional opportunities.

KEY PROGRAM SERVICES

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

ꕥ ADMINISTRATIVE SERVICES ꕥ
Human Resources

KEY PROGRAM SERVICES

- Develops, implements, revises, and maintains administrative policies and procedures to ensure incorporation of legislative and Town-wide changes.
- Serves as advisor to employee recognition program.
- Provides support for Personnel Board activities.
- Participates in the development of multi-agency training programs, such as the Leadership Academy.

HUMAN RESOURCES PROGRAM STAFFING

Full Time Equivalents (FTE)

Town Staff	**2017/18 Funded**	**2018/19 Funded**	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Adopted**
Human Resources Director*	0.75	1.00	1.00	1.00	1.00
Administrative Analyst*	1.30	1.00	1.00	1.00	1.00
Human Resources Technician	1.00	1.00	1.00	1.00	1.00
Total Human Resources FTEs	**3.05**	**3.00**	**3.00**	**3.00**	**3.00**

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

Temporary Staff Hours	**2017/18 Funded**	**2018/19 Funded**	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Adopted**
Human Resources Technician	-	-	-	-	1,040
Total Annual Hours	**-**	**-**	**-**	**-**	**1,040**

☙ ADMINISTRATIVE SERVICES ❧
Human Resources

Performance Objectives and Measures	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. *To provide a competitive employee benefit package that contributes to the recruitment and retention of employees.**					
a. Percentage of employees rating benefit program material, products, and services as good to excellent:	94%	96%	96%	96%	96%
b. Percentage of employees rating communication of the benefit program as good to excellent:*	*Not Applicable*	*Not Applicable*	94%	94%	94%
2. *To provide effective and efficient professional development, training, and organizational development.*					
a. Percentage of employees rating the effectiveness of training classes as good to excellent:	83%	79%	*Not Applicable*	*Not Applicable*	*Not Applicable*
b. Percentage of employee evaluations completed by due date:	90%	*Not Applicable*	*Not Applicable*	*Not Applicable*	*Not Applicable*
c. Percentage of employees who have received a formal evaluation in the last 12 months:*	*Not Applicable*	*Not Applicable*	31%	22%	50%
3. *To provide effective and efficient safety programs.*					
a. Percentage of employees rating safety programs as good or excellent based on quality, content, and response:	78%	*Not Applicable*	*Not Applicable*	*Not Applicable*	*Not Applicable*
4. *To provide effective and efficient employee recruitment services to departments.**					
a. Percentage of hiring managers rating recruitment process timeline as good to excellent:	*Not Applicable*	*Not Applicable*	89%	89%	89%
5. *To provide effective and efficient employee relations support.*					
a. Percentage of labor agreements ratified prior to expiration of existing contracts:	100%	100%	*Not Applicable*	100%	100%
b. Percentage of employees rating the availability and timeliness of HR staff response to inquiries as good to excellent:*	*Not Applicable*	*Not Applicable*	94%	94%	95%

ADMINISTRATIVE SERVICES
Human Resources

Activity and Workload Highlights	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. Number of (full-time, part-time, and temporary) employees:	165	*Not applicable*	*Not applicable*	*Not applicable*	*Not applicable*
2. Number of recruitments conducted:	31	15	23	16	18
3. Number of employment applications reviewed:	2,147	2,139	3,551	1,830	1,900
4. Number of Workers' Compensation claims filed:	8	15	14	10	10
5. Percentage of eligible employees participating in deferred compensation:	56%	42%	45%	60%	62%
6. Number of sick leave hours used per benefitted employee:	52	*Not applicable*	*Not applicable*	*Not applicable*	*Not applicable*
7. Number of Personnel Action Forms processed:*	*Not Applicable*	248	173	190	200
8. Number of employee promotions:*	*Not Applicable*	4	10	10	8
9. Number of ergonomic evaluations conducted:*	*Not Applicable*	24	9	11	20
10. Number of new employee onboarding sessions conducted (full-time, part-time, and temporary):*	*Not Applicable*	21	33	29	30
11. Number of job classifications revised or created:*	*Not Applicable*	2	5	3	3
12. Vacancy rate:*	*Not Applicable*	9%	11%	14%	14%

**New measure effective FY 20/21*

Administrative Services

FINANCE
PROGRAM 2301

PROGRAM PURPOSE

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

BUDGET OVERVIEW

The Finance Program's FY 2021/22 budget reflects a decrease in business license tax revenue, business license processing fees and interest earnings due to the effect of the international COVID-19 pandemic. The Finance Program continues to monitor business license tax receipts and implement improvements for collections. The FY 2021/22 budget includes increases in salary and benefit costs attributable to anticipated merit step increases and higher benefit and CalPERS pension rates.

ꕥ ADMINISTRATIVE SERVICES ꕥ
Finance

ACCOMPLISHMENTS

Core Goals	Accomplishments
Good Governance Ensure responsive, accountable and collaborate government	• Coordinated the successful development of the FY 2019/20 Comprehensive Annual Financial Report (CAFR) and corresponding financial and compliance audit of the Town of Los Gatos. • Achieved the GFOA's Certificate of Achievement for Excellence in Financial Reporting for the CAFR for the FY 2018/19. • Achieved the GFOA's Distinguished Budget Presentation Award for the FY 2019/20 Operating Budget. • Completed State Controller's "Cities Annual Report" and "Streets Report." • Completed successful cross-training of the Payroll function.
Fiscal Stability Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community	• Managed the coordination and on-time preparation of the FY 2021/22 Operating Budget and FY 2021/22-2025/26 Capital Improvement Program for Council consideration. • Managed the Town's investments and prepared quarterly investment reports. • Supported the Successor Agency and its required filings. • Supported the Council Finance Committee/Finance Commission and Pension/OPEB Oversight Committee. • Provided ongoing fiscal controls for contracts and other Town expenditures.

ADMINISTRATIVE SERVICES
Finance

SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Other Taxes	$ 1,686,251	$ 1,526,894	$ 1,357,080	$ 1,100,000	$ 1,300,000	$ 1,250,000
Licenses and Permits	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-
Service Charges	930	1,196	90,593	75,000	85,000	85,000
Interest	244,762	1,445,640	2,238,102	626,409	597,371	441,233
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	**$ 1,931,943**	**$ 2,973,730**	**$ 3,685,775**	**$ 1,801,409**	**$ 1,982,371**	**$ 1,776,233**
EXPENDITURES						
*Salaries and Benefits**	$ 857,806	$ 988,993	$ 1,133,533	$ 1,348,033	$ 1,276,546	$ 1,373,395
Operating Expenditures	125,833	125,617	129,215	170,200	160,383	156,800
Grants	-	-	-	-	-	-
Pass Through Accounts	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	66,232	31,296	31,045	32,604	32,490	33,733
TOTAL EXPENDITURES	**$ 1,049,871**	**$ 1,145,906**	**$ 1,293,793**	**$ 1,550,837**	**$ 1,469,419**	**$ 1,563,928**

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

ꕥ ADMINISTRATIVE SERVICES ꕥ
Finance

FY 2021/22 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative government	***Financial System Upgrade*** Identify system parameters and evaluate potential replacement options of the Town's financial/personnel information system to support Town-wide budget-related operations and community needs. ***Electronic General Ledger Journal Entry Files*** Continue to scan general ledger journal entry files to store electronically in Laserfiche. ***Department Cross Training in Key Functional Areas*** Continue to cross train in key functional areas of the Finance Department with an emphasis on Accountant functions.
Fiscal Stability Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community	***Long-Term Budget Development*** Provide support, analysis, and recommendations to restructure and reduce long-term projected increases in employee salary and benefit costs. Explore ways to generate additional one-time or ongoing funds. ***Business License Amnesty Program*** Identify terms and conditions, timeframe, and notify businesses of a potential amnesty program. Provide compliance period in which businesses can pay business license with no penalty. ***Finance Commission*** Support the Town Finance Commission in all aspects of its enabling ordinance.

ꕥ ADMINISTRATIVE SERVICES ꕥ
Finance

KEY PROGRAM SERVICES

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

FINANCE PROGRAM STAFFING

Full Time Equivalents (FTE)

Town Staff	**2017/18 Funded**	**2018/19 Funded**	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Adopted**
Finance Director	1.00	1.00	1.00	1.00	1.00
Finance & Budget Manager	1.00	1.00	1.00	1.00	1.00
Accountant/Fin Analyst	0.99	0.99	1.99	1.99	1.99
Payroll Technician*	0.95	1.00	1.00	-	-
Administrative Analyst*	1.80	2.00	2.00	3.00	3.00
Account Technician	0.35	0.35	-	-	-
Total Finance Services FTEs	**6.09**	**6.34**	**6.99**	**6.99**	**6.99**

Temporary Staff	**2017/18 Funded**	**2018/19 Funded**	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Adopted**
Administrative Analyst	626	626	-	-	-
Mail Room Clerk (Library Dept Temps)	250	250	250	250	250
Total Annual Hours	**876**	**876**	**250**	**250**	**250**

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

ꕥ ADMINISTRATIVE SERVICES ꕥ
Finance

Performance Objectives and Measures	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. *Provide oversight of Town investment activities to obtain highest available portfolio earnings in accordance with State and Town Codes.*					
a. Average rate of return on investments:	1.73%	2.05%	1.86%	1.39%	0.95%
2. *Assure legal and fiscal accountability to the public, in compliance with established accounting standards.*					
a. Town Financial Statements receive an 'Unqualified Opinion' from the Town's independent auditor:	Yes	Yes	Yes	Yes	Yes
b. Governmental Finance Officer Association (GFOA) 'Certificate of Achievement of Excellence in Financial Reporting' awarded to the Town:	Yes	Yes	Yes	Yes	Yes
3. *Prepare accurate budget forecasts and workplans in compliance with standard budgeting practices.*					
a. Governmental Finance Officer Association (GFOA) 'Certificate of Achievement of Excellence in Budgeting' awarded to the Town:	Yes	Yes	Yes	Yes	Yes
4. *Provide timely and accurate financial reports within specified deadlines.*					
a. Percent of State Controller's annual financial reports completed and filed by deadlines:	100%	100%	100%	100%	100%
b. Percent of County annual financial reports completed and filed by deadlines:	100%	100%	100%	*Measure Discontinued*	*Measure Discontinued*
c. Percent of time bank statements reconciled to general ledger within 30 days of month-end:*	80%	80%	90%	90%	100%
d. Percent of quarterly reports completed and submitted to Council by deadlines:	100%	100%	100%	100%	100%
5. *Provide financial oversight and administer accounting functions for all Town funds and accounts.*					
a. Percentage of Accounts Payable invoices paid accurately:	99%	99%	99%	99%	99%
b. Percentage of Payroll checks paid accurately and on-time:	99%	99%	99%	99%	99%

Activity and Workload Highlights	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. Quarterly investment reports to Town Council:	4	4	4	4	4
2. Number of general ledger corrections needed during audit due to processing error:	0	0	0	0	0
3. Annual number of invoices entered into the Accounts Payable system:	7,643	7,185	6,791	7,000	7,000
4. Average number of Accounts Payable checks issued weekly:	62	57	64	56	60
5. Average number of regular and temporary employee payroll checks issued bi-weekly:	186	185	188	186	186
6. Number of Business Licenses issued annually:	4,468	4,293	3,926	4,000	4,100

**Measure discontinued effective FY2020/21.*

Administrative Services

CLERK ADMINISTRATION
PROGRAM 2401

PROGRAM PURPOSE

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

BUDGET OVERVIEW

The FY 2021/22 budget includes increases in salary and benefit costs attributable to anticipated merit step increases and higher benefit and CalPERS pension rates. The budget also reflects a reclassification of Temporary Intern hours to Temporary Office Assistant hours to better align current service delivery with Town needs.

ꕥ ADMINISTRATIVE SERVICES ꕥ
Clerk Administration

ACCOMPLISHMENTS

Core Goals	Accomplishments
Good Governance Ensure responsive, accountable and collaborative government	• Completed the creation of a Council Member Handbook as part of the Town's continuing efforts to increase efficiency and service to the Town Council. • Continued the update of the Retention Schedule in coordination with the Town Attorney and the Manager's Office. • Began using Municode Meetings as the agenda management system for Town Council, Planning Commission, Council Finance Committee, and Council Policy Committee meetings. • Began storing Town Council and Planning Commission meeting videos on the Town's branded YouTube page through KCAT. • In collaboration with the Town Attorney's Office, administered the Town's role in processing two ballot initiatives for the November 2020 election. • Explored remote participation software to support the Town Council and other Town Commissions during the COVID-19 emergency. • Administered DocuSign as a more efficient process for contract review and approval.
Civic Enrichment Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	• Presented an overview of the Clerk Department's role and responsibilities at Leadership Los Gatos, highlighting the Board, Commission, and Committee Commissioner recruitment process.

ADMINISTRATIVE SERVICES
Clerk Administration

SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Other Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental Revenues	-	-	-	-	-	-
Service Charges	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Other Revenues	-	-	450	-	-	-
TOTAL REVENUES	**$ -**	**$ -**	**$ 450**	**$ -**	**$ -**	**$ -**
EXPENDITURES						
Salaries and Benefits	$ 286,260	$ 317,056	$ 352,374	$ 413,136	$ 382,388	$ 409,276
Operating Expenditures	18,127	24,843	15,695	25,855	10,805	19,555
Grants	-	-	-	-	-	-
Pass Through Accounts	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	18,589	7,877	19,401	20,202	20,132	20,584
TOTAL EXPENDITURES	**$ 322,976**	**$ 349,776**	**$ 387,470**	**$ 459,193**	**$ 413,325**	**$ 449,415**

ADMINISTRATIVE SERVICES
Clerk Administration

FY 2021/22 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable and collaborate government	***Records Retention*** Continue to implement the Town's Retention Policy, including procedures and schedules. Continue to update Town-wide Administrative Procedures to the current template for uniformity. ***Public Engagement*** Celebrate Municipal Clerks Week in May by inviting the public into the Clerk's office for tours and to increase the public's awareness of Municipal Clerks and the vital services they provide for local government and the community. Continue to participate in Town events and other opportunities to increase the public's awareness of the vital role of the Clerk Department. Continue to participate in Leadership Los Gatos, highlighting the Board, Commission, and Committee Commissioner recruitment process, how to communicate with Council Members, and participate in public meetings. ***Elections*** Administer the Town role for the November 2022 election, including candidate orientation and other tasks.
Quality Public Infrastructure Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	***Public Document Accessibility*** Make various public documents available to the public through the Town's website. Ensure all resolutions and ordinances have been added to the repository and continue adding historical minutes so that the public can access documents directly through the Town's website. Continue to utilize NetFile to facilitate e-filing for the required Fair Political Practices Commission (FPPC) Form 700 and Campaign Statements. The system allows the public to access the documents directly through the Town website.

ADMINISTRATIVE SERVICES
Clerk Administration

KEY PROGRAM SERVICES

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

CLERK ADMINISTRATION STAFFING

Full Time Equivalents (FTE)

Town Staff	**2017/18 Funded**	**2018/19 Funded**	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Adopted**
Clerk Administrator	1.00	1.00	-	-	-
Town Clerk	-	-	1.00	1.00	1.00
Deputy Town Clerk	-	-	0.63	0.88	0.88
Administrative Assistant	-	-	0.88	0.63	0.63
Office Assistant*	1.38	1.50	-	-	-
Total Clerk Admin FTEs	**2.38**	**2.50**	**2.50**	**2.50**	**2.50**

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

Temporary Staff	**2017/18 Funded**	**2018/19 Funded**	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Adopted**
Intern 1	-	-	375	375	-
Office Assistant	-	-	-	-	520
Total Annual Hours	**-**	**-**	**375**	**375**	**520**

ADMINISTRATIVE SERVICES
Clerk Administration

Performance Objectives and Measures	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. *Provide efficient and effective indexing of key documents to ensure adequate tracking of and accessibility to the Town's legislative history.*					
a. Percentage of resolutions, agreements, and ordinances indexed within five business days:	99%	99%	99%	99%	99%
b. Percentage of Town Council Minutes prepared within five business days:	99%	99%	99%	99%	99%
2. *Oversee the Town Council Agenda process to ensure comprehensive information and analysis is provided to the Town Council in a timely manner.*					
a. Percentage of Town Council reports available 120 hours prior to Town Council meetings:* *(Prior to FY 2015/16, reports were available 96 hours prior to Town Council meetings)*	100%	100%	100%	99%	100%
3. *Oversee the Public Records Act requests in a timely and effective manner.*					
a. Percentage of Public Records requests received by the Town Clerk's Office that are completed within 10 days.**	95%	95%	95%	95%	98%
4. *Percentage of vacancies filled on an annual basis to maximize community participation within the Town's advisory bodies.*	95%	95%	95%	95%	95%

Activity and Workload Highlights	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. *Number of Legislative Records indexed:*					
a. Number of resolutions indexed:	68	57	56	50	50
b. Number of agreements indexed:	262	242	231	230	230
c. Number of documents recorded:	65	53	37	35	35
d. Number of ordinances indexed:	17	10	18	10	10
2. Number of commission and board applications and appointments processed:	74	73	36	90	80
3. Number of commission and board seats available:****	91	78	33	58	28
4. Number of Legal Notices published within established timelines:	145	159	173	160	150
5. Number of Fair Political Practices Commission (FPPC) Form 700:	164	142	126	136	173
6. Number of bids processed and project files monitored for final action:	7	38	10	10	10
7. Number of required insurance certificates verified:	368	316	358	335	325
8. Number of Town Council agenda reports processed:*	378	213	278	195	200
9. Number of Public Records Act requests processed:***	139	133	145	175	200

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

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

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

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

Administrative Services

INFORMATION TECHNOLOGY STAFFING
PROGRAM 2502

PROGRAM PURPOSE

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

BUDGET OVERVIEW

The FY 2021/22 budget includes increases in salary and benefit costs attributable to anticipated merit step increases and higher benefit and CalPERS pension rates. The former IT Manager will also be engaged on a one-time temporary basis not to exceed 650 hours for the FY 2021/22 budget year. IT is providing increasingly critical services and support as Town Departments offer online options to supplement in-person service delivery.

ꕥ ADMINISTRATIVE SERVICES ꕥ
Information Technology Staffing

ACCOMPLISHMENTS

Core Goals	Accomplishments
Good Governance Ensure responsive, accountable, and collaborative government	• Provided ongoing support and maintenance of the Town's IT infrastructure and services • Supported staff needs for remote access during COVID19 • Upgraded Internet circuit for better reliability and performance • Upgraded to redundant network firewalls for increased security and high availability • Upgraded server systems and various hosted applications & services • Provided ongoing security awareness training for staff • Expanded cloud backup of data and server infrastructure to aid in disaster recovery • Assessed security posture and implemented additional security best practices such as a multifactor authentication system • Implemented a mobile device management system for Police Department • Performed internal audits of various IT systems • Performed replacements of staff computer systems • Accela development application system upgrade • Supported Engineering building renovation for Parks and Public Works • Assisted with implementing new digital plan checking and remote building inspection systems

ADMINISTRATIVE SERVICES
Information Technology Staffing

SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Other Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental Revenues	-	-	-	-	-	-
Service Charges	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Other Revenues	-	169,300	-	-	-	-
TOTAL REVENUES	**$ -**	**$ 169,300**	**$ -**	**$ -**	**$ -**	**$ -**
EXPENDITURES						
*Salaries and Benefits**	$ 33	$ 540,044	$ 539,802	$ 622,280	$ 633,026	$ 654,283
Operating Expenditures	-	-	-	-	-	-
Grants	-	-	-	-	-	-
Pass Through Accounts	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	-	-	-	-	-	2,046
TOTAL EXPENDITURES	**$ 33**	**$ 540,044**	**$ 539,802**	**$ 622,280**	**$ 633,026**	**$ 656,329**

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

ꕥ ADMINISTRATIVE SERVICES ꕥ
Information Technology Staffing

KEY PROGRAM SERVICES

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

FY 2021/22 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative government	***Collaboration Systems*** Migrate internal Intranet and departmental sites to new cloud hosted solution to make collaboration efforts more effective. Provide staff training on collaboration tools. ***Financial System Migration*** Support Finance department in migrating on-premise Financial system to a vendor cloud hosted system.
Fiscal Stability Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community	***Electronic Document Management System*** Expand electronic document management in Finance, Human Resources, Parks and Public Works, and other Departments to increase efficiency of record retrieval. ***Continuous Improvement*** Provide ongoing direction to the Town's strategic investments in technology to improve Town service delivery, transparency, efficiency, and government access.

ꕥ ADMINISTRATIVE SERVICES ꕥ
Information Technology Staffing

Core Goals	Key Projects
Quality Public Infrastructure Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	***IT Infrastructure*** Provide ongoing support and maintenance of the Town's IT infrastructure and services. ***Disaster Recovery*** Expand disaster recovery infrastructure utilizing cloud services. ***Network Upgrade*** Replace network components and redesign for added redundancy, performance, and next generation security. ***Enhanced Cyber Security*** Migrate to new next generation security solutions for enhanced endpoint and server management and security. ***Equipment Replacement*** Replace and upgrade computer systems and peripherals as part of the replacement program.
Civic Enrichment Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	***Online Services Improvements*** Support Town Departments with exploring and implementing the transition of services to online formats, when appropriate and consistent with the Council's Strategic Priorities, in order to improve access and efficiency for the public.
Public Safety Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness	***Police Support Technology*** Assist with maintenance of Police IT systems and upgrades.

ꕥ ADMINISTRATIVE SERVICES ꕥ
Information Technology Staffing

INFORMATION TECHNOLOGY STAFFING

Full Time Equivalent (FTE)

Town Staff	**2017/18 Funded**	**2018/19 Funded**	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Adopted**
IT Manager*	-	1.00	1.00	1.00	1.00
Network Administrator*	-	1.00	-	-	-
IT Systems Administrator	-	-	1.00	1.00	1.00
IT Analyst	-	1.00	-	-	-
IT Technician*	-	1.00	1.00	1.00	1.00
Total IT FTEs	**-**	**4.00**	**3.00**	**3.00**	**3.00**

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

Temporary Staff	**2017/18 Funded**	**2018/19 Funded**	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Proposed**
IT Program Manager Temp/Hrly	-	-	-	-	650
Total Annual Hours	**-**	**-**	**-**	**-**	**650**

ADMINISTRATIVE SERVICES
Information Technology Staffing

Performance Objectives and Measures	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. *Support the delivery of services to all the Town's customers through the use of SMART technology (Sensible, Multi-modal, Accessible, Responsive, and Time phased technology).*					
a. Percentage of time service requests are resolved within established guidelines:	85%	80%	*Not Applicable*	*Not Applicable*	*Not Applicable*
b. Percentage of network availability during normal business hours:	99%	99%	99%	99%	99%
c. Percentage of customers rating support as "good" or "excellent" based on timeliness:	97%	98%	96%	98%	98%
d. Percentage of customers rating support as "good" or "excellent" based on quality of service:	96%	97%	96%	94%	96%

Activity and Workload Highlights	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. Number of PCs/Notebooks maintained:	238	275	277	277	277
2. Number of network servers maintained:	77	78	80	62	60
3. Number of network printers maintained:	33	45	45	45	45
4. Number of service requests received:	4,020	3,080	3000	2450	2400

Administrative Services

NON-DEPARTMENTAL PROGRAM
PROGRAM 1201

PROGRAM PURPOSE

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

BUDGET OVERVIEW

The majority of revenues which support Town wide services are accounted for in this program. For FY 2021/22, revenues captured in Non-Departmental continue to reflect changes in Sales Tax , Transient Occupancy Tax, Franchise Fees Licenses and Permits, and Charges for Services due to the ongoing economic impact of the COVID-19 pandemic and the mandated Public Health Orders. In addition, Property Tax has been adjusted to reflect changes to how excess ERAF and RDA apportionment are calculated and distributed. These revenue modifications are informed by the Town's sales tax consultant, MuniServices, the County Tax Assessor, communications with Los Gatos hoteliers, and other sources. Given continued uncertainty emanating from COVID economic disruptions, these estimates are conservative in nature.

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

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

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

The Town's pension plans over the past several decades, like all other CalPERS participants, have experience unfavorable investment returns, changes in actuarial assumptions, and unfavorable demographic shifts which have outweighed any positive plan experiences, resulting in increasing employer contributions. The CalPERS rates for FY 2021/22 are either 62.94% or 15.74% for public safety employees, depending on date of entrance into CalPERS, and 33.54% for miscellaneous employees.

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

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

The Non-Departmental Program includes the following:

- $1,276,000 for the cost of covering the Town's portion of retiree medical insurance premiums. The Town has paid for this expenditure since the Town became a member of the CalPERS medical plan as it is part of the CalPERS agreement.
- $1,227,225 for the lease payment on the Town's Library building as pledged under the 2010 Certificates of Participation. This payment is offset by a reimbursement from the Successor Agency to the Los Gatos Redevelopment Agency, with a result of no net impact on the Town's General Fund budget.
- $672,625 for the lease payment on the Town's Corporation Yard property as pledged under

the 2002 Certificates of Participation. This payment is offset by a reimbursement from the Successor Agency to the Los Gatos Redevelopment Agency, with a result of no net impact on the Town's General Fund budget.

- $508,000 for the actuarially-required contribution for post-retirement benefit and pension obligations. The Governmental Accounting Standards Board Statement No. 45 (GASB 45) requires that the Town accrue an annual expenditure on its financial statements for the cost of providing post-retirement health care costs.
- $390,000 payment toward unfunded pension liability.
- $360,000 provided a 100% waiver of rent and utilities for the Town of Los Gatos leasees New Museum of Los Gatos (NUMU), Friends of the Library, Billy Jones Railroad, Soccer and Little Leagues, and Los Gatos-Saratoga Community Education and Recreation (LGS Rec).
- $246,687 for animal control services provided by the City of San Jose. The Town entered into a 20-year agreement with the City of San Jose effective July 1, 2004.
- $139,600 for Santa Clara County's Tax Administration fee for collecting and processing of the Town's assorted tax receipts.
- $100,000 for the Town Manager's Contingency and Productivity Funds to address unforeseen situations or opportunities that may arise during the fiscal year.
- $100,000 for the implementation to assist the Town's Justice Equity, Diversity, and Inclusion Work Plan.
- $70,000 for special studies as needed.
- $63,540 for the KCAT for public meetings' broadcasting and video streaming services
- $60,000 for the Los Gatos Chamber of Commerce contract to provide support for the Chamber's information center and co-facilitation of the Leadership Los Gatos program.
- $10,000 for employee health and wellness program.
- $10,000 for organizational development and training to address needs of the Town organization when opportunities arise.

The Non-Departmental program budget also reflects a transfer of $2,801,047 from the General Fund Capital and Special Projects Reserve to the General Fund Appropriated Reserves (GFAR) to support the Capital Improvement Program (CIP).

ADMINISTRATIVE SERVICES

Non-Departmental

SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Property Tax	$ 12,510,822	$ 13,636,099	$ 14,454,513	$ 13,949,123	$ 14,652,355	$ 15,881,866
VLF Backfill Property Tax	3,447,584	3,685,247	3,875,914	4,053,000	4,053,000	4,154,320
Sales & Use Tax	7,592,206	8,158,152	7,531,425	7,662,900	7,135,131	8,177,859
Franchise Fees	2,474,814	2,475,916	2,495,792	2,532,289	2,521,970	2,597,630
Other Taxes	-	-	-	-	-	-
Transient Occupancy Tax	2,628,927	2,692,043	1,869,685	707,723	707,723	920,040
Licenses & Permits	-	8,100	-	-	-	-
Intergovernmental Revenues	24,237	24,950	48,063	397,531	3,241,031	2,853,466
Lease Payments	1,914,739	1,909,073	1,905,024	1,908,494	1,908,494	1,899,850
Charges for Services	110,785	129,862	110,700	145,252	169,782	124,282
Fines & Forfeitures	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Other Sources	514,713	3,990,892	562,888	1,353,736	1,401,736	226,306
TOTAL REVENUES	**$ 31,218,827**	**$ 36,710,334**	**$ 32,854,004**	**$ 32,710,048**	**$ 35,791,222**	**$ 36,835,619**
TRANSFERS IN						
Transfer from Blackwell Dst	$ 460	$ 460	$ 460	$ 460	$ 460	$ 460
Transfer from Kennedy Meadow Dst	1,510	1,510	1,510	1,510	1,510	1,510
Transfer from Gemini Court Dst	610	610	610	610	610	610
Transfer from Santa Rosa Dst	660	660	660	660	660	660
Transfer from Vasona Heights Dst	1,430	1,430	1,430	1,430	1,430	1,430
Transfer from Hillbrook Dst	250	250	250	250	250	250
Transfer from Capital Project Funds	102,000	102,000	102,000	102,000	102,000	102,000
Transfer from Traffic Mitigations	10,000	-	16,336	10,000	2,658	10,000
Transfer from Gas Tax	106,000	106,000	106,000	106,000	106,000	106,000
Transfer from Equipment Maintenance	-	774,991	-	-	-	-
Transfer from Stores	-	265,384	-	-	-	-
Transfer from SA	6,300	-	-	-	-	-
TOTAL TRANSFERS IN	$ 229,220	$ 1,253,295	$ 229,256	$ 222,920	$ 215,578	$ 222,920
TOTAL REVENUES & TRANSFERS	**$ 31,448,047**	**$ 37,963,629**	**$ 33,083,260**	**$ 32,932,968**	**$ 36,006,800**	**$ 37,058,539**
EXPENDITURES						
Salaries and Benefits	$ 402,057	$ 125,416	$ 14,425	$ -	$ -	$ 521,370
Operating Expenditures	4,643,978	6,661,978	3,412,374	8,020,368	7,978,824	3,025,320
Grants	63,421	86,995	77,542	75,000	487,000	371,382
Pass Throughs	-	1,371	-	-	-	-
Interest	-	-	-	-	13,003	-
Fixed Assets	-	-	-	-	-	-
Charges for Services	-	-	756	5,500	5,500	18,608
Debt Service	1,914,739	1,909,073	1,905,024	1,908,494	1,908,494	1,899,850
TOTAL EXPENDITURES	**$ 7,024,195**	**$ 8,784,833**	**$ 5,410,121**	**$ 10,009,362**	**$ 10,392,821**	**$ 5,836,530**
TRANSFERS OUT						
Transfers to GFAR	$ 2,638,224	$ 2,335,220	$ 6,982,591	$ 3,401,479	$ 3,401,479	$ 2,801,047
Transfers to Pollution Prevention	-	-	10,000	-	-	-
Transfer to Equipment Replacement	300,000	450,000	-	-	-	-
Transfer to Facilities	300,000	-	-	-	-	-
Transfer to Workers' Comp	-	-	1,061,256	-	-	-
Transfer to IT fund	5,371	-	-	-	-	-
TOTAL TRANSFERS OUT	$ 3,243,595	$ 2,785,220	$ 8,053,847	$ 3,401,479	$ 3,401,479	$ 2,801,047
TOTAL EXPEND'S & TRANSFERS	**$ 10,267,790**	**$ 11,570,053**	**$ 13,463,968**	**$ 13,410,841**	**$ 13,794,300**	**$ 8,637,577**

Administrative Services

INFORMATION TECHNOLOGY FUND
FUND 621

FUND PURPOSE

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

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

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

BUDGET OVERVIEW

The FY 2021/22 budget for IT recognizes the continued need to identify and invest in information technology opportunities. Continued investment is a cost-effective approach to maintain or potentially improve service delivery levels in a fiscally prudent manner. In addition, IT has assisted behind-the-scenes in implementing new software to improve the processing of contracts, records retention, and related back office work. These efforts result in increased costs of licensing fees and other support.

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

ADMINISTRATIVE SERVICES
Information Technology Fund

IT program expenses are budgeted to increase at a slower pace for FY 2021/22 as a result of extending the IT equipment replacement schedule.

STATEMENT OF SOURCE AND USE OF FUNDS

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignated	2,251,332	2,156,438	2,513,097	2,598,832	2,598,832	2,707,774
Total Beginning Fund Balance	2,251,332	2,156,438	2,513,097	2,598,832	2,598,832	2,707,774
Revenues						
Service Charge	1,016,399	295,330	766,622	827,219	826,333	829,018
Other Revenues	156,056	928,411	115,314	90,000	85,000	85,000
Total Revenues	**1,172,455**	**1,223,741**	**881,936**	**917,219**	**911,333**	**914,018**
TRANSFERS IN						
From General Fund	5,371	-	-	-	-	-
TOTAL TRANSFERS IN	**5,371**	**-**	**-**	**-**	**-**	**-**
TOTAL REVENUES & TRANSFERS	**1,177,826**	**1,223,741**	**881,936**	**917,219**	**911,333**	**914,018**
TOTAL SOURCE OF FUNDS	**$ 3,423,787**	**$ 3,380,179**	**$ 3,395,033**	**$ 3,516,051**	**$ 3,510,165**	**$ 3,621,792**
USES OF FUNDS						
Expenditures						
*Salaries and Benefits**	$ 581,371	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	685,978	567,082	796,201	1,033,091	764,591	843,991
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	-	-	-	-	-	-
Total Expenditures	**1,267,349**	**567,082**	**796,201**	**1,033,091**	**764,591**	**843,991**
Transfers Out						
Transfer to General	-	-	-	37,800	37,800	-
Transfer to Equipment Replacement	-	-	-	-	-	-
Transfer to GFAR	-	300,000	-	-	-	-
Total Transfers Out	**-**	**300,000**	**-**	**37,800**	**37,800**	**-**
Total Expenditures & Transfers Out	**1,267,349**	**867,082**	**796,201**	**1,070,891**	**802,391**	**$ 843,991**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	2,156,438	2,513,097	2,598,832	2,445,160	2,707,774	2,777,801
Total Ending Fund Balance	2,156,438	2,513,097	2,598,832	2,445,160	2,707,774	2,777,801
TOTAL USE OF FUNDS	**$ 3,423,787**	**$ 3,080,179**	**$ 3,395,033**	**$ 3,478,251**	**$ 3,472,365**	**$ 3,621,792**

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

INFORMATION TECHNOLOGY FUND STAFFING

Full Time Equivalent (FTE)

Town Staff	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted
IT Manager*	1.00	-	-	-	-
Network Administrator*	1.00	-	-	-	-
IT Technician*	1.00	-	-	-	-
Communications Coordinator	-	-	-	-	-
Office Assistant*	0.13	-	-	-	-
Total IT FTEs	**3.13**	**-**	**-**	**-**	**-**

Temporary Staff Hours	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted
IT Technician temp/hourly	720	-	-	-	-
Total Annual Hours	**720**	**-**	**-**	**-**	**-**

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

Administrative Services

WORKERS' COMPENSATION FUND
FUND 612

FUND PURPOSE

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

BUDGET OVERVIEW

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

Program costs covered in the internal rates include administration fees, claim settlement costs, attorney fees (outside counsel), medical expenses, payment for temporary and permanent disability, safety program administration and training, and excess insurance premiums. The budget for workers' compensation is based on actual payroll in the same manner as prior years. In Fiscal Year 2015/16 staff increased rates by 1.5% to begin restoring fund balance which has significantly declined in the last few years due to several on the job-related injuries.

ꕥ ADMINISTRATIVE SERVICES ꕥ
Workers' Compensation Fund

Staff is not anticipating to further increase the rate this Fiscal Year.

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignated	902,308	620,726	843,079	1,808,739	1,808,739	1,063,736
Total Beginning Fund Balance	902,308	620,726	843,079	1,808,739	1,808,739	1,063,736
Revenues						
Service Charge	884,190	875,419	903,434	1,000,906	964,389	1,007,620
Interest	5	8	7	-	-	-
Other Revenues	250,945	617,554	526,552	185,000	200,000	-
Total Revenues	**1,135,140**	**1,492,981**	**1,429,993**	**1,185,906**	**1,164,389**	**1,007,620**
TRANSFERS IN						
From General Fund	-	-	1,061,256	-	-	-
TOTAL TRANSFERS IN	**-**	**-**	**1,061,256**	**-**	**-**	**-**
TOTAL REVENUES & TRANSFERS	**1,135,140**	**1,492,981**	**2,491,249**	**1,185,906**	**1,164,389**	**$ 1,007,620**
TOTAL SOURCE OF FUNDS	**$ 2,037,448**	**$ 2,113,707**	**$ 3,334,328**	**$ 2,994,645**	**$ 2,973,128**	**$ 2,071,356**
USES OF FUNDS						
Expenditures						
*Salaries and Benefits**	$ 137,014	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	1,279,708	1,270,628	1,525,589	1,900,050	1,907,429	1,782,569
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	-	-	-	-	1,963	-
Total Expenditures	**1,416,722**	**1,270,628**	**1,525,589**	**1,900,050**	**1,909,392**	**1,782,569**
Transfers Out						
Transfer to Grant Funds	-	-	-	-	-	-
Transfer to General Fund	-	-	-	-	-	-
Total Transfers Out	**-**	**-**	**-**	**-**	**-**	**-**
Total Expenditures & Transfers Out	**1,416,722**	**1,270,628**	**1,525,589**	**1,900,050**	**1,909,392**	**1,782,569**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	620,726	843,079	1,808,739	1,094,595	1,063,736	288,787
Total Ending Fund Balance	620,726	843,079	1,808,739	1,094,595	1,063,736	288,787
TOTAL USE OF FUNDS	**$ 2,037,448**	**$ 2,113,707**	**$ 3,334,328**	**$ 2,994,645**	**$ 2,973,128**	**$ 2,071,356**

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

ADMINISTRATIVE SERVICES
Workers' Compensation Fund

FY 2021/22 KEY PROJECTS

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

KEY PROGRAM SERVICES

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

WORKERS' COMPENSATION FUND STAFFING

Full Time Equivalent (FTE)

Town Staff	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted
Human Resources Director*	0.25	-	-	-	-
Town Attorney*	0.05	-	-	-	-
Payroll Technician*	0.05	-	-	-	-
Administrative Analyst*	0.20	-	-	-	-
Total Workers Compensation FTEs	**0.55**	**-**	**-**	**-**	**-**

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

Administrative Services

OFFICE STORES FUND
FUND 622

FUND PURPOSE

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

ADMINISTRATIVE SERVICES
Office Stores Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignated	200,437	227,791	-	-	-	-
Total Beginning Fund Balance	200,437	227,791	-	-	-	-
Revenues						
Service Charge	122,247	124,574	-	-	-	-
Interest	-	-	-	-	-	-
Other Revenues	5,539	17,364	-	-	-	-
Total Revenues	**127,786**	**141,938**	**-**	**-**	**-**	**-**
Transfers In						
Equipment Replacement Fund	-	-	-	-	-	-
Total Transfers In	**-**	**-**	**-**	**-**	**-**	**-**
Total Revenues & Transfers In	**127,786**	**141,938**	**-**	**-**	**-**	**-**
TOTAL SOURCE OF FUNDS	**$ 328,223**	**$ 369,729**	**$ -**	**$ -**	**$ -**	**$ -**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	100,432	104,345	-	-	-	-
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	-	-	-	-	-	-
Total Expenditures	**100,432**	**104,345**	**-**	**-**	**-**	**-**
Transfers Out						
Transfer to General Fund	-	265,384	-	-	-	-
Total Transfers Out	**-**	**265,384**	**-**	**-**	**-**	**-**
Total Expenditures & Transfers Out	**100,432**	**369,729**	**-**	**-**	**-**	**-**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	227,791	-	-	-	-	-
Total Ending Fund Balance	227,791	-	-	-	-	-
TOTAL USE OF FUNDS	**$ 328,223**	**$ 104,345**	**$ -**	**$ -**	**$ -**	**$ -**

Community Development

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Community Development Department

DEPARTMENT PURPOSE

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

BUDGET OVERVIEW

The Community Development Department will continue to work on a large number of advanced planning efforts and development review applications in FY 2021/22. The complexity and scope of these projects are significant and require that the Town Council set priorities annually through review of the Council's Strategic Priorities as new issues arise. The Department also supports the Council Policy Committee as it reviews and considers updates to the Town's land use policies in FY 2021/22.

In keeping with the Town's financial policies, the Department's development related services are supported by fees based on the costs of providing the services. On a regular basis, the Town analyzes the actual costs associated with development services to ensure that development fees achieve the goal of recovering the costs to provide the services. Due to COVID-19, some fees are being covered by the Town to support economic recovery from the pandemic. Anticipated revenues resulting from the adopted fee schedule and other Council actions are reflected in the budget. Limited funding is provided through the General Fund and General Plan Fund to cover the costs associated with special advanced planning projects that are unrelated to the development services provided by the Department. Established fee rates include Department-wide development support services.

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

For FY 2021/22, total Department budgeted revenues are projected to trend slightly lower due to an expected slight reduction in permit activity. The FY 2021/22 expenditures are also trending lower to stay within the multi-year consultant contract obligation associated with the General Plan update, decreased Temporary Associate Planner hours, and other operational savings. Budgeted salary and benefit expenditures include the part time Code Compliance Officer position being continued for another year in FY 2021/22 with one-time funding.

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

☙ COMMUNITY DEVELOPMENT DEPARTMENT ❧

ACCOMPLISHMENTS

Core Goals	Accomplishments

Community Character Preserve and enhance the appearance, character, and environmental quality of the community	• Evaluated all Building and Planning applications to ensure compliance with adopted policy documents, Town Code, and Building Code.
	• Completed environmental review for applicable projects.
	• Participated in the West Valley Clean Water Program.
	• Continued the General Plan update process.
	• Town Council has adopted Town Code amendments for:
	  ○ Vehicle sales;
	  ○ Below Market Price (BMP) Housing and its Program Guidelines;
	  ○ Outdoor lighting; and
	  ○ Hillside Development Standards and Guidelines
	• Town Council also adopted a Preferred Land Use Alternative Framework for the General Plan update.

Good Governance Ensure responsive, accountable, and collaborative government	• Continued to review land use policies with the Council Policy Committee. • Completed Building and Planning application reviews within published timelines. • Scheduled building inspections within one business day to meet construction timelines. • Contacted reporting parties for Code Compliance cases within published timelines. • Updated Building and Planning information forms and handouts. • Implemented an online permitting and electronic plan review system in response to the Santa Clara County Shelter in Place Order. • Reviewed North 40 Phase 1 building permits.

☙ COMMUNITY DEVELOPMENT DEPARTMENT ❧

DEPARTMENTAL SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Licenses and Permits	$ 2,050,622	$ 2,108,593	$ 1,814,550	$ 2,216,000	$ 2,236,000	$ 1,932,500
Intergovrnmental Revenue	-	36,225	15,384	155,685	87,500	130,500
Service Charge	1,403,967	1,979,479	1,505,103	1,990,285	2,002,174	1,748,899
Fines & Forfeitures	4,800	60,158	9,600	5,000	3,500	5,000
Other Revenues	375,656	19,155	468	10,000	10,000	10,000
TOTAL REVENUES	**$ 3,835,045**	**$ 4,203,610**	**$ 3,345,105**	**$ 4,376,970**	**$ 4,339,174**	**$ 3,826,899**
EXPENDITURES						
Salaries and Benefits	$ 2,846,578	$ 3,144,895	$ 3,347,300	$ 3,816,141	$ 3,598,674	$ 3,793,367
Operating Expenditures	1,054,874	1,272,394	957,587	1,615,079	1,504,116	1,421,542
Grants	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	290,711	160,206	168,903	173,995	173,923	180,956
TOTAL EXPENDITURES	**$ 4,192,163**	**$ 4,577,495**	**$ 4,473,790**	**$ 5,605,215**	**$ 5,276,713**	**$ 5,395,865**

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adopted	2020/21 Estimated	2021/22 Adopted
PROGRAM						
Administration	$ 222,614	$ 210,791	$ 256,531	$ 330,196	$ 286,031	$ 267,124
Development Review	1,258,291	1,329,381	1,376,229	1,580,428	1,523,045	1,610,494
Advanced Planning	336,023	766,110	772,817	1,179,495	1,064,693	974,762
Inspection Services	1,290,433	1,316,494	1,360,872	1,493,076	1,422,786	1,506,108
Code Compliance	209,720	255,324	253,630	299,679	261,446	316,478
BMP Housing Program	190,833	144,713	130,111	189,841	186,212	188,399
Pass Thru Accounts	684,249	554,682	323,600	532,500	532,500	532,500
TOTAL EXPENDITURES	**$ 4,192,163**	**$ 4,577,495**	**$ 4,473,790**	**$ 5,605,215**	**$ 5,276,713**	**$ 5,395,865**

☙ COMMUNITY DEVELOPMENT DEPARTMENT ❧

COMMUNITY DEVELOPMENT DEPARTMENT STAFFING

Full Time Equivalent (FTE)

Town Staff	**2017/18 Funded**	**2018/19 Funded**	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Adopted**
Community Development Dir.	1.00	1.00	1.00	1.00	1.00
Planning Manager	1.00	1.00	1.00	1.00	1.00
Chief Building Official	1.00	1.00	1.00	1.00	1.00
Economic Vitality Manager	0.45	0.45	0.45	0.45	0.45
Economic Vitality Coordinator	-	-	-	-	-
Administrative Analyst	1.00	1.00	1.00	1.00	1.00
Executive Assistant	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Senior Planner	2.00	2.00	2.00	2.00	2.00
Associate Planner	2.63	2.63	2.63	2.75	2.75
Assistant Planner	1.00	1.00	1.00	1.00	1.00
Planning Technician	1.00	1.00	1.00	1.00	1.00
Senior Building Inspector	-	1.00	1.00	1.00	1.00
Building Inspector	4.00	3.00	3.00	3.00	3.00
Permit Technician	2.00	2.00	2.00	2.00	2.00
Code Compliance Officer	1.00	1.00	1.00	1.00	1.00
Total Community Development FTEs	**20.08**	**20.08**	**20.08**	**20.20**	**20.20**

Temporary Staff Hours	**2017/18 Funded**	**2018/19 Funded**	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Adopted**
Associate Planner Temp/Hrly	915	915	915	915	720
Community Service Officer Temp/Hrly	390	780	780	-	-
Code Compliance Officer Temp/ Hrly	-	-	-	1,040	1,040
Total Annual Hours	**1,305**	**1,695**	**1,695**	**1,955**	**1,760**

Community Development Department

ADMINISTRATION
PROGRAM 3101

PROGRAM PURPOSE

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

BUDGET OVERVIEW

The Administration Program continues to keep the Community Development Department focused on management of the Department, including budget preparation and monitoring. The FY 2021/22 budget includes increases in salary and benefit costs attributable to higher benefit and CalPERS pension rates and anticipated merit step increases. Temporary Associate Planner hours previously budgeted in the Administration Program is budgeted in the Development Review Program.

☙ COMMUNITY DEVELOPMENT DEPARTMENT ❧
Administration

SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Licenses & Permits	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental Revenue	-	-	-	-	-	-
Service Charges	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Other Revenues	-	7,500	-	-	-	-
TOTAL REVENUES	**$ -**	**$ 7,500**	**$ -**	**$ -**	**$ -**	**$ -**
EXPENDITURES						
Salaries and Benefits	$ 182,152	$ 184,080	$ 181,171	$ 255,068	$ 211,760	$ 192,502
Operating Expenditures	9,936	3,225	11,200	6,650	5,912	6,260
Grants	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	30,526	23,486	64,160	68,478	68,359	68,362
TOTAL EXPENDITURES	**$ 222,614**	**$ 210,791**	**$ 256,531**	**$ 330,196**	**$ 286,031**	**$ 267,124**

ꕥ COMMUNITY DEVELOPMENT DEPARTMENT ꕥ
Administration

FY 2021/22 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative government	***Staff Training*** Continue to build the capacity of Department staff to carry out broad job responsibilities by conducting in-house training, participating in select outside training, and supporting continuing education.
Civic Enrichment Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	***Planning Commission Training*** Continue training opportunities for the Planning Commission, emphasizing the role of the Commission, communication with applicants, how a quasi-judicial body performs its duties, Brown Act, California Environmental Quality Act, and various aspects of Town regulations and procedures.
Community Character Preserve and enhance the appearance, character, and environmental quality of the community	***General Plan Update*** Continue the General Plan update process. ***Housing Element Update*** Initiate the Housing Element update process. ***Objective Standards and By Right Findings*** Develop objective standards and by right findings for project review. ***Short Term Rental*** Assist with administration and compliance of the Short Term Rental ordinance.

ꕥ COMMUNITY DEVELOPMENT DEPARTMENT ꕥ
Administration

KEY PROGRAM SERVICES

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

ADMINISTRATION PROGRAM STAFFING

Full Time Equivalent (FTE)

Town Staff	**2017/18 Funded**	**2018/19 Funded**	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Adopted**
Community Development Dir.	0.30	0.25	0.25	0.25	0.25
Planning Manager	0.10	0.10	0.10	0.10	0.10
Administrative Analyst	0.30	0.30	0.30	0.30	0.30
Executive Assistant	0.25	0.30	0.30	0.30	0.30
Administrative Assistant	0.05	0.15	0.15	0.15	0.15
Total Administration FTEs	**1.00**	**1.10**	**1.10**	**1.10**	**1.10**

Temporary Staff Hours	**2017/18 Funded**	**2018/19 Funded**	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Adopted**
Associate Planner Temp/Hrly	915	915	915	915	-
Total Annual Hours	**915**	**915**	**915**	**915**	**-**

Community Development Department

DEVELOPMENT REVIEW
PROGRAM 3201

PROGRAM PURPOSE

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

BUDGET OVERVIEW

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

For FY 2021/22, budgeted revenues are projected to trend slightly lower due to an expected slight reduction in permit activity.

The FY 2021/22 budget includes increases in salary and benefit costs attributable to higher benefit and CalPERS pension rates and anticipated merit step increases. Temporary Associate Planner hours previously budgeted in the Administration Program is budgeted in the Development Review Program.

ꕥ COMMUNITY DEVELOPMENT DEPARTMENT ꕥ
Development Review

SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Licenses & Permits	$ 556,435	$ 507,080	$ 335,530	$ 400,000	$ 400,000	$ 350,000
Service Charges	151,079	174,812	165,422	142,000	147,496	142,000
Fines & Forfeitures	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	**$ 707,514**	**$ 681,892**	**$ 500,952**	**$ 542,000**	**$ 547,496**	**$ 492,000**
EXPENDITURES						
Salaries and Benefits	$ 1,115,972	$ 1,235,711	$ 1,278,133	$ 1,476,188	$ 1,411,812	$ 1,495,389
Operating Expenditures	76,549	69,782	70,123	74,450	81,600	84,800
Grants	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	65,770	23,888	27,973	29,790	29,633	30,305
TOTAL EXPENDITURES	**$ 1,258,291**	**$ 1,329,381**	**$ 1,376,229**	**$ 1,580,428**	**$ 1,523,045**	**$ 1,610,494**

ꕥ COMMUNITY DEVELOPMENT DEPARTMENT ꕥ
Development Review

FY 2021/22 KEY PROJECTS

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

ꕥ COMMUNITY DEVELOPMENT DEPARTMENT ꕥ
Development Review

KEY PROGRAM SERVICES

Overall Services

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

Commission/Committee Support

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

Application Review

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

Major Projects

- 110 Wood Road Planned Development.

COMMUNITY DEVELOPMENT DEPARTMENT
Development Review

DEVELOPMENT REVIEW PROGRAM STAFFING

Full Time Equivalent (FTE)

Town Staff	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted
Community Development Dir.	0.30	0.30	0.30	0.30	0.30
Planning Manager	0.60	0.55	0.55	0.55	0.55
Chief Building Official	0.10	0.10	0.10	0.10	0.10
Economic Vitality Manager	0.45	0.45	0.45	0.45	0.45
Administrative Analyst	0.35	0.35	0.15	0.15	0.15
Executive Assistant	0.65	0.65	0.65	0.65	0.65
Administrative Assistant	0.70	0.70	0.70	0.70	0.70
Senior Planner	1.40	1.30	1.30	1.30	1.30
Senior Building Inspector	-	0.10	0.10	0.10	0.10
Associate Planner	1.93	1.93	1.93	2.05	2.05
Assistant Planner	0.80	0.80	0.80	0.80	0.80
Planning Technician	0.90	0.90	0.90	0.90	0.90
Permit Technician	0.10	0.10	0.10	0.10	0.10
Total Development Review FTEs	**8.28**	**8.23**	**8.03**	**8.15**	**8.15**

Temporary Staff Hours	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted
Associate Planner Temp/Hrly	-	-	-	-	720
Total Annual Hours	**-**	**-**	**-**	**-**	**720**

☙ COMMUNITY DEVELOPMENT DEPARTMENT ❧
Development Review

Performance Objectives and Measures	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. *Facilitate the development of land and structures consistent with Town codes, plans and policies.*	100%	100%	100%	100%	100%
2. *Analyze and process development applications efficiently and effectively.*					
a. Percentage of applications continued by Planning Commission:	15%	15%	12%	12%	12%
b. Percentage of Planning Commission decisions upheld by Town Council:	70%	50%	100%	100%	100%

Activity and Workload Highlights	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. Number of applications processed:	494	388	315	441	441
2. Number of Planning Commission Meetings:	19	19	12	18	22
3. Number of Public Notices:	9571	13,833	6469	9958	9958
4. Number of referrals to consulting architect:	25	18	10	18	18

Community Development Department

ADVANCED PLANNING
PROGRAM 3202

PROGRAM PURPOSE

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

BUDGET OVERVIEW

The FY 2021/22 budget includes increases in salary and benefit costs attributable to higher benefit and CalPERS pension rates and anticipated merit step increases.

Budgeted expenditures for FY 2021/22 will decrease to stay within the multi-year contract obligation associated with the General Plan update. The General Plan update will be funded through General Plan Fees already collected.

COMMUNITY DEVELOPMENT DEPARTMENT
Advanced Planning

SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Licenses & Permits	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental Revenue	-	36,225	5,384	155,685	87,500	130,500
Service Charges	142,006	533,809	493,049	649,444	649,444	409,500
Fines & Forfeitures	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	**$ 142,006**	**$ 570,034**	**$ 498,433**	**$ 805,129**	**$ 736,944**	**$ 540,000**
EXPENDITURES						
Salaries and Benefits	$ 272,773	$ 346,413	$ 381,234	$ 426,823	$ 404,591	$ 420,197
Operating Expenditures	46,379	413,201	385,899	746,698	654,173	547,201
Grants	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	16,871	6,496	5,684	5,974	5,929	7,364
TOTAL EXPENDITURES	**$ 336,023**	**$ 766,110**	**$ 772,817**	**$ 1,179,495**	**$ 1,064,693**	**$ 974,762**

FY 2021/22 KEY PROJECTS

Core Goals	Key Projects
Community Character Preserve and enhance the appearance, character, and environmental quality of the community	***General Plan and Housing Element Action Items*** • Prepare amendments to the Town Code and guidelines, and other action items to implement the adopted General Plan, Housing Element, Sustainability Plan, recent State laws, and Town Council Strategic Priorities, including additional streamlining of land use processes. • Continue the General Plan update process. • Initiate the Housing Element update process. • Develop objective standards and by right findings.

ꕥ COMMUNITY DEVELOPMENT DEPARTMENT ꕥ
Advanced Planning

KEY PROGRAM SERVICES

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

ADVANCED PLANNING PROGRAM STAFFING

Full Time Equivalent (FTE)

Town Staff	**2017/18 Funded**	**2018/19 Funded**	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Adopted**
Community Development Dir.	0.35	0.40	0.40	0.40	0.40
Planning Manager	0.20	0.25	0.25	0.25	0.25
Executive Assistant	0.05	0.05	0.05	0.05	0.05
Administrative Assistant	0.10	0.10	0.10	0.10	0.10
Senior Planner	0.40	0.50	0.50	0.50	0.50
Associate Planner	0.40	0.40	0.40	0.40	0.40
Assistant Planner	0.10	0.10	0.10	0.10	0.10
Total Advanced Planning FTEs	**1.60**	**1.80**	**1.80**	**1.80**	**1.80**

COMMUNITY DEVELOPMENT DEPARTMENT
Advanced Planning

Performance Objectives and Measures	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. *Guide the physical development of the community consistent with the General Plan, Hillside Specific Plan, and Town Codes.*					
a. Percentage of General Plan implementation measures completed within cycle time:	100%	100%	100%	100%	100%
2. *Meet the evolving needs of the community and provide staff support to advisory committees.*					
a. Percentage of special studies adopted:	100%	100%	100%	100%	100%

Activity and Workload Highlights	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. Number of special studies completed:	4	10	10	5	10
2. Number of General Plan implementation measures completed:	1	1	2	2	2
3. Number of General Plan amendments requested:	2	1	1	2	2

Community Development Department

BUILDING and INSPECTION SERVICES
PROGRAM 3301

PROGRAM PURPOSE

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

BUDGET OVERVIEW

The FY 2021/22 budget includes increases in salary and benefit costs attributable to higher benefit and CalPERS pension rates and anticipated merit step increases. Total Department budgeted revenues are projected to trend slightly lower due to an expected slight reduction in permit activity.

The Building Inspectors continue to handle the storm water management inspections during construction for all building permits with the potential to generate non-point source storm water runoff as part of the National Pollutant Discharge Elimination System (NPDES) Program (PPW conducts post-construction monitoring). The San Francisco Regional Water Quality Control Board issued an updated NPDES permit for the municipalities in Santa Clara County in 2015. The NPDES permit implemented significant new requirements on development projects that could impact Town staffing resources. Staff will continue to monitor the permit requirements and evaluate the potential to recover additional costs imposed by the NPDES permit during FY 2021/22.

ꕥ COMMUNITY DEVELOPMENT DEPARTMENT ꕥ
Building and Inspection Services

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

SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Licenses & Permits	$ 1,494,187	$ 1,601,513	$ 1,479,020	$ 1,816,000	$ 1,836,000	$ 1,582,500
Service Charges	608,880	571,244	394,921	476,500	486,521	476,500
Fines & Forfeitures	-	-	-	-	-	-
intergovernmental	-	-	10,000	-	-	-
Other Revenues	2,576	11,655	468	10,000	10,000	10,000
TOTAL REVENUES	**$ 2,105,643**	**$ 2,184,412**	**$ 1,884,409**	**$ 2,302,500**	**$ 2,332,521**	**$ 2,069,000**
EXPENDITURES						
Salaries and Benefits	$ 1,022,585	$ 1,072,534	$ 1,181,723	$ 1,281,011	$ 1,232,593	$ 1,289,070
Operating Expenditures	105,641	143,516	112,601	147,081	124,831	147,081
Grants	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	162,207	100,444	66,548	64,984	65,362	69,957
TOTAL EXPENDITURES	**$ 1,290,433**	**$ 1,316,494**	**$ 1,360,872**	**$ 1,493,076**	**$ 1,422,786**	**$ 1,506,108**

COMMUNITY DEVELOPMENT DEPARTMENT
Building and Inspection Services

FY 2021/22 KEY PROJECTS

Core Goals	Key Projects
Community Character Preserve and enhance the appearance, character, and environmental quality of the community	***Public Information on Building Codes*** Continue to provide updated forms and information through the Town's website as well as assisting customers with online permitting, processing, and information. Staff will continue to correct and clarify the Town's official street address file.
	Inspection Services on Larger Projects Continue several significant projects into FY 2021/22 including: several new large custom homes; and tenant improvements. Continue to provide next day inspection services even with the increased inspection workload and pandemic restrictions as the Town has done in years past.
	Major Building Projects Pending Pending projects include the following: • 400 Carlton • North 40 Phase 1 • 405 Alberto Way • 400-420 Blossom Hill Road • 258 Union Avenue
Good Governance Ensure responsive, accountable, and collaborative government	***Improvements to Plan Checking Services*** To improve the efficiency of the plan check process, the Building Division will coordinate with the Santa Clara County Fire Department and the Planning Division to expedite commercial tenant improvements and continue to increase the number of internal plan checks by Building Inspection staff.

ꕥ COMMUNITY DEVELOPMENT DEPARTMENT ꕥ
Building and Inspection Services

KEY PROGRAM SERVICES

Overall Services

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

Inspection Services

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

Building Counter Services

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

Plan Check Services

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

COMMUNITY DEVELOPMENT DEPARTMENT
Building and Inspection Services

BUILDING & INSPECTION SERVICES PROGRAM STAFFING

Full Time Equivalent (FTE)

Town Staff	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted
Chief Building Official	0.75	0.75	0.75	0.75	0.75
Administrative Analyst	0.15	0.15	0.30	0.30	0.30
Administrative Assistant	0.05	0.05	0.05	0.05	0.05
Senior Planner	0.20	0.20	0.20	0.20	0.20
Associate Planner	0.30	0.30	0.30	0.30	0.30
Assistant Planner	0.10	0.10	0.10	0.10	0.10
Senior Building Inspector	-	0.75	0.75	0.75	0.75
Building Inspector	4.00	3.00	3.00	3.00	3.00
Permit Technician	1.90	1.90	1.90	1.90	1.90
Planning Technician	0.10	0.10	0.10	0.10	0.10
Total Building and Inspection FTEs	**7.55**	**7.30**	**7.45**	**7.45**	**7.45**

Performance Objectives and Measures	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. *Ensure safe, healthy, and attractive property improvements.*					
a. Percentage of inspections delivered within cycle times:	100%	100%	100%	100%	100%
b. Percentage of plan checks completed within cycle times:	98%	95%	97%	95%	100%

Activity and Workload Highlights	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. Number of inspections conducted:	14,849	15,938	13,635	13,404	13,000
2. Number of building plan checks completed:	676	727	621	534	595
3. Number of Building Division permit applications received:	1,650	1,594	1,897	2,949	1,870
4. Number of Building Division permits issued:	1,488	1,517	1,529	1,706	1,560

Community Development Department

CODE COMPLIANCE PROGRAM
PROGRAM 3401

PROGRAM PURPOSE

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

BUDGET OVERVIEW

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

The FY 2021/22 budget includes increases in salary and benefit costs attributable to higher benefit and CalPERS pension rates and anticipated merit step increases.

The FY 2021/22 budget includes the part-time Code Compliance Officer position which will be continued for one more year in FY 2021/22 with one-time funding.

COMMUNITY DEVELOPMENT DEPARTMENT
Code Compliance Program

SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Licenses & Permits	$ -	$ -	$ -	$ -	$ -	$ -
Service Charges	-	220	-	-	-	-
Fines & Forfeitures	4,800	60,158	9,600	5,000	3,500	5,000
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	**$ 4,800**	**$ 60,378**	**$ 9,600**	**$ 5,000**	**$ 3,500**	**$ 5,000**
EXPENDITURES						
Salaries and Benefits	$ 195,322	$ 236,011	$ 247,886	$ 288,132	$ 252,622	$ 304,739
Operating Expenditures	1,380	13,844	1,422	7,050	4,450	7,050
Grants	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	13,018	5,469	4,322	4,497	4,374	4,689
TOTAL EXPENDITURES	**$ 209,720**	**$ 255,324**	**$ 253,630**	**$ 299,679**	**$ 261,446**	**$ 316,478**

FY 2021/22 KEY PROJECTS

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

ꕥ COMMUNITY DEVELOPMENT DEPARTMENT ꕥ
Code Compliance Program

KEY PROGRAM SERVICES

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

CODE COMPLIANCE PROGRAM STAFFING

Full Time Equivalent (FTE)

Town Staff	**2017/18 Funded**	**2018/19 Funded**	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Adopted**
Chief Building Official	0.15	0.15	0.15	0.15	0.15
Executive Assistant	0.05	-	-	-	-
Senior Building Inspector	-	0.15	0.15	0.15	0.15
Code Compliance Officer	1.00	1.00	1.00	1.00	1.00
Total Code Compliance FTEs	**1.20**	**1.30**	**1.30**	**1.30**	**1.30**

Temporary Staff Hours	**2017/18 Funded**	**2018/19 Funded**	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Adopted**
Community Service Officer Temp/Hrly	390	780	780	-	-
Code Compliance Officer Temp/Hrly	-	-	-	1,040	1,040
Total Annual Hours	**390**	**780**	**780**	**1,040**	**1,040**

COMMUNITY DEVELOPMENT DEPARTMENT
Code Compliance Program

Performance Objectives and Measures	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. Respond to complaining party within 48 hours:*	99%	99%	99%	99%	99%
2. *Ensure properties in Los Gatos are used safely and are consistent with the Town's zoning regulations.**					
a. Percentage of complaints abated within cycle times:	90%	95%	96%	96%	96%
3. *Achieve timely compliance.**					
a. Percentage of complaints resulting in court hearings:	0%	1%	1%	1%	1%

Activity and Workload Highlights	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. Number of complaints reported:	459	595	399	456	400
2. Number of complaints abated:	421	591	362	415	380
3. Total number of Administrative Citations:	65	67	72	40	70

**Measure discontinued as of FY 2019/20*

Community Development Department

BMP HOUSING PROGRAM
PROGRAM 3501

PROGRAM PURPOSE

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

BUDGET OVERVIEW

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

The FY 2021/22 budget includes increases in salary and benefit costs attributable to higher benefit and CalPERS pension rates and anticipated merit step increases.

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

COMMUNITY DEVELOPMENT DEPARTMENT
BMP Housing Program

SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Licenses & Permits	$ -	$ -	$ -	$ -	$ -	$ -
Service Charges	(182,247)	144,712	130,111	189,841	186,213	188,399
Fines & Forfeitures	-	-	-	-	-	-
Other Revenues	373,080	-	-	-	-	-
TOTAL REVENUES	**$ 190,833**	**$ 144,712**	**$ 130,111**	**$ 189,841**	**$ 186,213**	**$ 188,399**
EXPENDITURES						
Salaries and Benefits	$ 57,774	$ 70,146	$ 77,153	$ 88,919	$ 85,296	$ 91,470
Operating Expenditures	130,740	74,144	52,742	100,650	100,650	96,650
Grants	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	2,319	423	216	272	266	279
TOTAL EXPENDITURES	**$ 190,833**	**$ 144,713**	**$ 130,111**	**$ 189,841**	**$ 186,212**	**$ 188,399**

FY 2021/22 KEY PROJECTS

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

KEY PROGRAM SERVICES

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

ꕥ COMMUNITY DEVELOPMENT DEPARTMENT ꕥ
BMP Housing Program

BMP HOUSING PROGRAM STAFFING

Full Time Equivalent (FTE)

Town Staff	**2017/18 Funded**	**2018/19 Funded**	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Adopted**
Community Development Dir.	0.05	0.05	0.05	0.05	0.05
Planning Manager	0.10	0.10	0.10	0.10	0.10
Administrative Analyst	0.20	0.20	0.25	0.25	0.25
Administrative Assistant	0.10	-	-	-	-
Total BMP Housing FTEs	**0.45**	**0.35**	**0.40**	**0.40**	**0.40**

Activity and Workload Highlights	**2017/18 Actual**	**2018/19 Actual**	**2019/20 Actual**	**2020/21 Estimated**	**2021/22 Planned**
1. Number of owner-occupied housing units registered in the Below Market Price Housing Program:	54	55	55	55	55
2. Number of rental housing units registered in the Below Market Price Housing Program:	119	119	119	119	120

Community Development Department

PASS-THROUGH ACCOUNTS
PROGRAM 3999

PROGRAM PURPOSE

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

BUDGET OVERVIEW

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

COMMUNITY DEVELOPMENT DEPARTMENT
Pass-Through Accounts

SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Licenses & Permits	$ -	$ -	$ -	$ -	$ -	$ -
Service Charges	684,249	554,682	321,600	532,500	532,500	532,500
Fines & Forfeitures	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	**$ 684,249**	**$ 554,682**	**$ 321,600**	**$ 532,500**	**$ 532,500**	**$ 532,500**
EXPENDITURES						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	684,249	554,682	323,600	532,500	532,500	532,500
Grants	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	-	-	-	-	-	-
TOTAL EXPENDITURES	**$ 684,249**	**$ 554,682**	**$ 323,600**	**$ 532,500**	**$ 532,500**	**$ 532,500**

Police Department

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Police Department

DEPARTMENT PURPOSE

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

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

The Police Department continues to build upon a strong police-community partnership through innovative Department and community programs including: School Resource Officer funding partnership; Safe Routes to School; Youth Commission; homeless outreach; behavioral health response; and traffic management. Volunteer programs such as Reserve Police Officers, Community Emergency Response Team (CERT), Volunteers in Policing (VIP), Disaster Aid Response Team (DART), Neighborhood Watch, the Police Chaplaincy program, Parking Citation Hearing Officers, Victim Services Unit (VSU), and the Police Explorer program extend these partnerships to the community. For the past 15 years, volunteers and staff have personally documented and removed graffiti, conducted numerous vacation checks, and welcomed new homeowners to the Town through the Department's New Resident Outreach Program. .

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

ꕥ POLICE DEPARTMENT ꕥ

BUDGET OVERVIEW

This budget overview discusses the Police Department's focus for FY 2021/22 as well as the revenue and expenditure outlook. The FY 2021/22 budget includes increases in salary and benefit costs attributable to anticipated merit step increases and higher benefit and CalPERS pension rates. To contain rising non-personnel costs, the Department has identified some expenditure reductions to maintain a largely status quo budget compared with previous years.

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

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

Since FY 2009/10, funding for the School Resource Officer (SRO) position has been offset by an agreement with the high school and elementary school districts with each sharing costs aggregated to one-half the Officer's salary and benefits. Due to COVID-19 restrictions and in-person school limitations during FY 2020/21, the SRO was also utilized to supplement staffing vacancies in the Investigations and Patrol Programs as necessary. The Town provided a one-time funding forbearance or credit to both school districts due to these pandemic restrictions. Given the positive and collaborative working relationship between the Town and the elementary and high school districts, the current contract runs through June 30, 2021, with contract renewal anticipated in FY 2021/22.

Staff Resource Modifications

Temporary staffing hours (500 hours) are proposed in the FY 2021/22 budget to continue the Parking Program Manager position, using one-time funding. This position is assisting in the implementation of the Dixon Comprehensive Parking Study recommendations.

ꕥ POLICE DEPARTMENT ꕥ

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

ꕥ POLICE DEPARTMENT ꕥ

ACCOMPLISHMENTS

Core Goals	Accomplishments
Community Character Preserve and enhance the appearance character and environment quality of the community	• As the liaison to the Los Gatos Youth Commission, the Police Department continued to facilitate their progressive work on the Green Friendly Business program, inter-generational events with seniors in our community, and organize and participate in community events with developmentally challenged youth. • The Police Department hired a temporary Parking Control Program Manager who began planning for implementation of the Council's priority recommendations contained in the Dixon Comprehensive Parking Study.
Good Governance Ensure responsive, accountable, and collaborative government	• The Police Department maintained an ongoing commitment to recruit and hire qualified candidates for staff vacancies. This fiscal year, two Officers, two police academy recruits, and seven professional staff members were hired to fill existing vacancies. • The Department's Policy Manual working group continued its review of the Policy Manual. During the review, legal updates were implemented to reflect the most current statutes and operating procedures were revised as necessary. • Personnel and Community Services staff researched, compiled, and completed the comprehensive Police Department Training Plan in Spring 2021. • During FY 2020/21 the Police Department continued implementation of grant funds from California Commission on Peace Officer Standards and Training (POST). Training focused on Use of Force, Defensive Tactics, De-Escalation, and Fair and Impartial policing. These funds were used in the development and deployment of two successful 8-hour courses provided to all sworn staff as well as the purchase of necessary training equipment. • During FY 2020/21 sworn and professional Police Department staff completed trainings and reviewed curriculum surrounding hate crimes, diversity, inclusion, and recognizing and understanding implicit biases. Curriculum include a presentation by recognized expert on the impact of implicit bias on perceptions and the skills needed to reduce and manage these biases. Additionally, all Department members were assigned a Hate Crimes training that focused on an overview of hate crimes in California, the victims, and communities such crime affects and investigating methods.

ꕥ POLICE DEPARTMENT ꕥ

ACCOMPLISHMENTS

Core Goals	Accomplishments
Good Governance Ensure responsive, accountable, and collaborative government	• The Police Department utilized technology as a force-multiplier by upgrading mobile cellular devices for all Officers to enhance service delivery and streamline field operations support. • The Los Gatos-Monte Sereno Police Department's award-winning volunteer program, Victim Services Unit (VSU), onboarded five new members after receiving over fifteen applications. The VSU team is likely to onboard two additional members from an active applicant pool. The VSU team responded to several scenes over the past year and assisted victims and their families with the trauma and distress of violent crime or other catastrophic events. • The Department established a formal collateral position to continue efforts in addressing a multi-disciplinary approach to mental health and homeless calls for service. This position (to be called the Vulnerable Communities Response Coordinator) serves as a liaison between the County Department of Behavioral Services and the Town. The Department members acting in this collateral role continued to work in partnership utilizing the Mobile Crisis Response Team and other programs to assist individuals in a mental health crisis or suffering from homelessness, provide additional resources and follow up as needed.
Civic Enrichment Foster opportunities for citizen involvement, and cultural, recreational and individual enrichment	• Continued integration with the Silicon Valley Regional Communications System. The addition of other Town Departments has enhanced interoperable communications capabilities throughout the region, a critical asset in the event of a major incident or disaster. • The Department hosted four Neighborhood Watch meetings and ten Neighborhood Emergency Preparedness meetings, using remote meeting technology. • The Department enhanced its social media communications to advance community policing objectives.

☙POLICE DEPARTMENT ❧

ACCOMPLISHMENTS

Core Goals	Accomplishments
Public Safety Ensure public safety through proactive community policing, affective emergency response, and community-wide emergency preparedness	• Department staff in collaboration with a communications sub-committee for the Community Emergency Response Team (CERT) identified two neighborhoods and will be installing a Neighborhood Incident Command Posts (NICPs) in one area and relocating another NICP to a more permanent location. • The Los Gatos-Monte Sereno Community Emergency Response Team (CERT) in partnership with the Foster Road Neighborhood, LGMSPD, SCC Fire and SCC Sheriff coordinated a wildfire evacuation drill for the Foster Road neighborhood. As part of the drill, an evacuation area was set up at Los Gatos Calvary church. There were 78 residents, 23 CERT members, and several Town staff who participated in the drill. • Department staff implemented the Special Needs Awareness Program (SNAP), a voluntary program in which residents can sign up to alert first responders of potential communication difficulties, behavioral health concerns, or other vulnerabilities at a specific address. • The Police Department finalized the new Computer Aided Dispatch and Records Management System (CAD/RMS). The technology positions the Police Department to be prepared to comply with upcoming mandates (NIBRS and AB953) to collect and report mandated information. • A Detective was assigned to the Rapid Enforcement Allied Computer Team (REACT). This High-Tech crime task force is focused on complex investigations of organized criminals involved in cyber-crime, identity theft, trademark violations, and money/crypto currency laundering. • The Department implemented updated body-worn cameras (BWCs) to benefit the Town, Department, and the public through enhanced evidence collection, retention, increased Officer safety, accountability, and transparency. The BWCs and associated evidence management work in conjunction with the new Computer Aided Dispatch System which reduces staff time to categorize and tag video evidence. The updated BWCs are crucial in limiting liability exposure.

☙ POLICE DEPARTMENT ❧

DEPARTMENTAL SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Licenses and Permits	$ 78,027	$ 91,799	$ 94,246	$ 87,735	$ 55,282	$ 58,080
Intergovernmental Revenues	886,555	826,643	952,045	854,335	877,608	814,600
Service Charge	1,099,057	1,137,911	1,134,032	1,027,500	924,243	1,168,709
Fines & Forfeitures	656,216	433,447	253,076	86,950	67,332	196,450
Other Revenues	49,455	66,646	55,525	78,515	34,400	48,192
TOTAL REVENUES	**$ 2,769,310**	**$ 2,556,446**	**$ 2,488,924**	**$ 2,135,035**	**$ 1,958,865**	**$ 2,286,031**
EXPENDITURES						
Salaries and Benefits	$ 11,445,906	$ 12,587,676	$ 13,538,411	$ 14,878,295	$ 14,908,045	$ 14,615,559
Operating Expenditures	1,025,236	1,157,191	1,186,090	1,377,581	1,228,394	1,266,409
Grants	11,587	25,025	14,404	20,000	-	20,000
Fixed Assets	-	3,545	101,193	-	-	-
Internal Service Charges	1,940,825	1,175,517	1,054,908	1,176,663	1,137,781	1,337,514
TOTAL EXPENDITURES	**$ 14,423,554**	**$ 14,948,954**	**$15,895,006**	**$ 17,452,539**	**$ 17,274,220**	**$ 17,239,482**
Transfers Out						
Transfers Out to Equipment Replacement	$ -	$ -	$ -	$ -	$ -	$ -
Total Transfers Out	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
TOTALEXPENDITUES & TRANSFERS OUT	**$ 14,423,554**	**$ 14,948,954**	**$15,895,006**	**$ 17,452,539**	**$ 17,274,220**	**$ 17,239,482**

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adopted	2020/21 Estimated	2021/22 Adopted
PROGRAM						
Administration	$ 1,026,502	$ 1,223,444	$ 1,248,607	$ 1,378,275	$ 1,432,481	$ 1,390,216
Records & Communications	2,072,274	2,221,494	2,205,471	2,483,105	2,428,413	2,407,721
Patrol	6,575,258	7,112,700	7,371,256	7,925,958	7,977,366	7,976,990
Traffic	992,689	1,011,364	798,833	1,083,687	1,114,905	1,026,341
Investigations	2,282,295	2,219,461	2,705,333	2,877,009	2,759,088	2,813,257
Personnel & Community Services	773,826	562,528	874,807	1,023,462	998,069	1,058,747
Parking	683,817	565,896	551,918	602,233	520,203	527,990
Operating Grants	11,451	27,547	132,058	54,695	43,695	15,000
Pass -Through Accounts	5,442	4,520	6,723	24,115	-	23,220
TOTAL EXPENDITURES	**$ 14,423,554**	**$ 14,948,954**	**$15,895,006**	**$ 17,452,539**	**$ 17,274,220**	**$ 17,239,482**

☙ POLICE DEPARTMENT ❧

DEPARTMENT STAFFING

Full Time Equivalents (FTE)

General Fund	**2017/18 Funded**	**2018/19 Funded**	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Adopted**
Chief of Police	1.00	1.00	1.00	1.00	1.00
Police Captain	1.00	2.00	2.00	2.00	2.00
Police Lieutenant	2.00	-	-	-	-
Police Sergeant	6.00	7.00	7.00	7.00	7.00
Police Corporal	4.00	4.00	4.00	4.00	4.00
Police Officer	25.00	25.00	25.00	25.00	25.00
Community Services Officer	1.00	1.00	1.00	1.00	1.00
Police Records Manager	1.00	1.00	-	-	-
Police Records & Com Manager	-	-	1.00	1.00	1.00
Senior Administrative Analyst	-	1.00	1.00	1.00	1.00
Administrative Analyst	1.00	-	-	1.00	1.00
Executive Assistant to Chief	1.00	1.00	1.00	1.00	1.00
Communication Dispatcher Lead	1.00	1.00	1.00	1.00	1.00
Communications Dispatcher	7.00	7.00	7.00	7.00	7.00
Senior Parking Control Officer	-	-	-	1.00	1.00
Parking Control Officer	2.00	2.00	2.00	1.00	1.00
Police Records Specialist	4.00	4.00	4.00	4.00	4.00
Community Outreach Coordinator	1.00	1.00	1.00	1.00	1.00
Human Resources Specialist	1.00	1.00	-	-	-
Administrative Technician	-	-	1.00	-	-
IT Systems Administrator	-	-	1.00	1.00	1.00
Total General Fund FTEs	**59.00**	**59.00**	**60.00**	**60.00**	**60.00**
Temporary Staff Hours					
Community Service Officer Intern	1,040	1,720	1,720	2,080	2,080
Community Service Officer	390	-	-	-	-
Police Officer	300	300	300	300	300
IT Technician	685	685	-	-	-
Parking Control Manager	-	-	-	1,000	500
Parking Control Officer	357	-	-	300	-
Police Records Specialist	1,360	-	-	330	-
Communications Dispatcher	330	330	330	-	-
CSO-Investigation Evidence	1,040	-	-	-	-
Project Manager	-	-	685	340	-
Total Annual Hours	**5,502**	**3,035**	**3,035**	**4,350**	**2,880**

Police Department

POLICE ADMINISTRATION
PROGRAM 4101

PROGRAM PURPOSE

The Police Administration Program is responsible for the organization and management of the Department. This Program oversees all the Department's Programs and is responsible for developing and providing oversight for the Department's total budget, hiring and promotion of sworn and professional staff, career development, succession planning, and review and implementation of policies and procedures. The Administration Program supports responsive, effective, and efficient Police services and a strong Police/community partnership.

Departmental operations are consistent with Town policies, core values, and community safety needs. Police Administration staff emphasize transparency, community engagement, responsive crime suppression and prevention programs, directed traffic enforcement to promote safe and orderly traffic flow on Town streets, and emergency preparedness. The Police Administration Program continually collaborates with other Town Departments to increase effectiveness and enhance quality of life for the residents, workers, and visitors of Los Gatos. This program also provides the primary support for the Town's Youth Commission activities.

BUDGET OVERVIEW

The FY 2021/22 budget includes increases in salary and benefit costs attributable to anticipated merit step increases and higher benefit and CalPERS pension rates.

POLICE DEPARTMENT
Police Administration

SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Licenses & Permits	$ 2,489	$ 3,575	$ 1,155	$ 3,735	$ 830	$ 830
Intergovernmental Revenue	-	-	-	-	-	-
Service Charges	-	-	-	-	-	-
Grants	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Other Revenues	11,721	26,472	12,000	20,000	-	20,000
TOTAL REVENUES	**$ 14,210**	**$ 30,047**	**$ 13,155**	**$ 23,735**	**$ 830**	**$ 20,830**
EXPENDITURES						
Salaries and Benefits	$ 847,743	$ 1,073,869	$ 1,021,610	$ 1,126,644	$ 1,202,330	$ 1,134,656
Operating Expenditures	13,447	20,564	20,052	28,214	26,214	28,214
Grants	11,587	25,025	14,404	20,000	-	20,000
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	153,725	103,986	192,541	203,417	203,937	207,346
TOTAL EXPENDITURES	**$ 1,026,502**	**$ 1,223,444**	**$ 1,248,607**	**$ 1,378,275**	**$ 1,432,481**	**$ 1,390,216**
TRANSFERS OUT						
Transfer to Equipment Replacement	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL TRANSFERS OUT	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL EXPENDITURES & TRANSFERS OUT	**1,026,502**	**1,223,444**	**1,248,607**	**1,378,275**	**1,432,481**	**$ 1,390,216**

POLICE DEPARTMENT
Police Administration

FY 2021/22 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative governance	***Organizational Structure and Development*** The Department will continue to analyze the primary job responsibilities of various positions and assignments to identify areas of operational effectiveness. In addition, career development and succession planning will be conducted through skill development and essential training opportunities. ***Budget Oversight and Grant Opportunities*** The Police Administration will continue to track and monitor program budgets including overtime, salaries and benefits, and operational capabilities to ensure the Department remains fiscally responsible. The Department continues to seek grant opportunities in an effort to maximize potential revenue sources and procure operational needs. ***Recruitment and Retention*** The Police Administration will continue to work collaboratively with the Human Resources Department to identify innovative staff recruitment and retention strategies. Staff will provide ongoing recruitment testing processes and recruitment opportunities at colleges and police academies. ***Legislative Updates and Policy Revisions*** The Police Administration will continue to monitor federal, state, and local legislative updates and identify the operational impacts to the Department. Legislative revisions and new legislation are the catalyst for amendments to Department policy, operational procedures, and mandated reporting requirements. Staff will continue to monitor and forecast the impacts of legislative mandates, while revising and developing model policies and Department procedures.

☙ POLICE DEPARTMENT ❧
Police Administration

FY 2021/22 KEY PROJECTS

Core Goals	Key Projects
Civic Enrichment Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	***Youth Commission*** The Los Gatos Youth Commission's goal of sharing a voice of the youth in the Los Gatos community continues in FY 2021/22. As the liaison to the Los Gatos Youth Commission, the Police Department will continue to guide the Commission in their development and promotion of initiated projects . The potential projects provide information and community outreach to various residents, youth, and businesses of the Town.

KEY PROGRAM SERVICES

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

POLICE ADMINISTRATION PROGRAM STAFFING

Full Time Equivalents (FTE)

Town Staff	**2017/18 Funded**	**2018/19 Funded**	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Adopted**
Chief of Police	1.00	1.00	1.00	1.00	1.00
Police Captain	1.00	1.00	1.00	1.00	1.00
Administrative Analyst	1.00	-	-	-	-
Senior Administrative Analyst	-	1.00	1.00	1.00	1.00
Executive Assistant to Chief	1.00	1.00	1.00	1.00	1.00
Total Administration FTEs	**4.00**	**4.00**	**4.00**	**4.00**	**4.00**

Police Department

RECORDS AND COMMUNICATIONS PROGRAM 4201

PROGRAM PURPOSE

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

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

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

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

☙ POLICE DEPARTMENT ❧
Records and Communications

The Communication Center also supports the sworn personnel by retrieving information for Officers, fulfilling requests for dispatch recordings, completing data entry, and releasing property when the Records Division is not open.

BUDGET OVERVIEW

The FY 2021/22 budget includes increases in salary and benefit costs attributable to anticipated merit step increases, and higher benefit and CalPERS pension rates.

SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Licenses & Permits	$ -	$ -	$ -	$ -	$ -	$ -
Intergovenrmental Revenue	-	-	-	-	-	-
Service Charges	7,001	8,256	4,520	6,000	261	1,500
Fines & Forfeitures	-	-	-	-	-	-
Other Revenues	2,529	3,653	3,372	-	-	3,372
TOTAL REVENUES	**$ 9,530**	**$ 11,909**	**$ 7,892**	**$ 6,000**	**$ 261**	**$ 4,872**
EXPENDITURES						
Salaries and Benefits	$ 1,714,157	$ 1,799,295	$ 1,851,297	$ 2,087,585	$ 2,036,717	$ 1,998,232
Operating Expenditures	224,859	238,264	259,949	286,957	284,615	276,007
Fixed Assets	-	545	-	-	-	-
Internal Service Charges	133,258	183,390	94,225	108,563	107,081	133,482
TOTAL EXPENDITURES	**$ 2,072,274**	**$ 2,221,494**	**$ 2,205,471**	**$ 2,483,105**	**$ 2,428,413**	**$ 2,407,721**

☙ POLICE DEPARTMENT ❧
Records and Communications

FY 2021/22 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative government	***Building Trust through Communication and Transparency*** The Police department will transition to the National Based Incident Reporting System (NIBRS) and will collect, publish, and report stop data. The California Legislature passed Assembly Bill (AB953), the Racial and Identity Profiling Act of 2015, to collect perceived demographic and other detailed data regarding pedestrian and traffic stops; the full implementation of the legislation is being completed in phases based on the size of the agency. LGMSPD will begin collecting data by January 1, 2022.
Public Safety Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness	***CAD/RMS*** The Police Department will finalize the new Computer Aided Dispatch and Records Management System (CAD/RMS). The system allows the Police Department to be prepared to comply with upcoming mandates (NIBRS and AB953) to collect and report mandated information. ***Phone Upgrade*** The Dispatch telephone infrastructure will be updated in accordance with state guidelines and in preparation for Next Generation 911 services. ***Survivability Study*** Staff will complete an internal survivability study recommended by the Association of Public Safety Communications Officials (APCO) and the National Emergency Number Association (NENA) to objectively assess our Communications Center's capabilities against models representing the best level of preparedness, survivability, and sustainability amidst a wide range of natural and human events.

☙ POLICE DEPARTMENT ❧
Records and Communications

KEY PROGRAM SERVICES

Records

- Responds to customer inquiries.
- Processes Police reports and citations.
- Processes criminal and traffic warrants.
- Completes required statistical reporting to state and federal government.
- Processes subpoena and Public Records Requests.
- Distributes statistical information to Patrol and Investigations as needed.

Communications

- Responds to 911 calls and other emergency/non-emergency calls.
- Provides dispatch service to patrol.
- Dispatches emergency personnel.
- Handles customer inquiries.
- Maintains audio recordings of radio and phone traffic; provides copies for court and Department use.
- Provides daily check-in calls to vulnerable seniors and others to verify their safety and to connect with needed services.

POLICE DEPARTMENT
Records and Communications

RECORDS & COMMUNICATION PROGRAM STAFFING

Full Time Equivalents (FTE)

Town Staff	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted
Police Lieutenant	0.30	-	-	-	-
Police Sergeant	-	0.30	-	-	-
Police Records Manager	1.00	1.00	-	-	-
Police Records & Com Manager	-	-	1.00	1.00	1.00
Communications Dispatcher Lea	1.00	1.00	1.00	1.00	1.00
Communications Dispatcher	7.00	7.00	7.00	7.00	7.00
Police Records Specialist	3.00	3.00	3.00	3.00	3.00
Total Records & Comm. FTEs	**12.30**	**12.30**	**12.00**	**12.00**	**12.00**

Temporary Staff Hours	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted
IT Technician	685	685	-	-	-
Project Manager	-	-	685	340	-
Police Records Specialist	1,360	-	-	330	-
Communications Dispatcher	330	330	330	-	-
Total Annual Hours	**2,375**	**1,015**	**1,015**	**670**	**-**

☙ POLICE DEPARTMENT ❧
Records and Communications

Performance Objectives and Measures	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. *Provide efficient delivery of department statistics by the 15th of every month.*					
a. Statistics completed on or before the 15th day of the month or nearest working date:	100%	100%	100%	100%	100%

Activity and Workload Highlights	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. Total number of CAD events created:*	55,283	55,829	34,891	29,290	30,755
2. Total landline and wireless calls received by dispatch (does not include 911 calls):	44,436	41,130	37,489	33,473	35,147
3. Number of 911 calls received:	10,301	10,224	9,557	8,061	8,464
4. Number of stored and/or impounded vehicles processed:	202	220	104	92	97
5. Number of police reports processed:	4,231	4,303	3,282	2,508	2,633
6. Number of public contacts at Records:**	3,000	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*
7. Number of citations processed:	4,419	3,765	1,467	808	848

**A computer-aided dispatch (CAD) event documents all Police-related activity by sworn and civilian personnel.*
*** Measure discontinued effective FY 19/20*

Police Department

PERSONNEL AND COMMUNITY SERVICES
PROGRAM 4202

PROGRAM PURPOSE

The Personnel and Community Services (PCS) Program provides an essential level of support to the Police Department by overseeing the Department's adherence to state and federal mandates and community values for a transparent law enforcement agency. The PCS Program supports the personnel growth and recruitment of the Police Department through hiring of new personnel, continued education, in-service training, and professional growth of personnel as required by the California Peace Officer Standards and Training. This Program identifies succession planning; promotes organizational development; maintains personnel adherence to professional standards; and administers crime prevention activities and community event programs. Staff in the PCS program also manages and provides oversight to the numerous volunteer programs that support various functions of the Department. This program facilitates the administrative management of the tow truck permit program, residential parking, commercial alarm permits, and Alcohol Beverage Control licensing permits.

Working in conjunction with the Town Manager's Office and the Santa Clara County Fire Department, the Police Department participates in emergency management and preparedness. Staff in this program work in collaboration with state and regional emergency management entities, such as Santa Clara County Office of Emergency Management, in preparation and planning for the possibility of earthquakes, fires, floods, and other natural and human-made disasters.

☙ POLICE DEPARTMENT ❧
Personnel and Community Services

BUDGET OVERVIEW

The FY 2021/22 budget includes increases in salary and benefit costs attributable to anticipated merit step increases, and higher benefit and CalPERS pension rates.

SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Licenses & Permits	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental Revenue	429,342	376,852	400,096	389,640	390,260	434,600
Service Charges	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Other Revenues	1,500	-	1,000	1,000	1,000	1,000
TOTAL REVENUES	**$ 430,842**	**$ 376,852**	**$ 401,096**	**$ 390,640**	**$ 391,260**	**$ 435,600**
EXPENDITURES						
Salaries and Benefits	$ 501,437	$ 313,133	$ 740,074	$ 878,303	$ 853,519	$ 913,123
Operating Expenditures	17,288	184,594	24,927	30,264	30,273	27,064
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	255,101	64,801	109,806	114,895	114,277	118,560
TOTAL EXPENDITURES	**$ 773,826**	**$ 562,528**	**$ 874,807**	**$ 1,023,462**	**$ 998,069**	**$ 1,058,747**

☙ POLICE DEPARTMENT ❧
Personnel and Community Services

FY 2021/22 KEY PROJECTS

Core Goals	Key Projects
Civic Enrichment Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	***Community Engagement*** The Social Media team continues to advance and develop new ideas to provide a professional online presence on a variety of popular digital platforms in an additional effort to engage and educate the community on local public safety. Social media and the Department website help to keep the community informed, build positive relationships, and establish another opportunity for Police transparency. The website and social media platforms are used to conduct rapid outreach to a large portion of the community with a consistent message that can be accessed remotely on multiple devices. ***Neighborhood Watch Programs*** The Police Department will continue to expand the Neighborhood Watch program, targeting crime prevention, awareness, and education. This community outreach program provides residents and businesses with current crime trends, enhances communications, promotes crime preventative measures, and builds community resilience and neighborhood relationships. The Neighborhood Watch Program focuses on crime prevention strategies neighborhood emergency preparedness and collaboration between neighbors and the Police Department. ***Volunteer Programs*** Personnel and Community Services screens and provides direction to several volunteer personnel that fulfill roles in Volunteer in Policing (VIP), the Victim Services Unit (VSU), Community Emergency Response Team (CERT), and Disaster Aid Response Team (DART). There will be continued focus in FY 2021/22 to enhance and grow these volunteer programs. ***Community Police Academy*** The Los Gatos-Monte Sereno Police Department expects to offer its first Community Police Academy to the residents of the Town of Los Gatos and the City of Monte Sereno. A major goal of the Community Police Academy is to foster communication between the community and the Police Department, while enhancing education and strong relationships with the community.

ꕥ POLICE DEPARTMENT ꕥ
Personnel and Community Services

FY 2021/22 KEY PROJECTS

Core Goals	Key Projects
Public Safety Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness	***Community Emergency Response Team (CERT)*** Community Emergency Response Team (CERT) leads continue to identify areas of priority to strengthen community resilience and preparation of the Neighborhood Incident Command Posts (NICPs), focusing on skills which provide emergency preparedness information in virtual settings. Additionally, continuing goals are neighborhood and senior emergency preparedness education and recruitment of additional CERT members along with partnership between CERT and the Neighborhood Watch participants in the event of an emergency. ***Emergency Operations Plan*** The Police Department continues to coordinate and collaborate with the Town Manager's Office and Santa Clara County Fire Department to define roles and responsibilities within emergency management, volunteer coordination, and planning. In FY 2021/22 an emphasis will be placed on emergency management and preparedness to ensure critical planning and community training for wildland fire evacuation, earthquake preparedness, and other critical disaster planning. The Department will continue to update, test, and maintain emergency notification and communication systems.

☙ POLICE DEPARTMENT ❧
Personnel and Community Services

KEY PROGRAM SERVICES

- Manages personnel hiring.
- Conducts community outreach through social media and other mechanisms.
- Manages the Department training program.
- Coordinates the Department's community outreach, crime prevention, and neighborhood organization efforts.
- Manages the Department's volunteer program.
- Collaborates emergency management response, training of personnel, and maintenance of the Emergency Operations Center (EOC).
- Develops, coordinates, and manages the Community Emergency Response Team (CERT) and the Disaster Aide Response Team (DART).

PERSONNEL & COMMUNITY SERVICE PROGRAM STAFFING

Full Time Equivalents (FTE)

Town Staff	**2017/18 Funded**	**2018/19 Funded**	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Adopted**
Police Lieutenant	0.70	-	-	-	-
Police Sergeant	-	0.70	1.00	1.00	1.00
Community Outreach Coordinator	1.00	1.00	1.00	1.00	1.00
IT Systems Administrator	-	-	1.00	1.00	1.00
Administrative Analyst	-	-	-	1.00	1.00
Human Resources Specialist	1.00	1.00	-	-	-
Administrative Technician	-	-	1.00	-	-
Total Personnel & CS FTEs	**2.70**	**2.70**	**4.00**	**4.00**	**4.00**

Temporary Staff Hours	**2017/18 Funded**	**2018/19 Funded**	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Adopted**
Police Officer	300	300	300	300	300
Total Annual Hours	**300**	**300**	**300**	**300**	**300**

☙ POLICE DEPARTMENT ❧
Personnel and Community Services

Performance Objectives and Measures	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. *Enhance the breadth of public safety services provided through the effective use of volunteers.*					
a. Percentage of Volunteers in Policing (VIP) reporting satisfaction with their assignments:**	100%	100%	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*
2. *Prepare resident volunteers to assist in an emergency.*					
a. Percentage of CERT participants better prepared to assist in an emergency:**	100%	100%	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*
3. *Create a spirit of cooperation between the Town organization and the community.**					
a. Percentage of Town volunteers who find their participation in Town volunteer activities to be a positive experience:*	100%	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*
4. *Preparing resident volunteers to assist in an emergency.****					
a. Number of Town sponsored trainings offered for emergency preparedness volunteers:	*Data not available*	*Data not available*	*Data not available*	3	6
5. *Training community members in neighborhood emergency preparedness.*****					
a. Number of citizens trained in neighborhood emergency preparedness:	*Data not available*	*Data not available*	*Data not available*	*Data not available*	75

Activity and Workload Highlights	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. Average hours of training for per sworn officer:	63	88	78	85	85
2. Hours of essential training provided to each person in a specialized assignment (Detective Bureau, Traffic, etc.):	52	40	46	40	40
3. Average hours of training for non-sworn personnel:	16	18	14	24	24
4. Total number of hours volunteered Town-wide (not including VIP):	21,151	20,115	16,851	14,000	15,000
5. Total value of volunteer hours (not including VIP):	$475,897	$452,588	$379,148	$315,000	$337,500
6. Number of hours of volunteer (VIP) service:	1,570	1,657	749	0	749
7. Dollar value of total annual volunteer (VIP) hours of service:	$35,325	$37,283	$16,853	$0	$16,853
8. Number of CERT personnel trained this year:	36	38	21	0	0
9. Total number of active trained CERT personnel:	168	206	224	224	224

** Measure discontinued effective FY 18/19*

***Measure discontinued effective FY 19/20*

****New measure effective FY 20/21*

*****New measure effective FY 21/22*

Police Department

PATROL
PROGRAM 4301

PROGRAM PURPOSE

The Patrol Program has the responsibility of providing responsive Police services to the community of Los Gatos and Monte Sereno twenty-four hours a day, seven days a week. The Patrol Program deploys uniformed Police Officers across four shifts in a continuous effort to keep the two communities safe. Officers provide both proactive and reactive service to residents, workers, and visitors; respond to emergency and non-emergency calls; engage in directed and self-initiated enforcement actions; and utilize problem solving techniques designed to increase community safety.

Within the Patrol function, Officers with specialized training are deployed as Field Training Officers (FTO), K-9 Officer, and Bicycle Officers. Collateral specialized teams provide support to the Patrol Program, including the Crisis Response Unit (CRU), Hostage Negotiation Team (HNT), Traffic Collision Investigation/Crime Scene Team, Peer Support Team, Firearms/Range Team, Defensive Tactics Team, and the Bicycle Team.

The Reserve Police Officer Program is a subdivision of the Patrol Program and consists of voluntary part-time, sworn volunteers who are trained to assist in regular patrol activities. Reserve Officers serve as secondary Officers in a patrol capacity or are assigned specific duty functions during special events. Reserve Officers are certified and maintain standards as required by California Peace Officers Standards and Training. During FY 20/21, Reserve Officers were utilized to supplement patrol staffing vacancies, perform directed patrol in crime targeted areas, assist with traffic control, and assist with administrative and criminal pre-booking procedures.

☙ POLICE DEPARTMENT ❧
Patrol Program

BUDGET OVERVIEW

The Police Department and the Town of Los Gatos enjoy a collaborative relationship with the City of Monte Sereno. In FY 2015/16, the Town entered into a ten-year agreement effective July 1, 2015 to provide Law Enforcement Services to the City of Monte Sereno through June 30, 2025. This contractual agreement allows for consideration of ongoing updates in law enforcement practices and more closely reflects the workload and modernized service delivery models for both the Town and the City of Monte Sereno. The annual contract rate based on the Average Annual Consumer Price Index for benefits increases the FY 2021/22 City of Monte Sereno Police Services contract to $967,085.

During FY 2020/21 two CSO-Interns were trained to supplement patrol in responding to low-level property crimes and other non-enforcement calls for service.

The Police Department's proposed use of the Los Gatos $100,000 in Supplemental Law Enforcement Services Fund (SLESF) for FY 2021/22 will be directed toward enhancing technology to support front line law enforcement services as directed by SLESF grant parameters.

SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Licenses & Permits	$ 24,352	$ 26,180	$ 38,943	$ 39,500	$ 19,000	$ 19,750
Intergovernmental Revenue	7,481	-	9,560	5,000	1,000	105,000
Service Charges	858,046	885,033	905,597	953,547	922,982	970,935
Fines & Forfeitures	29,372	15,352	22,360	12,750	6,375	7,000
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	**$ 919,251**	**$ 926,565**	**$ 976,460**	**$ 1,010,797**	**$ 949,357**	**$ 1,102,685**
Transfers In						
Transfer from GFAR	$ -	$ -	$ 54,797	$ 78,298	$ 78,298	$ 94,816
Total Transfers In	**-**	**-**	**54,797**	**78,298**	**78,298**	**94,816**
TOTAL REVENUES & TRANSFERS IN	**$ 919,251**	**$ 926,565**	**$ 1,031,257**	**$ 1,089,095**	**$ 1,027,655**	**$ 1,197,501**
EXPENDITURES						
Salaries and Benefits	$ 5,513,485	$ 6,430,360	$ 6,596,454	$ 7,044,444	$ 7,118,803	$ 6,975,429
Operating Expenditures	201,330	185,987	350,482	391,707	383,182	428,022
Fixed Assets	-	3,000	-	-	-	-
Internal Service Charges	860,443	493,353	424,320	489,807	475,381	573,539
TOTAL EXPENDITURES	**$ 6,575,258**	**$ 7,112,700**	**$ 7,371,256**	**$ 7,925,958**	**$ 7,977,366**	**$ 7,976,990**

POLICE DEPARTMENT
Patrol Program

FY 2021/22 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative government	***Vulnerable Community Response*** Establish a formal collateral position to develop a relationship with the Law Enforcement Liaison between the County Department of Behavioral Health Services and the LGMSPD to advance a collaborative approach to serving the needs of seriously mentally ill individuals and vulnerable populations such as the homeless within our jurisdiction. This collateral position oversees Department efforts to provide optimum response to individuals with mental health concerns, emphasizing compassion and sanctity of life. The Department members acting in this collateral role will continue to collaborate in utilizing the Mobile Crisis Response Team and other programs to assist individuals in a mental health crisis, provide additional resources, and follow up as needed. Additionally, the Department members associated with this collateral role will continue to seek out or share additional training, innovative strategies and develop in-house curriculum to better inform our Officers in the methods to serve vulnerable communities. ***Automated License Plate Reader (ALPR) Technology*** The Department will continue to seek advanced technology equipment that may be utilized to assist with crime suppression and follow-up investigation when crime occurs. Fixed ALPR systems which integrate with privately-owned systems will be explored to collaborate with neighborhoods and prevent criminal activity. The integration of ALPR equipment will enhance the "On Watch" video surveillance registry program and offer community neighborhoods and the Department to share valuable information when necessary.
Public Safety Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness	***Directed Patrol Plans*** Patrol Officers will continue to identify elevated crime areas and neighborhoods with community concerns related to public safety. Officers will increase foot patrols, bicycle patrols, and conduct focused patrol checks in residential and commercial areas to provide enhanced visibility and crime suppression. Upon review of crime data, Patrol Teams will identify specific crime suppression plans in target neighborhoods. As staffing permits, sworn staff will have a visible presence in the downtown area to be a resource to the community and a visual deterrent to crime.

☙ POLICE DEPARTMENT ❧
Patrol Program

KEY PROGRAM SERVICES

- Responds to emergency and non-emergency calls for service.
- Performs directed patrol and self-initiated activity during non-committed time.
- Investigates crimes and traffic accidents.
- Utilizes innovative crime suppression techniques and directed patrol plans to reduce crime.
- Supports the Department's traffic enforcement control program, including issuance of traffic and parking citations.
- Builds relationships within the community to enhance public safety and increase community policing, including addressing hate crimes and hate incidents.
- Oversees the training and deployment of collateral and specialty teams such as, Crisis Response Unit (CRU), Hostage Negotiations Team, Bicycle Team, Field Training Officer Program, Major Incident/Traffic Reconstruction Team, K9-Team, Firearms Team, and Defensive Tactics Team.
- Oversees the deployment of volunteer teams, such as Reserve Police Officers and the Police Explorer Post.

PATROL PROGRAM STAFFING

Full Time Equivalents (FTE)					
	2017/18	**2018/19**	**2019/20**	**2020/21**	**2021/22**
Town Staff	**Funded**	**Funded**	**Funded**	**Funded**	**Adopted**
Police Captain	-	0.50	0.50	0.50	0.50
Police Lieutenant	0.50	-	-	-	-
Police Sergeant	4.00	4.00	4.00	4.00	4.00
Police Corporal	4.00	4.00	4.00	4.00	4.00
Police Officer	17.00	17.00	17.00	17.00	17.00
Total Patrol Program FTEs	**25.50**	**25.50**	**25.50**	**25.50**	**25.50**

	2017/18	**2018/19**	**2019/20**	**2020/21**	**2021/22**
Temporary Staff Hours	**Funded**	**Funded**	**Funded**	**Funded**	**Adopted**
Community Service Officer Intern	1,040	1,720	1,720	2,080	2,080
Community Service Officer	390	-	-	-	-
Total Annual Hours	**1,430**	**1,720**	**1,720**	**2,080**	**2,080**

☙ POLICE DEPARTMENT ❧
Patrol Program

Performance Objectives and Measures	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. *Provide safe environment through timely response and police assistance.*					
a. Average response time - Priority I calls:	4:29	3:35	3:43	3:54	3:48
b. Average response time - Priority II calls:	6:21	6:41	6:53	6:33	6:43
c. Average response time - Priority III calls:	9:55	11:39	8:56	9:19	9:07

Activity and Workload Highlights	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. Number of Priority I incidents (immediate emergency with threat of life and public safety hazard):*	289	253	214	109	114
2. Number of Priority II incidents(urgent emergency that requires immediate response):*	14,691	14,176	9,471	7,063	7,416
3. Number of Priority III incidents (non-emergency):*	14,840	14,747	4,915	10,950	11,498
4. Number of Priority IV incidents (other):*	15,245	15,474	17,113	*Not Applicable*	*Not Applicable*
5. Total number of Incidents:*	45,065	44,650	31,713	18,122	19,028
6. Hours of Volunteer Reserve Officer hours used:	769	606	506	640	575
7. Dollar value of total Reserve Officer hours used:	$39,736	$30,906	$31,347	$40,045	$35,978
8. Hours of Disaster Aid Response Team service used:	792	835	872	800	850
9. Dollar value of total Disaster Aid Response Team service used:	$24,323	$38,610	$24,250	$22,248	$ 23,639
10. Number of hours patrolling Monte Sereno: (Per agreement - 4160 hrs. patrol + 416 traffic/annually)	4,537	4,562	4,567	4,567	4,795
11. Total number of arrests by Los Gatos/ Monte Sereno Police Department:	1,100	1,140	578	382	401
12. Total number of reports written by Community Service Officer intern:**	175	172	0	0	125

**FY 2014/15 incident types were recategorized and consolidated to most accurately reflect previously established priority definitions (I, II, III).*
Prior year calculations were based upon 9 Priority Types. FY 2014/15 and proceeding will be reflective of 4 Priority Types as defined above.
Due to the implementation of our new CAD/RMS platform FY 2020/21 and proceeding will be reflective of 3 Priority Types defined above.

*** New measure effective FY 2015/16.*

During FY 20/21, the department transitioned from its existing software to a new CAD/RMS platform after 17 years, providing enhanced functions for performance measures and improved capabilities to capture ongoing statistical data. This resulted in many operational and administrative progressions that had been limited in years prior based on the limitations of the previous system. There are now three priority types. Additionally, there were several incident types used in the previous system that have been converted to "status" types to better reflect the officer's activity.
In July 2020, the Santa Clara County District Attorney announced a series of social justice reforms that included ceasing filing criminal charges for driving on a suspended license. The department averaged 261 arrests annually for this violation prior to this decision. Additionally, officer discretion applied to arrest decisions (whether to book, cite, or request a warrant) has been influenced by COVID internally, by operational changes, and externally, by jail policies. The Community Service Intern position was vacant the entirety of 2019/2020. Two CSO inters were hired in FY20/21 and are currently in training.

Police Department

TRAFFIC
PROGRAM 4302

PROGRAM PURPOSE

The Traffic Program focuses on the education, encouragement, and enforcement of the California Vehicle Code to enhance the safety of roadways for all motorists, bicyclists, and pedestrians. The Program collaborates with Parks and Public Works and utilizes national and regional traffic safety programs to manage and coordinate community education activities designed to address traffic complaints; increase motorist, bicyclist and pedestrian safety; and reduce property damage, injury and fatal traffic collisions. The Traffic Program works in conjunction with the Complete Streets and Transportation Commission, Traffic Safe Communities Network, and Monte Sereno Better Streets Commission to promote the continued success of programs such as Safe Routes to School. The Traffic Program also manages and coordinates special events that may impact the flow of traffic upon the roadway or create hazards.

Officers assigned to the Traffic Program are responsible for utilizing the California Vehicle Code to educate, encourage, and enforce safe behaviors of motorists, bicyclists, and pedestrians on public roadways. Officers are also responsible for the investigation and documentation of traffic collisions.

Traffic Officers strive to reduce property damage, injury, and death related to traffic collisions. For more than a decade, the Traffic Program has managed the School Crossing Guard program in partnership with the Los Gatos Union School District and the Union School District to provide contractual crossing guard services. The current contract renewal is in process and anticipated to continue in FY 2021/2022.

☙ POLICE DEPARTMENT ❧
Traffic

BUDGET OVERVIEW

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

SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Licenses & Permits	$ 12,131	$ 12,734	$ 12,195	$ 8,000	$ 11,015	$ 8,000
Intergovernmental Revenue	399,153	448,482	345,964	305,000	342,653	160,000
Service Charges	107,702	115,250	85,640	65,953	-	131,907
Fines & Forfeitures	16,910	17,849	8,906	20,200	11,457	7,200
Other Revenues	-	-	202	-	-	-
TOTAL REVENUES	**$ 535,896**	**$ 594,315**	**$ 452,907**	**$ 399,153**	**$ 365,125**	**$ 307,107**
EXPENDITURES						
Salaries and Benefits	$ 707,350	$ 773,754	$ 610,454	$ 805,649	$ 934,532	$ 754,063
Operating Expenditures	137,948	147,065	131,373	212,741	129,956	195,527
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	147,391	90,545	57,006	65,297	50,417	76,751
TOTAL EXPENDITURES	**$ 992,689**	**$ 1,011,364**	**$ 798,833**	**$ 1,083,687**	**$ 1,114,905**	**$ 1,026,341**

☙ POLICE DEPARTMENT ❧
Traffic

FY 2021/22 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative government	***Major Traffic Collision Investigation Training and Equipment*** The Traffic Division will enhance their expertise by completing training in vehicle collision reconstruction, investigation, and other specialized training. The Traffic Division will work collaboratively with the Major Collision Investigation Team to conduct a joint training on the Topcon Robotics Total Station. ***Electronic Handheld Traffic Citation System*** The Traffic Division will continue to explore integration and implementation for electronic handheld traffic citation, which is compatible with the new Computer Aided Dispatch and Records Management System (CAD/RMS).
Public Safety Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness	***Reduction in Traffic Collisions*** The Traffic Division will work in collaboration with the Operations Bureau and the Town Engineering Division to analyze hazardous traffic collision data to prioritize locations throughout Town requiring focused enforcement. ***Safe Routes Promoting the Six "E's"*** The Department will continue to participate in Safe Routes to School, Traffic Safe Communities Network, and Complete Streets and Transportation Commission programs and projects. These projects will include the identification of alternate transportation methods, management of traffic flow, and promotion of vehicle, bicycle, and pedestrian safety.

☙ POLICE DEPARTMENT ❧
Traffic

KEY PROGRAM SERVICES

- Responds to and investigates traffic accidents.
- Educates the public on traffic safety.
- Provides traffic enforcement.
- Participates in community traffic safety committees and programs.
- Collaborates with the Traffic and Parking Commission.
- Reviews traffic safety plans for special events.
- Participates in regional efforts to maintain traffic safety.

TRAFFIC PROGRAM STAFFING

Full Time Equivalents (FTE)

Town Staff	**2017/18 Funded**	**2018/19 Funded**	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Adopted**
Police Sergeant	0.70	0.70	0.70	0.70	0.70
Police Officer	2.00	2.00	2.00	2.00	2.00
Total Traffic Program FTEs	**2.70**	**2.70**	**2.70**	**2.70**	**2.70**

☙ POLICE DEPARTMENT ❧
Traffic

Performance Objectives and Measures	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. *Reduction of DUI-involved collisions through specialized enforcement and educational programs.*					
a. Percentage of reported traffic collisions involving drugs or alcohol:	4.60%	10.60%	10.20%	9.70%	10.2%
2. *Through directed enforcement, the program seeks to minimize the loss of life and reduce personal injuries due to traffic collisions.*					
a. Traffic Index:	24.1	18.8	11.9	10.1	10
The Traffic Index is a national standard developed by the Federal Office of Traffic Safety (OTS). The index number is determined by dividing the number of hazardous citations issued by the total number of fatal and injury collisions. An index of 25 - 35 is generally viewed as desirable. A substantially higher number would indicate that officers are writing an excessive number of citations that are not related to the causes of traffic collisions. A substantially lower number indicates that inadequate staffing or attention is directed at the traffic collision problem in a jurisdiction.					

Activity and Workload Highlights	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. Total number of traffic citations issued (excludes courtesy citations):*	2,537	2,087	1,225	578	607
2. Number of hazardous citations:	2,145	1,616	962	597	627
3. Number of courtesy citations issued:	1,882	1,677	1,247	948	995
4. Number of DUI arrests:*	55	68	69	19	20
5. Number of traffic collision reports:*	304	288	225	145	152
6. Number of injury collisions:	89	86	81	59	62

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

Police Department

INVESTIGATIONS
PROGRAM 4303

PROGRAM PURPOSE

The Investigations Program conducts both self-initiated and follow-up investigations related to crime, coordinates the prosecution of crimes through the criminal justice system, and performs special operations and enforcement.

Detectives assigned to this Program conduct comprehensive investigations. This includes the identification of crime trends and patterns, apprehension of criminal suspects, evidence collection, interagency collaboration, and victim outreach. In addition, the Investigations Program maintains and enforces the required registration and monitoring of sex offenders, narcotics offenders, and arson offenders.

One Officer in this Program is assigned as the School Resource Officer (SRO). The SRO is responsible for assisting in investigating crimes involving juveniles as victims or offenders, managing youth-related problems and trends, and being a liaison to local schools. The SRO works collaboratively with school staff, administration, and students in both the Los Gatos-Saratoga Union High School District and Los Gatos Union School District to promote school campus and community safety and to be a presence on campus. Since FY 2009/10, funding for the SRO position has been offset by an agreement with the high school and elementary school districts, with each sharing costs for nearly one-half of the Officer's salary and benefits. The SRO contract runs through June 30, 2021 and is expected to be renegotiated to continue this service. Due to COVID-19 restrictions and in session school limitations during FY 20/21, the SRO was also utilized to supplement staffing vacancies in the Investigations and Patrol Programs as necessary. The Town provided a one-time funding forbearance or credit to both school districts due to these pandemic restrictions.

In addition, an Officer from this Program is assigned to Regional Enforcement Allied Computer Enforcement (REACT) Task Force. REACT is a diversified partnership of local, state, and federal

agencies formed in cooperation with private industry to combat the escalating problem of high technology crime and the threat it poses to the public, nonprofit, and private sectors. In FY 2021/22 up to $100,000 is budgeted as revenue from Santa Clara County Office of the District Attorney.

BUDGET OVERVIEW

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

SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Licenses & Permits	$ 1,313	$ 187	$ 1,960	$ 500	$ 437	$ 500
Intergovernmental Revenue	-	-	60,944	100,000	100,000	100,000
Service Charges	124,045	125,426	137,509	2,000	1,000	64,367
Fines & Forfeitures	-	-	-	-	-	-
Other Revenues	5,139	7,316	656	1,000	1,000	600
TOTAL REVENUES	**$ 130,497**	**$ 132,929**	**$ 201,069**	**$ 103,500**	**$ 102,437**	**$ 165,467**
EXPENDITURES						
Salaries and Benefits	$ 1,858,971	$ 1,916,088	$ 2,398,626	$ 2,520,829	$ 2,428,928	$ 2,451,609
Operating Expenditures	130,616	126,134	175,345	208,660	190,231	190,027
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	292,708	177,239	131,362	147,520	139,929	171,621
TOTAL EXPENDITURES	**$ 2,282,295**	**$ 2,219,461**	**$ 2,705,333**	**$ 2,877,009**	**$ 2,759,088**	**$ 2,813,257**

☙ POLICE DEPARTMENT ❧
Investigations

FY 2021/22 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative government	***Behavioral Intervention Team (BIT) Program*** The Police Department, Los Gatos High School (LGHS), and Los Gatos-Saratoga Union High School District will continue to collaborate in the development of a Behavioral Intervention Team at LGHS. The multi-disciplinary BIT team meets regularly to identify at-risk behaviors of students and develops early-stage intervention and counseling programs to maintain a safe learning environment. The School Resource Officer acts as the law enforcement liaison on the case management team ***Evidence Management and Off-site Storage Facility Project*** Police Department staff will collaborate with Parks and Public Works staff in the capital improvement project related to the reconfiguration and build out of the Town Corporation Yard outbuilding used as additional Police evidence and property storage. ***Internet Crimes Against Children (ICAC) Specialized Training*** Specialized Detective personnel will collaborate with the Silicon Valley Internet Crimes Against Children Task Force to receive specialized training on the investigation of internet crimes involving under-aged victims. This specialized training provides investigative case management and technological skills and techniques used to combat child predators online.
Civic Enrichment Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	***On-Line Reporting System Integration*** The Police Department will integrate Coplogic Reporting software with the Computer Aided Dispatch (CAD/RMS) system as an online crime reporting system. In FY 2021/22, the Department will replace the existing online crime reporting system with Coplogic. This program enhances the user's accessibility and experience, but also allows for investigative oversight and a significant reduction in staff time to process incoming online reports.

☙ POLICE DEPARTMENT ❧
Investigations

FY 2021/22 KEY PROJECTS

Core Goals	Key Projects
Public Safety Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness	***Anti-Theft Bait Technology*** The Investigations Division strives to reduce thefts and property crimes through the deployment of "bait" technology systems, targeting package theft and bicycle theft offenders. In the upcoming year, crime analytics will be utilized to identify package theft and bicycle crime trends to provide opportunities for successful deployment.
Community Character Preserve and enhance the appearance, character, and environment quality of the community	***Community Threat Assessment*** Detectives will work with individual residents and business owners to conduct property threat assessments and placement of surveillance cameras to promote crime deterrence. The Police Department maintains a voluntary database in which residents and businesses can register having a surveillance system via "On Watch" and investigators may then contact the owner to obtain footage if suspect information was possibly captured on the camera.

☙ POLICE DEPARTMENT ❧
Investigations

KEY PROGRAM SERVICES

- Investigates and solves crimes.
- Directs and coordinates the prosecution of offenders.
- Provides services to victims.
- Assists in management of property and evidence.
- Monitors and registers narcotics, sex, and arson offenders.
- Provides administrative, strategic, and tactical crime analysis.
- Oversees School Resource Officer program and involvement in the schools.

INVESTIGATIONS PROGRAM STAFFING

Full Time Equivalents (FTE)

Town Staff	**2017/18 Funded**	**2018/19 Funded**	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Adopted**
Police Captain	-	0.50	0.50	0.50	0.50
Police Lieutenant	0.50	-	-	-	-
Poice Sergeant	1.00	1.00	1.00	1.00	1.00
Police Officer *	6.00	6.00	6.00	6.00	6.00
Community Services Officer	1.00	1.00	1.00	1.00	1.00
Police Records Specialist	1.00	1.00	1.00	1.00	1.00
Total Investigation FTEs	**9.50**	**9.50**	**9.50**	**9.50**	**9.50**

Temporary Staff Hours	**2017/18 Funded**	**2018/19 Funded**	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Adopted**
CSO-Investigation Evidence	1,040	-	-	-	-
Total Annual Hours	**1,040**	**-**	**-**	**-**	**-**

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

☙ POLICE DEPARTMENT ❧
Investigations

Performance Objectives and Measures	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. *To provide thorough and objective analysis of crime to achieve resolution of criminal matters.*					
a. Number of Part I and Part II crimes cleared:	625	663	764	950	998
2. *To divert local youth from the criminal justice system.*					
a. Percentage of youthful offenders diverted from the criminal justice system:	16%	7%	0%	0%	0%
3. *To obtain criminal complaints against violators.*					
a. Percentage of criminal complaints issued by District Attorney with charges filed:*	58%	154%	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*
b. Percentage of criminal complaints denied by District Attorney:*	24%	17%	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*

Activity and Workload Highlights	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. Number of cases investigated:	1,401	1,482	1,057	1,341	1,408
2. Number of criminal complaints requested for review at District Attorney's Office:	840	746	329	351	369
3. Annual number of public school visits by the School Resource Officer:	361	376	191	130	285

**Measure discontinued effective FY 19/20*

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

Police Department

PARKING MANAGEMENT
PROGRAM 4304

PROGRAM PURPOSE

The Parking Management Program coordinates, manages, and enforces vehicular parking on roadways and highways and in municipal lots. The Parking Management Program uses the California Vehicle Code and Town Municipal Code to enforce residential/employee/commercial zone permit-only parking, time-restricted parking, disabled parking, and loading zones. The enforcement of parking violations assists traffic flow and increases parking space availability. This Program works in conjunction with the Patrol Division on vehicle tows, traffic control, special events, and the deployment and management of the mobile speed radar trailers. In addition, the Program manages the issuance of residential and business preferential parking permits, as well as the Abandoned Vehicle Abatement Service Authority (AVASA) program in Town to ensure roadways and highways are free of abandoned vehicles.

The Parking Management Program collaborates with the Town's Parks and Public Works Department and the Community Development Department to address permit parking, special event parking, municipal lot parking management, and parking issues around schools. Parking Control Officers utilize automated parking enforcement technology to assist in the efficiency and accuracy of parking violation documentation and issuance of citations. They support Patrol Officers with traffic control during high impact roadway events and assist with crossing guard duties as necessary. This Program will continue to implement the recommendations from the Comprehensive Parking Study.

☙ POLICE DEPARTMENT ❧
Parking Management

BUDGET OVERVIEW

The Parking Management Program is budgeted for 0.30 FTE Police Sergeant and 2.0 FTE Parking Control Officers. The Sergeant oversees and manages the deployment and allocation of Parking Control resources. The Sergeant works collaboratively with the Town's Parks and Public Works Department, the Community Development Department, and the Complete Streets and Transportation Commission to coordinate the monitoring and enforcement of parking related concerns on Town streets and municipal lots.

Additional temporary staffing hours (500 hrs.) are proposed to continue the work of a Parking Program Manager. This position is assisting with the implementation of the Council directed recommendations contained in the Dixon Comprehensive Parking Study.

During FY 2020/21 due to the pandemic, parking citations were not issued in downtown parking lots. This is the reason for the dip in revenues for fines and forfeitures. As the pandemic eases and parking demand increases, downtown parking enforcement is expected to resume; however, revenues are not expected to reach pre-pandemic levels due to the likely continuation of some Public Health Orders.

POLICE DEPARTMENT
Parking Management

SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Licenses & Permits	$ 37,742	$ 49,123	$ 39,993	$ 36,000	$ 24,000	$ 29,000
Intergovernmental Revenue	-	-	-	-	-	-
Service Charges	-	-	-	-	-	-
Fines & Forfeitures	609,934	400,246	221,810	54,000	49,500	182,250
Other Revenues	28,566	29,205	32,400	32,400	32,400	-
TOTAL REVENUES	**$ 676,242**	**$ 478,574**	**$ 294,203**	**$ 122,400**	**$ 105,900**	**$ 211,250**
EXPENDITURES						
Salaries and Benefits	$ 302,763	$ 281,177	$ 319,896	$ 414,841	$ 333,216	$ 388,447
Operating Expenditures	282,855	222,516	186,374	140,228	140,228	83,328
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	98,199	62,203	45,648	47,164	46,759	56,215
TOTAL EXPENDITURES	**$ 683,817**	**$ 565,896**	**$ 551,918**	**$ 602,233**	**$ 520,203**	**$ 527,990**

☙ POLICE DEPARTMENT ❧
Parking Management

FY 2021/22 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative government	***Parking Management Program*** The Parking Management Program will explore the potential for notification, implementation, and research for virtual parking permits. Begin testing virtual permits in conjunction with physical permits to evaluate effectiveness and prepare for a virtual permit solution. ***Comprehensive Parking Study Implementation*** The Parking Management Program will oversee the implementation of f the Comprehensive Parking Study recommendations pertaining to wayfinding and an Employee Parking Permit Program. ***Ensure Responsive Accountable and Collaborative Government*** The Parking Management Program will continue to evaluate Automated License Plate Reader (ALPR) technology, obtain parking metrics and citation data to determine the appropriate deployment of the ALPR and parking personnel to maximize efficiencies.

KEY PROGRAM SERVICES

- Proactively collaborates with Park and Public Works Department in the management of the Town's available parking inventory.
- Monitors and enforces parking and abandoned vehicle laws.
- Communicates with and educates residents, businesses, and visitors on parking issues and regulations.
- Coordinates the special event parking control.
- Manages and oversees the parking citation appeal process.
- Coordinates efforts with the Complete Streets and Transportation Commission and Parks and Public Works Department.

POLICE DEPARTMENT
Parking Management

PARKING MANAGEMENT FUND STAFFING

Full Time Equivalent (FTE)

Town Staff	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted
Police Sergeant	0.30	0.30	0.30	0.30	0.30
Senior Parking Control Officer	-	-	-	-	1.00
Parking Control Officer	2.00	2.00	2.00	2.00	1.00
Total Parking Mgmt. FTEs	**2.30**	**2.30**	**2.30**	**2.30**	**2.30**

Temporary Staff Hours	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted
Parking Control Manager	-	-	-	1,000	500
Parking Control Officer	357	-	-	300	-
Total Annual Hours	**357**	**-**	**-**	**1,300**	**500**

Performance Objectives and Measures	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. *Promote pedestrian and vehicular safety while providing improved traffic flow and increased parking availability on residential streets.*					
a. Percentage of parking citations paid with initial notices:	89%	93%	93%	93%	93%
2. *Enforce timed limit, residential and employee zoned permit parking.*					
a. During enforcement hours respond to community reported parking problems within 20 minutes:	Yes	Yes	Yes	Yes	Yes

Activity and Workload Highlights	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. Number of parking citations issued:	11,784	6,817	4,023	1,115	4,023
2. Number of residential and employee parking permits issued:	1,372	1,519	1,300	1,207	1,207
3. Number of stored and abandoned vehicles marked:*	653	410	119	125	125
4. Number of stored and abandoned vehicles removed from public streets:*	43	24	17	10	10
5. Revenue received on parking permits issued:	$37,742	$49,123	$39,993	$30,000	$30,000
6. Revenue received on parking citations issued:	$591,414	$400,154	$171,835	$30,000	$100,000

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

Police Department

PASS-THROUGH ACCOUNTS
PROGRAM 4999

PROGRAM PURPOSE

Revenues and expenditures which are collected for, and remitted to, external agencies are considered "pass-through" appropriations in the Town's budget. Accounting for these activities in a separate accounting structure allows the true cost of operations to remain intact within a program, eliminating unrelated funding fluctuations from year to year.

BUDGET OVERVIEW

There is no budgetary impact to this program as revenues equal expenditures. The revenues and expenditures reflect a reasonable estimate based on prior year trends or Department information; however, actuals may differ substantially from original budgeted numbers at fiscal year-end.

FY 2021/22 revenues and expenditures reflect a pass-through of Community Emergency Response Team (CERT) funds. As this program includes no staff activity, it does not have Key Projects or Performance Measures.

POLICE DEPARTMENT
Pass-Through Accounts

SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Licenses & Permits	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental Revenue	-	-	-	-	-	-
Service Charges	2,263	3,946	766	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Other Revenues	-	-	5,895	24,115	-	23,220
TOTAL REVENUES	**$ 2,263**	**$ 3,946**	**$ 6,661**	**$ 24,115**	**$ -**	**$ 23,220**
EXPENDITURES						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	5,442	4,520	6,723	24,115	-	23,220
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	-	-	-	-	-	-
TOTAL EXPENDITURES	**$ 5,442**	**$ 4,520**	**$ 6,723**	**$ 24,115**	**$ -**	**$ 23,220**

Police Department

OPERATING GRANTS
4803-4812

PROGRAM PURPOSE

This fund accounts for revenues and expenditures attributed to grants for operating budget projects that fall outside of the Capital Improvement Program (CIP) Grant Projects. The Town's CIP project guidelines state a CIP project must have a value of $25,000 or more with a minimum useful life of 5 years at a fixed location.

Grant revenues and expenditures are structured to net out to zero. If overages or non-reimbursable expenses occur for grant activities, the additional charges are absorbed within the Department's operating budget. Some grants require a Town matching or other contribution as part of the award, which is reflected either as funding transferred into the grant, or expenditures reallocated to the appropriate program budget.

BUDGET OVERVIEW

The Police Department was awarded the Bulletproof Vest Partnership (BVP) grant, created by the Bulletproof Vest Partnership Grant Act of 1998. It is a unique U.S. Department of Justice initiative designed to provide a critical resource to state and local law enforcement. The BVP Grant will continue into FY 2021/22.

In FY 2018/19 the Police Department was awarded a grant for the Innovations Grant Program (IGP) from Peace Officer Standards and Training (POST). This Grant will continue into FY 2021/22. The focus of this POST grant is on fostering innovations in training and procedures for law enforcement Officers, with the goal of reducing the number of Officer-involved shootings Statewide.

POLICE DEPARTMENT
Operating Grants

PEACE OFFICER STANDARDS AND TRAINING (POST) GRANT

SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adopted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Licenses & Permits	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental Revenue	-	-	30,824	49,695	39,695	10,000
Service Charges	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	**$ -**	**$ -**	**$ 30,824**	**$ 49,695**	**$ 39,695**	**$ 10,000**
EXPENDITURES						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	-	143	16,788	49,695	39,695	10,000
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	-	-	-	-	-	-
TOTAL EXPENDITURES	**$ -**	**$ 143**	**$ 16,788**	**$ 49,695**	**$ 39,695**	**$ 10,000**

BSCC COMMUNITY GRANT

SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Licenses & Permits	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental Revenue	49,706	-	-	-	-	-
Service Charges	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	**$ 49,706**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
EXPENDITURES						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	10,578	26,095	10,613	-	-	-
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	-	-	-	-	-	-
TOTAL EXPENDITURES	**$ 10,578**	**$ 26,095**	**$ 10,613**	**$ -**	**$ -**	**$ -**

POLICE DEPARTMENT
Operating Grants

BVP GRANT

SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Licenses & Permits	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental Revenue	873	1,309	3,464	5,000	4,000	5,000
Service Charges	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	**$ 873**	**$ 1,309**	**$ 3,464**	**$ 5,000**	**$ 4,000**	**$ 5,000**
EXPENDITURES						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	873	1,309	3,464	5,000	4,000	5,000
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	-	-	-	-	-	-
TOTAL EXPENDITURES	**$ 873**	**$ 1,309**	**$ 3,464**	**$ 5,000**	**$ 4,000**	**$ 5,000**

HOMELAND SECURITY GRANT

SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Licenses & Permits	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental Revenue	-	-	101,193	-	-	-
Service Charges	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	**$ -**	**$ -**	**$ 101,193**	**$ -**	**$ -**	**$ -**
EXPENDITURES						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	-	-	-	-	-	-
Fixed Assets	-	-	101,193	-	-	-
Internal Service Charges	-	-	-	-	-	-
TOTAL EXPENDITURES	**$ -**	**$ -**	**$ 101,193**	**$ -**	**$ -**	**$ -**

Parks & Public Works

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Parks & Public Works Department

DEPARTMENT PURPOSE

The Parks and Public Works Department (PPW) constructs and maintains the Town's public parks, facilities, roadways, rights-of-way, and other infrastructure. Six organizational units (Administration, Park Services, Engineering Development Services, Engineering Program Services, Streets and Signals, and Environmental Services) work in coordination to achieve the Department's overarching goal of ensuring the Town's facilities are safe, functional, and attractive. Additional departmental services that support these objectives include the Facilities Maintenance, Vehicle Maintenance, and Non-Point Source Program. PPW is also responsible for several Landscape and Lighting Districts. In addition to providing ongoing maintenance activities, the Parks and Public Works Department staff provides information and outreach to Town residents, businesses, and the public concerning the Department's programs, activities, and projects.

BUDGET OVERVIEW

The FY 2021/22 Proposed Budget reflects a reduction in various line items such as: engineering consultant, special environmental studies, laundry services, street signs, and recycling bins.

The budget also reflects contractual increases related to: new eBidding software that was deployed at the start of the pandemic, electric vehicle charging stations, downtown garbage and recycling services, fire suppression, pest control services, elevator maintenance, and electrical services.

In previous years, the Town has added one-time allocations of $100,000 to augment the ongoing appropriation of $100,000 for tree maintenance. This year, the Town will use $100,000 from the tree replacement fund, a separate funding source, in an effort to reduce the impact on the General Fund.

The budget reflects staffing changes including the reallocation of an Associate Engineer to a Senior Engineer and a reallocation of an Equipment Mechanic to a Supervising Equipment Mechanic.

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧

During this fiscal year, the Department will advance or complete many priorities. Some key projects include: Wildfire Mitigation, the Vehicle Miles Traveled Policy, Bike and Pedestrian Overcrossing at Highway 17, Shannon Road Repair, Americans with Disabilities Act (ADA) Transition Plan, and the Highway 17 Interchange and Capacity Improvements project. Additionally, staff will work to recommend, design, and deliver projects from the Town's approved Bicycle and Pedestrian Master Plan and Traffic Around Schools Plan, and advance the newly branded Connect Los Gatos Transportation Program and Community Engagement Plan. Staff will continue to apply for grants to supplement Town funding and advance the Town's capital project plans.

The Engineering Development Program will continue to work on several key private projects in Los Gatos, including: the North Forty project, the Greenridge Terrace project, the mixed use project on Union Avenue, the elderly care facility on Blossom Hill Road, and the elderly care facility on Wood Road. Staff will continue to provide technical support and work collaboratively with residents and private developers through the development process for new planning applications to ensure compliance with Town regulations. The Engineering Division continues to update the Town's Plans and Designs Standards to incorporate best practices and industry standards for Town infrastructure that align with the Town's needs.

The Town is working with the West Valley Solid Waste Management Authority to amend the agreement with West Valley Collection & Recycling to comply with SB 1383 mandated organic recycling for residential and commercial customers. Negotiations and plan implementation are still currently being created for food recovery, inspection and record keeping. This effort will have significant impacts on solid waste collection in Town and will lead to significant rate increases for residents.

The Town's Outside the Box Program is designed to enhance the character of the community by adding artwork to utility boxes that are often targeted by graffiti vandals. Selected artwork reflects diversity, equity, inclusivity and environmental outreach messages that promote community sustainability. In FY 2020/21 five utility boxes have been added which bring the total to 26, and another four are planned for covering with artwork in FY 2021/22.

☙ PARKS & PUBLIC WORKS DEPARTMENT ☙

ACCOMPLISHMENTS

Core Goals	Accomplishments
Community Character Preserve and enhance the appearance character and environment quality of the community	• Specific to Phase 1 of the North 40 development, staff activities transitioned from plan reviews to more management of onsite and offsite improvements (along Lark Avenue and Los Gatos Boulevard). Staff coordinated with both the developer and their consultants/contractors to review public improvement and traffic control plans for construction activities, and other associated documents. Staff also facilitated the adoption of a Transportation Demand Management (TDM) program for this development. • With Town offices closed to the public due to County and State health orders, staff received and reviewed applications, plans, and documents electronically. Staff and Town consultants have managed to review over 20 plan submittals and coordinated on numerous agreements, exhibits, maps and other project related details and documents. • Added nine new recycling receptacles to Oak Meadow Park with the purpose of diverting items that would otherwise end up in landfill, discouraging litter, and helping keep our local creeks clean and pollution free. • Increased fire danger buffer zones in Landscape & Lighting Districts and other open spaces throughout the Town. • Completed median island improvements on Highway 9 and installed gateway signage, as led by the Arts and Culture Commission, to welcome visitors to our community. • Implemented and enhanced Los Gatos trail maintenance to increase visibility and improve safety. • Helped the Downtown Parklet program pivot to focus on sustaining business through impacts from COVID-19, including installation of temporary parklets, additions to short term parking on North Santa Cruz, and signage installation.

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ACCOMPLISHMENTS

Core Goals	Accomplishments
Good Governance Ensure responsive, accountable and collaborate government	• Prepared the Town facilities and public spaces for safe essential operations and activities during the COVID-19 pandemic. • Completed the first phase of roadside vegetation management, addressing 6.5 miles of 31 miles of overgrown roadside vegetation. • Obtained a grant through CAL-OES and FEMA for planning additional vegetation management in Town open space. • Continued to advance traffic calming projects and anticipate finalizing the neighborhood traffic calming measures on Shannon Road between Los Gatos Boulevard and Short Road in coordination with the annual Street Repair and Resurfacing project. • Successfully competed in Valley Transportation Authority's (VTA) Measure B Bicycle and Pedestrian Capital Program to secure grants for a total of $5.33 million for the Bicycle and Pedestrian Overcrossing over Highway 17 final design, Winchester Boulevard Complete Streets final design, and Kennedy Sidewalk and Bike Lanes design and construction. • Advanced a project with PG&E for the $4.4M Rule 20A Utility Undergrounding project on Los Gatos Boulevard and provided project oversight. • Established a Town "Plan Room" to accept construction bid proposals electronically in response to Town offices being closed due to the COVID-19 pandemic. • Coordinated with a reprography vendor to scan originals and hardcopies of Engineering plans and documents to be electronically stored and organized for efficiency.
Quality Public Infrastructure Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	• Utilized a one-time increase in funding for tree maintenance to ensure public trees remain safe. • Prepared the construction documents for the annual FY2020/21 Street Repair & Resurfacing and Curb, Gutter and Sidewalk Maintenance Projects for bid. Construction work for both projects will be completed by fall 2021, which will include the installation of new Class IV bike lanes on Winchester Boulevard. • Continued to develop the final design documents for the Los Gatos Creek Trailhead Connector project and applied for a federal grant for construction funding.

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ACCOMPLISHMENTS

Core Goals	Accomplishments
Quality Public Infrastructure Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	• Completed design documents needed for the structural repair of the Lot 4 parking structure scheduled for Summer 2021. • Completed building condition assessments for all Town facilities, identifying building system and component replacements for budget forecasting purposes. • Installed new carpeting in the children's area of the Library. • Installed a non-liquid fire suppression system in the Town's critical IT server rooms. • Installed safety railing as part of the Civic Center handrail system. • Completed the Massol Intersection Improvements at Highway 9, entailing the installation of rectangular rapidly flashing beacons and other traffic safety improvements. • Completed the retaining wall repairs at Wooded View Drive. • Completed installation of a new exercise structure at the Los Gatos trail entrance at Balzer Field. • Completed the Shire Court railing replacement project. • Completed the feasibility study of the Bicycle and Pedestrian Overcrossing over Highway 17 and obtained Town Council approval for the preferred alignment alternative. Awarded a consultant contract for the final design and environmental clearance phase. • Continued to develop and implement the Los Gatos Smart Signals Project. Completed a comprehensive procurement process in compliance with the federal project delivery requirements, resulting in two vendor contracts and a design contract. Completed the design for field improvements and issued for construction bid. • Completed guardrail replacements at various locations throughout the Town. This project was federally funded. • Began the development of a Local Roadway Safety Plan, partially funded by a Caltrans Grant of $72,000. • Completed the geotechnical report and design alternatives study for the Shannon Road Repair project. Developed a project scope and hired a consultant to begin the final design. • Began the ADA Transition Plan, following the procurement process to select and hire a consultant to implement the project per ADA requirements for compliance.

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧

ACCOMPLISHMENTS

Core Goals	Accomplishments
Civic Enrichment Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	• Continued the Connect Los Gatos branding, as a community engagement initiative promoting a program of bicycle and pedestrian projects. Implemented interactive tools to expand community engagement in all projects, such as project websites, social media posts, community survey, and virtual meetings. • Completed a focused update to the Bicycle and Pedestrian Master Plan with input and endorsement from the Complete Streets and Transportation Commission. Facilitated and tracked 205 volunteer hours over various efforts including, but not limited to, Adopt-A-Highway, creek trail cleanups, and park stewardship.

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧

DEPARTMENTAL SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Proposed
REVENUES						
Other Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and Permits	881,694	848,096	785,216	605,199	620,748	650,199
Intergovernmental	77,175	44,890	57,226	38,200	38,200	83,270
Service Charges	2,016,062	1,392,156	1,601,650	768,602	719,112	733,600
Fines & Forfeitures	-	6,390	-	-	325	-
Other Revenues	239,526	143,675	54,926	19,393	64,273	11,000
TOTAL REVENUES	**$ 3,214,457**	**$ 2,435,207**	**$ 2,499,018**	**$ 1,431,394**	**$ 1,442,658**	**$ 1,478,069**
Transfers In						
Transfer from GFAR	315,616	325,616	315,616	315,616	315,616	315,616
Total Transfers In	**315,616**	**325,616**	**315,616**	**315,616**	**315,616**	**315,616**
TOTAL REVENUES & TRANSFERS IN	**$ 3,530,073**	**$ 2,760,823**	**$ 2,814,634**	**$ 1,747,010**	**$ 1,758,274**	**$ 1,793,685**
EXPENDITURES						
*Salaries and Benefits**	$ 4,374,286	$ 5,213,258	$ 5,754,686	$ 5,839,323	$ 5,616,785	$ 6,106,087
Operating Expenditures	1,609,441	1,503,069	1,573,562	1,871,051	1,696,312	1,828,243
Fixed Assets	-	34,762	28,934	-	-	-
Pass Thru Account	314,262	573,355	526,652	188,325	188,325	140,000
Internal Service Charges	801,537	645,188	284,206	301,671	365,181	420,296
TOTAL EXPENDITURES	**$ 7,099,526**	**$ 7,969,632**	**$ 8,168,040**	**$ 8,200,370**	**$ 7,866,603**	**$ 8,494,626**

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Proposed
PROGRAM						
Administration	$ 562,340	$ 570,096	$ 614,753	$ 615,919	$ 629,977	$ 618,396
Engineering Prog Srvcs	1,168,666	1,215,300	1,480,068	1,349,480	1,402,011	1,289,715
Engineering Dev Srvcs	721,593	742,264	757,990	788,192	739,923	815,692
Park Services	1,835,775	1,737,287	1,965,843	2,040,375	2,036,336	2,142,938
Environmental Services	342,130	337,937	278,918	370,876	349,943	473,167
Streets Signals & Sidewalks	2,087,096	2,220,248	2,084,477	2,276,016	2,085,468	2,339,816
Property Damage	76,898	56,226	18,632	25,000	25,000	25,000
Vehicle Maintenance Management	-	221,062	199,072	244,673	125,884	263,876
Facilities Maintenance Management	-	305,042	316,130	349,839	332,061	386,026
Pass Through	305,028	564,170	452,157	140,000	140,000	140,000
TOTAL EXPENDITURES	**$ 7,099,526**	**$ 7,969,632**	**$ 8,168,040**	**$ 8,200,370**	**$ 7,866,603**	**$ 8,494,626**

** Personnel previously budgeted in various Internal Service Funds are budgeted in the Parks and Public Works Department General Fund Programs beginning in FY 2018/19.*

The above totals reflect General Fund Programs. Additional Parks and Public Works Programs are reflected in separate Special Revenue and Internal Service Funds following the General Fund portion of this section. Staffing assignments to the Capital Program are reflected outside of the Department's budget.

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧

DEPARTMENT STAFFING

Full Time Equivalent (FTE)

General Fund	**2017/18 Funded**	**2018/19 Funded**	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Adopted**
Parks & Public Works Director	1.00	1.00	1.00	1.00	1.00
Asst PPW Dir/Town Engineer	-	1.00	1.00	1.00	-
Town Engineer	1.00	-	-	-	1.00
Superintendent*	0.80	1.00	1.00	1.00	1.00
Parks & Public Works Operations Mgr*	1.50	2.00	2.00	2.00	2.00
Transportation & Mobility Mgr	1.00	1.00	1.00	1.00	1.00
Senior Civil Engineer	1.00	1.00	1.00	1.00	2.00
Senior Administrative Analyst	-	0.75	0.75	0.75	0.75
Administrative Analyst	0.75	-	-	-	-
Executive Assistant	2.00	1.00	1.00	1.00	1.00
Administrative Assistant*	1.80	2.50	2.50	2.75	2.75
Office Assistant*	0.30	-	-	-	-
Environmental Programs Specialist	-	1.00	1.00	1.00	1.00
Associate Engineer	2.00	2.00	2.00	2.00	1.00
Assistant Engineer	1.00	2.00	2.00	2.00	2.00
Construction Project Mgr	1.00	1.00	1.00	1.00	1.00
Senior Engineering Inspector	-	-	-	1.00	1.00
Engineering Technician	1.00	1.00	1.00	-	-
Senior Public Works Inspector	1.00	0.50	0.50	0.50	0.50
Public Works Inspector	0.50	-	-	-	-
Parks Service Officer	1.00	1.00	1.00	1.00	1.00
Town Arborist	1.00	1.00	1.00	1.00	1.00
Tree Trimmer/High Climber	1.00	1.00	1.00	-	-
Lead Parks & Maintenance Worker*	2.00	3.00	3.00	3.00	3.00
Parks & Maintenance Worker*	6.75	7.75	7.75	8.75	8.75
Supervising Equipment Mechanic	-	-	-	-	1.00
Equipment Mechanic*	-	1.00	1.00	1.00	-
Total General Fund FTEs	**29.40**	**33.50**	**33.50**	**33.75**	**33.75**

Non-General Fund FTEs (in Parks & Public Works Department programs unless otherwise noted)

Non-Point Source					
Parks & Maint Worker	0.25	0.25	0.25	0.25	0.25
Public Works Inspector	0.50	-	-	-	-
Senior Administrative Analyst	-	0.25	0.25	0.25	0.25
Senior Public Works Inspector	-	0.50	0.50	0.50	0.50
Administrative Analyst	0.25	-	-	-	-
Total Non-Point Source FTEs	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**
Vehicle Maintenance					
Superintendent*	0.20	-	-	-	-
Administrative Assistant*	0.20	-	-	-	-
Office Assistant*	0.20	-	-	-	-
Equipment Mechanic*	1.00	-	-	-	-
Total Vehicle Maint. FTEs	**1.60**	**-**	**-**	**-**	**-**

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧

DEPARTMENT STAFFING

Full Time Equivalent (FTE)

Facilities Maintenance	**2017/18 Funded**	**2018/19 Funded**	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Adopted**
Parks & Public Works Operations Mgr*	0.50	-	-	-	-
Lead Parks & Maintenance Worker*	1.00	-	-	-	-
Parks & Maintenance Worker*	1.00	-	-	-	-
Total Facilities Maint. FTEs	**2.50**	**-**	**-**	**-**	**-**
Total PPW Department FTE's	**34.50**	**34.50**	**34.50**	**34.75**	**34.75**

Temporary Staff Hours	**2017/18 Funded**	**2018/19 Funded**	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Adopted**
Associate Civil Engineer	-	-	-	-	256
Maintenance Worker	976	-	-	-	-
Maintenance Assistant	5,661	5,661	5,661	5,661	5,661
Total Annual Hours	**6,637**	**5,661**	**5,661**	**5,661**	**5,917**

**Personnel previously budgeted in Park and Public Works Department Internal Service Funds are budgeted in the General Fund beginning in FY 2018/19.*

Parks & Public Works Department

PARKS & PUBLIC WORKS ADMINISTRATION
PROGRAM 5101

PROGRAM PURPOSE

The Administration Program supports the delivery of services throughout the Department. Its primary responsibilities include managing and coordinating the efforts of the Department's Programs; organizing meetings with residents, contractors, and other agencies; preparing and developing budget documents; administering the traffic calming program; processing and managing grants; and preparing reports to the Town Council, Commissions, and Town Manager.

BUDGET OVERVIEW

Staff will continue to manage the complex federal and state grant fund documentation and reimbursement processes with an emphasis on pursuing new grant opportunities. Staff from this Program also supports the administrative management and oversight of the Municipal Regional Storm Water Permit (MRP) along with assistance from Community Development Department staff. A portion of the Senior Administrative Analyst's position is funded through the Non-Point Source fund to offset personnel costs to this Program's budget.

Program staff will continue to manage the online parks reservation system. The system allows for more advanced program applications, such as report and data analysis tools, and gives customers an enhanced user interface when making online reservations. Demand for reserved space at Los Gatos parks experienced a severe reduction due to COVID-19, but staff anticipates a quick return to prior year numbers as vaccination and other mitigation measures take hold.

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧
Administration

SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Other Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and Permits	-	-	-	-	-	-
Intergovernmental	(3,272)	-	-	-	-	-
Service Charges	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	**$ (3,272)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Transfers In						
Transfer from GFAR	$ 217,808	$ 227,808	$ 217,808	$ 217,808	$ 217,808	$ 217,808
Total Transfers In	**$ 217,808**	**$ 227,808**	**$ 217,808**	**$ 217,808**	**$ 217,808**	**$ 217,808**
TOTAL REVENUES & TRANSFERS IN	**$ 214,536**	**$ 227,808**	**$ 217,808**	**$ 217,808**	**$ 217,808**	**$ 217,808**
EXPENDITURES						
Salaries and Benefits	$ 464,283	$ 485,473	$ 540,986	$ 544,403	$ 573,003	$ 546,135
Operating Expenditures	45,694	55,135	36,797	33,444	18,717	33,444
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	52,363	29,488	36,970	38,072	38,257	38,817
TOTAL EXPENDITURES	**$ 562,340**	**$ 570,096**	**$ 614,753**	**$ 615,919**	**$ 629,977**	**$ 618,396**

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧
Administration

FY 2021/22 KEY PROJECTS

Core Goals	Key Projects
Community Character Preserve and enhance the appearance character and environment quality of the community	***Park Reservation System Management*** Continue to manage the online parks reservation system for resident and non-resident use of Town park facilities. Staff forecasts that 90% of the expected reservations in the coming year will be made online via the parks reservation system. ***Customer Service Efficiency*** The Administration Program staff will focus on evaluating processes, procedures, and systems to obtain input and feedback from customers to continuously improve the delivery of service to both internal and external customers.

KEY PROGRAM SERVICES

- Provides walk-in and telephone customer service for departmental programs and services.
- Provides internal clerical and program support for departmental services.
- Oversees regulatory and project operations.
- Manages the Department's budget.
- Pursues grant funding to enable the Town to implement key projects.
- Prepares and tracks construction and maintenance contracts.
- Facilitates neighborhood meetings to discuss concerns related to traffic calming, street improvements, and other parks and public works-related issues.
- Provides staff support to the Complete Streets and Transportation Commission, and Parks Commission; and assists in coordination of Commission-sponsored projects.
- Provides support for Town-wide Committees, such as Town-wide Health and Safety Committee, Beautification Committee, Town Outreach Team, Safe Routes to School, and Los Gatos Town Employees Foundation.
- Administers the processing of permits and Town park reservations.
- Oversees Department employee training and safety programs.

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧
Administration

PPW ADMINISTRATION PROGRAM STAFFING

Full Time Equivalent (FTE)

Town Staff	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted
Parks & Public Works Director	0.40	0.40	0.40	0.40	0.40
Transporation & Mobility Manager	1.00	1.00	1.00	1.00	1.00
Senior Administrative Analyst	-	0.30	0.30	0.30	0.30
Administrative Analyst	0.30	-	-	-	-
Executive Assistant	0.25	0.25	0.25	0.25	0.25
Administrative Assistant	0.50	0.58	0.60	0.60	0.60
Office Assistant	0.30	-	-	-	-
TOTAL PROGRAM FTE's	**2.75**	**2.53**	**2.55**	**2.55**	**2.55**

Parks & Public Works Department

ENGINEERING PROGRAM SERVICES
PROGRAM 5201

PROGRAM PURPOSE

Engineering Program Services provides Town engineering services relevant for the design, construction management, and administration of the Capital Improvement Program (CIP) to improve the Town's public infrastructure (such as streets, sidewalks, storm drains, parks, retaining walls, and traffic signals) with an emphasis on delivering capital projects within planned schedules and approved budgets. Specific operations of the Program include effective management of the planning and delivery of Capital Improvement Projects; Town-wide and neighborhood traffic issues (such as the Town's traffic calming policy and cut-through traffic); traffic signal operations; engineering inspection services to ensure that the Town's project contractors are meeting contract requirements and performance standards; Geographic Information System (GIS) data for Town infrastructure, right-of-way, and property boundary issues; and asset management and workload tracking system.

BUDGET OVERVIEW

Engineering Program Services provides non-fee-related engineering services and activities. Budgeted staffing supports engineering design, review, consultant management, construction oversight of the Town's CIP projects, and inspection activities to ensure the delivery of construction projects as designed. In addition to the aforementioned operations , the Engineering Program Services staff oversees grant fund applications and reimbursements, facilitates public information and community engagement meetings and notifications, and responds to public inquires. This Program houses traffic engineering management for traffic control, signalization, daily operations, and inter-agency coordination of shared intersections and roadways.

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧
Engineering Program Services

For FY 2021/22, staff will manage the design and construction of several key projects including the annual Street Repair and Resurfacing, annual Curb, Gutter, Sidewalk and ADA Ramp Project; Highway 17 Bike and Pedestrian Bridge Design; Trailhead Connector Project; Shannon Road Repair; and Shannon Road Pedestrian and Bikeway Improvements. Staff will work to recommend, design, and deliver projects from the Town's approved Bicycle and Pedestrian Master Plan and Traffic Around Schools Plan. Several of these high visibility projects are included in the Town's new Connect Los Gatos Program. This Program enhances community outreach and engagement for these key Town multi-modal projects allowing residents to better understand the projects as they move forward. Staff will continue to work with the Metropolitan Transportation Commission on the partially grant funded Traffic Signal Modernization project and with PG&E on the Rule 20A project on Los Gatos Boulevard. The Engineering Program also helps with the preparation of grant applications.

To support the work in this Program, the Department often relies on project delivery models, including the use of temporary part time staff. Costs for these alternative delivery models are outside the Department's allocated operating budget and are recaptured through transfers from specific capital projects. This allows for delivery of a greater number and more complex projects than would be possible with budgeted staffing exclusively. The FY 2021/22 Proposed Budget includes a one-time decrease of $9,500 in the Engineering Consultant line item, and an ongoing increase of $3,239 for an online eBid program. At the beginning of Covid-19, staff transitioned to this electronic procurement method and will continue to use it. Lastly, the Associate Civil Engineer (Traffic) has been converted to a Senior Civil Engineer (Traffic).

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

In addition to advancing Measure B priorities and securing grants for other transportation efforts, staff will continue to prepare analysis to complete a Transportation Analysis Policy and Guidelines in compliance with the CEQA Guidelines.

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧
Engineering Program Services

SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Other Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Service Charges	209,631	223,701	170,855	48,325	48,325	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	**$ 209,631**	**$ 223,701**	**$ 170,855**	**$ 48,325**	**$ 48,325**	**$ -**
Transfers In						
Transfer from GFAR	97,808	97,808	97,808	97,808	97,808	97,808
Total Transfers In	**97,808**	**97,808**	**97,808**	**97,808**	**97,808**	**97,808**
TOTAL REVENUES & TRANSFERS IN	**$ 307,439**	**$ 321,509**	**$ 268,663**	**$ 146,133**	**$ 146,133**	**$ 97,808**
EXPENDITURES						
Salaries and Benefits	$ 1,073,387	$ 1,154,926	$ 1,340,871	$ 1,197,436	$ 1,262,506	$ 1,231,083
Operating Expenditures	24,844	30,117	32,782	71,644	58,048	24,883
Fixed Assets	-	-	-	-	-	-
Pass Throughs	-	-	74,495	48,325	48,325	-
Internal Service Charges	70,435	30,257	31,920	32,075	33,132	33,749
TOTAL EXPENDITURES	**$ 1,168,666**	**$ 1,215,300**	**$ 1,480,068**	**$ 1,349,480**	**$ 1,402,011**	**$ 1,289,715**

☙ PARKS & PUBLIC WORKS DEPARTMENT ☙
Engineering Program Services

FY 2021/22 KEY PROJECTS

Core Values	Key Projects
Community Character Preserve and enhance the appearance character and environment quality of the community	***Yearly Maintenance Projects*** The Town will continue with the annual Street Repair and Resurfacing and Curb, Gutter and Sidewalk/ADA Ramp projects. Construction of these projects will allow the Town to keep the pavement condition in the good condition category and allow residents better accessibility to Town destinations. Construction will be complete by the fall of 2022. ***Connect Los Gatos Transportation Program & Community Engagement Plan*** PPW staff is moving forward with several key bicycle and pedestrian projects identified under the Connect Los Gatos program. The projects were first identified by the community and included in the Town's Bicycle and Pedestrian Master Plan as priority projects and are at different stages of development. The projects provide multi-modal access to key Town destinations and help develop the Town's bike/ped network by providing important gap closures. The Los Gatos Trailhead Connector to Highway 9 and the Highway 17 Bicycle and Pedestrian Overcrossing will continue with final design. The Connect Los Gatos Community Engagement Plan provides specific guidance to continue high level outreach to the community on these projects to obtain important public input and perspective. ***Smart Signal Project: Advanced Controller/Adaptive Signal Timing Upgrade*** With respect to the Smart Signal projects, vendor/design/construction contracts were awarded in previous fiscal years. The vendor contracts related to traffic signal control equipment, traffic management and control systems, and interconnect network equipment are federally funded. The contracted work will continue through FY 2021/22. The Smart Signal Project will allow for automatic controller adaptation of signal timing to account for changes in traffic flow. This will increase the smooth flow of traffic within the Town during periods of traffic change, such as school hours. The adaptive system will be installed along Los Gatos Boulevard with connections on Blossom Hill Road and Highway 9. The project will also upgrade traffic controllers at 18 intersections within the Town.

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧
Engineering Program Services

FY 2021/22 KEY PROJECTS

Core Values	Key Projects
Community Character Preserve and enhance the appearance character and environment quality of the community	***Vehicle Miles Travelled Policy*** With collaboration from the Community Development Department, PPW is leading the effort to complete the transition to applying Vehicle Miles Traveled (VMT) in CEQA Transportation Analysis in compliance with Senate Bill 743. The remaining tasks include VMT mitigation measures and updates to local transportation policies. The work is expected to complete in parallel with the General Plan update in the 2021 calendar year. ***VMT Mitigation Program and Fee*** It is anticipated that the new VMT Transportation Analysis Policy and Guidelines will make it necessary for the Town to update the Traffic Mitigation Fee program. A nexus study will be required to establish a mitigation fee program.
Quality Public Infrastructure Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	***Additional Capital Improvement Program Projects*** Program staff will continue to work on the delivery of currently programmed capital projects and plan for future capital projects. Due to capacity and project funding limitations, staff prioritizes projects in the five-year Capital Improvement Program (CIP) for Council consideration. Program staff will pursue grant opportunities where applicable for capital projects.

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧
Engineering Program Services

KEY PROGRAM SERVICES

Capital Improvement Projects

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

Traffic Engineering

- Performs traffic engineering/safety analysis.
- Manages and improves Smart Signals.
- Manages neighborhood traffic concerns and requests, including the traffic calming program and cut-through traffic.

Community Information

- Provides assistance to the public regarding engineering services.
- Manages websites for public notification and other public noticing methods including mailings, door hangers, and NextDoor postings.

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧
Engineering Program Services

ENGINEERING PROGRAM SERVICES STAFFING

Full Time Equivalent (FTE)

Town Staff	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted
Asst PPW Dir/Town Engineer	-	0.80	0.80	0.80	-
Town Engineer	0.80	-	-	-	0.80
Construction Project Mgr	0.60	0.60	0.60	0.60	0.60
Senior Civil Engineer	0.20	0.20	0.20	0.20	1.00
Senior Administrative Analyst	-	0.15	0.15	0.15	0.15
Administrative Analyst	0.15	-	-	-	-
Executive Assistant	0.20	0.20	0.20	0.20	0.20
Administrative Assistant	0.50	0.50	0.50	0.50	0.50
Associate Engineer	0.80	0.80	0.80	0.80	-
Assistant Engineer	0.80	1.80	1.80	1.80	1.80
Senior Engineering Technician				1.00	1.00
Engineering Technician	1.00	1.00	1.00	-	-
Senior Public Works Inspector	0.70	0.15	0.15	0.15	0.15
Public Works Inspector	0.15	-	-	-	-
TOTAL PROGRAM FTEs	**5.90**	**6.20**	**6.20**	**6.20**	**6.20**

Temporary Staff Hours	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted
Associate Civil Engineer	-	-	-	-	204.75
TOTAL ANNUAL HOURS	**-**	**-**	**-**	**-**	**204.75**

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧
Engineering Program Services

Performance Objectives and Measures	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. *To effectively manage Capital Projects*					
a. Percentage of CIP projects completed within budget:*	100%	100%	100%	100%	100%
b. Percentage of CIP projects completed within schedule:*	100%	100%	100%	100%	100%

Activity and Workload Highlights	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. Number of traffic calming requests received:	1	3	2	2	2
2. Number of traffic calming projects in progress:	0	3	2	2	2
3. Number of traffic calming projects closed:	0	2	1	1	1
4. Number of CIP projects completed:	5	12	7	8	7

Parks & Public Works Department

ENGINEERING DEVELOPMENT SERVICES
PROGRAM 5202

PROGRAM PURPOSE

The Engineering Development Services Program, in coordination with the Community Development Department, provides services to ensure private development construction complies with Town standards. Engineering functions include reviewing plans and specifications, and providing inspection services for grading, drainage, and issues of encroachment in the public right-of-way. The Program is cost recovery such that staff costs and expenditures related to private development oversight are paid by the applicant.

BUDGET OVERVIEW

Staff will continue to work on several key private development projects in Los Gatos including: North Forty, Greenridge Terrace, the mixed-use project on Union Avenue, and the elderly care facility on Blossom Hill Road.

Once the County and State Public Health Orders are lifted, the Engineering Development Services Program's public counter hours will resume for in-person services from 8:00 a.m. to 1:00 p.m. Monday through Friday. Services continue to be provided in the afternoon by phone and appointment. These hours mirror the public counter hours offered by the Finance and Community Development Departments which allow for back-office work to be completed after the counter hours. Additionally, Engineering staff members each have assigned counter days and these schedules are made available to the public to facilitate connecting the public with the Engineer assigned to their project. The Program has utilized flex-hour work schedules to reduce overtime pay and to effectively manage the service demands.

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧

Engineering Development Services

SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Other Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and Permits	402,389	352,574	325,381	226,700	226,700	226,700
Intergovernmental	-	-	-	-	-	-
Service Charges	1,414,273	733,977	829,570	485,400	464,912	485,400
Fines & Forfeitures	-	-	-	-	325	-
Other Revenues	653	5,984	6,009	-	-	-
TOTAL REVENUES	**$ 1,817,315**	**$ 1,092,535**	**$ 1,160,960**	**$ 712,100**	**$ 691,937**	**$ 712,100**
EXPENDITURES						
Salaries and Benefits	$ 564,918	$ 637,143	$ 662,102	$ 692,165	$ 625,127	$ 710,363
Operating Expenditures	35,725	30,657	53,998	54,749	73,611	54,749
Fixed Assets	-	-	-	-	-	-
Pass Thru Account	9,234	9,185	-	-	-	-
Internal Service Charges	111,716	65,279	41,890	41,278	41,185	50,580
TOTAL EXPENDITURES	**$ 721,593**	**$ 742,264**	**$ 757,990**	**$ 788,192**	**$ 739,923**	**$ 815,692**

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧

Engineering Development Services

FY 2021/22 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable and collaborate government	***Development Projects*** The Development Team (Community Development, Parks and Public Works, County Fire, and the Police Departments) will continue to work on several key private development projects in Los Gatos. The North 40 development project is in progress and staff are continuing to provide oversight and review of project construction, including public improvements on Lark Avenue and Los Gatos Boulevard. Other key projects moving into design and/or construction include Greenridge Terrace, the mixed-use project on Union Avenue, and the elderly care facility on Blossom Hill Road. Additionally, staff is working with the developer of the elderly care proposal on Wood Road as the project moves through entitlements. Staff will continue to provide technical support and work collaboratively with residents and private developers through the development process so that these projects comply with Town regulations. There will also be an increased staff role in the monitoring of development projects for their compliance with the new storm water permit. Staff has been and will continue to prepare "Project Information Sheets" on engineering aspects of key development proposals. ***Standard Plans and Details Update*** Staff will continue updating the Town's Standard Plans and Details for development projects and other improvements. Updates will incorporate best practices and recent industry standards catering to accessibility, quality of life, and needs of the Town.

KEY PROGRAM SERVICES

Development Projects

- Reviews development applications for compliance with Town grading and engineering standards, and develops project conditions of approval.
- Reviews plans and approves final tract maps and parcel maps as required by State law.
- Conducts inspections of work within public right-of-way through the encroachment permit process and on-site for compliance with the Town's Municipal Regional Permit as cross program support of the National Pollutant Discharge Elimination System program.

Traffic Engineering

- Performs and reviews traffic engineering analysis for proposed development projects and develops project conditions of approval.
- Responds to citizen traffic concerns regarding development projects.

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧
Engineering Development Services

KEY PROGRAM SERVICES

Community Information

- Provides assistance to the public regarding right-of-way issues.
- Develops "Project Information Sheets" to provide summary information on development projects to the public.
- Provides technical guidance and information at Council and Commission meetings.

ENGINEERING DEVELOPMENT SERVICES STAFFING

Full Time Equivalent (FTE)

Town Staff	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted
Parks & Public Works Director	0.20	0.20	0.20	0.20	0.20
Asst PPW Dir/Town Engineer	-	0.20	0.20	0.20	-
Town Engineer	0.20	-	-	-	0.20
Construction Project Mgr	0.14	0.14	0.14	0.14	0.14
Senior Civil Engineer	0.80	0.80	0.80	0.80	1.00
Executive Assistant	0.05	0.05	0.05	0.05	0.05
Administrative Assistant	0.10	0.10	0.10	0.10	0.10
Associate Engineer	1.20	1.20	1.20	1.20	1.00
Assistant Engineer	0.20	0.20	0.20	0.20	0.20
Senior Public Works Inspector	0.30	0.35	0.35	0.35	0.35
Public Works Inspector	0.35	-	-	-	-
TOTAL PROGRAM FTEs	**3.54**	**3.24**	**3.24**	**3.24**	**3.24**

Temporary Staff Hours	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Proposed
Associate Civil Engineer	-	-	-	-	51.25
TOTAL ANNUAL HOURS	**-**	**-**	**-**	**-**	**51.25**

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧
Engineering Development Services

Performance Objectives and Measures	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. *To provide an effective and efficient encroachment and grading/improvement permit approval process:*					
a. Percentage of conventional encroachment permits that are processed by Engineering staff within 5 business days:	90%	90%	90%	90%	90%
b. Percentage of conventional grading/improvement permits that are reviewed by Engineering staff within 10 business days:*	90%	90%	90%	90%	90%

Activity and Workload Highlights	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. Number of encroachment permits processed:	311	336	358	340	340
2. Number of grading permits processed:	20	17	19	18	18
3. Total encroachment permit revenue:	$ 376,262	$ 320,316	$ 284,119	$ 200,000	$ 200,000
4. Total grading permit revenue:	$ 392,986	$ 146,773	$ 97,213	$ 65,000	$ 65,000

** Due to multiple variables, the review process can vary.*

Parks & Public Works Department

PARK SERVICES
PROGRAM 5301

PROGRAM PURPOSE

The Park Services Program provides maintenance of the Town's parks, trails, open spaces, facility grounds, median islands, parking lot landscaping, fountains, downtown planters, and the urban forest. In addition, Park Services staff maintains recreational areas for residents and visitors, beautifies the Town's landscape, and takes care of functional public areas throughout the community. Additional services include administering park use fees and reservations, implementing Town regulations in the Town's parks and open space areas, managing vegetation and pest control, and ensuring the safety of parks' playground equipment.

BUDGET OVERVIEW

In FY 2021/22, the use of outside vendors for certain parks maintenance services will continue, including turf mowing, tree trimming, downtown tree lighting, median island maintenance, and weed abatement. The use of external vendors allows the Town's internal resources to focus on higher priority projects and allows for the most effective management of maintenance operations. The FY 2021/22 Proposed Budget includes a $40,000 decrease in revenue in anticipation of lower Oak Meadow Park reservation activity. In addition, a transfer of $13,000 from General Maintenance Supplies to Landscape Maintenance is proposed for annual turf maintenance at the Creekside Sports Park in order to ensure maximum life from the artificial turf.

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

continue to enhance irrigations systems in parks, medians islands, and downtown planter boxes to reduce the use of potable water.

In FY 2021/22 staff will complete park improvements projects at Oak Meadow Park, La Rinconada Park, and Oak Hill Play Lot. These projects will repair picnic areas and landscape/hardscape areas. Aging drinking fountains throughout the Town will be replaced with new hydration stations equipped with filtered water. Staff will be developing plans to renovate the play structure and landscape/ hardscape at Oak Hill Play Lot.

The Park Services Program is continuing the cost-saving strategy of limiting the use of Program staff overtime. This decrease in overtime involves the reduction of the after-hours "Stand-by Program." Stand-by will only be utilized during the months of November through March when there is the greatest need due to potential winter storms, instead of year-round.

Park Services Program staff continue to combine resources with Streets and Signals Program staff to complete several large in-house maintenance projects. Because the Parks and Public Works Operations Manager continues to oversee the Park Services Program staff, combined projects are more efficient to manage. Some examples of combined large-scale maintenance projects include brush removal, median maintenance, turf renovation, and graffiti abatement that were previously unachievable by either Program independently.

Additionally, staff continues to be involved with the implementation of the Long-Term Trash Plan, which is a requirement of the storm water permit. This involves annual inspection and cleaning of storm water catch basins, including the reporting of data to achieve permit compliance.

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧
Park Services

SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Other Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and Permits	162,996	152,328	110,832	65,000	65,000	110,000
Intergovernmental	51,204	-	-	-	-	45,070
Service Charges	72,497	46,184	94,165	40,877	7,375	4,200
Fines & Forfeitures	-	6,390	-	-	-	-
Other Revenues	32,243	28,506	23,235	19,393	62,922	11,000
TOTAL REVENUES	**$ 318,940**	**$ 233,408**	**$ 228,232**	**$ 125,270**	**$ 135,297**	**$ 170,270**
EXPENDITURES						
Salaries and Benefits	$ 1,055,027	$ 1,095,821	$ 1,307,418	$ 1,340,833	$ 1,341,130	$ 1,418,302
Operating Expenditures	569,909	502,626	592,827	630,759	622,032	630,759
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	210,839	138,840	65,598	68,783	73,174	93,877
TOTAL EXPENDITURES	**$ 1,835,775**	**$ 1,737,287**	**$ 1,965,843**	**$ 2,040,375**	**$ 2,036,336**	**$ 2,142,938**

FY 2021/22 KEY PROJECTS

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

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧
Park Services

FY 2021/22 KEY PROJECTS

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

KEY PROGRAM SERVICES

Maintenance Services

- Maintains 62 public sites, including 75.3 acres of landscaped space located in 15 Town parks; 12.09 miles of trails and pathways; 246 acres of open space located in three open space areas; 19.15 acres of landscaping for medians, roadside banks, triangles, and nine community parking lots; 33 downtown streetscape planters; and grounds maintenance for five Town-owned public buildings with 6.81 acres of landscaped area.
- Maintains trees and plants in all parks, on all median islands, along all streets, and on public property, including State Route 9, per agreement with Caltrans.
- Conducts ongoing maintenance and improvement projects, as needed, to ensure parks and trails equipment and facilities are functional and in safe operating condition.
- Maintains the downtown tree lights on Santa Cruz Avenue and Main Street.
- Maintains the interactive fountain at Plaza Park and the fountain at the Civic Center.
- Coordinates the tree removal permit process to protect trees and manage tree inspection services.
- Oversees contract services for six Landscaping and Lighting Assessment Districts.
- Supervises the state Department of Corrections Work Furlough Program for clean-up projects.

☙ PARKS & PUBLIC WORKS DEPARTMENT ☙
Park Services

KEY PROGRAM SERVICES

Park Use Fees and Reservation System

- Supports the online park reservation system and user fee process.
  Implements Town regulations in the Town's parks and trails system.

Volunteer Projects

- Manages the downtown Adopt-a-Planter program.
- Coordinates volunteers (individuals and groups) who maintain or construct park-related projects, including parks and trails system improvements and debris removal.
- Oversees the Adopt A Highway – Highway 9/Highway 17 Circle Ramp Cleanups.

Special Events

- Provides support services for Town events when they can resume based on the County Public Health Orders. Past event included 4th of July, Screen on the Green, and the holiday tree lighting ceremony in Town Plaza Park.
- Provides services for other special events on a cost-recovery basis, if requested.

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧
Park Services

PARK SERVICES PROGRAM STAFFING

Full Time Equivalent (FTE)

Town Staff	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted
Parks & Public Works Director	0.20	0.20	0.20	0.20	0.20
Superintendent	0.40	0.40	0.40	0.40	0.40
Construction Project Mgr	0.13	0.13	0.13	0.13	0.13
Park & Public Works Operation Mgr	0.60	0.60	0.60	0.60	0.60
Senior Administrative Analyst	-	0.15	0.15	0.15	0.15
Administrative Analyst	0.15	-	-	-	-
Executive Assistant	0.25	0.25	0.25	0.25	0.25
Administrative Assistant	0.40	0.45	0.30	0.55	0.55
Parks Service Officer	1.00	1.00	1.00	1.00	1.00
Tree Trimmer/High Climber	1.00	1.00	-	-	-
Lead Parks & Maint Worker	1.00	1.00	1.00	1.00	1.00
Parks & Maint Worker	2.00	1.00	4.00	4.00	4.00
TOTAL PROGRAM FTE's	**7.13**	**6.18**	**8.03**	**8.28**	**8.28**

Temporary Staff Hours	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted
Maintenance Assistant	5,033	5,033	5,033	5,033	5,033
TOTAL ANNUAL HOURS	**5,033**	**5,033**	**5,033**	**5,033**	**5,033**

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧
Park Services

Performance Objectives and Measures	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. *To ensure the park's playground equipment is functional and in safe operating condition.*					
a. Percentage of parks with playground equipment receiving weekly safety inspections:	90%	90%	90%	90%	90%

Activity and Workload Highlights	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. Total number of acres of Town parks, open space, and median islands maintained:	350.9	350.9	285	285	285
2. Total miles of parks and open space trails maintained:	14.9	9	9	9	9
3. Total number of park reservations issued annually:	509	512	351	75	400
4. Total number of special use permits for parks issued annually:	28	29	19	19	25
5. Total number of parks service requests within Town parks received and completed:	31	35	72	56	56

Parks & Public Works Department

ENVIRONMENTAL SERVICES
PROGRAM 5302

PROGRAM PURPOSE

The purpose of the Environmental Services Program is to implement initiatives that protect public health, safety, and the environment, and promote programs to encourage a sustainable future. Staff works to encourage:

1) Sustainability initiatives
2) Water conservation
3) Energy reduction
4) Recycling and composting of materials

The Environmental Services Program staff ensures the Town is in compliance with environmental regulations, including air quality permits and Statewide policies on solid waste disposal and recycling. Staff also provides management oversight with compliance reports, such as the annual report for the NPDES storm water permit. Additionally, Program staff educates and raises awareness about environmental issues through various community education activities and events. Staff continues to work with its partners, such as the West Valley Clean Water Program, Pacific Gas & Electric, and West Valley Collection & Recycling, to raise community awareness about environmental sustainability, waste prevention, and resource conservation.

As required by the California Integrated Waste Management Act of 1989 (AB 939), the Town must divert a minimum of 50% of its waste from the landfill. In 2011, the California Integrated Waste Management Act (AB 341) was approved that establishes a statewide diversion goal of 75%, and also requires several solid waste disposal policies. In September 2016, Governor Brown signed into law SB 1383 (Lara, Chapter 395, Statutes of 2016), establishing methane emissions reduction targets in a Statewide effort to reduce emissions of short-lived climate pollutants in various

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

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

BUDGET OVERVIEW

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

Town staff will continue to represent the Town with the West Valley Solid Waste Management Authority (WVSWMA) and Household Hazardous Waste Program with a goal of increasing waste diversion and minimization. The Town is working with the WVSWMA to amend the agreement with West Valley Collection & Recycling to comply with SB 1383 mandated organic recycling for residential and commercial customers. Negotiations and plan implementation are currently being created for food recovery, inspection and record keeping.

To address anticipated General Fund shortfalls, this Program is proposing several reductions. As General Fund revenues strengthen, future budgets anticipate returning to previous expenditure levels to continue to make progress in this Program. Specifically, the FY 2021/22 Proposed Budget includes a decrease of $9,660 for recycling bins, which brings the annual budget to $9,000. The Department receives approximately $9,000 annually from the CalRecycle Beverage Container Recycling City/County Payment Program. A decrease of $19,000 in the Special Studies budget is also proposed, leaving $2,000 for this work. Special Studies include, for example, the use of consultants to resolve unanticipated property boundary questions. Lastly, an increase of approximately $2,000 is included for increased contract costs in the Garbage/Recycling Services account.

The WVSWMA approves new solid waste related fees annually. These fees cover Program costs and contractor costs for all solid waste services. The revenues collected from solid waste contract are used to offset Department expenditures related to the management of the Household Hazardous Waste Program, street sweeping, and contract administration. The FY 2021/22 Proposed Budget includes a revenue and expenditure increase for increased member agency fees for the WVSWMA.

In FY 2021/22, staff will add receptacles in multiple Town parks. This Program was created to comply with AB 939 and AB 341 to reduce litter throughout the community and assist with reaching the Statewide diversion goal.

The Town's Outside the Box Program is designed to enhance the character of the community by adding artwork to utility boxes that are often targeted by graffiti vandals. Selected artwork will integrate diversity, equity, and inclusion while harboring environmental sustainability messages that include: alternative transportation, clean energy, clean creeks, community sustainability, and healthy lifestyles.

Town staff partnered with the West Valley Clean Water Program Authority (WVCWPA) and the City of Campbell in adding ten waste and educational stations (five in Los Gatos) along the Los Gatos Creek Trail. Each station consists of trash and recycling receptacles, a dog waste station, and environmental outreach signage. The Town is currently tracking trash volume and conducting surveys at each site location per grant requirements with Valley Water.

Spring into Green is an annual sustainability event that provides the opportunity for the Town to conduct education and outreach on environmental topics. This aligns with and supports the Town's Sustainability Plan and obligations under the Regional Stormwater Permit, especially around trash reduction in the storm system. A portion of the staff time is funded through the Parks and Public Works Operating Budget, and the remaining budget and responsibility resides with the Town Manager's Office. Due to COVID-19, the physical event was cancelled in 2020; however virtual events and giveaways that promote sustainability and environmental stewardship continue. It is uncertain if the in-person event will resume in 2021.

☙ PARKS AND PUBLIC WORKS DEPARTMENT ❧
Environmental Services

SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Other Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and Permits	118,867	142,816	123,880	121,956	147,505	121,956
Intergovernmental	29,243	44,890	57,226	38,200	38,200	38,200
Service Charges	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	**$ 148,110**	**$ 187,706**	**$ 181,106**	**$ 160,156**	**$ 185,705**	**$ 160,156**
Transfers In						
Transfer from General Fund	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
TOTAL REVENUES & TRANFERS IN	**$ 148,110**	**$ 187,706**	**$ 181,106**	**$ 160,156**	**$ 185,705**	**$ 160,156**
EXPENDITURES						
Salaries and Benefits	$ 155,532	$ 176,079	$ 171,152	$ 189,346	$ 173,917	$ 217,646
Operating Expenditures	179,993	160,823	107,302	180,887	175,461	254,840
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	6,605	1,035	464	643	565	681
TOTAL EXPENDITURES	**$ 342,130**	**$ 337,937**	**$ 278,918**	**$ 370,876**	**$ 349,943**	**$ 473,167**
Transfers Out						
Transfer to General Fund	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
TOTAL EXPENDITURES & TRANSFERS OUT	**$ 342,130**	**$ 337,937**	**$ 278,918**	**$ 370,876**	**$ 349,943**	**$ 473,167**

☙ PARKS AND PUBLIC WORKS DEPARTMENT ☙
Environmental Services

FY 2021/22 KEY PROJECTS

Core Goals	Key Projects
Community Character Preserve and enhance the appearance, character, and environmental quality of the community	***Collection Services*** The Town is an active member of the West Valley Solid Waste Management Authority, a joint powers authority (JPA) that contracts for solid waste collection, recycling, and disposal services for residential and commercial customers in Los Gatos, Campbell, Monte Sereno, and Saratoga. During FY 2021/22, staff will continue to work actively with the JPA and West Valley Collection and Recycling with an emphasis on SB 1383 implementation. ***Keep Los Gatos Beautiful*** April is "Keep Los Gatos Beautiful" month, and multiple major events are planned during this month. Due to COVID-19, many events celebrating National Earth Day, National Arbor Day, and National Volunteer Recognition Week, all of which occur during April, may be planned virtually pending additional public health guidelines. "Spring into Green" is a sustainability focused event that combines National Earth Day, National Arbor Day, and "Keep Los Gatos Beautiful" month into one community celebration. ***Community Outreach and Awareness*** Program staff will coordinate a variety of waste prevention and resource conservation community outreach activities, to promote recycling, environmental sustainability, and environmental protection. Staff continues to work with partners, such as the West Valley Clean Water Program, Pacific Gas & Electric, and West Valley Collection & Recycling, to raise community awareness of these issues. Additionally, staff will continue the Utility Box Art Program this fiscal year, which aims to raise awareness of environmental sustainability issues in Los Gatos. ***Green Business Certification*** Staff will continue to work on and maintain its Green Business Certification through the Santa Clara County Green Business Program. As part of this certification process, staff will coordinate green business education programs including the award-winning "Los Gatos: Growing Greener Together" campaign. ***Household Hazardous Waste*** The Town contracts with the County of Santa Clara Household Hazardous Waste Program to provide free and safe disposal of household hazardous waste. Throughout the year, the Program will continue to monitor the work performed under this contract, which allows residents to dispose of potentially hazardous waste such as paint, used motor oil and filters, pesticides, herbicides, corrosives, flammables, and household medical waste.

☙ PARKS AND PUBLIC WORKS DEPARTMENT ☙
Environmental Services

KEY PROGRAM SERVICES

- Maintains Town's compliance with California Integrated Waste Management Act of 1989 (AB 939) solid waste diversion requirements, including initiating and implementing programs to increase diversion.
- Participates in West Valley Solid Waste Management Authority JPA activities, including rate and service reviews.
- Provides safe household hazardous waste disposal options.
- Implements the Town's Sustainability Plan, including strategies to reduce the Town's carbon footprint.
- Promotes sustainability initiatives and educational awareness through partnerships and activities, such as the "Spring into Green" event and the Green Business Certification Program.

ENVIRONMENTAL SERVICES PROGRAM STAFFING

Full Time Equivalent (FTE)

Town Staff	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted
Park & Public Works Operation Mgr	0.40	0.40	0.40	0.40	0.40
Environmental Programs Specialist	1.00	1.00	1.00	1.00	1.00
Total General Fund FTE	**1.40**	**1.40**	**1.40**	**1.40**	**1.40**

☙ PARKS AND PUBLIC WORKS DEPARTMENT ☙
Environmental Services

Performance Objectives and Measures	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. *Maximize diversion from landfills in order to protect public health and safety, and the*					
a. Disposal per capita by calendar year (target is ≤ 5.2 lbs./person/day): *	2.6	3.6	3.7	3.7	3.7
	2017	2018	2019	2020	2021
2. *Monitor and evaluate existing waste collection and recycling programs.*					
a. Percentage of solid waste collection calls received and resolved within 2 days:	100%	100%	100%	100%	100%
b. Diversion Rate**:	50%	48%	46%	46%	46%

Activity and Workload Highlights	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. Number of Los Gatos households participating in the Household Hazardous Waste Disposal Program:	1,141	1,057	1,008	1,008	1,008
2. Town solar usage (Megawatts generated):	208	202	222	222	222
3. Number of Electric Vehicle Charging Stations:	8	8	8	8	8
4. Total kWh used by Electric Vehicle Chargers:	67,632	86,774	75,616	38,000	75,000

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

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

Parks & Public Works Department

STREETS and SIGNALS PROGRAM
PROGRAM 5401

PROGRAM PURPOSE

The Streets and Signals Program provides safe and functional roadways, retaining walls, bridges, and curb and sidewalk systems through the ongoing maintenance of the Town's roadway network. Objectives include minimal pavement reconstruction, minor street repairs, the filling of potholes, maintenance of roadway signs, traffic pavement markings, signals, streetlights, storm drain maintenance, and debris removal. Program staff collaborates with other Department Programs, such as the Park Services Program, and neighboring agencies to perform roadside cleanup projects. Additional project coordination is conducted with the Engineering Program Services for traffic calming device installation and roadway improvements in the Capital Improvement Program.

BUDGET OVERVIEW

In FY 2021/22, the Streets and Signals Program will continue to provide tree maintenance as a contractual service. This has been done for the last six years as a cost savings measure and it allows staff to focus on other day-to-day operational responsibilities. The FY 2021/22 Proposed Budget includes an additional $100,000 for this service from the Town's tree fund for a total of $200,000.

The Town Arborist will continue to manage the Town's urban forest and will retain an active role in managing the contractual services component of this work. Additionally, the Arborist will perform landscape review for small to medium private development proposals. The Arborist also reviews private property tree removal applications and ensures compliance with the Town Code and appropriate mitigation.

Downtown trash can removal service will be performed through contractual services.

Additionally, overtime costs will be contained by only operating the "Stand-by Program" during November through March, instead of year-round. Street sweeping services will continue in the Town and be carried out by the Parks and Maintenance Workers. To address anticipated budgetary challenges, the Proposed FY 2021/22 Budget includes a one-time expenditure decrease of $20,000 to the Signs line item, which funds the replacement of street signs Town-wide. This will impact the replacement cycle of signs, which is mandated by Federal law. Staff will prioritize regulatory sign replacement and evaluate needs over time. As the Town's budgetary situation improves, this expenditure is expected to return to previous levels.

Streets and Signals staff will continue to be responsible for the maintenance and operations of the trash capture devices, which were installed in FY 2012/13 to meet a requirement of the San Francisco Bay Area Storm Water Municipal Regional Permit. This is an ongoing maintenance responsibility for the Town.

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧
Streets & Signals Program

SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Other Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and Permits	197,442	200,378	225,123	191,543	181,543	191,543
Intergovernmental	-	-	-	-	-	-
Service Charges	588	53,374	54,903	54,000	58,500	104,000
Other Revenues	-	26,160	-	-	-	-
TOTAL REVENUES	**$ 198,030**	**$ 279,912**	**$ 280,026**	**$ 245,543**	**$ 240,043**	**$ 295,543**
EXPENDITURES						
Salaries and Benefits	$ 1,061,139	$ 1,141,784	$ 1,142,562	$ 1,285,681	$ 1,060,868	$ 1,337,925
Operating Expenditures	676,378	667,485	840,061	874,568	850,027	804,568
Fixed Assets	-	34,762	-	-	-	-
Internal Service Charges	349,579	376,217	101,854	115,767	174,573	197,323
TOTAL EXPENDITURES	**$ 2,087,096**	**$ 2,220,248**	**$ 2,084,477**	**$ 2,276,016**	**$ 2,085,468**	**$ 2,339,816**

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧
Streets & Signals Program

FY 2021/22 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable and collaborate government	***Ongoing Maintenance*** Ongoing maintenance of the Town's infrastructure ensures year-round functionality for the Town. This work includes roadway repair, storm drain cleaning, street sign replacements, and other routine maintenance activities. ***Inter-Program Work Projects*** Program staff will continue to plan and coordinate work projects, such as roadside clean-ups, that use Department-wide resources to increase efficiency and address large scale maintenance issues. ***Partnership with Other Municipalities*** Staff will continue to pursue opportunities with local agencies that have similar service needs in an effort to reduce Program expenditures. Successful ongoing coordinated efforts include graffiti removal, paving operations, brush removal activities, and the storm drain catch basin cleaning program.
Quality Public Infrastructure Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	***Capital Improvement Program Projects*** Streets Program staff will perform minor pavement repairs in advance of contractor work to enhance efficiency and management of Capital Improvement Program projects.

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧
Streets & Signals Program

KEY PROGRAM SERVICES

Street Maintenance/Traffic Signal Program

- Maintains traffic signs and street signs along public streets.
- Maintains visibility of pavement markings, including crosswalks, red curbs, and roadway striping.
- Maintains 31 signalized intersections and 1,797 streetlights in the public right-of-way.
- Maintains LED Streetlights.

Tree Maintenance

- Oversees the tree trimming contract.
- Manages private tree removal application process and implementation of mitigation measures.

Street Maintenance/Pavement

- Maintains and repairs over 132 miles of public streets and 23 parking lots.
- Maintains storm drain basins, ditches, and culverts.

Sidewalk Maintenance Program

- Coordinates concrete sidewalk, curb, and gutter replacements with the CIP.
- Maintains the cleanliness of sidewalks, benches, and waste receptacles in the business districts using pressure washing equipment.

Special Events

- Provides support services to Town events.
- Installs banners and flags, as requested by local organizations and approved by the Town.

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧
Streets & Signals Program

STREETS & SIGNALS PROGRAM STAFFING

Full Time Equivalent (FTE)

Town Staff	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted
Parks & Public Works Director	0.20	0.20	0.20	0.20	0.20
Superintendent	0.40	0.40	0.40	0.40	0.40
Construction Project Mgr	0.13	0.13	0.13	0.13	0.13
Park & Public Works Operation Mgr	0.50	0.50	0.50	0.50	0.50
Senior Administrative Analyst	-	0.15	0.15	0.15	0.15
Administrative Analyst	0.15	-	-	-	-
Executive Assistant	0.25	0.25	0.25	0.25	0.25
Administrative Assistant	0.30	0.53	0.60	0.60	0.60
Town Arborist	1.00	1.00	1.00	1.00	1.00
Lead Parks & Maint Worker	1.00	1.00	1.00	1.00	1.00
Parks & Maint Worker	4.75	5.75	3.75	3.75	3.75
TOTAL PROGRAM FTEs	**8.68**	**9.91**	**7.98**	**7.98**	**7.98**

Temporary Staff Hours	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted
Maintenance Worker	488	-	-	-	-
TOTAL ANNUAL HOURS	**488**	**-**	**-**	**-**	**-**

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧
Streets & Signals Program

Performance Objectives and Measures	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. *To ensure streetlights and traffic signals are working in effective operating order.*					
a. Percentage of streetlight malfunctions repaired within 5 days of notification:	100%	100%	*Not Applicable*	*Not Applicable*	*Not Applicable*
2. *To provide safe and functional roadway systems throughout Town.*					
a. Pavement Condition Index (PCI):	68	70	70	70	70

Activity and Workload Highlights	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. Number of Town street lights:	1,797	1,797	1,797	1,797	1,797
2. Number of street light malfunctions reported:	38	36	57	50	50
3. Annual number of Town street lights repaired:	38	36	57	50	50
4. Number of signalized intersections maintained:	30	31	31	31	31
5. Miles of street maintained:	150	132	132	132	132
6. Number of traffic signs repaired/replaced:	483	230	408	300	50
7. Total number of traffic related work orders received and completed:	120	160	138	98	98
8. Total number of tree-related maintenance requests received, requiring inspection by staff:	221	227	250	300	300
9. Total number of staff hours for tree-related work, including, but not limited to, inspections or pruning:	821	754	1192	860	860
10. Number of public trees pruned or maintained at industry standard:	1117	1,564	1,294	1294	1200
11 Square feet of sidewalks removed and replaced:	0	350	7224	500	350
12. Miles of street resurfaced:*	N/A	6	17	8	10
13. Number of new ADA curb ramps/upgraded ADA curb ramps constructed:*	68	54	68	75	60
14. Linear feet of bike lanes:	99,659	107,810	115,660	115,660	115,660

** New Measure as of FY2020/21*

Parks & Public Works Department

PROPERTY DAMAGE
PROGRAM 5405

PROGRAM PURPOSE

The Property Damage Program is an operating program designed to monitor financial activity related to the damage of Town property and public infrastructure, such as sidewalks, streets, Town vehicles, parks, and other public facilities. In particular, this Program tracks revenue/reimbursements received by applicable parties and expenses incurred as the result of damage to Town property.

BUDGET OVERVIEW

The FY 2021/22 budget reflects a net zero impact to the General Fund budget, as it is difficult to anticipate potential damage to Town property. A placeholder of $25,000 in expenditures was budgeted; budget adjustments, if necessary, will be brought forward for Council consideration during the Mid-Year Budget review process. Due to the timing of the receipt of reimbursements, prior year revenue actuals are initially higher than expenditures. As this Program includes no staff activity, it does not have Key Projects or Performance Measures.

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧
Property Damage

SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Other Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Service Charges	-	-	-	-	-	-
Other Revenues	206,630	83,025	25,682	-	1,351	-
TOTAL REVENUES	**$ 206,630**	**$ 83,025**	**$ 25,682**	**$ -**	**$ 1,351**	**$ -**
EXPENDITURES						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	76,898	56,226	18,632	25,000	25,000	25,000
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	-	-	-	-	-	-
TOTAL EXPENDITURES	**$ 76,898**	**$ 56,226**	**$ 18,632**	**$ 25,000**	**$ 25,000**	**$ 25,000**

Parks & Public Works Department

VEHICLE MAINTENANCE MANAGEMENT
PROGRAM 5406

PROGRAM PURPOSE

The Vehicle Maintenance Management Program maintains the Town's vehicles and equipment to ensure each piece is safe and functional. Program staff provide preventive maintenance and repair for the Town's fleet and light to heavy duty construction equipment. A combination of in-house personnel and outside contractors provide maintenance and repair services for the Town's vehicles and equipment.

BUDGET OVERVIEW

This Program continues to evaluate vehicle maintenance costs and repairs to determine cost saving strategies. This Program will continue to evaluate the purchase of hybrid and alternative fuel vehicles, as the budget permits, to reduce fuel consumption and greenhouse gas emissions over the short and long terms. Staff continues to reduce the purchase of diesel-powered vehicles wherever feasible. The purchase of diesel-powered equipment has been limited to large equipment and heavy trucks.

Operating expenditures that were previously funded in the Vehicle Maintenance Internal Service Fund were programmed beginning in FY 2019/20 in the General Fund Vehicle Maintenance Management Program.

The Proposed FY 2021/22 Budget includes the deletion of an Equipment Mechanic, and the addition of a Supervising Equipment Mechanic to reflect a Department promotion. Fuel prices have continued to trend low, although costs can fluctuate dramatically, making forecasting fuel prices for the fiscal year difficult. Due to market variations, cost projections remain conservative; however, any fuel expenditures over and above the established budget would be brought forth for Council consideration with the Mid-Year Budget report.

☙ PARKS & PUBLIC WORKS ❧
Vehicle Maintenance Management

SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Other Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Service Charges	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
EXPENDITURES						
*Salaries and Benefits**	$ -	$ 220,206	$ 277,131	$ 244,395	$ 252,186	$ 263,584
Operating Expenditures	-	-	(108,837)	-	(126,584)	-
Fixed Assets	-	-	28,934	-	-	-
Internal Service Charges	-	856	1,844	278	282	292
TOTAL EXPENDITURES	**$ -**	**$ 221,062**	**$ 199,072**	**$ 244,673**	**$ 125,884**	**$ 263,876**

** Personnel previously budgeted in the Vehicle Maintenance Internal Service Fund are budgeted in the Vehicle Maintence General Fund Staffing Program beginning in FY 2018/19.*

FY 2021/22 KEY PROJECTS

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

☙ PARKS & PUBLIC WORKS ☙
Vehicle Maintenance Management

FY 2021/22 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable and collaborate government	***Fleet Management*** The Program's asset management system tracks a vehicle's total repair, maintenance schedule, and fuel costs. This system provides reliable quantitative information to assist with replacement decisions and conduct operational efficiencies. The Program will continue to analyze fleet usage and repair cost information and adjust the fleet size as appropriate. ***Department Joint Projects*** Staff will continue to participate in Department joint projects on an as needed basis, which provides additional departmental flexibility for major projects. Winter storms require action Department-wide with all Program staff participating.

KEY PROGRAM SERVICES

- Provides preventive maintenance and repairs for all Town-owned vehicles and equipment.
- Maintains the Town's fueling system infrastructure for gasoline, and diesel fuel.

VEHICLE MAINTENANCE PROGRAM STAFFING

Full Time Equivalent (FTE)

Town Staff	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted
Superintendent	-	-	0.20	0.20	0.20
Administrative Assistant	-	-	0.35	0.40	0.40
Equipment Mechanic	-	-	1.00	1.00	-
Supervising Equipment Mechanic					1.00
Total Vehicle Maint. FTEs	**-**	**-**	**1.55**	**1.60**	**1.60**

☙ PARKS & PUBLIC WORKS ☙
Vehicle Maintenance Management

Performance Objectives and Measures	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. *To provide safe and functional vehicles and*					
a. Percentage of fleet in compliance with maintenance schedule:	100%	100%	100%	100%	100%
b. Cost per mile, by class of equipment *(Life, cost/replacement cost=annual cost per mile)*					
Police:	$0.37	$0.42	$0.55	$0.55	$0.55
General Fleet - light:	$0.83	$1.09	$1.23	$1.23	$1.23
General Fleet - heavy:	$1.72	$1.88	$3.76	$3.76	$3.76
c. Percentage of fleet that is alternate fuel vehicles:*	22%	21%	20%	20%	20%

Activity and Workload Highlights	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. Number of police vehicles maintained:	44	46	39	39	39
2. Number of heavy-duty vehicles maintained:	4	4	4	4	4
3. Number of light-duty (non-police) vehicles maintained:	42	42	40	40	40
4. Pieces of equipment maintained (light and heavy duty):	45	44	42	42	42
5. Hybrid vehicles:	12	13	12	12	12
6. Electric vehicles:	2	2	3	3	3

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

Parks & Public Works Department

FACILITIES MAINTENANCE STAFFING
PROGRAM 5407

PROGRAM PURPOSE

The Facilities Maintenance staffing Program reflects all salaries and benefits related to facilities maintenance staffing.

BUDGET OVERVIEW

The FY 2021/22 budget has no changes.

☙ PARKS & PUBLIC WORKS ☙
Facilities Maintenance Staffing

SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Other Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Service Charges	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
EXPENDITURES						
*Salaries and Benefits**	$ -	$ 301,826	$ 312,464	$ 345,064	$ 328,048	$ 381,049
Operating Expenditures	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	-	3,216	3,666	4,775	4,013	4,977
TOTAL EXPENDITURES	**$ -**	**$ 305,042**	**$ 316,130**	**$ 349,839**	**$ 332,061**	**$ 386,026**

** Personnel previously budgeted in the Facilities Maintenance Internal Service Fund are budgeted in the Facilities Maintence General Fund Staffing Program beginning in FY 2018/19.*

FACILITIES MAINTENANCE PROGRAM STAFFING

Full Time Equivalent (FTE)

Town Staff	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted
Park & Public Works Operation Mgr	-	0.50	0.50	0.50	0.50
Lead Parks & Maint Worker	-	1.00	1.00	1.00	1.00
Parks & Maint Worker	-	1.00	1.00	1.00	1.00
Total Building Maint. FTEs	**-**	**2.50**	**2.50**	**2.50**	**2.50**

Temporary Staff Hours	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted
Maintenance Assistant	-	628	628	628	628
TOTAL ANNUAL HOURS	**-**	**628**	**628**	**628**	**628**

Parks & Public Works Department

PASS-THROUGH ACCOUNTS
PROGRAM 5999

PROGRAM PURPOSE

The Pass-Through Accounts Program provides an accounting structure to separate ongoing Parks and Public Works Department activities from applicant funding utilized for external engineering services consultants, such as traffic study engineering and geotechnical reviews. Fees for these external development services are paid for in advance by the applicant, with the funds then applied to a purchase order. All invoices from the consultants are subsequently paid out of the applicant's account until they zero out. Any remaining balance is returned to the applicant. Accounting for these activities in a separate accounting structure allows the true cost of operations to remain intact within a Program, eliminating unrelated funding fluctuations from year to year. This pass-through approach is also used in the Community Development Department for similar projects.

BUDGET OVERVIEW

There is no budgetary impact to this Program as revenues will equal expenditures. The revenues and expenditures reflect estimates based on prior year trends and known departmental operations. At fiscal year-end, actuals may differ substantially from original budgeted numbers as the quantity and size of engineering fees in any given year is not known or determinable in advance. This budget reflects a reasonable estimate only. As this Program includes no staff activity, it does not have Key Projects or Performance Measures.

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧
Pass-Through Accounts

SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Other Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Service Charges	319,073	334,920	452,157	140,000	140,000	140,000
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	**$ 319,073**	**$ 334,920**	**$ 452,157**	**$ 140,000**	**$ 140,000**	**$ 140,000**
EXPENDITURES						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	-	-	-	-	-	-
Pass Thru Account	305,028	564,170	452,157	140,000	140,000	140,000
Internal Service Charges	-	-	-	-	-	-
TOTAL EXPENDITURES	**$ 305,028**	**$ 564,170**	**$ 452,157**	**$ 140,000**	**$ 140,000**	**$ 140,000**

Parks & Public Works Department

EQUIPMENT REPLACEMENT FUND
FUND 631

PROGRAM PURPOSE

The Equipment Replacement Program provides funding for the replacement of Town vehicles, equipment, and information technology with a value greater than $10,000. The initial capital costs associated with an asset are charged to the Program budget where the asset exists. The Town Program having custody and utilizing the asset pays the replacement cost amortized over the life of the asset through internal service charges. These internal service charges accumulate the needed funding to replace the Town's vehicle and equipment assets at the end of their useful lives. The result of this funding structure is a smoothing of operating expenditures and a more accurate reflection of the actual cost of operations. Redeployment of accumulated funds in recent years continues to challenge the long-term balance in this fund.

Vehicle replacement is based on the vehicle meeting predetermined age and/or mileage criteria as set forth in the Equipment Replacement Policy. Vehicle Maintenance personnel evaluate vehicles scheduled for replacement before a final determination is made and may delay replacement based on the vehicle condition.

BUDGET OVERVIEW

This Program's budget includes funding for replacement vehicles and equipment. Program expenditures change significantly each year due to the timing of major purchases of equipment. A combination of deferred replacement, upgrades, replacements, and the refurbishment of vehicles and equipment is proposed, based on the condition of each vehicle or piece of equipment and its cost effectiveness. The FY 2021/22 replacement schedule identifies 20 vehicles for replacement as determined by the Town's Equipment Replacement Policy. The vehicles scheduled for replacement are in the Police and Parks and Public Works fleets.

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧
Equipment Replacement Fund

The cost for vehicle replacement continues to escalate 3% to 5% annually based on market increases. New vehicle purchases include the installation of safety equipment and components specific to Department needs, thus increasing the overall cost of replacement.

Additionally, public safety vehicles differ from the general fleet based on emergency response, including traveling at high rates of speed. As a result, special equipment such as warning lights, sirens, and computers continue to increase the overall cost of new vehicles.

Program staff will continue to evaluate the current fleet inventory and evaluate each vehicle's replacement schedule along with the Department's needs and the Equipment Maintenance and Replacement Policy. Vehicles previously removed from the replacement schedule, but still in the inventory will be evaluated as staff explores right sizing the fleet. Vehicles that are still needed to provide service will be addressed individually through this Program as fleet additions.

In FY 2013/14, the Town entered into an equipment cost sharing agreement with the cities of Campbell and Cupertino. The purpose of this agreement is to help generate revenue for the Town by loaning out the use of the sewer truck when Town staff does not need it and to provide access to equipment not available in the Town's inventory. The revenues collected from this agreement are deposited back into the Equipment Replacement Fund for this specific asset. Over time, this will help offset replacement costs for the Town when that vehicle needs to be replaced.

On an ongoing basis, staff will also explore replacement costs versus rental of equipment to reduce ongoing Program operating expenditures. Assessments between internal and external diagnostic and repair facility costs will be conducted to determine the most cost-effective approach. As this Program includes minimal staff activity, it does not have Performance Measures.

In FY 2015/16, Council approved the establishment of an Almond Grove Reserve. A transfer out of the Equipment Replacement Fund of $1.5 million was made in FY 2016/17 to fund a portion of the Almond Grove Street Reconstruction CIP project. This has resulted in a negative projected fund balance in future years, necessitating increased contribution to the Equipment Replacement Fund through increased internal service charges to ensure adequate resources for future Town equipment needs. Beginning in FY 2020/21, internal service charges are determined by the anticipated need for the current fiscal year.

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧
Equipment Replacement Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated - Non-Point Assets	$ 207,831	$ 207,831	$ 207,831	$ 207,831	$ 207,831	$ 207,831
Designated - General Fund Assets	1,686,225	2,120,441	2,600,972	1,717,222	1,717,222	519,642
Total Beginning Fund Balance	1,894,056	2,328,272	2,808,803	1,925,053	1,925,053	727,473
Revenues						
Service Charge	622,313	610,000	199,096	267,546	333,546	540,957
Interest	-	-	-	-	-	-
Other Revenues	50,303	22,492	36,987	30,000	57,995	30,000
Total Revenues	**672,616**	**632,492**	**236,083**	**297,546**	**391,541**	**570,957**
Transfers In						
Transfer from Capital Projects	98,000	-	-	-	-	-
Transfer from General Fund	300,000	450,000	-	-	-	-
Total Transfers In	**398,000**	**450,000**	**-**	**-**	**-**	**-**
Total Revenues & Transfers In	**1,070,616**	**1,082,492**	**236,083**	**297,546**	**391,541**	**570,957**
TOTAL SOURCE OF FUNDS	**$ 2,964,672**	**$ 3,410,764**	**$ 3,044,886**	**$ 2,222,599**	**$ 2,316,594**	**$ 1,298,430**
USES OF FUNDS						
Expenditures						
*Salaries and Benefits**	$ 11,533	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	3,952	-	-	-	-	-
Fixed Assets	620,915	601,961	540,036	1,482,623	1,548,623	474,455
Internal Service Charges	-	-	-	-	-	-
Total Expenditures	**636,400**	**601,961**	**540,036**	**1,482,623**	**1,548,623**	**474,455**
Transfers Out						
Transfer to General Fund	-	-	54,797	40,498	40,498	94,816
Transfer to Capital Projects	-	-	525,000	-	-	-
Transfer to Building Maintenance	-	-	-	33,000	-	-
Total Transfers Out	**-**	**-**	**579,797.00**	**73,498.00**	**40,498.00**	**94,816.00**
Total Expenditures & Transfers Out	**636,400**	**601,961**	**1,119,833**	**1,556,121**	**1,589,121**	**569,271**
Ending Fund Balance						
Designated - Gas Tax Assets	-	-	-	-	-	-
Designated - Non-Point Assets	207,831	207,831	207,831	207,831	207,831	207,831
Designated - General Fund Assets	2,120,441	2,600,972	1,717,222	458,647	519,642	521,328
Total Ending Fund Balance	2,328,272	2,808,803	1,925,053	666,478	727,473	729,159
TOTAL USE OF FUNDS	**$ 2,964,672**	**$ 3,410,764**	**$ 3,044,886**	**$ 2,222,599**	**$ 2,316,594**	**$ 1,298,430**

** Personnel previously budgeted in the Equipment Replacement Internal Service Fund are budgeted in the Finance Department General Fund Program beginning in FY 2018/19.*

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧
Equipment Replacement Fund

FY 2021/22 KEY PROJECTS

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

KEY PROGRAM SERVICES

- Assesses vehicles and equipment for proper replacement timing and for fuel efficiency and functionality.
- Performs cost effectiveness studies for asset cost and replacements.
- Accumulates appropriate internal service charges for asset replacement funding.
- Coordinates with Town Departments for the smooth placement into service of new vehicles and equipment.

EQUIPMENT REPLACEMENT FUND STAFFING

Full Time Equivalent (FTE)

Town Staff	**2017/18 Funded**	**2018/19 Funded**	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Adopted**
Account Technician	-	-	-	-	-
Administrative Analyst*	0.10	-	-	-	-
Total Equipment Replacement FTEs	**0.10**	**-**	**-**	**-**	**-**

**Personnel previously budgeted in Equipment Replacement Internal Service fund are budgeted in the General Fund beginning in FY 2018/19.*

Parks & Public Works Department

VEHICLE MAINTENANCE FUND
FUND 632

PROGRAM PURPOSE

All items previously funded in the Vehicle Maintenance Fund, an Internal Service Fund, have been transferred to the Vehicle Maintenance Management Fund in the General Fund beginning in FY 2019/20. This section is included to provide Program history.

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧
Vehicle Maintenance Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignated	182,368	262,788	-	-	-	-
Total Beginning Fund Balance	182,368	262,788	-	-	-	-
Revenues						
Service Charge	586,654	376,655	-	-	-	-
Interest	-	-	-	-	-	-
Other Revenues	-	387,752	-	-	-	-
Total Revenues	**586,654**	**764,407**	**-**	**-**	**-**	**-**
TOTAL SOURCE OF FUNDS	**$ 769,022**	**$ 1,027,195**	**$ -**	**$ -**	**$ -**	**$ -**
USES OF FUNDS						
Expenditures						
*Salaries and Benefits**	$ 269,302	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	236,932	252,206	-	-	-	-
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	-	-	-	-	-	-
Total Expenditures	**506,234**	**252,206**	**-**	**-**	**-**	**-**
Transfers Out						
Transfer to Genral Fund	-	774,989	-	-	-	-
Total Transfers Out	**-**	**774,989**	**-**	**-**	**-**	**-**
Total Expenditures & Transfers Out	**506,234**	**1,027,195**	**-**	**-**	**-**	**$ -**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	262,788	-	-	-	-	-
Total Ending Fund Balance	262,788	-	-	-	-	-
TOTAL USE OF FUNDS	**$ 769,022**	**$ 1,027,195**	**$ -**	**$ -**	**$ -**	**$ -**

** Personnel previously budgeted in the Vehicle Maintenance Internal Service Fund are budgeted in the Vehicle Maintence General Fund Staffing Program beginning in FY 2018/19.*

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧
Vehicle Maintenance Fund

VEHICLE MAINTENANCE FUND STAFFING

Full Time Equivalent (FTE)

Town Staff	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted
Superintendent	0.20	-	-	-	-
Administrative Assistant	0.20	-	-	-	-
Office Assistant	0.20	-	-	-	-
Equipment Mechanic	1.00	-	-	-	-
Total Vehicle Maint. FTEs	**1.60**	**-**	**-**	**-**	**-**

Parks & Public Works Department

FACILITIES MAINTENANCE FUND
FUND 633

PROGRAM PURPOSE

The Facilities Maintenance Fund provides services to ensure Town facilities are safe and functional for public and employee use. Services include custodial services, elevator maintenance, cell phone services, heating and ventilation systems, building improvements, facility security, lighting systems, solar energy, and electric vehicle charging stations. Facilities staff also plan, schedule, and manage small and large building facility projects, such as building remodeling, public access infrastructure improvements, floor covering, work space reconfigurations, roof repairs, heating and air conditioning system improvements, electrical services, and all other aspects required to keep the Town's facilities functional and safe.

BUDGET OVERVIEW

Revenues for this fund are obtained through assessment chargebacks to Town Departments, based upon a percentage of square footage assigned to each Department. The Facilities Maintenance Program pays for all operating expenditures, including utilities, repairs, and maintenance and the Departments in turn fund the Program's expenditures through these chargebacks.

Additionally, this fiscal year staff will continue to assess energy efficiency measures and current CIP upgrades in Town-owned facilities in collaboration with staff from the Environmental Services Program.

This fund will continue the cost-saving strategy by limiting the use of Program staff overtime. The decrease in overtime involves the reduction of the after-hours "Stand-by Program." Stand-by will be available during the months of November through March, instead of year-round.

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧
Facilities Maintenance Fund

The Proposed FY 2021/22 Budget includes a $45,000 increase for a multi-year service agreement with Chargepoint, the Town's electric vehicle charging service provider. Additionally, contractual increases of approximately $18,000 combined are included for Fire Suppression, Pest Control, Elevator Maintenance, and Electrical Services. A one-time reduction of $8,000 for Laundry Services is also proposed, due to a contract that is lower than budget.

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧
Facilities Maintenance Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignated	(37,871)	245,437	970,787	981,784	102,470	78,906
Total Beginning Fund Balance	(37,871)	245,437	970,787	981,784	102,470	78,906
Revenues						
Other Taxes	31,838	28,390	34,437	40,000	40,000	40,000
Service Charge	1,142,513	882,707	847,384	847,375	847,375	878,128
Service Charges	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	261,382
Other Revenues	284,685	876,158	198,865	261,382	261,382	-
Total Revenues	**1,459,036**	**1,787,255**	**1,080,686**	**1,148,757**	**1,148,757**	**1,179,510**
Transfers In						
Transfer from General Fund	300,000	-	-	-	-	-
Transfer from Equipment Replacemer	-	-	-	33,000	-	-
Total Transfers In	**300,000**	**-**	**-**	**33,000**	**-**	**-**
Total Revenues & Transfers In	**1,759,036**	**1,787,255**	**1,080,686**	**1,181,757**	**1,148,757**	**1,179,510**
TOTAL SOURCE OF FUNDS	**$ 1,721,165**	**$ 2,032,692**	**$ 2,051,473**	**$ 2,163,541**	**$ 1,251,227**	**$ 1,258,416**
USES OF FUNDS						
Expenditures						
*Salaries and Benefits**	$ 382,313	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	1,093,415	1,011,905	1,056,673	1,202,722	1,113,351	1,179,508
Fixed Assets	-	-	104,330	58,970	58,970	-
Internal Service Charges	-	-	-	-	-	-
Total Expenditures	**1,475,728**	**1,011,905**	**1,161,003**	**1,261,692**	**1,172,321**	**1,179,508**
Transfers Out						
Transfer to General Fund	-	-	-	-	-	-
Transfer to Capital Projects	-	50,000	788,000	-	-	-
Transfer to Office Stores	-	-	-	-	-	-
Total Transfers Out	**-**	**50,000**	**788,000**	**-**	**-**	**-**
Total Expenditures & Transfers Out	**1,475,728**	**1,061,905**	**1,949,003**	**1,261,692**	**1,172,321**	**1,179,508**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	245,437	970,787	102,470	901,849	78,906	78,908
Total Ending Fund Balance	245,437	970,787	102,470	901,849	78,906	78,908
TOTAL USE OF FUNDS	**$ 1,721,165**	**$ 2,032,692**	**$ 2,051,473**	**$ 2,163,541**	**$ 1,251,227**	**$ 1,258,416**

** Personnel previously budgeted in the Facilities Maintenance Internal Service Fund are budgeted in the Facilities Maintence General Fund Staffing Program beginning in FY 2018/19.*

☙ PARKS & PUBLIC WORKS DEPARTMENT ☙
Facilities Maintenance Fund

FY 2021/22 KEY PROJECTS

Core Goals	Key Projects
Quality Public Infrastructure Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	***Oversight of Capital Improvement Projects*** Assist in the oversight of all facility improvement projects planned during FY 2021/22, including numerous building improvement projects at the Civic Center and other Town facilities. ***ADA Improvements*** Staff will manage the design and upgrade of the upstairs restrooms at the Adult Recreation Center to meet current ADA compliance. In addition, staff will manage the design and construction of one set of downstairs restrooms at the Civic Center to meet current ADA compliance. Both of these sets of restrooms are from the original design of the facilities. ***Facility Modifications*** PPW will complete a project to modify two buildings at the Corporation Yard to combine staff in the Engineering Building, and replace the existing 30+ year old temporary modular buildings with a new storage facility. Also, staff will complete a project in the Civic Center that will increase the square footage in the Human Resources Department, providing more space and improved functionality. ***COVID-19 Facility Modifications*** Facility staff will support Town-wide facility public health modifications to facilitate the reopening of Town facilities over the next year.

KEY PROGRAM SERVICES

- Administers maintenance agreements for custodial, telephone, heating, ventilating, air conditioning, plumbing and electrical systems..
- Manages preventive maintenance contracts for elevator, fire, and building alarms.
- Administers facilities capital improvement contracts.
- Administers repairs and improvements to The New Museum of Los Gatos and the Friends of the Library as well as the vacant buildings on Tait and at Forbes Mill.
- Manages inter-Departmental service requests.
- Manages lighting for public parking garages and public parking lots.
- Maintains downtown tree lights along North Santa Cruz Avenue and Main Street.
- Monitors and maintains Forbes Mill Footbridge lights.

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧
Facilities Maintenance Fund

FACILITIES MAINTENANCE FUND STAFFING

Full Time Equivalent (FTE)

Town Staff	**2017/18 Funded**	**2018/19 Funded**	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Adopted**
Facilities & Environmental Services Mgr	-	-	-	-	-
Park & Public Works Operation Mgr	0.50	-	-	-	-
Lead Parks & Maint Worker	1.00	-	-	-	-
Parks & Maint Worker	1.00	-	-	-	-
Total Building Maint. FTEs	**2.50**	**-**	**-**	**-**	**-**

Temporary Staff Hours	**2017/18 Funded**	**2018/19 Funded**	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Adopted**
Maintenance Assistant	628	-	-	-	-
TOTAL ANNUAL HOURS	**628**	**-**	**-**	**-**	**-**

**Personnel previously budgeted in the Facilities Maintenance Internal Service Fund are budgeted in the Facilities Maintenance General Fund Staffing Program beginning in FY 2018/19.*

Performance Objectives and Measures	**2017/18 Actual**	**2018/19 Actual**	**2019/20 Actual**	**2020/21 Estimated**	**2021/22 Planned**
1. *To ensure Town facilities are safe and functional for public and employee use.*					
a. Percentage of facilities requests completed within 14 days:	79%	66%	67%	67%	67%

Activity and Workload Highlights	**2017/18 Actual**	**2018/19 Actual**	**2019/20 Actual**	**2020/21 Estimated**	**2021/22 Planned**
1. Total square footage of facilities maintained:	132,654	132,654	132,654	132,654	132,654
2. Total square footage of facilities maintained per FTE:	53,062	53,062	53,062	53,062	53,062
3. Cost per square foot:	$2.88	$2.30	$2.40	$2.40	$2.40
4. Total number of facility requests received and completed:	324	376	323	265	350

** Staff changing methodology. Data not available.*

Parks & Public Works Department

NON-POINT SOURCE PROGRAM
FUND 222

PROGRAM PURPOSE

The principal objective of the Non-Point Source Program is to keep debris and pollution from entering the Town's storm drain system, which drains directly into local creeks and ultimately the San Francisco Bay. This objective is accomplished by providing street sweeping services, maintaining trash capture devices inside storm drains, and inspecting private development projects to ensure compliance with storm water requirements. To meet the National Pollutant Discharge Elimination System (NPDES) Permit requirements, Engineering Development Program staff, in coordination with Community Development Department staff, will continue to review the regulations to evaluate the staff and budget impacts associated with implementation of this permit.

BUDGET OVERVIEW

Previously, the West Valley Sanitation District received funding collected through the County of Santa Clara property tax rolls for non-point source functions. These receipts were then distributed to three local agencies that support this function: the Town for operating expenditures incurred through this Program's activities; the West Valley Clean Water Program (WVCWP); and the West Valley Sanitation District (WVSD) to reimburse the District for the NPDES permit fee, the Santa Clara Valley Urban Runoff Pollution Prevention Program (SCVURPPP), and WVSD annual storm drain maintenance work. As of July 2018, WVSD is no longer involved with the West Valley cities' Non-Point Source Programs. The West Valley cities have created a JPA, the West Valley Clean Water Program Authority (WVCWPA) to manage the Non-Point Source Programs. Given this change, the Town no longer receives revenue to pay the annual Program fee in this fund. The City of Saratoga manages all revenue and expenditures.

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧
Non-Point Source Program

These programs perform various functions required under the Federal Clean Water Act, Environmental Protection Agency regulations, and respective NPDES permits. The West Valley cities of Saratoga, Monte Sereno, Campbell, and Los Gatos are participants in the WVCWP, which represents these cities at the County and regional level on policy permit issues. Additionally, the WVCWP manages permit and fee administration, collects revenue through tax assessments, compiles data, and does reporting for the West Valley cities. Each year, the Town and the three other municipalities cooperatively prepare an outline of the annual work plan and the associated budget for approval prior to the establishment of the annual user fees, and prior to the WVSD transmitting those fees to the County for collection on the property tax roll.

The NPDES permit which regulates each of these programs is issued by the San Francisco Regional Water Quality Control Board (RWQCB). An initial permit went into effect in the 1990s. A next generation of the NPDES storm water permit, called the Municipal Regional Storm Water Permit (MRP), was adopted by the California Regional Water Quality Control Board in October 2009, for an approximate five-year cycle. The recently adopted MRP 2.0 permit mandates increased requirements in several key areas, including development projects. Increased inspection mandates will require additional staff time both for the inspection and the associated reporting.

As a result of these new permit regulations, staff will be required to perform more construction inspections on new development projects to ensure permit requirements, such as Low Impact Development (LID) features, are met. Additionally, requirements to meet trash load reduction impacts to creeks will be increased from 70% by 2017 to 100% by 2022. Each of these items has associated costs and workloads, and as the requirements increase, incremental gains become more difficult and more expensive with no direct cost recovery option. Staff from the Parks and Public Works Department continues to implement requirements within the Long-Term Trash Plan, as part of the NPDES permit requirements.

The Town's NPDES program will continue to conduct monthly sweeping of streets and parking lots; clear storm drains, ditches, and culverts; and dispose of collected material in a safe manner. The frequency of street sweeping in residential and commercial areas may be increased as a result of increased permit regulations in the long term, budget permitting. Staff is currently evaluating costs and strategies to implement these additional regulations. The Town's NPDES program activities also include volunteer groups that regularly pick up debris along the Los Gatos Creek Trail and through the Town sponsored Adopt a Highway program. Town staff track and report the amount of debris collected by all these activities to WVCWP.

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧
Non-Point Source Program

STATEMENT OF SOURCE AND USE OF FUNDS

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignated	14,895	71,339	159,450	237,934	237,934	330,563
Total Beginning Fund Balance	14,895	71,339	159,450	237,934	237,934	330,563
Revenues						
Licenses and Permits	231,323	236,451	231,323	231,323	231,323	231,323
Intergovernmental	903	-	-	-	-	-
Service Charge	-	-	-	-	-	-
Other Revenues	345,365	479,901	-	-	29,528	-
Total Revenues	**577,591**	**716,352**	**231,323**	**231,323**	**260,851**	**231,323**
Transfers In						
Transfer from General Fund	-	-	10,000	-	-	-
Total Transfers In	**-**	**-**	**10,000**	**-**	**-**	**-**
Total Revenues & Transfers In	**577,591**	**716,352**	**241,323**	**231,323**	**260,851**	**231,323**
TOTAL SOURCE OF FUNDS	**$ 592,486**	**$ 787,691**	**$ 400,773**	**$ 469,257**	**$ 498,785**	**$ 561,886**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ 135,347	$ 143,545	$ 134,311	$ 170,983	$ 135,204	$ 185,992
Operating Expenditures	378,905	482,286	25,509	30,430	29,782	30,430
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	6,895	2,410	3,019	4,437	3,236	4,623
Total Expenditures	**521,147**	**628,241**	**162,839**	**205,850**	**168,222**	**221,045**
Transfers Out						
Transfer to General Fund	-	-	-	-	-	-
Total Transfers Out	**-**	**-**	**-**	**-**	**-**	**-**
Total Expenditures & Transfers Out	**521,147**	**628,241**	**162,839**	**205,850**	**168,222**	**221,045**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	71,339	159,450	237,934	263,407	330,563	340,841
Total Ending Fund Balance	71,339	159,450	237,934	263,407	330,563	340,841
TOTAL USE OF FUNDS	**$ 592,486**	**$ 787,691**	**$ 400,773**	**$ 469,257**	**$ 498,785**	**$ 561,886**

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧
Non-Point Source Program

FY 2021/22 KEY PROJECTS

Core Goals	Key Projects
Community Character Preserve and enhance the appearance, character, and environmental quality of the community	***Expanded Trail Volunteer Opportunities*** The Program will continue to increase volunteer opportunities to reduce debris from entering the waterways alongside trails and walkways in Los Gatos. In addition, Program staff will continue to partner with the West Valley Clean Water Program to raise awareness about stormwater and pollution prevention to residents in the community.
Good Governance Ensure responsive, accountable, and collaborative government	***Municipal Regional Permit*** Program staff will continue to take on an increased role in implementing regulations related to the San Francisco Bay Area Stormwater Municipal Regional Permit. Staff will continue to monitor and implement strategies with other Town Departments to ensure permit compliance.

KEY PROGRAM SERVICES

- Sweeps Town streets and parking lots and steam-cleans business area sidewalks.
- Coordinates Integrated Pest Management with Park Services Program to reduce pesticides from entering waterways due to Town pest management activities.
- Monitors storm water permit issues and implements strategies in collaboration with other Town Departments to meet permit requirements.
- Coordinates education and awareness programs related to storm water issues with partners and volunteers.

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧

Non-Point Source Program

NON-POINT SOURCE PROGRAM STAFFING

Full Time Equivalent (FTE)

Town Staff	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted
Parks & Maint Worker	0.25	0.25	0.25	0.25	0.25
Public Works Inspector	0.50	-	-	-	-
Senior Administrative Analyst	-	0.25	0.25	0.25	0.25
Senior Public Work Inspector	-	0.50	0.50	0.50	0.50
Administrative Analyst	0.25	-	-	-	-
Total Non-Point Source FTEs	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**

Temporary Staff Hours	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted
Maintenance Worker	488	-	-	-	-
TOTAL ANNUAL HOURS	**488**	**-**	**-**	**-**	**-**

Performance Objectives and Measures	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. *Prevent street debris from entering the storm drain system.*					
a. Number of cubic yards of debris removed annually:	530	1,322	1,321	1,400	1,400

Activity and Workload Highlights	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. Number of Los Gatos curb and parking lot miles swept annually:	1,943	3,189	2,855	2,855	2,855
2. Number of stormwater inspections:	541	580	1,299	600	600

Parks & Public Works Department

ASSESSMENT DISTRICTS
FUNDS 231 – 236

ASSESSMENT DISTRICT PURPOSE

In the early 1990s, the Town formed six Landscape and Lighting District Funds with the written consent of all property owners within the boundaries of the Districts. There are two Landscape and Lighting Districts, which cover six neighborhood areas. The Districts are funded through tax assessments to reimburse the Town for the payment of water and electricity; District improvements and upgrades; and the regular maintenance of trees, landscaping, trails, irrigation systems, and lighting. There are six Program funds that have been established to maintain these neighborhood areas.

The Landscape and Lighting Districts are exempt from Proposition 218 requirements requiring a 2/3 majority approval, unless the assessments are increased. Section 5 of Proposition 218 provides that the measure does not apply to assessments existing on November 1996 if the assessments were "imposed pursuant to a petition signed by the persons owning all of the parcels subject to the assessment at the time the assessment was initially imposed." As long as the assessments were imposed by request or with the consent of all the property owners, the Town Attorney is of the opinion that this provision has been met, even without a formal petition. Consequently, the Town is not required to conduct an election of the property owners unless the assessment is increased. The fund balances for each of the Assessment Districts has proven to be adequate to fund routine maintenance needs; however, in previous years when maintenance requirements for large repairs have arisen, the Town has been required to step in to offset these one-time costs. The table on the next page provides an overview of the annual assessments.

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧
Landscape & Lighting Districts

Fiscal Year 2020/21
Annual Special District Assessments

Fund #	Assessment Districts	Number of Parcels	Parcel Assessment	Total Assessment	Rate in effect prior to Prop 218
231	Blackwell Drive	5	$ 632	$ 3,160	Yes
232	Kennedy Meadows	15	685	10,275	Yes
233	Gemini Court	18	230	4,140	Yes
234	Santa Rosa	15	300	4,500	Yes
235	Vasona Heights	33	295	9,735	Yes
236	Hillbrook	34	50	5,950	Yes
Total Landscape & Lighting Assessment:				**$ 37,760**	

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧
Landscape & Lighting Districts

DEPARTMENTAL SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignated	185,216	184,257	193,709	175,821	175,821	177,912
Total Beginning Fund Balance	185,216	184,257	193,709	175,821	175,821	177,912
REVENUES						
Property Tax Assessments	34,400	38,088	38,013	38,220	38,220	38,220
Interest	2,416	3,550	3,562	1,460	1,460	1,460
Other Revenues	174	-	29	-	-	-
Total Revenues	36,990	41,638	41,604	39,680	39,680	39,680
TOTAL SOURCE OF FUNDS	**$ 222,206**	**$ 225,895**	**$ 235,313**	**$ 215,501**	**$ 215,501**	**$ 217,592**
EXPENDITURES						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	26,159	27,266	29,493	32,817	32,669	32,779
Fixed Assets	6,870	-	25,079	-	-	62,500
TOTAL EXPENDITURES	**$ 33,029**	**$ 27,266**	**$ 54,572**	**$ 32,817**	**$ 32,669**	**$ 95,279**
Transfers Out						
Transfer to General Fund	4,920	4,920	4,920	4,920	4,920	4,920
Total Transfers Out	**4,920**	**4,920**	**4,920**	**4,920**	**4,920**	**4,920**
Total Expenditures & Transfers Out	**37,949**	**32,186**	**59,492**	**37,737**	**37,589**	**100,199**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	184,257	193,709	175,821	177,764	177,912	117,393
Total Ending Fund Balance	184,257	193,709	175,821	177,764	177,912	117,393
TOTAL USE OF FUNDS	**$ 222,206**	**$ 225,895**	**$ 235,313**	**$ 215,501**	**$ 215,501**	**$ 217,592**

Parks & Public Works Department

BLACKWELL DRIVE ASSESSMENT DISTRICT
FUND 231

FUND PURPOSE

This Assessment District incorporates five homes and a median island along Blackwell Drive at National Avenue constructed as part of Tract 8306, Blackwell Development. Assessments to maintain the landscaping and irrigation in the median island and for street light maintenance on National Avenue remain constant for the five parcels at $632 each annually.

The median island landscaping and irrigation are maintained by contract. The street trees and lighting are also part of the district. The contractor clears trash and weeds from the median island biweekly. Landscaping plants and irrigation are replaced and repaired as necessary.

BUDGET OVERVIEW

A portion of the fund balance surplus will be recommended for use for improvements such as drought tolerant plants, pruning, and renovation of the irrigation system.

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧
Blackwell Drive Assessment District

STATEMENT OF SOURCE AND USE OF FUNDS

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignated	11,928	12,703	13,488	13,776	13,776	13,386
Total Beginning Fund Balance	11,928	12,703	13,488	13,776	13,776	13,386
Revenues						
Property Tax Assessments	3,160	3,160	3,160	3,160	3,160	3,160
Interest	151	229	229	50	50	50
Other Revenues	-	-	-	-	-	-
Total Revenues	**3,311**	**3,389**	**3,389**	**3,210**	**3,210**	**3,210**
TOTAL SOURCE OF FUNDS	**$ 15,239**	**$ 16,092**	**$ 16,877**	**$ 16,986**	**$ 16,986**	**$ 16,596**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	2,076	2,144	2,641	2,947	3,140	3,140
Fixed Asset	-	-	-	-	-	7,500
Total Expenditures	**2,076**	**2,144**	**2,641**	**2,947**	**3,140**	**10,640**
Transfers Out						
Transfer to General Fund	460	460	460	460	460	460
Total Transfers Out	**460**	**460**	**460**	**460**	**460**	**460**
Total Expenditures & Transfers Out	**2,536**	**2,604**	**3,101**	**3,407**	**3,600**	**11,100**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	12,703	13,488	13,776	13,579	13,386	5,496
Total Ending Fund Balance	12,703	13,488	13,776	13,579	13,386	5,496
TOTAL USE OF FUNDS	**$ 14,779**	**$ 15,632**	**$ 16,417**	**$ 16,526**	**$ 16,526**	**$ 16,136**

Parks & Public Works Department

KENNEDY MEADOWS ASSESSMENT DISTRICT
FUND 232

FUND PURPOSE

The Kennedy Meadows Assessment District consists of eight acres of open space area surrounding 15 homes. The open space area contains a paved trail, wetlands area, and a portion of Ross Creek. Streetlights on Forrester Court and Kennedy Court are also maintained by the District. Annual assessments for District upkeep remain constant at $685 per parcel.

The trees, landscaping, irrigation system, trail, and streetlights within the open space area are maintained by contract. The District, including the paved trail, is cleaned and cleared of trash biweekly. Irrigation repair and tree replacement are completed as necessary.

BUDGET OVERVIEW

During FY 2021/22, maintenance expenditures are anticipated to remain constant. The fund balance surplus is held for current or future repair/replacement costs related to the asphalt pathway, tree trimming, and streetlights.

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧
Kennedy Meadows Assessment District

STATEMENT OF SOURCE AND USE OF FUNDS

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignated	42,907	36,043	38,735	41,204	41,204	43,006
Total Beginning Fund Balance	42,907	36,043	38,735	41,204	41,204	43,006
Revenues						
Property Tax Assessments	7,535	10,275	10,275	10,275	10,275	10,275
Interest	447	637	651	330	330	330
Other Revenues	-	-	-	-	-	-
Total Revenues	**7,982**	**10,912**	**10,926**	**10,605**	**10,605**	**10,605**
TOTAL SOURCE OF FUNDS	**$ 50,889**	**$ 46,955**	**$ 49,661**	**$ 51,809**	**$ 51,809**	**$ 53,611**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	6,466	6,710	6,947	7,403	7,293	7,403
Fixed Assets	6,870	-	-	-	-	10,000
Total Expenditures	**13,336**	**6,710**	**6,947**	**7,403**	**7,293**	**17,403**
Transfers Out						
Transfer to General Fund	1,510	1,510	1,510	1,510	1,510	1,510
Total Transfers Out	**1,510**	**1,510**	**1,510**	**1,510**	**1,510**	**1,510**
Total Expenditures & Transfers Out	**14,846**	**8,220**	**8,457**	**8,913**	**8,803**	**18,913**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	36,043	38,735	41,204	42,896	43,006	34,698
Total Ending Fund Balance	36,043	38,735	41,204	42,896	43,006	34,698
TOTAL USE OF FUNDS	**$ 49,379**	**$ 45,445**	**$ 48,151**	**$ 50,299**	**$ 50,299**	**$ 52,101**

Parks & Public Works Department

GEMINI COURT ASSESSMENT DISTRICT
FUND 233

FUND PURPOSE

This Assessment District, located on Blossom Hill Road and Gemini Court, is made up of 18 residences with a public right-of-way within the boundaries of the Gemini subdivision, Tract No. 8439. The Assessment District provides for the maintenance of trees, landscaping, irrigation systems, lighting, sound wall, and fences along the walkway.

Landscaping and irrigation are maintained by contract. The contractor clears trash and weeds in the median island biweekly. Landscaping plants and irrigation are replaced and repaired as necessary. Annual assessments remain constant for the 18 parcels at $230 each.

BUDGET OVERVIEW

A portion of the fund balance surplus will be recommended for improvements such as irrigation, tree work, lighting repair, landscaping, and repainting the sound wall.

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧
Gemini Court Assessment District

STATEMENT OF SOURCE AND USE OF FUNDS

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignated	23,787	26,087	28,920	31,785	31,785	33,812
Total Beginning Fund Balance	23,787	26,087	28,920	31,785	31,785	33,812
Revenues						
Property Tax Assessments	4,240	4,600	4,600	4,600	4,600	4,600
Interest	304	477	509	150	150	150
Other Revenues	-	-	-	-	-	-
Total Revenues	**4,544**	**5,077**	**5,109**	**4,750**	**4,750**	**4,750**
TOTAL SOURCE OF FUNDS	**$ 28,331**	**$ 31,164**	**$ 34,029**	**$ 36,535**	**$ 36,535**	**$ 38,562**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	1,634	1,634	1,634	1,934	2,113	2,113
Fixed Assets	-	-	-	-	-	10,000
Total Expenditures	**1,634**	**1,634**	**1,634**	**1,934**	**2,113**	**12,113**
Transfers Out						
Transfer to General Fund	610	610	610	610	610	610
Total Transfers Out	**610**	**610**	**610**	**610**	**610**	**610**
Total Expenditures & Transfers Out	**2,244**	**2,244**	**2,244**	**2,544**	**2,723**	**12,723**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	26,087	28,920	31,785	33,991	33,812	25,839
Total Ending Fund Balance	26,087	28,920	31,785	33,991	33,812	25,839
TOTAL USE OF FUNDS	**$ 27,721**	**$ 30,554**	**$ 33,419**	**$ 35,925**	**$ 35,925**	**$ 37,952**

Parks & Public Works Department

SANTA ROSA HEIGHTS ASSESSMENT DISTRICT
FUND 234

FUND PURPOSE

This Assessment District provides maintenance and upkeep within designated Open Space Areas A, B, C, and D of Tract No. 8400, Santa Rosa Heights Subdivision. There are 15 residences in this District. The open space area to be maintained by the Town lies north of Shannon Road up to the ridgeline of Blossom Hill Road, adjacent to the subdivision. This area includes a pedestrian/equestrian trail through the subdivision from Shannon Road to Belgatos Park, street trees, and lighting. The trail is pruned and cleared of trash biweekly by the contractor. Annual assessments for the fifteen parcels were decreased from $540 each, to $300 each, effective FY 2006/07.

BUDGET OVERVIEW

A portion of the fund balance surplus will be recommended for improvements such as brushing, tree work, and repairs to the various trails and retaining walls in the District.

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧
Santa Rosa Heights Assessment District

STATEMENT OF SOURCE AND USE OF FUNDS

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignated	62,247	58,477	54,659	50,786	50,786	45,357
Total Beginning Fund Balance	62,247	58,477	54,659	50,786	50,786	45,357
Revenues						
Property Tax Assessments	4,650	4,350	4,365	4,500	4,500	4,500
Interest	752	1,004	905	500	500	500
Other Revenues	-	-	29	-	-	-
Total Revenues	**5,402**	**5,354**	**5,299**	**5,000**	**5,000**	**5,000**
TOTAL SOURCE OF FUNDS	**$ 67,649**	**$ 63,831**	**$ 59,958**	**$ 55,786**	**$ 55,786**	**$ 50,357**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	8,512	8,512	8,512	8,812	9,769	9,769
Fixed Assets	-	-	-	-	-	10,000
Total Expenditures	**8,512**	**8,512**	**8,512**	**8,812**	**9,769**	**19,769**
Transfers Out						
Transfer to General Fund	660	660	660	660	660	660
Total Transfers Out	**660**	**660**	**660**	**660**	**660**	**660**
Total Expenditures & Transfers Out	**9,172**	**9,172**	**9,172**	**9,472**	**10,429**	**20,429**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	58,477	54,659	50,786	46,314	45,357	29,928
Total Ending Fund Balance	58,477	54,659	50,786	46,314	45,357	29,928
TOTAL USE OF FUNDS	**$ 66,989**	**$ 63,171**	**$ 59,298**	**$ 55,126**	**$ 55,126**	**$ 49,697**

Parks & Public Works Department

VASONA HEIGHTS ASSESSMENT DISTRICT
FUND 235

FUND PURPOSE

This assessment district is adjacent to Blossom Hill and Roberts Roads, with open space running between the subdivision and the Los Gatos Creek Trail. The District was created to provide maintenance and upkeep within the designated Open Space Areas A, B, and C of Tract No. 8280, of the Vasona Heights Subdivision. All 32 residences are assessed an annual charge of $295 per parcel, continuing the decrease in original property assessments as agreed to by the property owners and the Town Council in FY 2001/02.

The District upkeep includes, trees, landscaping, irrigation systems, trail, emergency access, and a retaining wall along Blossom Hill Road. The open space areas are maintained by contract, with cleanup, trash control, irrigation maintenance, and landscape maintenance completed biweekly.

BUDGET OVERVIEW

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

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧
Vasona Heights Assessment District

STATEMENT OF SOURCE AND USE OF FUNDS

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignated	45,148	49,175	54,233	32,180	32,180	35,164
Total Beginning Fund Balance	45,148	49,175	54,233	32,180	32,180	35,164
Revenues						
Property Tax Assessments	8,865	9,735	9,750	9,735	9,735	9,735
Interest	574	899	943	340	340	340
Other Revenues	174	-	-	-	-	-
Total Revenues	**9,613**	**10,634**	**10,693**	**10,075**	**10,075**	**10,075**
TOTAL SOURCE OF FUNDS	**$ 54,761**	**$ 59,809**	**$ 64,926**	**$ 42,255**	**$ 42,255**	**$ 45,239**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	4,156	4,146	6,237	7,214	5,661	5,661
Fixed Assets	-	-	25,079	-	-	10,000
Total Expenditures	**4,156**	**4,146**	**31,316**	**7,214**	**5,661**	**15,661**
Transfers Out						
Transfer to General Fund	1,430	1,430	1,430	1,430	1,430	1,430
Total Transfers Out	**1,430**	**1,430**	**1,430**	**1,430**	**1,430**	**1,430**
Total Expenditures & Transfers Out	**5,586**	**5,576**	**32,746**	**8,644**	**7,091**	**17,091**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	49,175	54,233	32,180	33,611	35,164	28,148
Total Ending Fund Balance	49,175	54,233	32,180	33,611	35,164	28,148
TOTAL USE OF FUNDS	**$ 53,331**	**$ 58,379**	**$ 63,496**	**$ 40,825**	**$ 40,825**	**$ 43,809**

Parks & Public Works Department

HILLBROOK DRIVE ASSESSMENT DISTRICT
FUND 236

FUND PURPOSE

This Assessment District, encompassing the designated open space area within Tract No. 3026 at the corner of Blossom Hill Road and Hillbrook Drive, provides maintenance services for the trees, landscaping, irrigation system, and hardscape for the improved area in parcel #523-11-28 of the Hillbrook Benefit Zone. Annual assessments for the thirty-four parcels were increased from $50 to $175 each, effective FY 2010/11.

The District comprises 34 residences and a small park of approximately 0.26 acres. The landscape contract for this assessment district includes maintenance of the lawn, trees, shrubs, and irrigation system. The park is cleared of trash, mowed, and cleaned weekly.

BUDGET OVERVIEW

A portion of the fund balance surplus will be recommended for improvements such as benches, turf replacement, and drought-resistant landscaping.

☙ PARKS & PUBLIC WORKS DEPARTMENT ❧
Hillbrook Drive Assessment District

STATEMENT OF SOURCE AND USE OF FUNDS

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignatged	14,438	17,011	18,913	21,329	21,329	22,426
Total Beginning Fund Balance	14,438	17,011	18,913	21,329	21,329	22,426
Revenues						
Property Tax Assessments	5,950	5,968	5,863	5,950	5,950	5,950
Interest	188	304	325	90	90	90
Other Revenues	-	-	-	-	-	-
Total Revenues	**6,138**	**6,272**	**6,188**	**6,040**	**6,040**	**6,040**
TOTAL SOURCE OF FUNDS	**$ 20,576**	**$ 23,283**	**$ 25,101**	**$ 27,369**	**$ 27,369**	**$ 28,466**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	3,315	4,120	3,522	4,507	4,693	4,693
Fixed Assets	-	-	-	-	-	15,000
Total Expenditures	**3,315**	**4,120**	**3,522**	**4,507**	**4,693**	**19,693**
Transfers Out						
Transfer to General Fund	250	250	250	250	250	250
Total Transfers Out	**250**	**250**	**250**	**250**	**250**	**250**
Total Expenditures & Transfers Out	**3,565**	**4,370**	**3,772**	**4,757**	**4,943**	**19,943**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	17,011	18,913	21,329	22,612	22,426	8,523
Total Ending Fund Balance	17,011	18,913	21,329	22,612	22,426	8,523
TOTAL USE OF FUNDS	**$ 20,326**	**$ 23,033**	**$ 24,851**	**$ 27,119**	**$ 27,119**	**$ 28,216**

Library Department

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Library Department

DEPARTMENT PURPOSE

The Los Gatos Library exists to foster curiosity, build community connection, and strives to be at the heart of an engaged and vibrant community. The Library accomplishes these outcomes through:

- **Creating Community Connections** by providing a welcoming space, access to library services beyond the building, forming partnerships with local organizations, providing programming for all ages, and providing ample access to library resources.
- **Building the Next Generation Library User** by focusing on early literacy as well as programs, collections, and services for babies, school-age children, teens, and their parents/caregivers.
- **Embracing Local History** by providing ample access to historical materials, providing quality volunteer programs and trainings, and partnering with local schools and NUMU.
- **Enhancing Collections and Technology** by continually assessing library use, trends, and new technologies.
- **Engaging the Library Staff Team** by focusing on staff development, training opportunities, sharing ideas at every level, and collaborating with our local consortiums, state organizations and national organizations.

BUDGET OVERVIEW

The Library Department budget consists of the Library Administration, Adult Services, Youth Services, and Circulation/System Administrative Programs, as well as five Trust Funds: Library Trust Fund, History Project Trust Fund (included in the Library Trust Fund), the Clelles Ness Trust Fund, Susan McClendon Trust Fund, and the Barbara Jones Cassin Trust Fund. Previous Library Department budgets contained a fifth Program, Cataloging and Acquisitions, that has now been rolled into Circulation/Systems Administration for ease of tracking overlapping functions.

The FY 2021/22 budget contains belt-tightening cuts across some programs in anticipation of a revenue shortfall for the Town's General Fund due to impacts of the COVID-19 pandemic. Library Staff has worked conscientiously to identify where cuts could be shouldered for this

fiscal year without affecting service delivery. Reductions are noted in the appropriate program section of this document. It is noted that proposed reductions in expenditures were considered as one-time reductions capable of being absorbed during FY 2021/22 due to continued service limitations related to COVID-19 and that reinstatement of funding in future budget years would be necessary to return to more in-person service delivery post-pandemic.

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

Personnel hours remain status quo to the previous year's budget. The Library has routine technology replacements this year, including scheduled replacement of all public computers, laptop vending machines, security camera system, and key card lock system. Capital Improvement Program projects include improvements to the front circulation and lobby area of the Library to mitigate noise issues.

ꕥ LIBRARY DEPARTMENT ꕥ

ACCOMPLISHMENTS

Core Goals	Accomplishments
Good Governance Ensure responsive, accountable and collaborate government	• Created internal collections and database training modules which were completed by all staff during limited public operations impacted by COVID. • Provided staff opportunities for workshops and training programs provided by the State Library and the Pacific Library Partnership during limited public operations impacted by COVID. • Adapted staff workflow to accommodate remote (shelter-in-place/work from home) work including implementing means of internal communication, public communication through routed phones and messaging, remote work equipment and technology, and ergonomic equipment. • Applied for and received grant funding to bolster e-book and electronic resource collections. • Worked with IT to replace patron self-check machines and staff computers. • Worked with PPW to replace carpeting in the Children's Room.
Civic Enrichment Foster opportunities for citizen involvement, and cultural, recreational and individual enrichment	• Provided access to materials and books during COVID restrictions through multiple mechanisms depending on County restrictions. These included expanding book request and book hold services, patio pick up of materials, patio material browsing, and limited capacity in-building browsing. • Provided access to computers and broadband internet consistent with COVID restrictions including patio computer access, lending of laptops, broadband wifi access outside of the library building, patio printing and copying services, and lending of wifi hotspots. • Provided remote reference and readers advisory service to the public by off-site/teleworking staff including personalized and curated reading materials selections, and specialized reference assistance via phone, email, and instant messaging/chat. • Provided timely information to public regarding voting and elections, COVID benefits, and unemployment benefits. • Launched Veterans Connect service in cooperation with the State Library to provide job search and benefits help to veterans. • Expanded e-book and electronic resource collections to accommodate expanded use by shelter-in-place members of the public. • Continued offering Zipbooks to obtain titles by patron request that were not in our collection. • Installed a Storywalk at Oak Meadow Park in cooperation with PPW and a local Eagle Scout.

ꕥ LIBRARY DEPARTMENT ꕥ

ACCOMPLISHMENTS

Core Goals	Accomplishments
Civic Enrichment Foster opportunities for citizen involvement, and cultural, recreational and individual enrichment	• Provided outreach and support to local schools including virtual class visits and curation of resources for teachers. • Created hands-on activity kits for checkout including robotics kits, art kits, crafting kits, family history archiving kits, game and puzzle kits, and more. • Produced multiple virtual and online steaming programs each week for patrons of all age groups including storytimes, author talks, book clubs, writing workshops, music programs, and specialty program for a variety of hobbies and interests. • Continued "Retrotech" program to allow the community to digitize old media formats free of charge. ***Equity and Inclusion Efforts*** • Launched "Represent Los Gatos" to record stories of present and past Town residents of Color that were underrepresented in the Town's historical archives. • Bolstered ebook collections in Spanish and book collections in Spanish, Chinese, Korean and Japanese to meet demand from community. • Invited community members to produce special story and song segments in Arabic, Spanish, and Chinese which were included in our regular storytime programs. • Began process of re-evaluating the historical archives through an equity and inclusion lens. • Produced weekly online bilingual Spanish/English story programs. • Hosted book clubs and programs based around subjects of racial justice and inclusivity. • Produced curated reading lists and sought out books and materials to assist with engaging the public in dialog regarding equity and inclusivity. • Hosted weekly English as a Second Language (ESL) classes.

ꕥ LIBRARY DEPARTMENT ꕥ

ACCOMPLISHMENTS

Core Goals	Accomplishments
Public Safety Ensure public safety through proactive community policing, affective emergency response, and community-wide emergency preparedness	• Worked in conjunction with other Town Departments as part of the EOC team throughout the COVID pandemic. • Worked with State Library and neighboring library jurisdictions to assess COVID risk and exposure models related to public service operations. • Designed tiered systems of public service and internal protocols that allowed for rapid change between service levels based on need and risk while confirming with County and State guidelines for operations during COVID. • Reconfigured library service and worked in collaboration with PPW to institute COVID-safe protocols, including configuration of physical barriers, sanitizing stations, outdoor pick up of materials, quarantining of returned materials, expanded cleaning, upgraded air filtration, and staff scheduling configurations intended to minimize exposure to COVID. • Provided wi-fi, electrical, and computer access outdoors in a COVID-safe manner to people impacted by wildfire evacuations and power outages. • Through Human Resources department, provided opportunities for regular COVID testing for all staff. • Through Town Managers Office, provided opportunities for COVID vaccination for all staff.

☙ LIBRARY DEPARTMENT ❧

DEPARTMENTAL SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adopted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Intergovernmental Revenues	$ 22,200	$ 12,482	$ 23,101	$ 11,022	$ 11,293	$ -
Service Charge	-	-	5,137	-	-	-
Fines & Forfeitures	14,496	9,421	6,391	3,000	-	2,000
Other Revenues	35,206	35,055	27,799	35,000	35,000	35,000
TOTAL REVENUES	**$ 71,902**	**$ 56,958**	**$ 62,428**	**$ 49,022**	**$ 46,293**	**$ 37,000**
Transfers In						
Transfers In from Trust(s)	-	-	-	-	-	-
Transfers In from General Fund	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
TOTAL REVENUES & TRANSFERS IN	**$ 71,902**	**$ 56,958**	**$ 62,428**	**$ 49,022**	**$ 46,293**	**$ 37,000**
EXPENDITURES						
Salaries and Benefits	$ 1,585,959	$ 1,723,838	$ 1,834,206	$ 2,060,308	$ 1,960,697	$ 2,134,813
Operating Expenditures	354,356	340,175	338,311	355,822	352,093	327,300
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	588,701	429,606	528,285	541,401	539,988	554,282
TOTAL EXPENDITURES	**$ 2,529,016**	**$ 2,493,619**	**$ 2,700,802**	**$ 2,957,531**	**$ 2,852,778**	**$ 3,016,395**

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adopted	2020/21 Estimated	2021/22 Adopted
PROGRAM						
Administration	$ 439,522	$ 451,284	$ 469,563	$ 514,552	$ 494,999	$ 532,952
Adult Services	576,961	548,199	544,326	653,511	633,496	681,004
Youth Services	533,279	502,330	510,064	599,182	582,238	622,272
Acquisitions & Cataloging	123,873	-	-	-	-	-
Circulation Services	836,336	969,174	1,149,220	1,179,264	1,135,752	1,180,167
Operating Grant	19,045	22,632	27,629	11,022	6,293	-
TOTAL EXPENDITURES	**$ 2,529,016**	**$ 2,493,619**	**$ 2,700,802**	**$ 2,957,531**	**$ 2,852,778**	**$ 3,016,395**

The above program totals reflect General Fund programs. Additional Library Department programs are reflected in separate Trust Funds following the General Fund portion of this section.

ꕥ LIBRARY DEPARTMENT ꕥ

DEPARTMENT STAFFING

Full Time Equivalent (FTE)

Town Staff	**2017/18 Funded**	**2018/19 Funded**	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Adopted**
Library Director	1.00	1.00	1.00	1.00	1.00
Division Manager	2.00	2.00	2.00	2.00	2.00
Librarian	3.00	3.00	3.00	3.00	3.00
Library Technology Specialist	1.00	2.00	2.00	2.00	2.00
Library Assistant	1.00	-	-	-	-
Library Specialist	0.75	1.75	1.75	1.75	1.75
Customer Service Supervisor	1.00	-	-	-	-
Customer Service Specialist	1.50	1.75	1.75	1.75	1.75
Sr Library Page	1.00	1.00	1.00	1.00	1.00
TOTAL PROGRAM FTE's	**12.25**	**12.50**	**12.50**	**12.50**	**12.50**

Temporary Staff Hours	**2017/18 Funded**	**2018/19 Funded**	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Adopted**
Librarian	1,112	-	-	-	-
Librarian Temp	-	350	350	350	350
Library Clerk	1,300	1,050	1,050	800	800
Library Page	6,344	6,344	6,344	5,300	5,300
CSO Intern	1,040	-	-	-	-
Library Assistant	-	800	800	1,200	1,200
Library Teen Services Specialist	-	750	750	800	800
TOTAL ANNUAL HOURS	**9,796**	**9,294**	**9,294**	**8,450**	**8,450**

Library Department

LIBRARY ADMINISTRATION
PROGRAM 7101

PROGRAM PURPOSE

The Library Administration Program provides staff support to ensure the development of quality and cost-effective Library services that are responsive to community needs. Library Administration's core services are to provide administrative and managerial oversight for programs and services, clerical and administrative assistance for day-to-day operations, personnel management, purchasing and physical plant maintenance, fiscal management and budget preparation, and support for the Library Board, Friends of the Los Gatos Library Board, and the Arts and Culture Commission.

BUDGET OVERVIEW

The FY 2021/22 Administration budget reflects continued commitment to provide the best customer experience and the best value for the community while operating in a safe manner within State and County COVID guidelines. Customer service and community engagement remain a high priority, as well as ensuring all Library services and programs align with the Library Strategic Plan. Administration staff will continue to work collaboratively with the Friends of Los Gatos Library, a nonprofit organization. In addition, Library staff continues to work to improve partnerships and outreach within our community.

To offset projected revenue reductions to the General Fund due to the COVID pandemic, the FY 2021/22 budget for this program contains reductions to furniture and upholstery replacement, and reductions to staff training and conference budgets. Impacts of these reductions include long term wear and tear on furniture and reduction in ability for staff to participate in professional engagement should in-person training and conference opportunities begin post-COVID.

ꕥ LIBRARY DEPARTMENT ꕥ
Library Administration

SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Intergovernmental Revenue	$ -	$ -	$ -	$ -	$ -	$ -
Service Charges	-	-	5,137	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Other Revenues	206	55	1,549	-	-	-
TOTAL REVENUES	**$ 206**	**$ 55**	**$ 6,686**	**$ -**	**$ -**	**$ -**
Transfers In						
Transfers In from Trust(s)	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
TOTAL REVENUES & TRANSFERS IN	**$ 206**	**$ 55**	**$ 6,686**	**$ -**	**$ -**	**$ -**
EXPENDITURES						
Salaries and Benefits	$ 297,608	$ 317,795	$ 343,640	$ 384,387	$ 370,134	$ 411,392
Operating Expenditures	41,195	41,368	40,849	45,000	39,700	33,300
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	100,719	92,121	85,074	85,165	85,165	88,260
TOTAL EXPENDITURES	**$ 439,522**	**$ 451,284**	**$ 469,563**	**$ 514,552**	**$ 494,999**	**$ 532,952**

ꕥ LIBRARY DEPARTMENT ꕥ
Library Administration

FY 2021/22 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable and collaborate government	***Emergency Community Resources Services*** Maintain and expand COVID specific Library operations in collaboration with neighboring Library jurisdictions. Evaluate options for using the Library building as a community resource center in emergency situations such as planned safety power outages, or as a heating center and cooling center during weather events. Work in collaboration with PPW to install backup battery/generator systems in the event of a power outage. Continue to seek out grant opportunities for library programs.
Quality Public Infrastructure Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	***Long-term building maintenance*** Make improvements to the circulation area of the Library including installing sound mitigation measures in the lobby and efficiency improvements to the front desk. Work in collaboration with PPW to update contracts with Lutron, the Library's automated lighting system software, and repair problems associated with the current software. Work in collaboration with PPW to replace the Library's security camera system and key card system.
Community Character Preserve and enhance the appearance character and environment quality of the community	***Arts Commission Projects*** Complete installation of the Gateway project sculpture at Los Gatos Saratoga Rd and the Hwy 17 onramps/offramps. Begin work on an updated strategic plan for arts in Los Gatos.

ꕥ LIBRARY DEPARTMENT ꕥ
Library Administration

FY 2021/22 KEY PROJECTS

Core Goals	Key Projects
Civic Enrichment Foster opportunities for citizen involvement, and cultural, recreational and individual enrichment	***Equity and Inclusion Efforts*** Work in collaboration with the Pacific Library Partnership to produce a Diversity, Equity and Inclusion framework for Libraries in Silicon Valley.

KEY PROGRAM SERVICES

- Administers and supervises four operating programs in the Department.
- Provides oversight of day-to-day operations and staffing.
- Prepares and monitors Library Department budget.
- Provides staff support to the Town Library Board, Arts and Culture Commission, and Friends of the Library meetings, programs, and activities.
- Collaborates with area libraries by serving on the Pacific Libraries Partnership Administrative Council and the Silicon Valley Library Cooperative Executive Committee.
- Collaborates with libraries nationwide by serving on national committees.
- Increases public awareness of Town Library services and programs through effective public relations, marketing of Library services, and periodically presenting programs at Library conferences.
- Provides oversight of Library staff training and development.
- Provides oversight and direction for information technology and systems administration developments.

ꕥ LIBRARY DEPARTMENT ꕥ
Library Administration

ADMINISTRATION PROGRAM STAFFING

Full Time Equivalent (FTE)

Town Staff	**2017/18 Funded**	**2018/19 Funded**	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Adopted**
Library Director	1.00	1.00	1.00	1.00	1.00
Division Manager	0.40	0.40	0.40	0.40	0.40
Library Specialist	0.25	0.25	0.25	0.25	0.25
Total Administration FTEs	**1.65**	**1.65**	**1.65**	**1.65**	**1.65**

Temporary Staff	**2017/18 Funded**	**2018/19 Funded**	**2019/20 Funded**	**2020/21 Funded**	**2021/22 Adopted**
Library Teen Services Specialist	1,040	-	-	-	-
Total Annual Hours	**1,040**	**-**	**-**	**-**	**-**

☙ LIBRARY DEPARTMENT ❧
Library Administration

Performance Objectives and Measures	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. *Provide the space, opportunity and support for the Library to be at the heart of an engaged community.*					
a. Percentage of customers stating the Library is a significant or very significant part of their community experience:	88%	89%	*Public survey not conducted due to COVID*	*Public survey not conducted due to COVID*	90%

Activity and Workload Highlights	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. Door Count:	276,533	266,537	177,439	*Statistic not tracked during COVID modifications*	80,000
2. Volunteer hours contributed:	6,990	6,632	4,951	*Statistic not tracked during COVID modifications*	1,500
3. Virtual visits to the Library: *(Virtual Visits to the Library include number of hits to Library site through Civic Plus and direct hits to the Library Catalog)*	845,415	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*
4. Social media interactions:	11,288	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*

Library Department

ADULT SERVICES
PROGRAM 7201

PROGRAM PURPOSE

The Adult Services Program supports library services for adults and seniors. Adult Services anticipates and meets community information needs, providing opportunities for lifelong learning. The Adult Services Program's core services are to provide reference services to all clientele, reader's advisory services, instruction in the use of computer and electronic resources, outreach services in the community, and management of collections, including the local history collection. Maintenance of the Town's Historical Archives also falls under the purview of Adult Services.

BUDGET OVERVIEW

The Adult Services continues to adapt to the changing COVID environment by offering virtual and streaming programs, bolstering electronic materials collections, offering remote reference service, and meeting community and service demands within safety guidelines. The Library continues to evaluate and add new programming for adults with a large focus on technology tutoring, arts programming, author visits and educational workshops. The Library will continue to evaluate and curate a meaningful print and electronic media collection using data from collection management software, in response to changing community needs.

☙ LIBRARY DEPARTMENT ❧
Adult Services

SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Intergovernmental Revenue	$ -	$ -	$ -	$ -	$ -	$ -
Service Charges	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Other Revenues	9,836	35,000	26,250	35,000	35,000	35,000
TOTAL REVENUES	**$ 9,836**	**$ 35,000**	**$ 26,250**	**$ 35,000**	**$ 35,000**	**$ 35,000**
Transfers In						
Transfers In from Trust(s)	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
TOTAL REVENUES & TRANSFERS IN	**$ 9,836**	**$ 35,000**	**$ 26,250**	**$ 35,000**	**$ 35,000**	**$ 35,000**
EXPENDITURES						
Salaries and Benefits	$ 323,458	$ 308,250	$ 319,729	$ 407,959	$ 381,643	$ 432,326
Operating Expenditures	145,931	147,240	139,459	160,000	166,300	160,000
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	107,572	92,709	85,138	85,552	85,553	88,678
TOTAL EXPENDITURES	**$ 576,961**	**$ 548,199**	**$ 544,326**	**$ 653,511**	**$ 633,496**	**$ 681,004**

ꕥ LIBRARY DEPARTMENT ꕥ
Adult Services

FY 2021/22 KEY PROJECTS

Core Goals	Key Projects
Civic Enrichment Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	***COVID-safe Programming and Post-pandemic Programming*** Continue to offer on-line and virtual programming, producing high quality programs, and work in collaboration with partner organizations for content. Plan for safe transitions to in-person programming when appropriate. ***Alternate Collection Services*** Continue the State-sponsored Zipbook service to the general public, increasing number of titles requested by the public which are filled. Continue to introduce non-traditional materials for lending for public use, including activity kits and digitization equipment. ***Historical Digitization*** Working in partnership with *California Revealed,* a project of the California State Library, to digitize historical materials and make them keyword searchable to the public. ***Equity and Inclusion Efforts*** Continue work on collecting oral histories of Black, Indigenous, and People of Color (BIPOC) community members through the Library's Represent Los Gatos project. Research past instances of systematic racial exclusion in the history of Los Gatos working towards the production of a historical report. Continue to add to collections in languages other than English to meet changing community needs.

KEY PROGRAM SERVICES

Meeting Information Needs

- Provides reference service, reader's advisory, tech and computer assistance, and information literacy in person and virtually through virtual meetings, chat, or online resources.
- Maintains vibrant physical and electronic collections.
- Responds to patrons' suggestions for materials to be included in the collection.
- Enriches the local community by being a premier repository for local history materials.

Information Technologies and Training

- Continues to use online and social media counterparts (e.g., Facebook, Instagram) to offer services traditionally available only within the Library's walls.
- Provides access to the Internet and training for the public in basic searching and navigational skills, and more specialized skills such as genealogy searches.
- Maintains a Library mobile application for use with smartphones and mobile devices.

ADULT SERVICES PROGRAM STAFFING

Full Time Equivalent (FTE)

Town Staff	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted
Town Librarian	-	-	-	-	-
Division Manager	0.30	0.30	0.30	0.30	0.30
Librarian	1.50	1.50	1.50	1.50	1.50
Library Technology Specialist	0.10	0.70	0.70	0.70	0.70
Library Assistant	0.60	-	-	-	-
Library Specialist	0.15	-	-	-	-
Sr Library Page	0.60	0.60	0.60	0.60	0.60
Total Adult Services FTEs	**3.25**	**3.10**	**3.10**	**3.10**	**3.10**

Temporary Staff	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted
Librarian	556	-	-	-	-
Librarian Temp	125	175	175	175	175
Library Assistant	-	400	400	600	600
Library Teen Specialist	-	-	750	800	800
Total Annual Hours	**681**	**575**	**1,325**	**1,575**	**1,575**

☙ LIBRARY DEPARTMENT ❧
Adult Services

Performance Objectives and Measures	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. *Manage adult library collections to anticipate and meet community information needs.*					
a. Percentage of collection that requires evaluation:	13%	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*
2. *Provide a variety of programs throughout the year that foster curiosity and community connection.*					
a. Percentage of customers rating Library programs as good/excellent:	87%	92%	*Public survey not conducted due to COVID*	*Public survey not conducted due to COVID*	95%
3. *Assure delivery of quality service to customers.*					
a. Percentage of customers rating staff interactions as good/excellent:	94%	92%	*Public survey not conducted due to COVID*	*Public survey not conducted due to COVID*	95%
b. Percentage of public contacts received by library that are online vs. through the doors:	70%	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*

Activity and Workload Highlights	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. Number of adult reference questions received:	11,148	9,146	12,541	20,000	13,000
2. Reference questions per capita:	0.4	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*
3. Hours of service per week at adult services desk:	54	54	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*
4. Number of adult programs offered:	99	354	375	120	250
5. Total attendance at adult programs:	835	3,494	2,772	1,800	2,500
6. Total number of adult outreach programs:	8	26	18	0	10
7. Total attendance at adult outreach programs:	207	1,310	1,116	0	500

Library Department

YOUTH SERVICES
PROGRAM 7202

PROGRAM PURPOSE

Youth Services supports youth of all ages (newborn babies through high school students) and their families by providing age-appropriate programs, services, materials in support of education and current high-demand, high-interest materials in a variety of formats. Youth Services also creates welcoming environments for children, tweens, and teens that encourage their curiosity, imagination, creativity, and a permanent love of reading. Specialized programming encourages families and communities to read with the children in their lives to demonstrate a commitment to learning and an appreciation of youth. Distinctive programs are provided for children 0 to 14 years of age and teens from 13 to 17 years of age. The purpose of the Youth Services Program is to provide reference, reader's advisory services, computer and electronic resources, youth collections management, a welcoming space, and a variety of programs throughout the year in the Library, at local schools, and in the community.

BUDGET OVERVIEW

Youth Services has adapted to changes and restrictions related to COVID including producing high-quality virtual and online storytimes, activities, and manipulative kits for check out. This fiscal year will continue at the outset with a primary focus on online and virtual programs with transition to in-person programing when considered appropriate and within safety guidelines. The Youth Services Team will continue to work in partnership with local schools, as well as continue to maintain well-rounded collections that fit changing community needs and interests.

ꕥ LIBRARY DEPARTMENT ꕥ
Youth Services

SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Intergovernmental Revenue	$ -	$ -	$ -	$ -	$ -	$ -
Service Charges	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Other Revenues	14,066	-	-	-	-	-
TOTAL REVENUES	**$ 14,066**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Transfers In						
Transfers In from Trust(s)	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
TOTAL REVENUES & TRANSFERS IN	**$ 14,066**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
EXPENDITURES						
Salaries and Benefits	$ 366,914	$ 358,072	$ 376,102	$ 453,523	$ 437,993	$ 473,476
Operating Expenditures	56,761	51,280	48,671	60,000	60,000	60,000
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	109,604	92,978	85,291	85,659	84,245	88,796
TOTAL EXPENDITURES	**$ 533,279**	**$ 502,330**	**$ 510,064**	**$ 599,182**	**$ 582,238**	**$ 622,272**

ꕥ LIBRARY DEPARTMENT ꕥ
Youth Services

FY 2020/21 KEY PROJECTS

Core Goals	Key Projects
Civic Enrichment Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment.	***COVID-safe Programming and Post-pandemic Programming*** Continue to produce high quality online and virtual programs for children and families. Transition to in-person programming opportunities when appropriate and within County Public Health safety guidelines. ***Teen Services*** Resume direct in-person teen services when appropriate and within County Public Health safety guidelines. Continue partnership with Los Gatos High and Fisher Middle School by making new student identification (ID) cards useable as Library cards. ***Equity and Inclusion Efforts*** Continue to build book collections in languages other than English to meet changing community demands. Continue to produce regular weekly bilingual Spanish/English programming and introduce monthly bilingual Mandarin/English programming to meet community request.

KEY PROGRAM SERVICES

Meeting information needs for children 0 to 17 years of age and their parents

- Provides reference and reader's advisory services.
- Manages children's and teens' web pages.
- Maintains vibrant and diverse collections for children, teens, and parents/caregivers.
- Responds to patron suggestions for materials to be included in the collection.

Providing programs to youth

- Provides year-round programming for infants, toddlers, preschoolers, school-age children, teens, and families.

Outreach to youth

- Raises awareness of youth about collections, services, and programs available at the Library.
- Responds to requests for field trips to the Library and Librarian visits to schools and community events.
- Provides Library access via student ID cards for Los Gatos High School students, Fisher Middle School students, and all public elementary schools in Los Gatos as part of the Student Success Initiative.

☙ LIBRARY DEPARTMENT ❧
Youth Services

YOUTH SERVICES PROGRAM STAFFING

Full Time Equivalent (FTE)

Town Staff	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted
Division Manager	0.50	0.50	0.50	0.50	0.50
Librarian	1.50	1.50	1.50	1.50	1.50
Library Assistant	0.40	-	-	-	-
Library Technology Specialist	-	0.40	0.40	0.40	0.40
Library Specialist	0.10	-	-	-	-
Sr Library Page	0.40	0.40	0.40	0.40	0.40
Total Youth Services FTEs	**2.90**	**2.80**	**2.80**	**2.80**	**2.80**

Temporary Staff	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted
Librarian	556	-	-	-	-
Librarian Temp	125	175	175	175	175
Library Assistant	-	400	400	400	600
Library Teen Specialist	-	750	-	-	-
Total Annual Hours	**681**	**1,325**	**575**	**575**	**775**

☙ LIBRARY DEPARTMENT ❧
Youth Services

Performance Objectives and Measures	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. *Provide a variety of programs throughout the year that foster curiosity and community connection.*					
a. Percentage of customers rating youth programs as good/excellent:	95%	94%	*Public Survey not conducted due to COVID*	*Public Survey not conducted due to COVID*	95%
2. *Assure the delivery of quality service to youth customers.*					
a. Percentage of customers rating interactions as good/excellent:	95%	94%	*Public Survey not conducted due to COVID*	*Public Survey not conducted due to COVID*	95%
b. Percentage of collection that requires evaluation:	9%	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*

Activity and Workload Highlights	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. Number of youth programs per year:	423	428	435	200	300
2. Total attendance at youth programs:	21,934	20,971	21,366	15,000	20,000
3. Annual number of youth reference questions received:	15,243	18,292	14,002	*Statistic not tracked during COVID modifications*	10,000
4. Hours of public service per week at youth services desk:	74	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*
5. Number of teens using library resources per year:	20,653	21,008	14,222	*Statistic not tracked during COVID modifications*	5,000
6. Number of youth outreach programs:	5	5	5	0	3
7. Total attendance at youth outreach programs:	783	853	971	0	200

Library Department

ACQUISITIONS AND CATALOGING
PROGRAM 7203

PROGRAM PURPOSE

The Acquisitions and Cataloging Program was combined with the Circulation and Systems Administration Program (7204) in FY 2018/19 to simplify accounting for largely similar programs.

BUDGET OVERVIEW

All funds previously budgeted to this Program have been incorporated into Program 7204 Circulation and System Administration.

ꕥ LIBRARY DEPARTMENT ꕥ
Acquisitions and Cataloging

SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Intergovernmental Revenue	$ -	$ -	$ -	$ -	$ -	$ -
Service Charges	-	-	-	-	-	-
Fines & Forfeitures	1,762	(37)	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	**$ 1,762**	**$ (37)**	**$ -**	**$ -**	**$ -**	**$ -**
EXPENDITURES						
Salaries and Benefits	$ 28,626	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	95,247	-	-	-	-	-
TOTAL EXPENDITURES	**$ 123,873**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

FY 2020/21 KEY PROJECTS

Core Goals	Key Projects
	See Program 7204 Circulation and Systems Administration.

KEY PROGRAM SERVICES

See Program 7204 Circulation and Systems Administration

ꕥ LIBRARY DEPARTMENT ꕥ
Acquisitions and Cataloging

ACQUISITIONS & CATALOGING PROGRAM STAFFING

Full Time Equivalent (FTE)

Town Staff	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted
Library Specialist	0.25	-	-	-	-
Total Technical Services FTEs	**0.25**	**-**	**-**	**-**	**-**

Library Department

CIRCULATION AND SYSTEMS ADMINISTRATION
PROGRAM 7204

PROGRAM PURPOSE

The Circulation and Systems Administration Program provides customers with access to a broad range of up-to-date library materials and technology as well as enables customers to access library materials for use outside the Library. This Program additionally manages all automated services and technology systems. Circulation/System Administration's core services are to manage the circulation process, acquisition of new materials, maintain circulation records, and implement and support the Library's computer network, the integrated library automation system, and public Internet access.

BUDGET OVERVIEW

The Library Circulation and Systems Administration program continues to utilize new technologies that meet patrons' expectations for fast, reliable access to information and Library resources as well as continues to implement system enhancements, provide support, and expand print resources and e-Books collections. This past year saw an increasing number of people utilizing the Library's online resources as a result of COVID shelter-place directives, and there is no indication that demand for these resources will subside post-pandemic.

To offset projected revenue reductions to the General Fund due to the COVID pandemic, the FY 2021/22 budget for this program contains reductions to minor database resources that staff found to be statistically underutilized and unneeded as evidenced by current community demand.

ꕥ LIBRARY DEPARTMENT ꕥ
Circulation and Systems Administration

SUMMARY OF REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Intergovernmental Revenue	$ -	$ -	$ -	$ -	$ -	$ -
Service Charges	-	-	-	-	-	-
Fines & Forfeitures	12,734	9,458	6,391	3,000	-	2,000
Other Revenues	11,098	-	-	-	-	-
TOTAL REVENUES	**$ 23,832**	**$ 9,458**	**$ 6,391**	**$ 3,000**	**$ -**	**$ 2,000**
Transfers In						
Transfers In from Trust(s)	-	-	-	-	-	-
Total Transfers In	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL REVENUES & TRANSFERS IN	**$ 23,832**	**$ 9,458**	**$ 6,391**	**$ 3,000**	**$ -**	**$ 2,000**
EXPENDITURES						
Salaries and Benefits	$ 569,353	$ 739,721	$ 794,735	$ 814,439	$ 770,927	$ 817,619
Operating Expenditures	91,424	77,655	81,703	79,800	79,800	74,000
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	175,559	151,798	272,782	285,025	285,025	288,548
TOTAL EXPENDITURES	**$ 836,336**	**$ 969,174**	**$ 1,149,220**	**$ 1,179,264**	**$ 1,135,752**	**$ 1,180,167**

FY 2020/21 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative government	***IT Replacement*** The Library will replace all public computers with public circulating laptops as part of our regular planned replacement schedule. Additional laptop vending machines will be added and older models replaced under the planned replacement schedule. ***Statistical Gathering Software*** The Library plans to expand use of software introduced during COVID remote operations to streamline reference interactions and gather statistics in order to make data-driven determinations on services and programs. **Library Operations** The operations, collections, equipment, and staffing of the Department will continue to be evaluated to make the best use of staff and resources to best meet the needs of the community.

ꕥ LIBRARY DEPARTMENT ꕥ
Circulation and Systems Administration

Core Goals	Key Projects
Civic Enrichment Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment.	***Equity and Inclusion Efforts*** The Library will work in collaboration with the State Library to utilize grant funding to circulate wifi hotspots to low-income or under-connected households.

KEY PROGRAM SERVICES

- Manages circulation process.
- Manages all Library automated systems, including the Library's network.
- Manages remote authentication server.
- Manages public computer terminals and printers.
- Maintains online catalog to assure customer access to Library materials.
- Acquires Library materials.
- Maintains Library collections, including shelving of materials.

CIRCULATION / SYSTEMS ADMINISTRATION PROGRAM STAFFING

Full Time Equivalent (FTE)

Town Staff	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted
Division Manager	0.80	0.80	0.80	0.80	0.80
Library Specialist	-	1.50	1.50	1.50	1.50
Library Technology Specialist	0.90	0.90	0.90	0.90	0.90
Customer Service Supervisor	1.00	-	-	-	-
Customer Service Specialist	1.50	1.75	1.75	1.75	1.75
Total Circulation/System FTEs	**4.20**	**4.95**	**4.95**	**4.95**	**4.95**

Temporary Staff	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Adopted
Library Clerk	1,050	1,050	1,050	1,050	800
Library Page	6,344	6,344	6,344	6,344	5,300
Total Annual Hours	**7,394**	**7,394**	**7,394**	**7,394**	**6,100**

ꕥ LIBRARY DEPARTMENT ꕥ
Circulation and Systems Administration

Performance Objectives and Measures	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. *Percentage of customers stating the Library has a good/excellent collection:*	88%	84%	*Public survey not conducted due to COVID-19*	*Public survey not conducted due to COVID-19*	90%
2. *Assure access to library online services.*					
a. Number of databases available online:	38	24	48	48	48
b. Number of electronic materials available for loan:*	818,000	795,398	875,485	875,000	875,000
c. Number of items in-house for loan:	160,880	121,091	107,095	110,000	110,000

Activity and Workload Highlights	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Estimated	2021/22 Planned
1. Total Circulation:	487,321	477,448	362,359	250,000	350,000
2. Number of new patrons registered:	4,865	4,312	4,117	3,500	4,000
3. Number of holds processed:	30,257	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*
4. Hours of public service per week at circulation:	54	54	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*
5. Number of Library Card holders:	32,888	28,526	27,282	30,000	32,000
6. Number of periodical subscriptions avaible for public:	143	104	95	115	100
7. Use of public internet computers:	25,616	34,406	21,930	400	10,000
8. Number of items ordered and received:	19,831	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*
9. Number of Suggestions for Purchase processed:	955	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*	*Measure Discontinued*
10. Circulation of non-English materials:	N/A	1,272	1,279	500	1,500
11. Electronic Content Use:*	N/A	81,421	99,039	130,000	130,000

** Changed from "e-Books" to "electronic materials" in FY16/17 to represent the growth of the electronic offerings to include audio, music, movies, and other types of content.*

Library Trust Fund

FUND 711

FUND PURPOSE

The Library Trust Fund was established to provide for the servicing of donations and bequests to the Los Gatos Library. The *Los Gatos Friends of the Library*, a nonprofit 501(c)(3) organization exists for the benefit of the Library, and this fund allows the Town to plan for and recognize the numerous donations this non-profit group makes to the Library. In addition, numerous local service organizations and individuals make generous donations and memorial bequests to the Library, sometimes for specific purposes. This fund provides for retaining these donations until they can be used as designated. This fund includes the proceeds from the History Project Trust Fund, which was established to provide for the servicing of donations, bequests, grant monies, and expenditures to the historical archives. This fund also captures small donations made by Library supporters to purchase books or materials, often in memory of someone's passing.

BUDGET OVERVIEW

The Los Gatos Friends of the Library generally has contributed an average of $70,000 directly to the Library in cash funds during the past several fiscal years. The majority of this funding has historically provided the sole financial support for community programs, family programs, teen programs, and Summer Reading events and prizes. A smaller portion of the contributions are dedicated to supplementing an ongoing collection of new bestselling books and media.

This past year due to COVID, the Friends of the Library's ability to fundraise or operate their bookstore was greatly impacted with a substantial loss of anticipated revenue to their organization. For FY 2021/22 the amount of funding donated to the Library through this organization will be diminished to match their financial situation. To offset these reductions, the budget pulls $10,000 from the unused principal balance of the trust fund, yet still includes impacts in the form of approximately 10% fewer community programs due to decreased Friends donations. Examples of impacted programs may include author talks/visits, educational

workshops, and Summer Reading Program performances and activities.

The History Project Trust Fund tracked monies received by History Services, a Library service that originally began as a project funded by grants and donations. These Trust Funds are mostly royalties and donations received.

The money received from donated royalties has been decreasing to almost zero over the past years, and the FY 2021/22 budget anticipates limited to no contributions.

STATEMENT OF SOURCE AND USE OF FUNDS

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignated	46,145	49,920	64,731	55,482	55,482	55,982
Total Beginning Fund Balance	46,145	49,920	64,731	55,482	55,482	55,982
Revenues						
Interest	725	1,627	1,579	500	500	500
Other Revenues	74,315	82,213	61,809	25,500	60,000	20,000
Intergovernmental	-	-	-	-	-	35,000
Total Revenues	**75,040**	**83,840**	**63,388**	**26,000**	**60,500**	**55,500**
TOTAL SOURCE OF FUNDS	**$ 121,185**	**$ 133,760**	**$ 128,119**	**$ 81,482**	**$ 115,982**	**$ 111,482**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	71,265	69,029	72,637	25,000	60,000	65,000
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	-	-	-	-	-	-
Total Expenditures	**71,265**	**69,029**	**72,637**	**25,000**	**60,000**	**65,000**
Transfers Out						
Transfer to General Fund	-	-	-	-	-	-
Transfer to History Trust Fund	-	-	-	-	-	-
Total Transfers Out	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL EXPENDITURES & TRANSFERS OUT	**71,265**	**69,029**	**72,637**	**25,000**	**60,000**	**65,000**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	49,920	64,731	55,482	56,482	55,982	46,482
Total Ending Fund Balance	49,920	64,731	55,482	56,482	55,982	46,482
TOTAL USE OF FUNDS	**$ 121,185**	**$ 133,760**	**$ 128,119**	**$ 81,482**	**$ 115,982**	**$ 111,482**

Clelles Ness Trust Fund

FUND 713

FUND PURPOSE

The Clelles Ness Trust Fund was established in January 1961 by Ansten R. Ness, M.D. and the Board of Library Trustees for the Town of Los Gatos, as a memorial to his wife, Clelles Ness. Mrs. Ness was a long-time Los Gatos resident who was active in civic life, winning the 1947 Citizen of the Year award. Among her many contributions to the Town, she was heavily involved with the arts. She helped to bring the Los Gatos Pageants and numerous other play productions to the Town, was an avid reader, and wrote for the *Los Gatos Times* (the local newspaper). She was also involved with bringing a hospital to Town, and with her husband started the "Holiday Circle" social club which required at least one spouse to be active in civic planning to join.

The intention of the memorial fund was to use the income and principal of the trust estate to provide materials and services not ordinarily available from public funds. An amendment to the trust agreement in 1983 relinquished control over the management and investment of the trust to the Town Council.

BUDGET OVERVIEW

In July of 1999 an agreement with the daughter of Clelles Ness stipulated that the use of the trust fund included a new Library facility, should one be built in the future. Per the agreement, the trust fund principal and interest was used for the new Library building plan documents and studies, such as but not limited to, a building program and architectural drawings. The remaining trust funds were held in a Library Building Fund to be used for the purchase of items for the current Library building, such as furniture, shelving, and equipment. A large portion of this trust was expended in FY 2015/16 for the purchase of the automated materials handling system, and roughly $21,000 was expended in FY 2018/19 to fund the installation of sound mitigating doors to the teen room. The remaining balance of the account will be directed in FY 2021/22 to improvements in the circulation and lobby area of the Library including installation of additional sound-mitigation enhancements in the lobby area and improvements to the front desk.

☙ LIBRARY DEPARTMENT ❧
Clelles Ness Trust Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignated	40,742	41,258	20,946	88,679	21,314	21,314
Total Beginning Fund Balance	40,742	41,258	20,946	88,679	21,314	21,314
Revenues						
Interest	516	736	368	-	-	-
Other Revenues	-	-	-	-	-	-
Total Revenues	**$ 516**	**$ 736**	**$ 368**	**$ -**	**$ -**	**$ -**
TOTAL SOURCE OF FUNDS	**$ 41,258**	**$ 41,994**	**$ 21,314**	**$ 88,679**	**$ 21,314**	**$ 21,314**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	-	-	-	-	-	-
Fixed Assets	-	21,048	-	20,755	-	20,755
Internal Service Charges	-	-	-	-	-	-
Total Expenditures	**-**	**21,048**	**-**	**20,755**	**-**	**20,755**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	41,258	20,946	21,314	67,924	21,314	559
Total Ending Fund Balance	41,258	20,946	21,314	67,924	21,314	559
TOTAL USE OF FUNDS	**$ 41,258**	**$ 41,994**	**$ 21,314**	**$ 88,679**	**$ 21,314**	**$ 21,314**

Susan McClendon Trust Fund

FUND 714

FUND PURPOSE

A bequest to the Los Gatos Public Library from the estate of the late Susan E. (Betty) McClendon was established in support of children's services. Betty McClendon was a long-time resident and dance instructor. She is especially remembered as the choreographer of the Town's 1940 pageant, "Trail Days," which celebrated the completion of the final section of the new four-lane highway from Santa Cruz into Los Gatos. Betty McClendon's mother, Mrs. Hilda McClendon, served as Children's Librarian at Los Gatos Memorial Library from 1923 to 1929. Ms. McClendon left this gift in memory of her mother and her mother's husband, Gorman Burtner.

Keeping with the wishes of the Ms. McClendon, these funds are restricted for use for children's services at the Library, and will be directed toward support of reading clubs, book discussion groups, evening family programs, and equipment and furniture needs of children's services that are not met by other funding. This funding will also be used for enhancement of children's collections.

BUDGET OVERVIEW

A small portion of the fund comprising only the interest earned from the prior year has been budgeted in FY 2020/21 for the enhancement of children's specialty collections.

☙ LIBRARY DEPARTMENT ❧
Susan McClendon Trust Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignated	88,662	83,755	85,250	98,020	86,737	86,737
Total Beginning Fund Balance	88,662	83,755	85,250	98,020	86,737	86,737
Revenues						
Interest	1,079	1,495	1,487	700	700	700
Other Revenues	-	-	-	-	-	-
Total Revenues	**$ 1,079**	**$ 1,495**	**$ 1,487**	**$ 700**	**$ 700**	**$ 700**
TOTAL SOURCE OF FUNDS	**$ 89,741**	**$ 85,250**	**$ 86,737**	**$ 98,720**	**$ 87,437**	**$ 87,437**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	5,986	-	-	700	700	700
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	-	-	-	-	-	-
Total Expenditures	**$ 5,986**	**$ -**	**$ -**	**$ 700**	**$ 700**	**$ 700**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	83,755	85,250	86,737	98,020	86,737	86,737
Total Ending Fund Balance	83,755	85,250	86,737	98,020	86,737	86,737
TOTAL USE OF FUNDS	**$ 89,741**	**$ 85,250**	**$ 86,737**	**$ 98,720**	**$ 87,437**	**$ 87,437**

Barbara Jones Cassin Trust Fund

FUND 716

FUND PURPOSE

The Barbara Jones Cassin Trust Fund was established by endowment upon the death of Ms. Cassin on May 10, 2010. Ms. Cassin was a graduate of Los Gatos High (class of 1937) and San Jose State, where she majored in biological and physical sciences. After a successful career in hospital laboratories, she turned to watercolors, and donated 25 lovely views of Los Gatos to the library. An exhibit showing these works was sponsored by the Library in August 2008 and again in 2018. Ms. Cassin's art has been widely exhibited and is held in public and private collections. In response to Hurricane Katrina, Ms. Cassin hosted a workshop to encourage children to draw and write their responses to the disaster, including its effects on animals.

The initial project funded by the Barbara Jones Cassin Trust was the purchase of opening day collections for the new Los Gatos Public Library. In following years, the interest earned by the trust is budgeted annually to enhance collections and informational programming, per Ms. Cassin's wishes.

BUDGET OVERVIEW

A small portion of the fund comprising only the interest earned from the prior year has been budgeted in FY 2020/21 for the enhancement the collection per the trust agreements.

ꕥ LIBRARY DEPARTMENT ꕥ
Barbara Jones Cassin Trust Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignated	347,522	351,926	358,203	354,396	354,396	354,796
Total Beginning Fund Balance	347,522	351,926	358,203	354,396	354,396	354,796
Revenues						
Interest	4,404	6,277	6,182	2,900	2,900	2,900
Other Revenues	-	-	-	-	-	-
Total Revenues	**$ 4,404**	**$ 6,277**	**$ 6,182**	**$ 2,900**	**$ 2,900**	**$ 2,900**
TOTAL SOURCE OF FUNDS	**$ 351,926**	**$ 358,203**	**$ 364,385**	**$ 357,296**	**$ 357,296**	**$ 357,696**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	-	-	9,989	2,500	2,500	2,500
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	-	-	-	-	-	-
Total Expenditures	**-**	**-**	**9,989**	**2,500**	**2,500**	**2,500**
Transfers Out						
Transfer to General Fund	-	-	-	-	-	-
Transfer to Capital Projects	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	**$ -**	**$ -**	**$ 9,989**	**$ 2,500**	**$ 2,500**	**$ 2,500**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	351,926	358,203	354,396	354,796	354,796	355,196
Total Ending Fund Balance	351,926	358,203	354,396	354,796	354,796	355,196
TOTAL USE OF FUNDS	**$ 351,926**	**$ 358,203**	**$ 364,385**	**$ 357,296**	**$ 357,296**	**$ 357,696**

Capital Improvement Program

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Capital Improvement Program

PROGRAM PURPOSE

The Fiscal Year (FY) 2021/22-2025/26 Capital Improvement Program (CIP) is a comprehensive five-year capital improvement plan designed to identify projects which develop and maintain the Town's infrastructure. The CIP is developed consistent with the Town Council Core Goals of maintaining the condition and availability of public facilities and transportation systems. Guidance for developing priorities for capital improvement projects is also derived from key plans, including the General Plan, Bicycle and Pedestrian Master Plan, and the Council's Strategic Priorities. Input from Town Boards and Commissions also contributed to the development of the CIP.

In January 2021, the Town Council established the 2021-23 Strategic Priorities. The Core Goals and Strategic Priorities guide the preparation of both the Capital and Operating Budgets. In terms of capital projects, the Town Council strategic priorities include: begin to implement the Comprehensive Parking Study, continue mobility improvements for all transportation modes, manage the vegetation on Town lands to protect against wildfire, and advance other needed improvements. All these efforts support improving and enhancing traffic/transportation, public safety, and quality of life within the context of prudent fiscal management.

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

> ***The Streets Program*** serves to develop and maintain a functional street system that is consistent with the General Plan. Objectives include providing safe and efficient traffic flow through intersections while minimizing unnecessary traffic movement and noise through residential neighborhoods; fostering safe, connected, and accessible pedestrian and bicycle travel; and providing proper street lighting on public streets. The primary source of financing for this program comes from General Fund savings and Gas Tax Fund revenues. Street projects may also receive funding from federal, state, and local grants.
>
> Within the Streets Program, Storm Drain Fund monies are used for the construction of drainage facilities that occur in conjunction with other street improvements. Storm Drain funding is derived from a Town charge of 75 cents per square foot of impervious surface created by development. Depending on the level of development activity,

these fees produce around $100,000 annually.

The Utility Undergrounding Fund is another funding source utilized in the Streets Program. This fund accrues construction tax revenue of 18 cents charged for each square foot of building addition or alteration within the Town. This revenue is used for projects to relocate overhead utility lines underground to improve power reliability, reduce utility maintenance costs, and remove unsightly poles and lines. Utility Underground projects may also be funded by Pacific Gas and Electric Company's (PG&E) Rule 20A funds. Projects which will eliminate a heavy concentration of overhead electric lines in areas used extensively by the general public are nominated by the Town to PG&E. Approved projects are then funded through the Town's allocation of Rule 20A funds, which are tariffs accumulated by PG&E as a percentage of electric bills. The Town's allocation typically is in the range of $60,000 to $100,000 annually. This latter program will sunset as the Town completes the project currently underway.

As part of a voter-approved measure from 2010, the Santa Clara Valley Transportation Agency (VTA) assesses a $10 per vehicle registration surcharge to repair and rehabilitate streets. This funding source is expected to generate approximately $180,000 annually for Los Gatos, which will be used for street rehabilitation Town-wide.

In 2016, Santa Clara County voters approved Measure B a transportation focused sales tax measure. After several years of legal challenges, the funding from Measure B has begun to flow. The most important element of this measure is ongoing road maintenance funding to the Town, with a projected 2021/22 allocation of $758,434. Additional funds may be distributed to local projects on a competitive basis.

Another revenue source used in the Street program are impact fees. The construction impact fee is assessed on construction projects based on the square foot size of the project at a rate of $1.14 per square foot. These fees are intended to recover the damage caused to Town streets by construction traffic. Construction Impact fees generate approximately $110,000 annually. In addition, the Refuse Vehicle Road Impact Fee is estimated to generate $746,676 for FY 2021/22.

The Public Facilities Program includes projects for purchasing, constructing, or making capital repairs to public buildings, structures, and equipment. Town buildings include the Civic Center, Library, Police Operation Building, and the Parks and Public Works Service Center. The program also provides partial service to the Adult and Youth Recreation Centers, which are Town-owned buildings leased to Los Gatos-Saratoga Recreation. There is no designated funding for this program, and any allocations generally come from General Fund prior year savings or grant funds applied to qualified improvements.

ꕥ CAPITAL IMPROVEMENT PROGRAM ꕥ

The Parks Program includes projects for parks, trails, park buildings, urban forestry, and beautification. This capital plan also does not have a designated revenue source, and funding is currently dependent on budgeted allocations from General Fund savings, grants, and other sources. Park projects may on occasion include community volunteer services for minor construction and clean-up projects.

PROGRAM PROCESS

A CIP project includes design, construction, acquisition, rehabilitation, or non-routine maintenance that generally costs $25,000 or more with a minimum useful life of 5 years at a fixed location. The CIP identifies priority capital maintenance, facilities, and improvements needed within the next five years, with cost estimates based on current year dollars. Estimates for carry-forward projects are updated as necessary to a recent engineer's estimate based on current design specifications. Equipment, operating, and maintenance costs incurred as an outcome of CIP projects are identified and included in the Operating Budget.

Under direction from the Town Manager's Office, the Parks and Public Works Department lead the preparation of project proposals for consideration in the current Capital Improvement Program (reflected in detail in a separate document). In coordination with other Town Departments and with the preparation of the Operating Budget, capital improvement projects and funding sources were reviewed and selected to meet the Town's priorities. The proposed CIP Budget is then presented to the Planning Commission during a public hearing for review and recommendation to ensure that the projects are consistent with the Town's General Plan. At the end of the process, the Town Council conducts a public hearing, considers the Planning Commission's recommendation, and has final approval authority.

This Operating and Capital Summary Budget document limits the Town's CIP financial information to the first year of the plan as it relates to the Town's Operating Budget. The full five-year project outlook is available in the separate Capital Improvement Program Budget document.

CAPITAL IMPROVEMENT PROGRAM

CAPITAL IMPROVEMENT PLAN

SUMMARY OF CIP REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adopted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Other Taxes	$ 31,838	$ 28,390	$ 34,437	$ 30,000	$ 40,000	$ 30,000
Carryforward	-	-	-	-	-	-
Intergovernmental	1,306,153	1,641,512	3,161,010	12,996,866	1,574,191	3,091,663
Town Services	-	52,094	223,317	731,329	284,623	-
Licenses & Permits	1,381,591	844,064	1,153,364	969,004	849,790	998,176
Interest	93,199	127,251	158,756	35,540	35,540	35,801
Other Revenues	181,505	784,084	325,609	3,557,237	2,471,998	30,000
TOTAL REVENUES	**2,994,286**	**3,477,395**	**5,056,493**	**18,319,976**	**5,256,142**	**4,185,640**
Transfers In						
Operating Transfers	2,638,224	2,685,220	8,325,591	3,436,479	3,401,479	2,801,047
Total Transfers In	**2,638,224**	**2,685,220**	**8,325,591**	**3,436,479**	**3,401,479**	**2,801,047**
Total Revenues & Transfers In	**$ 5,632,510**	**$ 6,162,615**	**$ 13,382,084**	**$ 21,756,455**	**$ 8,657,621**	**$ 6,986,687**
EXPENDITURES						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	892	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-
Capital Projects - Carryfwd	-	-	-	-	-	-
Capital Projects - New	10,041,533	8,987,510	7,907,340	35,164,207	8,556,898	6,885,737
TOTAL EXPENDITURES	**10,042,425**	**8,987,510**	**7,907,340**	**35,164,207**	**8,556,898**	**6,885,737**
Transfers Out						
Operating Transfers	631,616	533,616	569,952	533,616	526,275	533,616
Total Transfers Out	**631,616**	**533,616**	**569,952**	**533,616**	**526,275**	**533,616**
Total Expenditures & Transfers Out	**$10,674,041**	**$ 9,521,126**	**$ 8,477,292**	**$ 35,697,823**	**$ 9,083,173**	**$ 7,419,353**

ꕥ CAPITAL IMPROVEMENT PROGRAM ꕥ

The following schedule summarizes the Capital Improvement projects completed, not proceeding, or withdrawn in FY 2020/21:

COMPLETED OR WITHDRAWN CIP PROJECTS
FY 2020/21

		Est Exp Prior To FY 2020/21	Expenditures During FY 2020/21	Total Budgeted
GFAR Projects				
Pilot School Busing Program	*Completed*	$ 344,941	$ -	$ 344,941
Public Arts Gateway	*Completed*	14,500	10,500	25,000
Stormwater Master Plan	*Completed*	126,769	93,216	219,985
Downtown Parking Study	*Completed*	110,408	881	111,289
Fence Replacement - Shire Court	*Completed*	11,207	15,299	26,506
Creek Trail & Parks Path & Parking Lot Seal & Striping	*Completed*	18,885	165,720	184,606
Forbes Mill Footbridge Improvements	*Completed*	27,397	2,522	29,919
Facilities Assessment	*Completed*	24,142	69,680	93,822
Cert Equipment	*Completed*	48,341	1,587	49,928
Plaza Level Railings - Code Upgrade	*Completed*	-	33,060	33,060
Police Headquarters Roof Repair	*Completed*	7,448	40,304	47,752
Library Carpet Replacement	*Completed*	-	48,597	48,597
Computer-Aided Dispatch and Records Management System	*Completed*	146,242	371,232	517,474
Silicon Valley Regional Interoperability Project (SVRIP) Service	*Completed*	395,661	35,112	430,774
Total of Completed and Withdrawn Projects		**$ 1,275,940**	**$ 887,712**	**$ 2,163,653**

☙ CAPITAL IMPROVEMENT PROGRAM ❧

The following schedule summarizes the Capital Improvement projects continuing into FY 2021/22 continuing projects are defined further in following fund sections.

CARRYFORWARD CIP PROJECTS
FY 2021/22

	Est Exp Prior To FY 2020/21	Expenditures During FY 2020/21	Estimated Carryforward	New Funding FY 2021/22	Total Budgeted
GFAR Carryforward Projects					
Street Repair & Resurfacing	$ 9,060,286	$ 500,000	$ 2,257,432	$ 1,602,739	$ 13,420,456
Annual Street Restriping	180,228	-	169,772	25,000	375,000
Pavement Rehab-Crack Seal	1,173,355	-	188,185	180,000	1,541,540
Traffic Calming Projects	199,201	16,664	19,135	10,000	245,000
Curb, Gutter & Sidewalk Maintenance	3,778,935	408,906	408,906	300,000	4,896,748
Retaining Wall Repairs	1,427,457	170,066	365,254	100,000	2,062,777
Quito Road - Bridge Replacement	64,594	235,087	50,000	-	349,681
Guardrail Replacement Projects	-	119	92,691	-	92,809
Downtown Parking Lots Seal Coat & Restriping	44,481	2,934	52,585	-	100,000
Shannon Road Ped & Bikeway Improvements	104	20,000	109,896	-	130,000
Sidewalk Improvements - Multiple Locations	-	-	60,000	-	60,000
Highway 17 Bicycle & Pedestrian Bridge-Design	-	-	946,210	-	946,210
Bicycle & Pedestrian Improvements	258,476	3,350	228,174	-	490,000
Downtown Streetscape Revitalization/Economic Recovery Efforts	48,332	613,439	1,310,622	-	1,972,394
ADA Transition Plan	-	10,000	100,000	-	110,000
Massol Intersection Improvements	64,912	344,108	98,128	-	507,148
Winchester Boulevard Complete Streets (Final Design)	114,174	85,878	79,948	463,250	743,250
E. Main St. Speed Table/Raised Crosswalk	-	-	15,000	-	15,000
VMT Mitigation Program	-	-	250,000	-	250,000
Stormwater System - Pollution Prevention Compliance	1,422	-	286,578	-	288,000
Shannon Road Repair	-	63,073	1,436,927	-	1,500,000
Roadside Fire Fuel Reduction	-	499,815	185	500,000	1,000,000
Parking Lot 4 Repair/Waterproofing	-	-	250,000	-	250,000
Local Road Safety Plan	-	-	28,000	-	28,000
Blossom Hill Road Traffic Study	-	48,410	76,590	-	125,000
Winchester Class IV Bikeway	-	139,538	549,017	-	688,555
Parking Program Implementation	-	881	197,619	-	198,500
Outdoor Fitness Equipment	-	54,000	6,000	-	60,000
Town Plaza Turf Repairs	8,116	-	28,000	-	36,116
Parks Playground Fibar Project	75,736	-	49,264	-	125,000
Open Space Trail Upgrades	-	-	152,000	-	152,000
Charter Oaks Trail Repair Project	109	-	364,891	110,000	475,000
Trailhead Connector	40,054	103,907	70,319	156,000	370,280
Vegetation Management - Town-wide	13,520	186,970	50,218	-	250,707
Town Beautification	94,240	14,930	10,456	10,000	129,625
Waterproofing Town-wide	-	-	75,000	-	75,000
ADA Restrooms and HR Offices	-	-	450,000	150,000	600,000
Building Replacement at Corporation Yard	163,250	750,738	251,812	750,000	1,915,800
Engineering Document Archiving	14,199	78,084	-	-	92,284
GFAR Funding	-	-	22,000	-	22,000
ADA Upgrade for Public Restrooms - Rec Building	-	-	183,000	-	183,000
Audio/Video System Upgrade	68,048	-	42,552	-	110,600
Town-wide Document Imaging Project	198,011	-	16,990	-	215,000
Fire Suppression (Halon) for Server Rooms	-	92,555	51,841	-	144,396
Information System Upgrade	254,769	37,759	77,026	-	369,554
EOC Communications Upgrade	24,060	1,000	24,940	-	50,000
IT Disaster Recovery Improvements	30,924	31,631	137,445	-	200,000
Adult Recreation - Floor Repair	-	-	100,000	100,000	200,000
Total GFAR Carryforward Projects	**$ 17,400,992**	**$ 4,513,843**	**$ 11,790,607**	**$ 4,456,989**	**$ 38,162,432**

CAPITAL IMPROVEMENT PROGRAM

CARRYFORWARD CIP PROJECTS
FY 2021/22

	Est Exp Prior To FY 2020/21	Expenditures During FY 2020/21	Estimated Carryforward	New Funding FY 2021/22	Total Budgeted
Traffic Mitigation Carryforward Projects					
Highway 17 Bicycle & Pedestrian Bridge-Design	$ 54	$ 147,247	$ -	$ -	$ 147,300
Bicycle & Pedestrian Improvements	41,350	-	33,650	-	75,000
Traffic Signal Modernization	98,452	133,888	870,949	-	1,103,289
Highway 17/9 Interchange and Capacity Improvements	-	600,000	-	-	600,000
Total Traffic Mitigation Carryforward Projects	**$ 139,856**	**$ 881,134**	**$ 904,599**	**$ -**	**$ 1,925,589**
Grants and Awards Carryforward Projects					
Charter Oaks Trail Repair Project	$ 72,833	$ -	$ 75,218	$ 470,000	$ 618,051
Trailhead Connector	205,071	137,929	-	-	343,000
ADA Upgrade for Public Restrooms - Rec Building	51,882	-	67,000	11,979	130,861
Guardrail Replacement Projects	-	717,996	239,332	-	957,328
Shannon Road Ped & Bikeway Improvements	-	-	940,100	-	940,100
Highway 17 Bicycle & Pedestrian Bridge-Design	86,995	-	2,754,534	-	2,841,529
Bicycle & Pedestrian Improvements	168,927	-	-	-	168,927
Traffic Signal Modernization	42,046	726,490	751,126	-	1,519,662
ADA Transition Plan	-	20,000	15,000	-	35,000
Local Road Safety Plan	-	-	72,000	-	72,000
Winchester Class IV Bikeway	-	-	293,900	-	293,900
Kennedy Sidewalk - LGB to Englewood	-	-	-	-	-
Total Grants and Awards Carryforward Projects	**$ 627,754**	**$ 1,602,415**	**$ 5,208,210**	**$ 481,979**	**$ 7,920,358**
Storm Drain Carryforward Projects					
Hernandez Avenue Storm Drain Improvements	$ 17,180	$ -	$ -	$ -	$ 17,180
Bicknell Road Storm Drain Improvements	156,432	4,500	60,258	25,000	246,190
Annual Storm Drain Improvements	59,700	-	420,300	150,000	630,000
Total Storm Drain Carryforward Projects	**$ 233,312**	**$ 4,500**	**$ 480,558**	**$ 175,000**	**$ 893,370**
Underground Utility Projects					
Utility Undergrounding Improvements	$ -	$ -	$ 300,000	$ -	$ 300,000
Shannon Road Ped & Bikeway Improvements	49,000	22,201	48,003	-	
Total Underground Utility Carryforward Projects	**$ 49,000**	**$ 22,201**	**$ 348,003**	**$ -**	**$ 300,000**
Gas Tax Carryforward Projects					
Street Repair & Resurfacing	$ 9,600,051	$ 645,976	$ 645,976	$ 1,295,865	$ 12,187,867
Total Gas Tax Carryforward Projects	**$ 9,600,051**	**$ 645,976**	**$ 645,976**	**$ 1,295,865**	**$ 12,187,867**
Total of Carryforward Projects	**$ 28,050,965**	**$ 7,670,070**	**$ 19,377,953**	**$ 6,409,833**	**$ 61,389,616**

ꕥ CAPITAL IMPROVEMENT PROGRAM ꕥ

The following schedule summarizes the new Capital Improvement projects and total of new funding for FY 2021/22. New projects are defined further in following fund sections.

NEW CIP PROJECTS
FY 2021/22

	Est Exp Prior To FY 2020/21	Expenditures During FY 2020/21	Estimated Carryforward	New Funding FY 2021/22	Total Budgeted
GFAR Projects					
Oak Meadow Bandstand Area Improvements	$ -	$ -	$ -	90,000	$ 90,000
Battery Power Supply - Library	-	-	-	30,000	30,000
Grants and Awards Projects					
Oak Meadow Bandstand Area Improvements	$ -	$ -	$ -	$ 355,904	355,904
Total of New CIP Projects	**$ -**	**$ -**	**$ -**	**$ 475,904**	**$ 475,904**
TOTAL OF CARRYFORWARD AND NEW CIP PROJECTS	**$ 28,050,965**	**$ 7,670,070**	**$ 19,377,953**	**$ 6,885,737**	**$ 61,865,520**

Capital Improvement Program

GENERAL FUND APPROPRIATED RESERVE
FUND 411

FUND PURPOSE

The General Fund Appropriated Reserve (GFAR) accounts for funds designated for use in the Town's ongoing program for the development of facilities and general infrastructure improvements. This includes basic needs such as street and parking lot repair and resurfacing; repair or replacement of curbs, gutters, and retaining walls; and maintenance of other Town facilities. GFAR also provides for community improvements, such as Town beautification projects and traffic calming, and for foundational aspects of Town government such as technology projects and master planning work.

Revenues which support GFAR projects are derived from General Fund operational savings, from state revenues designated for transportation purposes, from intergovernmental cost sharing agreements on joint projects, and from construction impact fees. Designated revenues are accounted for in other CIP funds, and may be used in conjunction with GFAR funds in the development of capital projects.

BUDGET OVERVIEW

A significant source of funding to the Town's capital plan is General Fund operational savings. As in past years, the Town continues to be challenged by the lack of a reliable dedicated revenue stream for capital improvements. Because of the availability of General Fund "one-time" funding sources in recent years, the Council approved "one-time" General Fund transfers to the GFAR fund in the amount of $2.7 million for FY 2013/14, $6.6 million for FY 2014/15, $6.9 million for the Almond Grove Street Rehabilitation project in FY 2016/17, $2.8 million funding in FY 2017/18, $2.4 million transfer in FY 2018/19, $6.7 million transfer in FY 2019/20, $3.4 million transfer in FY 2020/21, and $2.8 million transfer in FY2021/22. After these allocations, sufficient balances are anticipated for the remaining years of the plan to accommodate allocating approximately $800,000 from the General Fund Reserve

for Capital and Special Projects from FY 2022/23 through FY 2025/26. Establishing a reliable, dedicated source of funding for basic capital improvements beyond the use of accumulated reserves remains a long-term need and important goal for the Town.

Other sources are primarily one-time funds from the state or federal government or from special revenue funds that have often fluctuated in tandem with the economy and the state budget.

Pursuant to Article IX of Chapter 15 of the Town Code, the Town collects construction impact fees in support of road construction and maintenance projects throughout the Town. Beginning in FY 1998/99, these fees were deposited directly into GFAR for use in the Street Resurfacing Program. Total construction impact fees of $110,000 are budgeted for FY 2021/22 consistent with prior year revenues and projected building trends.

As part of a voter-approved measure from 2010, the Santa Clara Valley Transportation Agency (VTA) assesses a $10 per vehicle registration surcharge to repair and rehabilitate streets. This funding source is expected to generate approximately $180,000 annually for Los Gatos, which is used for street rehabilitation Town-wide.

In 2016, Santa Clara County voters approved Measure B a transportation focused sales tax measure. After several years of legal challenges, the funding from Measure B has begun to flow. The most important element of this measure is ongoing road maintenance funding to the Town. This amount will vary from year to year, dependent on actual revenue. The projection for Fiscal Year 2021/22 is $758,434. Additional funds may be distributed to local projects on a competitive basis.

CAPITAL IMPROVEMENT PROGRAM
General Fund Appropriated Reserve

STATEMENT OF SOURCE AND USE OF FUNDS

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adopted	2020/21 Estimated	2021/22 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated for Parking	$ 1,460,210	$ 1,460,210	$ 1,460,210	$ 1,460,210	$ 1,460,210	$ 1,460,210
Undesignatged	16,793,552	10,714,868	7,058,790	12,400,880	12,400,880	12,787,921
Total Beginning Fund Balance	18,253,762	12,175,078	8,519,000	13,861,090	13,861,090	14,248,131
Revenues						
Other Taxes	-	-	-	-	-	-
Carryforward	-	-	-	-	-	-
Intergovernmental	192,319	188,475	1,516,438	1,331,160	201,732	853,186
Town Services	-	52,094	221,859	731,329	284,623	-
Licenses & Permits	577,820	675,116	1,026,893	729,553	582,043	905,676
Interest	7,438	3,984	3,205	-	-	-
Other Revenues	61,998	709,458	232,983	1,908,750	1,735,451	20,000
Total Revenues	**839,575**	**1,629,127**	**3,001,378**	**4,700,792**	**2,803,849**	**1,778,862**
Transfers In						
Transfer from General Fund	2,638,224	2,335,220	6,982,591	3,401,479	3,401,479	2,801,047
Transfer from Grant	-	-	-	-	-	-
Transfes from Bulding Maint	-	50,000	788,000	-	-	-
Transfer from MIS Fund	-	300,000	-	-	-	-
Transfer from Equip Replacement	-	-	525,000	-	-	-
Transfer from Storm Basin Funds	-	-	30,000	-	-	-
Total Transfers In	**2,638,224**	**2,685,220**	**8,325,591**	**3,401,479**	**3,401,479**	**2,801,047**
Total Revenues & Transfers In	**3,477,799**	**4,314,347**	**11,326,969**	**8,102,271**	**6,205,328**	**4,579,909**
TOTAL SOURCE OF FUNDS	**$ 21,731,561**	**$ 16,489,425**	**$ 19,845,969**	**$ 21,963,361**	**$ 20,066,418**	**$ 18,828,040**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	892	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-
Capital Projects - Carryfwd	-	-	-	-	-	
Capital Projects - New	9,039,975	7,552,809	5,567,263	17,781,730	5,400,671	4,576,989
Total Expenditures	**9,040,867**	**7,552,809**	**5,567,263**	**17,781,730**	**5,400,671**	**4,576,989**
Transfers Out						
Transfers to General Fund	417,616	417,616	417,616	417,616	417,616	417,616
Transfer to SA Trust	-	-	-	-	-	-
Total Transfers Out	**515,616**	**417,616**	**417,616**	**417,616**	**417,616**	**417,616**
Total Expenditures & Transfers Out	**9,556,483**	**7,970,425**	**5,984,879**	**18,199,346**	**5,818,287**	**4,994,605**
Ending Fund Balance						
Designated for Parking	1,460,210	1,460,210	1,460,210	1,460,210	1,460,210	1,460,210
Undesignated	10,714,868	7,058,790	12,400,880	2,303,805	12,787,921	12,373,225
Total Ending Fund Balance	12,175,078	8,519,000	13,861,090	3,764,015	14,248,131	13,833,435
TOTAL USE OF FUNDS	**$ 21,731,561**	**$ 16,489,425**	**$ 19,845,969**	**$ 21,963,361**	**$ 20,066,418**	**$ 18,828,040**

☙ CAPITAL IMPROVEMENT PROGRAM ❧
General Fund Appropriated Reserve

The following GFAR schedules identify projects completed, withdrawn, or not proceeding in FY 2020/21, projects carried forward into FY 2021/22, and new FY 2021/22 projects, as part of the FY 2021/22-2025/26 Capital Improvement Program:

GENERAL FUND APPROPRIATED RESERVES (GFAR) CIP PROJECTS

FY 2021/22

	Est Exp Prior To FY 2020/21	Expenditures During FY 2020/21	Estimated Carryforward	New Funding FY 2021/22	Total Budgeted
Completed or Withdrawn Projects					
Pilot School Busing Program	$ 344,941	$ -	$ -	$ -	$ 344,941
Public Arts Gateway	14,500	10,500	-	-	25,000
Stormwater Master Plan	126,769	93,216	-	-	219,985
Downtown Parking Study	110,408	881	-	-	111,289
Fence Replacement - Shire Court	11,207	15,299	-	-	26,506
Creek Trail & Parks Path & Parking Lot Seal & Striping	18,885	165,720	-	-	184,606
Forbes Mill Footbridge Improvements	27,397	2,522	-	-	29,919
Facilities Assessment	24,142	69,680	-	-	93,822
Cert Equipment	48,341	1,587	-	-	49,928
Plaza Level Railings - Code Upgrade	-	33,060	-	-	33,060
Police Headquarters Roof Repair	7,448	40,304	-	-	47,752
Library Carpet Replacement	-	48,597	-	-	48,597
Computer-Aided Dispatch and Records Management System	146,242	371,232	-	-	517,474
Silicon Valley Regional Interoperability Project (SVRIP) Service	395,661	35,112	-	-	430,774
Total of Completed Projects	**$ 1,275,940**	**$ 887,712**	**$ -**	**$ -**	**$ 2,163,653**
Carryforward Projects					
Street Repair & Resurfacing	$ 9,060,286	$ 500,000	$ 2,257,432	$ 1,602,739	$ 13,420,456
Annual Street Restriping	180,228	-	169,772	25,000	375,000
Pavement Rehab-Crack Seal	1,173,355	-	188,185	180,000	1,541,540
Traffic Calming Projects	199,201	16,664	19,135	10,000	245,000
Curb, Gutter & Sidewalk Maintenance	3,778,935	408,906	408,906	300,000	4,896,748
Retaining Wall Repairs	1,427,457	170,066	365,254	100,000	2,062,777
Quito Road - Bridge Replacement	64,594	235,087	50,000	-	349,681
Guardrail Replacement Projects	-	119	92,691	-	92,809
Downtown Parking Lots Seal Coat & Restriping	44,481	2,934	52,585	-	100,000
Shannon Road Ped & Bikeway Improvements	104	20,000	109,896	-	130,000
Sidewalk Improvements - Multiple Locations	-	-	60,000	-	60,000
Highway 17 Bicycle & Pedestrian Bridge-Design	-	-	946,210	-	946,210
Bicycle & Pedestrian Improvements	258,476	3,350	228,174	-	490,000
Downtown Streetscape Revitalization/Economic Recovery Efforts	48,332	613,439	1,310,622	-	1,972,394
ADA Transition Plan	-	10,000	100,000	-	110,000
Massol Intersection Improvements	64,912	344,108	98,128	-	507,148
Winchester Boulevard Complete Streets (Final Design)	114,174	85,878	79,948	463,250	743,250
E. Main St. Speed Table/Raised Crosswalk	-	-	15,000	-	15,000
VMT Mitigation Program	-	-	250,000	-	250,000
Stormwater System - Pollution Prevention Compliance	1,422	-	286,578	-	288,000
Shannon Road Repair	-	63,073	1,436,927	-	1,500,000
Roadside Fire Fuel Reduction	-	499,815	185	500,000	1,000,000
Parking Lot 4 Repair/Waterproofing	-	-	250,000	-	250,000
Local Road Safety Plan	-	-	28,000	-	28,000
Blossom Hill Road Traffic Study	-	48,410	76,590	-	125,000
Winchester Class IV Bikeway	-	139,538	549,017	-	688,555
Parking Program Implementation	-	881	197,619	-	198,500
Outdoor Fitness Equipment	-	54,000	6,000	-	60,000
Town Plaza Turf Repairs	8,116	-	28,000	-	36,116
Parks Playground Fibar Project	75,736	-	49,264	-	125,000
Open Space Trail Upgrades	-	-	152,000	-	152,000
Charter Oaks Trail Repair Project	109	-	364,891	110,000	475,000
Trailhead Connector	40,054	103,907	70,319	156,000	370,280
Vegetation Management - Town-wide	13,520	186,970	50,218	-	250,707
Town Beautification	94,240	14,930	10,456	10,000	129,625
Waterproofing Town-wide	-	-	75,000	-	75,000
ADA Restrooms and HR Offices	-	-	450,000	150,000	600,000
Building Replacement at Corporation Yard	163,250	750,738	251,812	750,000	1,915,800
Engineering Document Archiving	14,199	78,084	-	-	92,284
GFAR Funding	-	-	22,000	-	22,000
ADA Upgrade for Public Restrooms - Rec Building	-	-	183,000	-	183,000
Audio/Video System Upgrade	68,048	-	42,552	-	110,600
Town-wide Document Imaging Project	198,011	-	16,990	-	215,000
Fire Suppression (Halon) for Server Rooms	-	92,555	51,841	-	144,396
Information System Upgrade	254,769	37,759	77,026	-	369,554
EOC Communications Upgrade	24,060	1,000	24,940	-	50,000
IT Disaster Recovery Improvements	30,924	31,631	137,445	-	200,000
Adult Recreation - Floor Repair	-	-	100,000	100,000	200,000
Total of Carryforward Projects	**$ 17,400,992**	**$ 4,513,843**	**$ 11,790,607**	**$ 4,456,989**	**$ 38,162,432**

New Projects					
Oak Meadow Bandstand Area Improvements	$ -	$ -	$ -	$ 90,000	$ 90,000
Battery Power Supply - Library	-	-	-	30,000	30,000
Total of New Projects	**$ -**	**$ -**	**$ -**	**$ 120,000**	**$ 120,000**
GFAR Funding Project Totals	**$ 18,676,932**	**$ 5,401,555**	**$ 11,790,607**	**$ 4,576,989**	**$ 40,446,084**

FY 2021/22 KEY PROJECTS

The following Capital Improvement Program projects funded with GFAR funding and/or donations which flow through the GFAR are expected to be key projects in FY 2021/22.

- ***Street Repair and Resurfacing*** – The Town's Street Resurfacing Program of preventive and deferred maintenance includes both carryforward funds and new appropriations. The work to be performed consists of a balanced program of surface treatments, and pavement overlays, with supplemental ongoing maintenance activities performed by the Town's Parks and Public Works Department staff. Approximately 83% of the proposed FY 2021/22-2025/26 CIP funding is allocated to street reconstruction, street improvements, and maintenance projects. This emphasis reflects the Town Council's priority to address street maintenance needs. The goal is for Town streets to achieve an average Pavement Condition Index (PCI) of above 70 (100 being the highest rating possible). The Town's cumulative investment in its streets resulted in raising the PCI from a low of 64 in 2001 to the level of 74 in 2008. Since that time, given the small amount of asphalt overlay work performed, the Town's PCI dropped from 74 to 69 as recently as 2010. To mitigate this decline, the Town focused its resources on arterials and collector streets, and used a chip and slurry approach to enhance the PCI rating. This approach was the most economical and prudent treatment to resurface several residential neighborhoods. The current PCI for Town streets is 69, with a rating of 70 expected in 2021. Additional funding for this program has allowed for this increase in PCI. Ongoing sustained funding is necessary to avoid future drops in the PCI.

  Operating Budget Impacts: Project design and oversight by the Engineering staff has been incorporated into the Engineering Program Services FY 2021/22 budget.

Curb, Gutter, and Sidewalk – This project funds the annual repair and replacement of deficient curbs, gutters, and sidewalks throughout the Town. Locations for repair and replacement work are identified throughout the year by Parks and Public Works Department staff and are prioritized in coordination with the annual Street Resurfacing Program, as applicable. This program is essential for maintaining American with Disabilities Act (ADA) compliance and to address uneven sidewalk surfaces. The allocation for this ongoing project is between $200,000 and $300,000 annually. At this level of funding, the program can address ADA compliance

issues required as part of the pavement maintenance program, leaving very little funding remaining to address other needs, such as tripping hazards.

Operating Budget Impacts: Project oversight by the Engineering staff has been incorporated into the engineering Program Services FY 2021/22budget on an ongoing basis.

- ***Annual Street Restriping –*** This project is an annual program to restripe the highest priority streets with thermo-plastic striping to keep streets in safe condition for use by the public. Thermo-plastic striping is thicker, more durable, and has higher visibility than roadway paint, and, in turn, improves roadway safety. Restriping work is typically done in conjunction with street paving projects and these funds may be used to support a paving project or to meet the needs outside a paving project. The ongoing annual GFAR appropriation is planned at $25,000 for this project.

  Operating Budget Impacts: Street maintenance staff time for project oversight has been incorporated into the FY 2021/22 Parks and Public Works departmental budget.

- ***Quito Bridge Replacement –*** This project funds the replacement of two functionally obsolete bridges that span San Tomas Aquino Creek along Quito Road. The project is a joint effort between the Town, the City of Saratoga, and the Santa Clara Valley Water District, with the City of Saratoga serving as the lead agency for the project. Eighty percent of the funding for the project is provided through the Federal Highway Bridge Replacement and Rehabilitation (HBRR) program, with the remaining 20% shared equally between the three participating local agencies. After further evaluation of the bridges, it was determined that Quito Road would require reconstruction at each end of the bridge, which in turn requires additional right-of-way acquisitions and environmental reviews under both the State of California (Caltrans) and federal regulations. These changes have made it necessary to redesign this project significantly increasing the estimated costs. The City of Saratoga has applied for additional funding from Caltrans due to the redesign. As a result of the additional project costs, the local match from the City of Saratoga, the Town of Los Gatos, and the SCVWD has increased from $155,000 to $300,000 for each agency.

Based on the 2021 schedule from the City of Saratoga, the construction of these bridges is anticipated to be completed by 2023.

Operating Budget Impacts: Engineering staff time for coordination of this project with the City of Saratoga has been incorporated into the Operating Budget. Completion of this project will mitigate the potential cost of lawsuits from bridge failure and pre-empt the cost of replacing the bridge in an emergency situation.

ꕥ CAPITAL IMPROVEMENT PROGRAM ꕥ
General Fund Appropriated Reserve

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

The Town continues to advance efforts in multi-modal transportation projects with the addition of the Winchester Complete Streets project, which will enhance the functionality of Winchester Boulevard from Blossom Hill Road to the northern Town limits. Other projects include the addition of speed tables on Main Street in front of Los Gatos High School and design of a safety project derived from a safety study for Blossom Hill Road between Hillbrook Drive and Camelia Terrace.

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

Building on the completion of the Parking Study from last fiscal year, the CIP includes funding to implement an employee parking permit program and to design a wayfinding program for the downtown as the first recommendations resulting from the study.

Capital Improvement Program

TRAFFIC MITIGATION FUND
FUND 471

FUND PURPOSE

Pursuant to Article VII of Chapter 15 of the Town Code, the Town collects traffic impact mitigation fees to finance transportation and traffic improvements throughout the Town. Article VII of Chapter 15 also authorizes the establishment of a fund into which all such fees and interest on those fees is deposited. The first traffic mitigation fees were collected on October 24, 1991. Money collected from such fees is to be used solely for construction of identified traffic and transportation projects to mitigate the traffic impacts of new development, and are not used for routine repairs and maintenance.

BUDGET OVERVIEW

Funds collected as traffic mitigation fees are recorded as deferred revenue until the time of use for appropriated projects. The administration fees collected as a percentage of this revenue are realized at the time of receipt to recognize the Town's ongoing administrative functions in providing program oversight. Appropriations of traffic mitigation funds are controlled through Town Council action, after evaluating the benefits gained by proposed projects for improving traffic conditions for vehicles, bicycles, and pedestrians.

For several years, the Town has allowed fund balances to accrue to accumulate funding for future traffic mitigation projects. Several projects, planned for upcoming years, are now in the preliminary planning stage. This planning includes the redesign and construction of the following roadways and intersections to correct the heavily travelled and congested roadway junctions to improve safety features and accommodate proper vehicular movement:

- Los Gatos Blvd/Shannon Rd
- Town-wide Traffic Signal Upgrades
- Highway 17 Bicycle and Pedestrian Bridge Preliminary Design

ꕥ CAPITAL IMPROVEMENT PROGRAM ꕥ
Traffic Mitigation Fund

FY 2021/22 KEY PROJECTS

The following key projects are budgeted in FY 2021/22:

- ***Traffic Signal Modernization –*** This project will modernize the Town's traffic signal controllers to allow for greater control by staff, ensure that the current system meets current safety standards, and increase the traffic flow. The Town was awarded several grants through the VTA and the NTS for $1,800,000 of the project budget to complement the Town's investment of traffic Impact Mitigation Funds.

- ***Bicycle and Pedestrian Improvements*** – This project will enhance bicycle and pedestrian safety and mobility Town-wide in the form of multiple projects. Early projects include work along Blossom Hill Road. Future projects will include improvements to Shannon Road and Kennedy Road. Mitigation funds will often be utilized as matching funds for grant funding.

- ***Highway 17 Bicycle and Pedestrian Bridge Design –*** Acknowledging the challenge for bicycles and pedestrians to cross Highway 17, this project will begin work on identifying alignment options for a new crossing. Early design work will position the project to be competitive for grant funds for the project construction.

  Operating Budget Impacts: Engineering staff time for project management is addressed in the FY 2021/22 Operating Budget with temporary staffing funded through the specific project allocated budget.

CAPITAL IMPROVEMENT PROGRAM

Traffic Mitigation Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adopted	2020/21 Estimated	2021/22 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Deferred Revenue	$ 2,298,987	$ 2,277,362	$ 2,246,440	$ 2,287,554	$ 2,287,554	$ 1,551,007
Undesignatged	228,541	260,486	304,647	348,660	348,660	348,660
Total Beginning Fund Balance	2,527,528	2,537,848	2,551,087	2,636,214	2,636,214	1,899,667
Revenues						
Other Taxes	-	-	-	-	-	-
Carryforward	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Town Services	-	-	-	-	-	-
Licenses & Permits	-	-	-	146,951	147,247	-
Interest	31,945	44,161	44,013	-	-	-
Other Revenues	119,507	74,626	92,626	1,648,487	736,547	10,000
Total Revenues	**151,452**	**118,787**	**136,639**	**1,795,438**	**883,794**	**10,000**
Transfers In						
Transfer from General Fund	-	-	-	-	-	-
Transfer from CBDG	-	-	-	-	-	-
Transfes from Bulding Maint	-	-	-	-	-	-
Transfer from MIS Fund	-	-	-	-	-	-
Transfer from Equip Replacement	-	-	-	-	-	-
Total Transfers In	**-**	**-**	**-**	**-**	**-**	**-**
Total Revenues & Transfers In	**151,452**	**118,787**	**136,639**	**1,795,438**	**883,794**	**10,000**
TOTAL SOURCE OF FUNDS	**$ 2,678,980**	**$ 2,656,635**	**$ 2,687,726**	**$ 4,431,652**	**$ 3,520,008**	**$ 1,909,667**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-
Capital Projects - Carryfwd	-	-	-	-	-	-
Capital Projects - New	109,507	64,626	76,290	1,785,438	881,135	-
Total Expenditures	**109,507**	**64,626**	**76,290**	**1,785,438**	**881,135**	**-**
Transfers Out						
Transfers to General Fund	10,000	10,000	16,336	10,000	2,659	10,000
Transfers to Equip Repalcement	-	-	-	-	-	-
	-	-	-	-	-	-
Total Transfers Out	10,000	10,000	16,336	10,000	2,659	10,000
Total Expenditures & Transfers Out	**119,507**	**74,626**	**92,626**	**1,795,438**	**883,794**	**10,000**
Ending Fund Balance						
Deferred Revenue	2,277,362	2,246,440	2,287,554	639,067	1,551,007	1,551,007
Undesignated	260,486	304,647	348,660	348,660	348,660	348,660
Total Ending Fund Balance	2,537,848	2,551,087	2,636,214	987,727	1,899,667	1,899,667
TOTAL USE OF FUNDS	**$ 2,657,355**	**$ 2,625,713**	**$ 2,728,840**	**$ 2,783,165**	**$ 2,783,461**	**$ 1,909,667**

☙ CAPITAL IMPROVEMENT PROGRAM ❧
Traffic Mitigation Fund

TRAFFIC MITIGATION CIP PROJECTS
FY 2021/22

	Est Exp Prior To FY 2020/21	Expenditures During FY 2020/21	Estimated Carryforward	New Funding FY 2021/22	Total Budgeted
Carryforward Projects					
Highway 17 Bicycle & Pedestrian Bridge-Design	$ 54	$ 147,247	$ -	$ -	$ 147,300
Bicycle & Pedestrian Improvements	41,350	-	33,650	-	75,000
Traffic Signal Modernization	98,452	133,888	870,949	-	1,103,289
Highway 17/9 Interchange and Capacity Improvements	-	600,000	-	-	600,000
					-
Total of Carryforward Projects	**$ 139,856**	**$ 881,134**	**$ 904,599**	**$ -**	**$ 1,925,589**
New Projects					
	$ -	$ -	$ -	$ -	$ -
Total of New Projects	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Traffic Mitigation Funding Project Totals	**$ 139,856**	**$ 881,134**	**$ 904,599**	**$ -**	**$1,925,589**

Capital Improvement Program

GRANTS AND AWARDS PROJECT FUND
FUND 421

FUND PURPOSE

The Grants and Awards Project Fund is typically composed of projects funded by the federal Department of Housing and Urban Development's Community Development Block Grant (CDBG) Program, the Department of Transportation Seismic Safety Retrofit Program, Transportation Development Act (TDA) Article 3 Funds, Proposition 12 Funding (Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act), and One Bay Area (OBAG) grants. Additional grants and awards may also be a funding source utilized in this fund. The expenditures in this fund are restricted to identified projects solely funded by grants.

BUDGET OVERVIEW

For FY 2021/22, there are twelve grant funded carryforward and one new project. Grant and Award CIP projects receive funding from a variety of sources.

CAPITAL IMPROVEMENT PROGRAM
Grants and Awards Project Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adopted	2020/21 Estimated	2021/22 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignatged	(380,253)	(134,113)	(255,639)	(343,708)	(343,708)	(1,805,771)
Total Beginning Fund Balance	(380,253)	(134,113)	(255,639)	(343,708)	(343,708)	(1,805,771)
Revenues						
Other Taxes	-	-	-	-	-	-
Carryforward	-	-	-	-	-	-
Intergovernmental	261,534	257,968	394,876	6,623,041	140,352	837,883
Town Services	-	-	1,458	-	-	-
Licenses & Permits	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
Total Revenues	**261,534**	**257,968**	**396,334**	**6,623,041**	**140,352**	**837,883**
Transfers In						
Transfer from General Fund	-	-	-	-	-	-
Transfer from Workers Comp	-	-	-	35,000	-	-
Transfes from Bulding Maint	-	-	-	-	-	-
Transfer from MIS Fund	-	-	-	-	-	-
Transfer from Equip Replacement	-	-	-	-	-	-
Total Transfers In	**-**	**-**	**-**	**35,000**	**-**	**-**
Total Revenues & Transfers In	**261,534**	**257,968**	**396,334**	**6,658,041**	**140,352**	**837,883**
TOTAL SOURCE OF FUNDS	**$ (118,719)**	**$ 123,855**	**$ 140,695**	**$ 6,314,333**	**$ (203,356)**	**$ (967,888)**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-
Capital Projects - Carryfwd	-	-	-	-	-	-
Capital Projects - New	15,394	379,494	484,403	6,983,825	1,602,415	837,883
Total Expenditures	**15,394**	**379,494**	**484,403**	**6,983,825**	**1,602,415**	**837,883**
Transfers Out						
Transfers to General Fund	-	-	-	-	-	-
Transfers to Grant Fund	-	-	-	-	-	-
Transfers to Equip Repalcement	-	-	-	-	-	-
Total Transfers Out	**-**	**-**	**-**	**-**	**-**	**-**
Total Expenditures & Transfers Out	**15,394**	**379,494**	**484,403**	**6,983,825**	**1,602,415**	**837,883**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	(134,113)	(255,639)	(343,708)	(669,492)	(1,805,771)	(1,805,771)
Total Ending Fund Balance	(134,113)	(255,639)	(343,708)	(669,492)	(1,805,771)	(1,805,771)
TOTAL USE OF FUNDS	**$ (118,719)**	**$ 123,855**	**$ 140,695**	**$ 6,314,333**	**$ (203,356)**	**$ (967,888)**

☙ CAPITAL IMPROVEMENT PROGRAM ❧
Grants and Awards Project Fund

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

GRANTS & AWARDS CIP PROJECTS
FY 2021/22

	Est Exp Prior To FY 2020/21	Expenditures During FY 2020/21	Estimated Carryforward	New Funding FY 2021/22	Total Budgeted
Carryforward Projects					
Charter Oaks Trail Repair Project	$ 72,833	$ -	$ 75,218	$ 470,000	$ 618,051
Trailhead Connector	205,071	137,929	-	-	343,000
ADA Upgrade for Public Restrooms - Rec Building	51,882	-	67,000	11,979	130,861
Guardrail Replacement Projects	-	717,996	239,332	-	957,328
Shannon Road Ped & Bikeway Improvements	-	-	940,100	-	940,100
Highway 17 Bicycle & Pedestrian Bridge-Design	86,995	-	2,754,534	-	2,841,529
Bicycle & Pedestrian Improvements	168,927	-	-	-	168,927
Traffic Signal Modernization	42,046	726,490	751,126	-	1,519,662
ADA Transition Plan	-	20,000	15,000	-	35,000
Winchester Boulevard Complete Streets (Final Design)	-	-	-	-	-
E. Main St. Speed Table/Raised Crosswalk	-	-	-	-	-
Local Road Safety Plan	-	-	72,000	-	72,000
Winchester Class IV Bikeway	-	-	293,900	-	293,900
Kennedy Sidewalk - LGB to Englewood	-	-	-	-	-
Total of Carryforward Projects	**$ 627,754**	**$1,602,415**	**$ 5,208,210**	**$ 481,979**	**$ 7,920,358**
New Projects					
Oak Meadow Bandstand Area Improvements	$ -	$ -	$ -	$ 355,904	$ 355,904
Total of New Projects	**$ -**	**$ -**	**$ -**	**$ 355,904**	**$ 355,904**
Grant and Awards Project Totals:	**$ 627,754**	**$1,602,415**	**$ 5,208,210**	**$ 837,883**	**$ 8,276,262**

FY 2021/22 KEY PROJECTS

The following Capital Improvement Plan projects are funded with grant funding and are expected to be Key Projects in FY 2021/22:

- ***Traffic Signal Modernization*** – This project will modernize the Town's traffic signal controllers to allow for greater control by staff, ensure that the current system meets current safety standards, and increase the traffic flow. The Town was awarded several grants totaling $1.8M for this project. Full completion of this project relies on increases Traffic Impact Fees related to development projects

  Operating Budget Impacts: Engineering staff time for project management is addressed in the FY 2021/22 Operating Budget.

- ***Guardrail Replacement Project*** – This project will bring guardrails throughout the Town up to current safety standards by replacing outdated guardrails.

  Operating Budget Impacts: Engineering staff time for project management is addressed in the FY 2021/22 Operating Budget with additional temporary staffing required to deliver the project included in the project budget.

- ***Trailhead Connector Project*** – This project will fund the design of a trailhead connection for Los Gatos Creek Trail to Highway 9. The project will become a 'shovel ready' project which allows the Town to be in a better position to obtain grant funding to fund project construction. The project is an identified priority within Measure B and the Town's adopted Bicycle and Pedestrian Master Plan.

  Operating Budget Impacts: Engineering staff time for project management is addressed in the FY 2021/22 Operating Budget with additional temporary staffing required to deliver the project included in the project budget.

- ***Highway 17 Bicycle & Pedestrian Bridge*** – This project will fund the conceptual engineering for a potential bicycle and pedestrian bridge. Crossing Highway 17 in the project vicinity is a barrier for bicyclists and pedestrians. This is a suggested path included in the Safe Routes to School Phase 1 Study.

  Operating Budget Impacts: Engineering staff time for project management is addressed in the FY 2021/22 Operating Budget.

Capital Improvement Program

STORM DRAIN FUNDS
FUNDS 461, 462, 463

FUND PURPOSE

The Town's three Storm Drain Funds are designated for support of the storm drain systems that carry surface runoff water off the Town's streets and route it into curbside catch basins. From there, runoff enters an underground pipe system that ultimately flows to San Francisco Bay. These Storm Drain Funds construct and maintain the Town's facilities, which collect and transport the surface runoff water.

Storm Drain revenues are a designated portion of the fees collected from private development building permit fees. Town Code Section 24.60.010 *et seq*. requires fees to be paid in conjunction with development in specified local drainage areas. Fees collected are placed in one of these three funds, known as Storm Drain Basin #1 (Fund 461), which encompasses the eastern portion of Los Gatos Town limits; Storm Drain Basin #2 (Fund 462), which encompasses a central corridor through the Town; and Storm Drain Basin #3 (Fund 463), which encompasses the Town's west side. The use of these funds is restricted to the construction of drainage facilities located in the designated areas.

BUDGET OVERVIEW

The use of these fees is controlled through Town Council action, and the benefit of each project is evaluated for improving a designated local drainage area. Expenditures from storm drain fees are limited to new construction only, not repair or maintenance work

FY 2021/22 KEY PROJECTS

Bicknell Road and Annual Storm Drain Improvements are scheduled for FY 2021/22, and Hernandez Avenue Storm Drain Improvements is scheduled for FY 2024/25.

☙ CAPITAL IMPROVEMENT PROGRAM ❧
Storm Drain Fund - 461

Staff will complete a Storm Drain Capital Project Master Plan in FY 2021/22 which will identify needed Town-wide improvements and their associated costs.

STATEMENT OF SOURCE AND USE OF FUNDS

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adopted	2020/21 Estimated	2021/22 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignatged	795,382	809,379	932,418	1,034,523	1,034,523	1,083,993
Total Beginning Fund Balance	795,382	809,379	932,418	1,034,523	1,034,523	1,083,993
Revenues						
Other Taxes	-	-	-	-	-	-
Carryforward	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Town Services	-	-	-	-	-	-
Licenses & Permits	12,885	121,427	95,259	45,000	45,000	45,000
Interest	1,112	1,612	16,846	4,470	4,470	4,670
Other Revenues	-	-	-	-	-	-
Total Revenues	**13,997**	**123,039**	**112,105**	**49,470**	**49,470**	**49,670**
Transfers In						
Transfer from General Fund	-	-	-	-	-	-
Transfer from CDBG	-	-	-	-	-	-
Transfes from Bulding Maint	-	-	-	-	-	-
Transfer from MIS Fund	-	-	-	-	-	-
Transfer from Equip Replacement	-	-	-	-	-	-
Total Transfers In	**-**	**-**	**-**	**-**	**-**	**-**
Total Revenues & Transfers In	**13,997**	**123,039**	**112,105**	**49,470**	**49,470**	**49,670**
TOTAL SOURCE OF FUNDS	**$ 809,379**	**$ 932,418**	**$ 1,044,523**	**$ 1,083,993**	**$ 1,083,993**	**$ 1,133,663**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-
Capital Projects - Carryfwd	-	-	-	-	-	-
Capital Projects - New	-	-	-	150,000	-	50,000
Total Expenditures	**-**	**-**	**-**	**150,000**	**-**	**50,000**
Transfers Out						
Transfers to General Fund	-	-	-	-	-	-
Transfers to GFAR	-	-	10,000	-	-	-
Total Transfers Out	**-**	**-**	**10,000**	**-**	**-**	**-**
Total Expenditures & Transfers Out	**-**	**-**	**10,000**	**150,000**	**-**	**50,000**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	809,379	932,418	1,034,523	933,993	1,083,993	1,083,663
Total Ending Fund Balance	809,379	932,418	1,034,523	933,993	1,083,993	1,083,663
TOTAL USE OF FUNDS	**$ 809,379**	**$ 932,418**	**$ 1,044,523**	**$ 1,083,993**	**$ 1,083,993**	**$ 1,133,663**

CAPITAL IMPROVEMENT PROGRAM
Storm Drain Fund - 462

STATEMENT OF SOURCE AND USE OF FUNDS

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adopted	2020/21 Estimated	2021/22 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignatged	1,018,786	1,752,775	1,800,549	1,853,118	1,853,118	1,936,608
Total Beginning Fund Balance	1,018,786	1,752,775	1,800,549	1,853,118	1,853,118	1,936,608
Revenues						
Other Taxes	-	-	-	-	-	-
Carryforward	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Town Services	-	-	-	-	-	-
Licenses & Permits	750,277	44,657	31,188	45,000	75,000	45,000
Interest	2,412	3,117	31,381	8,490	8,490	8,930
Other Revenues	-	-	-	-	-	-
Total Revenues	**752,689**	**47,774**	**62,569**	**53,490**	**83,490**	**53,930**
Transfers In						
Transfer from General Fund	-	-	-	-	-	-
Transfer from CDBG	-	-	-	-	-	-
Transfes from Bulding Maint	-	-	-	-	-	-
Transfer from MIS Fund	-	-	-	-	-	-
Transfer from Equip Replacement	-	-	-	-	-	-
Total Transfers In	**-**	**-**	**-**	**-**	**-**	**-**
Total Revenues & Transfers In	**752,689**	**47,774**	**62,569**	**53,490**	**83,490**	**53,930**
TOTAL SOURCE OF FUNDS	**$ 1,771,475**	**$ 1,800,549**	**$ 1,863,118**	**$ 1,906,608**	**$ 1,936,608**	**$ 1,990,538**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-
Capital Projects - Carryfwd	-	-	-	-	-	-
Capital Projects - New	18,700	-	-	150,000	-	50,000
Total Expenditures	**18,700**	**-**	**-**	**150,000**	**-**	**50,000**
Transfers Out						
Transfers to General Fund	-	-	-	-	-	-
Transfers to GFAR	-	-	10,000	-	-	-
Total Transfers Out	**-**	**-**	**10,000**	**-**	**-**	**-**
Total Expenditures & Transfers Out	**18,700**	**-**	**10,000**	**150,000**	**-**	**50,000**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	1,752,775	1,800,549	1,853,118	1,756,608	1,936,608	1,940,538
Total Ending Fund Balance	1,752,775	1,800,549	1,853,118	1,756,608	1,936,608	1,940,538
TOTAL USE OF FUNDS	**$ 1,771,475**	**$ 1,800,549**	**$ 1,863,118**	**$ 1,906,608**	**$ 1,936,608**	**$ 1,990,538**

CAPITAL IMPROVEMENT PROGRAM
Storm Drain Fund - 463

STATEMENT OF SOURCE AND USE OF FUNDS

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adopted	2020/21 Estimated	2021/22 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignatged	(8,725)	(76,153)	(104,406)	(106,361)	(127,361)	(132,481)
Total Beginning Fund Balance	(8,725)	(76,153)	(104,406)	(106,361)	(127,361)	(132,481)
Revenues						
Other Taxes	-	-	-	-	-	-
Carryforward	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Town Services	-	-	-	-	-	-
Licenses & Permits	40,609	2,864	24	2,500	500	2,500
Interest	(45)	(1,417)	(1,979)	(1,120)	(1,120)	(1,560)
Other Revenues	-	-	-	-	-	-
Total Revenues	**40,564**	**1,447**	**(1,955)**	**1,380**	**(620)**	**940**
Transfers In						
Transfer from General Fund	-	-	-	-	-	-
Transfer from CDBG	-	-	-	-	-	-
Transfes from Bulding Maint	-	-	-	-	-	-
Transfer from MIS Fund	-	-	-	-	-	-
Transfer from Equip Replacement	-	-	-	-	-	-
Total Transfers In	**-**	**-**	**-**	**-**	**-**	**-**
Total Revenues & Transfers In	**40,564**	**1,447**	**(1,955)**	**1,380**	**(620)**	**940**
TOTAL SOURCE OF FUNDS	**$ 31,839**	**$ (74,706)**	**$ (106,361)**	**$ (104,981)**	**$ (127,981)**	**$ (131,541)**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-
Capital Projects - Carryfwd	-	-	-	-	-	-
Capital Projects - New	107,992	29,700	11,000	185,058	4,500	75,000
Total Expenditures	**107,992**	**29,700**	**11,000**	**185,058**	**4,500**	**75,000**
Transfers Out						
Transfers to General Fund	-	-	-	-	-	-
Transfers to GFAR	-	-	10,000	-	-	-
Total Transfers Out	**-**	**-**	**10,000**	**-**	**-**	**-**
Total Expenditures & Transfers Out	**107,992**	**29,700**	**21,000**	**185,058**	**4,500**	**75,000**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	(76,153)	(104,406)	(127,361)	(290,039)	(132,481)	(206,541)
Total Ending Fund Balance	(76,153)	(104,406)	(127,361)	(290,039)	(132,481)	(206,541)
TOTAL USE OF FUNDS	**$ 31,839**	**$ (74,706)**	**$ (106,361)**	**$ (104,981)**	**$ (127,981)**	**$ (131,541)**

ꕥ CAPITAL IMPROVEMENT PROGRAM ꕥ
Storm Drain Funds

STORM DRAIN CIP PROJECTS
FY 2021/22

	Est Exp Prior To FY 2020/21	Expenditures During FY 2020/21	Estimated Carryforward	New Funding FY 2021/22	Total Budgeted
Carryforward Projects					
Hernandez Avenue Storm Drain Improvements	$ 17,180	$ -	$ -	$ -	$ 17,180
Bicknell Road Storm Drain Improvements	156,432	4,500	60,258	25,000	246,190
Annual Storm Drain Improvements	59,700	-	420,300	150,000	630,000
Total of Carryforward Projects	**$ 233,312**	**$ 4,500**	**$ 480,558**	**$ 175,000**	**$ 893,370**
New Projects					
	$ -	$ -	$ -	$ -	$ -
Total of New Projects	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Storm Drain Project Totals:	**$ 233,312**	**$ 4,500**	**$ 480,558**	**$ 175,000**	**$ 893,370**

Capital Improvement Program

UTILITY UNDERGROUND
FUND 472

FUND PURPOSE

This fund accounts for the resources generated and utilized for placing overhead utility lines underground in the effort to improve power reliability, reduce utility maintenance costs, and remove unsightly poles and lines.

The Utility Underground Fund generates revenue through a construction fee placed on building permits. The fee is imposed on the construction of any building, portion of a building, or mobile home lot. Construction by definition includes both new construction and improvements. The underground utility fee imposed is a fixed rate per square foot, currently set at $0.18 for each square foot of building addition or alteration. The use of the proceeds of the fee is limited to the conversion of existing overhead utility lines to underground lines.

Utility Underground-funded projects may also be funded by Pacific Gas and Electric Company's (PG&E) Rule 20A funds. Projects that eliminate a heavy concentration of overhead electric lines in areas used extensively by the general public are nominated by the Town to PG&E. Approved projects are then funded through the Town's allocation of Rule 20A funds, which are electric tariffs accumulated by PG&E as a percentage of electric bills. The Town's allocation typically is in the range of $60,000 to $110,000 annually. This program will be phased out, with the current Town project likely the last to receive funding from this source.

BUDGET OVERVIEW

The use of Utility Underground Fund fees is controlled through Town Council action, after the benefit of each project is evaluated to ensure appropriate application of the fees to eligible projects. Total cash balances currently on hand from the utility undergrounding construction tax are approximately $3.2 million at FY 2020/21 year-end. In addition, the Town is currently utilizing $4.6 million in Rule 20A funds allocated from a percentage of electric bills for a project on Los Gatos Boulevard. PG&E retains and tracks those funds.

☙ CAPITAL IMPROVEMENT PROGRAM ❧
Utility Underground Fund

The Town's allocation of Rule 20A credits grown to approximately $4.6M. PG&E completed the design a Rule 20A utility undergrounding project on Los Gatos Boulevard between Lark Avenue and Chrico Drive. An encroachment permit was issued for the project, and PG&E started construction in January 2021. The underground project is anticipated to take a year to complete. Staff is overseeing the work and coordination closely with PG&E on activities that would have impacts to traffic and neighboring communities

STATEMENT OF SOURCE AND USE OF FUNDS

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adopted	2020/21 Estimated	2021/22 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignatged	2,929,116	2,997,984	3,079,685	3,118,174	3,118,174	3,158,463
Total Beginning Fund Balance	2,929,116	2,997,984	3,079,685	3,118,174	3,118,174	3,158,463
Revenues						
Other Taxes	31,838	28,390	34,437	30,000	40,000	30,000
Carryforward	-	-	-	-	-	-
Intergovernmental	-	-	-	3,810,558	-	-
Town Services	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-
Interest	37,030	53,311	53,052	22,490	22,490	22,490
Other Revenues	-	-	-	-	-	-
Total Revenues	**68,868**	**81,701**	**87,489**	**3,863,048**	**62,490**	**52,490**
Transfers In						
Transfer from General Fund	-	-	-	-	-	-
Transfer from CDBG	-	-	-	-	-	-
Transfes from Bulding Maint	-	-	-	-	-	-
Transfer from MIS Fund	-	-	-	-	-	-
Transfer from Equip Replacement	-	-	-	-	-	-
Total Transfers In	**-**	**-**	**-**	**-**	**-**	**-**
Total Revenues & Transfers In	**68,868**	**81,701**	**87,489**	**3,863,048**	**62,490**	**52,490**
TOTAL SOURCE OF FUNDS	**$ 2,997,984**	**$ 3,079,685**	**$ 3,167,174**	**$ 6,981,222**	**$ 3,180,664**	**$ 3,210,953**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-
Capital Projects - Carryfwd	-	-	-	-	-	-
Capital Projects - New	-	-	49,000	6,836,204	22,201	-
Total Expenditures	**-**	**-**	**49,000**	**6,836,204**	**22,201**	**-**
Transfers Out						
Transfers to General Fund	-	-	-	-	-	-
Transfers to Equip Repalcement	-	-	-	-	-	-
Total Transfers Out	**-**	**-**	**-**	**-**	**-**	**-**
Total Expenditures & Transfers Out	**-**	**-**	**49,000**	**6,836,204**	**22,201**	**-**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	2,997,984	3,079,685	3,118,174	145,018	3,158,463	3,210,953
Total Ending Fund Balance	2,997,984	3,079,685	3,118,174	145,018	3,158,463	3,210,953
TOTAL USE OF FUNDS	**$ 2,997,984**	**$ 3,079,685**	**$ 3,167,174**	**$ 6,981,222**	**$ 3,180,664**	**$ 3,210,953**

ꕥ CAPITAL IMPROVEMENT PROGRAM ꕥ
Utility Underground Fund

UTILITY UNDERGROUND CIP PROJECTS
FY 2021/22

	Est Exp Prior To FY 2020/21	Expenditures During FY 2020/21	Estimated Carryforward	New Funding FY 2021/22	Total Budgeted
Carryforward Projects					
Utility Undergrounding Improvements	$ -	$ -	$ 300,000	$ -	$ 300,000
Shannon Road Ped & Bikeway Improvements	49,000	22,201	48,003	-	119,204
Total of Carryforward Projects	**$ 49,000**	**$ 22,201**	**$ 348,003**	**$ -**	**$ 419,204**
New Projects					
	$ -	$ -	$ -	$ -	$ -
Total of New Projects	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Total of Utility Underground Projects	**# $ 49,000**	**$ 22,201**	**$ 348,003**	**$ -**	**$ 419,204**

Capital Improvement Program

GAS TAX FUND
FUND 481

FUND PURPOSE

Gas Tax Fund revenue is a State-provided funding source for the purpose of street and highway maintenance and reconstruction. Street and Highway Code Sections 2103 (originally Prop 42), 2105, 2106, 2107, and 2107.5 govern the Gas Tax Fund. Expenditures from this fund are restricted to new construction and reconstruction of Town streets. The general classification of street and road work activities consist of construction, maintenance, and overhead as follow:

Construction is the building or rebuilding of streets, roads, and bridges; and the acquisition of rights of way or their component parts, to a degree that improved traffic service is provided and geometric or structural improvements are affected. The following types of work are examples of street and road construction:

- Removal of old streets and roadbeds, and detour costs connected with a construction project
- Modification of alignment, profile, and cross-section
- Addition of a frontage street or road
- Installation of original traffic signs and markers on routes
- Complete reconstruction or an addition to a culvert
- Reconstruction of an existing bridge or installation of a new bridge
- Installations or extensions of curb, gutter, sidewalks, and under drain
- Installation or expansion of street or road lighting system

Maintenance is the preservation and upkeep of a street or road condition and the operation of a street or road facility to provide safe, convenient, and economical highway transportation. Maintenance categories include:

- Patching, repairing, surface treating, and joint filling on bituminous or concrete surfaces
- Resealing street or road shoulders and side street and road approaches
- Removing landslides and restoring facilities damaged by slides
- Mowing, tree trimming, and watering within the street right-of-way
- Repairing curb, gutter, rip-rap, under drain, culverts, and drains
- Repainting of pavements, and striping and marking to the same standards
- Furnishing of power for street and road lighting and traffic control

Overhead includes those elements of cost necessary in the production of an article or performance of a service. Usually overhead relates to expenditures which do not become an integral part of the finished product or service. Overhead costs are only allowed under an approved cost allocation plan, or an equitable and auditable distribution of overhead to all departments. Components of overhead expenses include:

- Management
- Procurement
- Advertising
- Legal Costs
- Payroll
- General Accounting/Finance
- Facilities

Ineligible Activities

Although many types of work may be classified as "construction," this does not make them automatically eligible. To be eligible, the work must be for street or road purposes. The following is a list of the types of expenditures that are not eligible:

- Costs of rearranging non-highway facilities, including utility relocation, when not a legal road or street obligation
- New installation of utilities, including water mains, sanitary sewers, and other non-street facilities
- Decorative lighting
- Work outside the right-of-way that is not a specific right-of-way obligation
- Maintenance or construction on alleys that have not been formally designated as part of the jurisdiction's street and road system
- Improvements and maintenance to "Park and Ride" designated lots

☙ CAPITAL IMPROVEMENT PROGRAM ❧
Gas Tax Fund

The estimated Gas Tax revenue totals approximately $1.2 million for FY 2020/21 reflecting the recently enacted Road Recovery and Repair Act of 2017 (SB1). The ongoing Street Repair and Resurfacing project was carried forward from FY 2019/20, as is typical. There are no new Gas Tax funded projects scheduled for FY 2021/22.

BUDGET OVERVIEW

STATEMENT OF SOURCE AND USE OF FUNDS

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adopted	2020/21 Estimated	2021/22 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	$ -	$ -	$ -	$ -	$ -	$ -
Undesignatged	693,506	703,148	853,819	290,369	290,369	771,710
Total Beginning Fund Balance	693,506	703,148	853,819	290,369	290,369	771,710
Revenues						
Other Taxes	-	-	-	-	-	-
Carryforward	-	-	-	-	-	-
Intergovernmental	852,300	1,195,069	1,249,696	1,232,107	1,232,107	1,400,594
Town Services	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-
Interest	13,307	22,483	12,238	1,210	1,210	1,271
Other Revenues	-	-	-	-	-	-
Total Revenues	**865,607**	**1,217,552**	**1,261,934**	**1,233,317**	**1,233,317**	**1,401,865**
Transfers In						
Transfer from General Fund	-	-	-	-	-	-
Transfer from CDBG	-	-	-	-	-	-
Transfes from Bulding Maint	-	-	-	-	-	-
Transfer from MIS Fund	-	-	-	-	-	-
Transfer from Equip Replacement	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
Total Revenues & Transfers In	**865,607**	**1,217,552**	**1,261,934**	**1,233,317**	**1,233,317**	**1,401,865**
TOTAL SOURCE OF FUNDS	**$ 1,559,113**	**$ 1,920,700**	**$ 2,115,753**	**$ 1,523,686**	**$ 1,523,686**	**$ 2,173,575**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	$ -	$ -	$ -	$ -	$ -	$ -
Operating Expenditures	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-
Capital Projects - Carryfwd	-	-	-	-	-	-
Capital Projects - New	749,965	960,881	1,719,384	1,291,952	645,976	1,295,865
Total Expenditures	**749,965**	**960,881**	**1,719,384**	**1,291,952**	**645,976**	**1,295,865**
Transfers Out						
Transfers to General Fund	106,000	106,000	106,000	106,000	106,000	106,000
Transfers to Equip Repalcement	-	-	-	-	-	-
Total Transfers Out	**106,000**	**106,000**	**106,000**	**106,000**	**106,000**	**106,000**
Total Expenditures & Transfers Out	**855,965**	**1,066,881**	**1,825,384**	**1,397,952**	**751,976**	**1,401,865**
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	703,148	853,819	290,369	125,734	771,710	771,710
Total Ending Fund Balance	703,148	853,819	290,369	125,734	771,710	771,710
TOTAL USE OF FUNDS	**$ 1,559,113**	**$ 1,920,700**	**$ 2,115,753**	**$ 1,523,686**	**$ 1,523,686**	**$ 2,173,575**

ꕥ CAPITAL IMPROVEMENT PROGRAM ꕥ
Gas Tax Fund

GAS TAX CIP PROJECTS
FY 2021/22

	Est Exp Prior To FY 2020/21	Expenditures During FY 2020/21	Estimated Carryforward	New Funding FY 2021/22	Total Budgeted
Carryforward Projects					
Street Repair & Resurfacing	$ 9,600,051	$ 645,976	$ 645,976	$ 1,295,865	$ 12,187,867
					-
Total of Carryforward Projects	**$9,600,051**	**$ 645,976**	**$ 645,976**	**$1,295,865**	**$ 12,187,867**
New Projects					
	$ -	$ -	$ -	$ -	$ -
Total of New Projects	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Total of Gas Tax Projects	**$9,600,051**	**$ 645,976**	**$ 645,976**	**$1,295,865**	**$ 12,187,867**

FY 2021/22 KEY PROJECTS

The Gas Tax Fund has one carryforward project with remaining funding and additional appropriations:

- ***Street Repair and Resurfacing –*** The Town's Street Resurfacing Program of preventive and deferred maintenance includes new appropriations, using Gas Tax monies and 2016 Measure B. The work to be performed consists of a balanced program of surface seals, street reconstructions and pavement overlays, with supplemental ongoing maintenance activities performed by the Town's Parks and Public Works department staff.

  Operating Budget Impacts - Engineering staff time for project design and oversight is incorporated into the operating budget workplan.

Successor Agency

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Successor Agency to the Town of Los Gatos Redevelopment Agency

FUND 942

AGENCY OVERVIEW

The Los Gatos Town Council established the Los Gatos Redevelopment Agency on January 22, 1990, pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code, Section 33000 et seq.) and declared itself to constitute the Agency by Ordinance No. 1806 adopted on December 4, 1989. The Redevelopment Plan was pursued as a result of the Loma Prieta Earthquake in 1989 and the need to rebuild existing infrastructure. The Redevelopment Agency area encompassed approximately 440 acres in and around downtown Los Gatos, which included retail and residential areas, lodging, schools, and transportation thoroughfares.

Projects completed in the Plan area, including street and utility reconstruction, parking, streetscape, and civic improvements, were funded through property "tax increment" revenue collected by the Redevelopment Agency. When the Redevelopment Agency was initially formed, the tax base for all properties within the redevelopment area was "frozen" to form a "base year." When properties were reassessed, the tax base grew and the Agency received the majority of the difference in property taxes paid between the base year and the new level (known as "tax increment" revenue).

BUDGET OVERVIEW

On June 15, 2011, the California State Legislature adopted two budget "trailer" bills concerning redevelopment, ABx1 26 and ABx1 27 (hereafter AB 26 and AB 27). AB 26 (the "Dissolution Act") eliminated redevelopment agencies as of October 1, 2011, and essentially restricted redevelopment agencies from entering into agreements, borrowing or lending funds, or acquiring or disposing of real property prior to dissolution. Whereas, AB 27 (the "Voluntary Program Act") allowed redevelopment agencies to remain in existence and be exempt from AB 26 if certain "voluntary" payments were made to the State in FY 2012 and in each fiscal year

thereafter. These bills were signed into law by the governor on July 28, 2011.

The League of California Cities and the California Redevelopment Association (CRA) filed a petition with the California Supreme Court, challenging the constitutionality of AB 26 and AB 27. The California Supreme Court, in its decision in *California Redevelopment Association v. Matosantos* issued December 29, 2011 (the "Supreme Court Decision"), declared the Dissolution Act alone to be constitutional. Under the Dissolution Act, all California redevelopment agencies were dissolved effective February 1, 2012.

Following the provisions of the Dissolution Act, the Town Council of the Town of Los Gatos (the "Town Council") adopted a resolution accepting for the Town the role of Successor Agency (the "Successor Agency") to the Redevelopment Agency of the Town of Los Gatos (the "Redevelopment Agency"). An oversight board (the "Oversight Board"), consisting of members representing Santa Clara County, the Town, and various education and special districts was formed to approve and direct certain actions of the Town as Successor Agency.

Prior to the dissolution of redevelopment agencies, redevelopment law required that 20 percent of tax increment revenue received by an agency must be set aside for affordable housing activities. Under the Dissolution Act, tax increment revenue received by the Successor Agency did not include funding for affordable housing. However, tax-sharing agreements negotiated with affected public educational entities, the Mid-Peninsula Open Space District, and Santa Clara County continue to be recognized. Nearly half of all Redevelopment Agency tax increment had been passed through to these taxing entities.

Successor Agencies may also receive tax increment revenue to pay for enforceable obligations that were incurred prior to the passage of the Dissolution Act. Under the Dissolution Act, Successor Agencies must approve and submit a Recognized Obligation Payment Schedule (ROPS) that reflects enforceable obligations over a six-month period. Prior to the payment of any enforceable obligation, the ROPS must be certified by the County and subsequently approved by the Oversight Board. Successor Agencies must also approve and submit an administrative budget for operational expenses to the Oversight Board for approval. Successor Agencies may receive a minimum of up to $250,000 or up to 3 percent of tax increment revenues received by the Successor Agency per fiscal year for administrative expenses, which is significantly lower than the Successor Agency's current administrative expenses.

The Town has several existing enforceable obligations that must be paid over the remaining life of the debt service, or until the Successor Agency reaches the tax increment cap, which is the gross tax increment collected over the life of the Agency. The Town's tax increment cap, which is anticipated to be reached by FY 2027/28, is approximately $250 million. The Successor Agency currently pays debt service on two Certificates of Participation (COPs):

- ***2002 COPs Payments for Redevelopment Agency Capital Projects:*** In 2002, the Town issued debt for approximately $10.7 million to fund RDA infrastructure projects in the project area. Annual debt service payments of approximately $680,000 will continue through FY 2031/32.
- ***2010 COPs Payments for Town Library:*** In 2010, the Town issued debt for approximately $15.7 million to fund the construction of the new library building. Annual debt service payments of approximately $1.2 million will continue through FY 2027/28.
- ***Agency Administration:*** This pays for the day-to-day operations of the Successor Agency, including staff salary and benefits, supplies and materials, and consultant assistance. Annual budgeted expenditures are estimated to be approximately $13,000.

The Town submitted the Last & Final ROPS to the State and it was approved by the State on April 6, 2016. The Town no longer submits ROPS every six months and has scheduled the ROPS budget through FY 2031/32. At the end of FY 2031/32, the Town and the County will resolve any remaining balances.

SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY

STATEMENT OF SOURCE AND USE OF FUNDS (BUDGETARY FUND BALANCE)

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adjusted	2020/21 Estimated	2021/22 Adopted
SOURCES OF FUNDS						
Beginning Budgetary Fund Balance						
Designated	$ 1,963,658	$ 1,963,657	$ 1,963,660	$ 1,967,496	$ 1,967,496	$ 1,963,327
Undesignated	1,726,854	1,840,123	1,876,528	1,600,781	1,600,781	1,602,669
Total Beginning Fund Balance	3,690,512	3,803,780	3,840,188	3,568,277	3,568,277	3,565,996
Revenues						
Property Tax	-	-	-	-	-	-
Other Taxes	-	-	-	-	-	-
Intergovernmetal	-	-	-	-	-	-
Lease Income - COP's	1,914,739	1,909,073	1,905,024	1,908,494	1,908,494	1,999,850
County RPTTF Reimbursement	1,958,325	1,945,763	1,949,284	1,917,494	1,917,494	1,908,850
Interest	22,788	43,706	32,531	3,500	500	3,500
Other Revenues	-	11,664	11,664	-	-	-
Total Revenues	**3,895,852**	**3,910,206**	**3,898,503**	**3,829,488**	**3,826,488**	**3,912,200**
Transfers In						
Transfer from SA Administration	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
Total Revenues and Transfer Ins	**$ 3,895,852**	**$ 3,910,206**	**$ 3,898,503**	**$ 3,829,488**	**$ 3,826,488**	**$ 3,912,200**
TOTAL SOURCE OF FUNDS	**$ 7,586,364**	**$ 7,713,986**	**$ 7,738,691**	**$ 7,397,765**	**$ 7,394,765**	**$ 7,478,196**
USES OF FUNDS						
Expenditures						
Salaries and Benefits	1,385	1,555	1,654	1,778	1,756	1,706
Operating Expenditures	5,270	111,712	110,337	10,020	10,020	10,020
Grants	-	-	-	-	-	-
Debt Service	3,769,571	3,760,522	4,058,418	3,816,988	3,816,988	3,799,700
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	58	9	5	5	5	5
Total Expenditures	**3,776,284**	**3,873,798**	**4,170,414**	**3,828,791**	**3,828,769**	**3,811,431**
Transfers Out						
Transfer to Capital Projects	-	-	-	-	-	-
Transfer to General Funds	6,300	-	-	-	-	-
Total Transfers Out	**6,300**	**-**	**-**	**-**	**-**	**-**
Total Expenditures & Transfers Out	**3,782,584**	**3,873,798**	**4,170,414**	**3,828,791**	**3,828,769**	**3,811,431**
Ending Fund Balance						
Designated	1,963,657	1,963,660	1,967,496	1,963,327	1,963,327	1,963,327
Undesignated	1,840,123	1,876,528	1,600,781	1,605,647	1,602,669	1,703,438
Total Ending Fund Balance	3,803,780	3,840,188	3,568,277	3,568,974	3,565,996	3,666,765
TOTAL USE OF FUNDS	**$ 7,580,064**	**$ 7,713,986**	**$ 7,738,691**	**$ 7,397,765**	**$ 7,394,765**	**$ 7,478,196**

ꕥ SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY ꕥ

SUCCESSOR AGENCY TO THE LOS GATOS RDA PROGRAM STAFFING

Full Time Equivalent (FTE)

Town Staff	2017/18 Funded	2018/19 Funded	2019/20 Funded	2020/21 Funded	2021/22 Proposed
Accountant/Finance Analyst	0.01	0.01	0.01	0.01	0.01
Total SA FTEs	**0.01**	**0.01**	**0.01**	**0.01**	**0.01**

Successor Agency to the Town of Los Gatos Redevelopment Agency

ADMINISTRATION
PROGRAM 9403

PROGRAM PURPOSE

The Successor Agency's Administration Fund encompasses administrative functions related to operational and fiscal matters of the Successor Agency, in conjunction with the Finance Department. Prior to the dissolution of the Redevelopment Agency, this fund also supported capital project development, management, and construction oversight; and economic vitality activities to enhance revenues through business promotion and retention. While there will be no future capital projects, with the exception of Almond Grove reconstruction project in the former Redevelopment Area, economic vitality efforts continue and are now supported by the General Fund.

BUDGET OVERVIEW

The FY 2021/22 Administration Fund budget reflects approximately $9,000 of tax increment revenue to cover the operational and fiscal reporting expenses of the Successor Agency. The Town's last and final ROPS was approved by the State in 2016. The Town no longer submits ROPS every six months.

Successor Agency to the Town of Los Gatos Redevelopment Agency

DEBT SERVICE
PROGRAMS 9404 and 9405

FUND PURPOSE

Prior to the Dissolution Act, the Los Gatos Redevelopment Agency assumed the obligation of paying the debt service on the Town's 2002 and 2010 Certificates of Participation (COPs) in return for the lease of Town property. The purpose of the COPs was to fund key capital infrastructure projects located in the former Redevelopment Area. Payments for this indebtedness were and will continue to be made from the Debt Service Fund.

BUDGET OVERVIEW

PROGRAM 9404 – 2002 CERTIFICATE OF PARTICIPATION

The Town bears an obligation for the 30-year Certificates of Participation issued in the original amount of $10,725,000, dated August 1, 2002. The COPs were issued to finance infrastructure improvements in the downtown Redevelopment Area, including plaza reconstruction, streetscape improvements, street reconstruction, storm drainage, and alley improvements, as well as partially funding the reconstruction of the pool at Los Gatos High School. The COPs principal payments are due annually on August 1, with interest payments payable semi-annually on February 1 and August 1.

The financing structure of the COPs includes two lease agreements between the Town of Los Gatos and the Successor Agency for the Town of Los Gatos Redevelopment Agency dated July 1, 2002.

ꕥ SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY ꕥ
Debt Service

The first agreement lease five Town-owned parcels, commonly known as the Miles Avenue Corporation Yard, to the Successor Agency through August 1, 2031 for a one-time fee of $1. In the second lease, the Successor Agency subleases the same land back to the Town, effective the date of the original lease. The annual sub-lease payments are equal to the annual debt service for the COPs.

A reimbursement agreement between the Town and the Successor Agency, also dated July 1, 2002, obligates the Agency to reimburse the Town in an amount equal to the annual lease payment the Town pays to the Agency for the sub-lease of the Corporation Yard. This reimbursement is in consideration of the Town's cost of the acquisition and construction of the yard facilities.

While the annual impact of these agreements nets to zero, the lease and reimbursement payments are included in both the Town's and Successor Agency's budgets each year to accurately reflect the terms of these agreements. The Agency remains responsible for making the principal and interest payments.

The maturity schedule for the Successor Agency's current Debt Service obligation under the 2002 COPs is as follows:

ꕥ SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY ꕥ
Debt Service

2002 COP DEBT SERVICE

Fiscal Year	Principal Maturing August 1st	Interest Due August 1st	Interest Due Feburary 1st	Total Debt Service	Principal Balance
Issue Date: August 1, 2002					$ 10,725,000
2002/03	-	-	$ 237,164	$ 237,164	10,725,000
2003/04	$ 210,000	$ 235,854	233,229	679,083	10,515,000
2004/05	215,000	233,229	230,541	678,770	10,300,000
2005/06	225,000	230,541	227,729	683,270	10,075,000
2006/07	230,000	227,729	224,854	682,583	9,845,000
2007/08	235,000	224,854	221,681	681,535	9,610,000
2008/09	240,000	221,681	218,081	679,763	9,370,000
2009/10	250,000	218,081	214,019	682,100	9,120,000
2010/11	255,000	214,019	209,556	678,575	8,865,000
2011/12	265,000	209,556	204,720	679,276	8,600,000
2012/13	275,000	204,720	199,426	679,146	8,325,000
2013/14	285,000	199,426	193,726	678,153	8,040,000
2014/15	295,000	193,726	187,679	676,405	7,745,000
2015/16	310,000	187,679	181,169	678,848	7,435,000
2016/17	320,000	181,169	174,209	675,378	7,115,000
2017/18	335,000	174,209	166,755	675,964	6,780,000
2018/19	350,000	166,755	158,793	675,548	6,430,000
2019/20	365,000	158,793	150,306	674,099	6,065,000
2020/21	385,000	150,306	141,163	676,469	5,680,000
2021/22	**400,000**	**141,163**	**131,463**	**672,625**	**5,280,000**
2022/23	420,000	131,463	121,225	672,688	4,860,000
2023/24	440,000	121,225	110,500	671,725	4,420,000
2024/25	465,000	110,500	98,875	674,375	3,955,000
2025/26	485,000	98,875	86,750	670,625	3,470,000
2026/27	510,000	86,750	74,000	670,750	2,960,000
2027/28	535,000	74,000	60,625	669,625	2,425,000
2028/29	565,000	60,625	46,500	672,125	1,860,000
2029/30	590,000	46,500	31,750	668,250	1,270,000
2030/31	620,000	31,750	16,250	668,000	650,000
2031/32	650,000	16,250	-	666,250	-
TOTALS:	**$ 10,725,000**	**+ $ 4,551,426**	**+ $ 4,552,737**	**= $ 19,829,163**	

ꕥ SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY ꕥ
Debt Service

PROGRAM 9405 – 2010 CERTIFICATES OF PARTICIPATION

The 2010 Certificates of Participation financing structure parallels the 2002 issue. The Town bears an obligation for the 18-year Certificates of Participation issued in the original amount of $15,675,000, dated June 1, 2010. The COPs were issued to finance the construction of the new Town Library. The COPs principal payments are due annually on August 1, with interest payments payable semi-annually on February 1 and August 1.

The financing structure of the COPs includes two lease agreements between the Town of Los Gatos and the Successor Agency for the Town of Los Gatos Redevelopment Agency dated June 1, 2010. The first agreement leases Town-owned parcels, including the existing Library, Police Operations Building, and related property located at the Civic Center, to the Successor Agency through August 1, 2028 for a one-time fee of $1. In the second lease, the Successor Agency subleases the properties back to the Town, effective the date of the original lease. The annual sub-lease payments are equal to the annual debt service for the COPs.

A reimbursement agreement between the Town and Agency, also dated June 1, 2010, obligates the Agency to reimburse the Town in an amount equal to the annual lease payment the Town pays to the Agency for the sub-lease of the existing Library, Police Operations Building, and related properties. This reimbursement is in consideration of the Town's cost of the acquisition and construction of the Library and Police facilities.

While the annual impact of these agreements nets to zero, the lease and reimbursement payments are included in both the Town's and Successor Agency's budgets each year to accurately reflect the terms of these agreements. The Agency remains responsible for making the principal and interest payments.

The maturity schedule for the Successor Agency's current Debt Service obligation under the 2010 COPs is as follows:

ꕥ SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY ꕥ
Debt Service

2010 COP DEBT SERVICE

Fiscal Year	Interest Due August 1st	Principal Maturing August 1st	Interest Due February 1st	Total Debt Service	Principal Balance
Issue Date: June 1, 2010					$ 15,675,000
2010/11			423,161	423,161	15,675,000
2011/12	320,038	530,000	313,413	1,163,450	15,145,000
2012/13	313,413	650,000	300,413	1,263,825	14,495,000
2013/14	300,413	670,000	287,013	1,257,425	13,825,000
2014/15	287,013	695,000	269,638	1,251,650	13,130,000
2015/16	269,638	715,000	258,913	1,243,550	12,415,000
2016/17	258,913	745,000	244,013	1,247,925	11,670,000
2017/18	244,013	770,000	224,763	1,238,775	10,900,000
2018/19	224,763	800,000	208,763	1,233,525	10,100,000
2019/20	208,763	830,000	192,163	1,230,925	9,270,000
2020/21	192,163	865,000	174,863	1,232,025	8,405,000
2021/22	**174,863**	**900,000**	**152,363**	**1,227,225**	**7,505,000**
2022/23	152,363	935,000	133,663	1,221,025	6,570,000
2023/24	133,663	975,000	114,163	1,222,825	5,595,000
2024/25	114,163	1,020,000	93,763	1,227,925	4,575,000
2025/26	93,763	1,065,000	72,463	1,231,225	3,510,000
2026/27	72,463	1,115,000	50,163	1,237,625	2,395,000
2027/28	50,163	1,170,000	26,031	1,246,194	1,225,000
2028/29	26,031	1,225,000		1,251,031	-
TOTALS:	**$ 3,436,594**	**+ $ 15,675,000**	**+ $ 3,539,717**	**= $ 22,651,311**	

☙ SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY ❧
Debt Service

California Government Code Section 43605 states: *"A city shall not incur an indebtedness for public improvements which exceeds in the aggregate 15 percent of the assessed value of all real and personal property of the city. Within the meaning of this section indebtedness means bonded indebtedness of the city payable from the proceeds of taxes levied upon taxable property in the city."*

This schedule calculates the Town's legal debt margin by determining the 15% debt limit and comparing this limit to the Town's outstanding debt at the end of the fiscal year to determine the difference between the two. Only certain types of outstanding debt are subject to the legal debt limit; therefore, while this schedule recognizes all debt, the total debt is reduced by that debt not subject to the legal debt limit, as well as amounts held in sinking funds for debt repayment.

The Town's debt structure currently includes only Certificates of Participation, which are not subject to the legal debt limit, and are therefore removed from the calculation.

LEGAL DEBT MARGIN COMPUTATION
FY 2021/22

Assessed Secured Property Valuation for FY 2020/21		$ 14,598,027,652
Debt Limitation (15% of assessed value)		15%
Bonded Debt Limit		**$ 2,189,704,148**
Outstanding Bonded Debt at 6/30/2021		
2002 Certificates of Participation	5,680,000	
2010 Certificates of Participation	8,405,000	
TOTAL Outstanding Debt	**$ 14,085,000**	
LESS Debt not subject to limit:		
Special Assessment Bonds	-	
Special Revenue Bonds	-	
Certificate of Participation Debt	14,085,000	
Amounts held in Sinking Funds	-	
TOTAL Debt not subject to limit:	**$ 14,085,000**	
Amount of Debt Subject to Limit:	**$ -**	**$ -**
LEGAL DEBT MARGIN		**$ 2,189,704,148**

Reference Materials

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Traffic 4302
Investigations 4303
Parking Management 4304
Operating Grants ..... 4803 - 4810

Parks & Public Works Department

Administration 5101
Engineering Program 5201
Engineering Development Services 5202
Parks & Forestry 5301
Conservation, Recycling and Sustainability 5302
Streets & Signals 5401
Property Damage 5405
Vehicle Maintenance Management 5406
Facility Maintenance Management 5407

☙ LIST OF PROGRAMS ❧

GENERAL FUND CONTINUED

Library Services Department

Administration 7101
Adult Services / Reference 7201
Youth Services 7202
Acquisitions / Cataloging 7203
Circulation / Systems Administration 7204

INTERNAL SERVICE FUNDS

PLAN Liability Self-Insurance 1302
Workers Compensation 2202
Office Stores (closed at the beginning of FY 2019/20) 2302
Information Technology 2501
Equipment Replacement 5402
Vehicle Maintenance (closed at the beginning of FY 2019/20) 5403
Building Maintenance 5404

SPECIAL REVENUE FUNDS

Non-Point Source Program 5203
HCD – Housing Rehabilitation 6501
HCD – CDBG Reimbursable Administration 6502
HCD – Community Development Block Grant 6503

Assessment Districts

Blackwell District 5501
Kennedy Meadows District 5502
Gemini Court District 5503
Santa Rosa Heights District 5504
Vasona Heights District 5505
Hillbrook District 5506

TRUST AND AGENCY FUNDS

Library Trust 7301
Clelles Ness Trust 7302
Susan McClendon Trust 7304
Barbara J Cassin Trust Fund 7305
Successor Agency to the Town of Los Gatos RDA Trust Fund 9403

CAPITAL PROJECT FUNDS

GFAR

GFAR Administration 8011
ADA Restrooms and HR Offices 411-821-2117
ADA Upgrade Public Restrooms – Adult Recreation Building 411-821-2601
Adult Recreation Center – Floor Repair 411-821-2206
Annual Street Restriping 411-811-9902

ꕥ LIST OF PROGRAMS ꕥ

CAPITAL PROJECT FUNDS CONTINUED

ADA Transition Plan 411-812-0129
Audio/Video System Upgrade 411-841-6001
Battery Power Supply – Library 411-821-2505
Blossom Hill Road Traffic Study 411-813-0239
Building Replacement at Corporation Yard 411-821-2302
Bicycle & Pedestrian Improvements 411-813-0231
Charter Oaks Trail Repair 411-832-4503
Computer-Aided Dispatch and Records Management System (CAD/RMS) 411-841-6301
Creek Trail & Park Pathway & Parking Lot Seal Coat & Striping 411-831-4609
Curb, Gutter, & Sidewalk Maintenance 411-813-9921
Downtown Parking Lots Seal Coat & Restriping 411-817-0705
Downtown Streetscape Revitalization/Economic Recovery Efforts 411-813-0235
EOC Communication Upgrade 411-841-6103
E. Main Street Speed Table/Raised Crosswalk 421-812-0131
Engineering Document Archiving 411-821-2305
Facilities Assessment 411-821-2001
Fire Suppression (Halon) for Server Rooms 411-841-6004
Forbes Mill Footbridge Improvements 411-832-4507
Guardrail Replacement Project 411-812-0120
Information System Upgrade 411-841-6101
IT Disaster Recovery Improvements 411-841-6104
Kennedy Sidewalk – LGB to Englewood 411-813-0241
Library Carpet Replacement 411-821-2503
Local Road Safety Plan 421-812-0132
Massol Intersection Improvements 411-813-0236
Oak Meadow Bandstand Area Improvements 411-831-4007
Open Space Trail Upgrades 411-832-4504
Outdoor Fitness Equipment 411-831-4006
Parking Lot 4 Repair & Waterproofing 411-817-0708
Parking Program Implementation 411-813-0242
Parks Playground Fibar Project 411-831-4605
Pilot School Busing Program 411-812-0128
Plaza Level Railings – Code Upgrade 411-821-2116
Police Headquarters Roof Repair 411-821-2118
Public Arts Gateway 411-821-2009
Quito Road - Bridge Replacement 411-818-0801
Retaining Wall Repairs 411-815-9930
Roadside Fire Fuel Reduction 411-812-0130
Shannon Road Repair 411-811-0008
Shannon Road Class 1 Multi-Use Path 411-813-0218
Sidewalk Improvements – Multiple Locations 411-813-0221
Silicon Valley Radio Interoperability Project (SVRIP) - Service 411-841-6305
Sound Mitigation in Library Lobby 411-821-2504
Stormwater Master Plan 411-813-0413
Stormwater System – Pollution Prevention Compliance 411-813-0414
Street Repair & Resurfacing 411-811-9901

ꕥ LIST OF PROGRAMS ꕥ

CAPITAL PROJECT FUNDS CONTINUED

Town Beautification 411-821-2002
Town Plaza Turf Repairs 411-831-4202
Town-wide Document Imaging Project.....411-841-6003
Traffic Calming Projects.....411-812-9910
Trailhead Connector Project 411-832-4505
VMT Mitigation Program.....411-812-0133
Winchester Boulevard Complete Streets Final Design.....411-831-0238
Winchester Class IV Bikeway.....411-813-0240
Vegetation Management – Town-wide 411-832-4508
Waterproofing – Town-wide 411-821-2010

Traffic Mitigation
Traffic Mitigation Administration..... 8041
Highway 17 Bicycle & Pedestrian Bridge - Design 471-818-0803
Highway 17/9 Interchange and Capacity Improvements.....471-813-0237
Traffic Signal Modernization 471-813-0227

Grant Funded CIP Projects
Grant Administration Program..... 8021
ADA Upgrade Public Restrooms – Adult Recreation Building 411-821-2601
Bicycle & Pedestrian Improvements 421-813-0231
Charter Oaks Trail Repair 421-832-4503
E. Main Street Speed Table/Raised Crosswalk 421-812-0131
Guardrail Replacement Projects 421-812-0120
Highway 17 Bicycle & Pedestrian Bridge - Design 421-818-0803
Local Road Safety Plan 421-818-0803
Oak Meadow Bandstand Area Improvements.....421-831-4007
Traffic Signal Modernization 421-813-0227
Trailhead Connector Project 421-832-4505
Winchester Class IV Bikeway.....411-813-0240

Storm Drain Basin Projects
Storm Drain #1 Administration Program..... 8031
Storm Drain #2 Administration Program..... 8032
Storm Drain #3 Administration Program..... 8033
Annual Storm Drain Improvements 461-816-0420
Annual Storm Drain Improvements 462-816-0420
Annual Storm Drain Improvements 463-816-0420
Bicknell Road Storm Drain Improvements 463-816-0410
Hernandez Avenue Storm Drain Improvements 463-816-0409

Utility Undergrounding Projects
Utility Undergrounding Administration 8042
Shannon Road Class 1 Multi-Use Path 411-813-0218
Utility Undergrounding Improvements.....472-813-0225

ꕥ LIST OF PROGRAMS ꕥ

CAPITAL PROJECT FUNDS CONTINUED

Gas Tax Fund Projects

Gas Tax Administration 8051
Street Repair & Resurfacing 481-811-9901

SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY FUNDS

Successor Agency to the Los Gatos RDA Capital Projects

Other 9402
Program Administration 9403

SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY FUNDS CONTINUED

Successor Agency (SA) to the Los Gatos RDA Debt Service program

SA Debt for 2002 COPs 9404
SA Debt for 2010 COPs 9405

Successor Agency Affordable Housing Program

Program Administration 9301

LIST OF DEPARTMENT PROGRAMS BY FUNDING SOURCE

Town Offices		
Program		**Fund**
1101 Town Council	111	General Fund
1301 Town Attorney	111	General Fund
1302 Liability Self Insurance	611	Liability Self Insurance Fund - Internal Service Fund
Administrative Services Department		
Program		**Fund**
1201 Non-Departmental	111	General Fund
2101 Town Manager Administration	111	General Fund
2102 Community Grants	111	General Fund
2201 Human Resources	111	General Fund
2202 Workers' Compensation	612	Workers' Compensation Fund - Internal Service Fund
2301 Finance & Administrative Services	111	General Fund
2401 Clerk Administration	111	General Fund
2502 Information Technology Management	111	General Fund
2501 Information Technology Systems	621	Information Technology System - Internal Service Fund
2999 Pass Through Accounts	111	General Fund
Community Development Department		
Program		**Fund**
3101 Administration	111	General Fund
3201 Developmental Review	111	General Fund
3202 Advanced Planning	111	General Fund
3301 Inspection Services	111	General Fund
3401 Code Compliance	111	General Fund
3501 BMP Housing Program	111	General Fund
3999 Pass Thru Accounts	111	General Fund
Police Department		
Program		**Fund**
4101 Administration	111	General Fund
4201 Records & Communication	111	General Fund
4202 Personnel & Community Services	111	General Fund
4301 Patrol	111	General Fund
4302 Traffic	111	General Fund
4303 Investigations	111	General Fund
4304 Parking Program	111	General Fund
4800 Grants Program - Police	111	General Fund
4999 Pass Thru Accounts	111	General Fund

ꕥ LIST OF DEPARTMENT PROGRAMS BY FUNDING SOURCE ꕥ

Parks & Public Works Department		
Program		**Fund**
5101 Administration	111	General Fund
5201 Engineering Program Services	111	General Fund
5202 Engineering Development Srvcs	111	General Fund
5203 Non-Point Source Fund	222	Non-Point Source Fund - Special revenue Fund
5301 Park Services	111	General Fund
5302 Environmental Services	111	General Fund
5401 Street & Signals	111	General Fund
5402 Equipment Replacement	631	Equipment Replacement - Internal Service Fund
5403 Vehicle Maintenance	111	General Fund
5404 Facilities Maintenance	633	Facilities Maintenance Fund - Internal Service Fund
5405 Property Damage	111	General Fund
5406 Vehicle Maintenance Staffing	111	General Fund
5407 Facilities Maintenance Staffing	111	General Fund
5501 Lighting & Landscape Districts	231-237	Lighting & Landscaping - Special Revenue Fund
5999 Pass Thru Accounts	111	General Fund
8011 GFAR	411	General Fund Appropriated Reserve Fund
8021 Grant Funded Capital Projects	421	Grant Funded Capital Projects Fund
8030 Storm Drain Basin Funds 1-3	461-463	Storm Drain Funds 1-3 - Capital Project Funds
8041 Traffic Mitigation	471	Traffic Mitigation Fund - Capital Project Fund
8042 Utility Undergrounding	472	Utility Undergrounding Fund - Capital Projects Fund
8051 Gas Tax - Street & Signals	482	Gas Tax Fund - Capital Projects Fund
Library Department		
Program		**Fund**
7101 Administration	111	General Fund
7201 Adult Services	111	General Fund
7202 Children's Services	111	General Fund
7203 Acquisitons & Cataloging	111	General Fund
7204 Circulation Services	111	General Fund
7801 Operating Grant	111	General Fund
7301 Library Trust	711	Library Trust - Trust Fund
7302 Clelles Ness Bequest Trust	713	Clelles Ness Bequest Trust - Trust Fund
7304 Betty McClendon Trust	714	Betty McClendon Trust -Trust Fund
7305 Barbara J Cassin Trust	716	Barbara J Cassin Trust -Trust Fund
Successor Agency to the Los Gatos RDA		
Program		**Fund**
9403 SA- Admin Services	942	Successor Agency to the Los Gatos RDA Find -Trust Fund
9404 SA- Debt to 2002 COP	942	Successor Agency to the Los Gatos RDA Find -Trust Fund
9405 SA-Debt to 2010 COP	942	Successor Agency to the Los Gatos RDA Find -Trust Fund

GLOSSARY

Accounting System - The set of records and procedures that are used to record, classify, and report information on the financial status and operations of the Town.

Accrual Basis Accounting - Under this accounting method, transactions are recognized when they occur, regardless of the timing of related cash receipts and disbursements.

Ad Valorem - Latin for "in proportion to the value". This refers to property taxes levied on value and includes the General Obligation (G.O.) Bond rates added to the 1% rate allowed by Prop. 13. These rates are applied to the secured, unsecured, supplemental, and other miscellaneous tax rolls.

Adoption - Formal action by the Town Council, which sets the spending limits for the fiscal year. The town's budget is adopted by Council resolution.

Agency Fund - A fund used to account for assets held by the Town in the capacity of an agent for individuals, organizations, or other governmental entities.

Annual Budget - A budget applicable to a single fiscal year.

Appropriation - An authorization made by the Town Council, which permits officials to incur obligations against and to make expenditures of government resources. Appropriations are typically granted for a one-year period.

Assessed Valuation - A value established for real property for use as a basis in levying property taxes. For all agencies in the State of California, the County for the secured and unsecured property tax rolls establishes assessed value; the utility property tax roll is valued by the State Board of Equalization. Under Article XIII of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978), properties are assessed at 100% of full value. Proposition 13 also modified the value of real taxable property for fiscal 1979 by rolling back values to fiscal 1976 levels. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property improvements or upon change of ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

Assessment Fund - A fund used to account for special levies made against certain properties to defray part or all of the costs of a specific improvement or service deemed to primarily benefit those parties.

Audit - Prepared by an independent Certified Public Accountant (CPA), the primary objective of an audit is to determine if the Town's Financial Statements present fairly the Town's financial position and results of operations in conformity with generally accepted accounting principles. In conjunction with their performance of an audit, it is customary for an independent auditor to issue a Management Letter stating the adequacy of the Town's internal controls as well as recommending improvements to the Town's financial management practices.

Balanced Budget – Balanced budget is a budget with operating revenues equal to operating expenditures and neither a budget deficit nor a budget surplus. More generally, it refers to a budget with no deficit, but possible with surplus.

ꕥ GLOSSARY ꕥ

Bonds - A bond is a written promise to pay a specified sum of money (called the face value or principle amount) at a specified date or dates in the future (called the maturity date) together with period interest at a specified rate. Bonds are typically used to finance capital facilities.

Budget - As the Town's financial operating plan for the fiscal year, the budget displays the estimated expenditures (costs) for providing services and the estimated sources of revenue (income) to pay for them. Once the Town Council adopts the budget, the total becomes the maximum spending limit. Los Gatos' budget encompasses fiscal year (July 1, through June 30).

Budget Amendment - The Council has the sole responsibility for adopting the Town's budget, and may amend or supplement the budget at any time after adoption. The Town Manager has the authority to approve administrative adjustments to the budget as outlined in the Financial and Administrative Policies set by Council.

Budget Calendar - The schedule of key dates which the Town follows in the preparation and adoption of the budget.

Budget Document - The official financial spending and resource plan submitted by the Town Manager and adopted by the Town Council explaining the approved budget to the public and Town Council.

Budget Message - Included in the opening section of the budget, the Budget Message provides the Council and the Public with a general summary of the most important aspects of the budget, comparative data from previous fiscal years, goals and objectives, and the views and recommendations of the Town Manager.

Budget Overview - This section provides an overview of the changes adopted in the budget. Additionally, the significant impacts of budgetary changes are outlined along with dollar amounts (increase/decrease).

Budget Policies - General and specific guidelines adopted by the Council that governs the financial plan's preparation and administration.

Building Permit - Fee required for new construction or for any alteration or addition to a residence or commercial building. The fee is based on square footage and valuation. Electrical or plumbing/mechanical work will require a similar permit.

Business License Tax - A tax imposed on those conducting business within the Town limits. Business License Tax is a non-regulatory tax implemented for the purpose of raising revenue to support General Fund activities.

Capital Acquisitions/Assets – See “Fixed Assets.”

Capital Expenditures - Funds spent for the construction, improvement, or rehabilitation of Town infrastructure.

Capital Improvement Program (CIP) - The plan or schedule of expenditures for major construction of roads, sidewalks, Town facilities and/or park improvements and for the purchase of equipment. The Town of Los Gatos' CIP follows a five-year schedule. Although the Town adopts the CIP budget in a

process that is separate from the adoption of the budget, the budget incorporates the first-year of the five-year CIP.

Capital Projects - Expenditures that have a value of $25,000 or more which result in the acquisition of, construction of, rehabilitation of or additions to, infrastructure and fixed assets with a useful life of at least 5 years at a fixed location.

Depreciation – The process of allocating the total cost of fixed assets over each period of their usefulness to the government.

Capital Projects Fund - In governmental accounting, a fund that accounts for financial resources to be used for the acquisition or construction of capital facilities. The total cost of a capital project is accumulated in a single expenditure account which accumulates until the project is completed, at which time the fund ceases to exist.

Cash Basis Accounting - A basis of accounting under which transactions are recognized only when cash is received or disbursed.

Certificate of Participation (COP) - A type of financing in which investors purchase a share of the lease revenues of a program rather than the bond being secured by those revenues. The authority usually uses the proceeds to construct a facility that is leased to the municipality, releasing the municipality from restrictions on the amount of debt that they can incur.

Community Development Block Grant (CDBG) - Federal grant funds distributed from the U.S. Department of Housing and Urban Development that are passed through to the Town. The Town primarily uses these funds for housing rehabilitation, public improvements and local social programs.

Comprehensive Annual Financial Report - The official financial report of the Town. It includes an audit opinion as well as basic financial statements and supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions.

Contingency - A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Contingent Liabilities - Items which may become liabilities of the Town but are undetermined at a given date, such as pending lawsuits, unsettled disputed claims, unfilled purchase orders and uncompleted contracts.

Contract Services - Services provided to the Town from the private sector or other public agencies.

Debt Service - Payment of the principal and interest on an obligation resulting from the issuance of bonds, notes, or Certificates of Participation (COPs).

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

Deficit - The excess of liabilities over assets.

Department - A major organizational unit of the Town, which has been assigned overall management responsibility for an operation, or a group of related operations within a functional area. In Los Gatos, Department Heads are the chief administrators within a department.

Encumbrances - Commitments against an approved budget for unperformed (executory) contracts for goods or services. They cease to be encumbrances when the obligations are paid or otherwise terminated.

Enterprise Funds - Established to account for the financing of self-supporting activities of governmental units, which render services on a user charge basis to the general public.

Equipment Replacement Fund - This fund is used to account for the replacement of existing fixed assets as equipment, machinery or building improvements become unserviceable or obsolete.

Expenditure - The outflow of funds paid or to be paid for an asset obtained or goods and services obtained. Note: An encumbrance is not expenditure; an encumbrance reserves funds to be expended. (See encumbrances.)

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

Fiscal Year - A 12-month period to which the annual operating budget applies and at the end of which the Town determines its financial position and results of its operations. The Town's fiscal year runs from July 1st to June 30th.

Fixed Assets - Non-consumable assets of long-term nature such as land, buildings, machinery, furniture, and the other equipment. The Town has defined such assets as those with an expected life in excess of one year and value in excess of $10,000.

Franchise Fees - Imposed on utility companies for the privilege of doing business in the Town. Fees are usually based upon a percentage of gross revenue derived from business conducted in the Town.

Full-time Equivalents (FTE) - The amount of time a position has been budgeted for in terms of the amount of time a regular, full-time employee normally works in a year. Full-time employees are paid for 2,080 hours in a year equating 1.0 FTE. Correspondingly, a part-time employee who worked 1,040 hours would equate to 0.5 FTE.

Fund - An independent fiscal and accounting entity with a self-balancing set of accounts in which cities record financial transactions relating to revenues, expenditures, assets and liabilities. Each fund type typically has a unique funding source and purpose. Establishing funds enables the town to account for the use of restricted revenue sources and carry on specific activities or pursue specific objectives.

Fund Accounting - System used by non-profit organizations, particularly governments. Since there is no profit motive, accountability is measured instead of profitability. The main purpose is stewardship of financial resources received and expended in compliance with legal requirements.

Fund Balance - Also known as financial position, fund balance is the excess of current assets over current liabilities, and represents the cumulative effect of revenues and other financing sources over expenditure and other financing uses.

GAAP (Generally Accepted Accounting Principles) - Uniform minimum standards for financial accounting and reporting. They govern the form and content of the basic financial statements of the Town.

Gann Appropriation Limit - This is the common name of Proposition 4, approved by voters on November 6, 1979 which mandated an appropriation limit on the amount of tax revenues that government jurisdictions may appropriate within a fiscal year. This bill was named after Paul Gann, who was a co-sponsor of the famous Proposition 13 initiative enacted by the voters of California on June 6, 1978 which resulted in a cap on property tax rates in the state, and a prominent author and advocate of this subsequent spending limitation bill.

Gas Tax Fund - The Gas Tax Fund is used to account for revenues and expenditures apportioned under the Streets and Highways Code of the State of California. Expenditures may be made for any street related purpose in the Town's system of streets.

General Fund - In governmental accounting, fund used to account for all assets and liabilities of a non-profit entity, except those particularly assigned for other purposes in another more specialized fund. It is the primary operating fund of the Town.

General Government - Town Council, Town Manager, Town Clerk's Office, Town Attorney, Town Treasurer, Personnel, Finance, Planning, Police, Parks and Public Works, and Library.

General Liability Self Insurance Fund - The General Liability Self Insurance Fund is used to provide the Town with liability and property insurance. Coverage is provided through the Town's participation in a joint powers agreement through (ABAG) Associations of Bay Area Governments.

General Obligation Bond - A municipal bond backed by the credit and "taxing power" of the issuing jurisdiction rather than the revenue from a given project. General obligation bonds are issued with the belief that a municipality will be able to repay its debt obligation through taxation or revenue from projects. No assets are used as collateral.

Government Finance Officers Association (GFOA) - GFOA is the professional association of state/provincial and local finance officers in the United States and Canada, and has served the public finance profession since 1906. Approximately 16,000 GFOA members are dedicated to the sound management of government financial resources.

Governmental Funds - the fund used to account for all assets and liabilities of a government agency, except those particularly assigned for other purposes in another more specialized fund. There are five different types of governmental funds: the general fund (which is the primary operating fund), special revenue funds, debt service funds, capital project funds, and permanent funds.

Grant - External contributions, and/or gifts of cash, or other assets typically from another governmental entity to be used or expended for a specific purpose, activity, or facility. An example is Community Development Block grant funding from the Federal Government.

Housing Fund (RDA) - Fund is used to account for the 20% set aside property tax increment revenues and the associated expenditures to be used for increasing or improving low and moderate-income housing.

Information Technology Fund - The Information technology Fund is used to account for the costs associated with the Town's centralized computer system and to distribute these costs to departments using the system on a pro rata basis. Included are costs for hardware and software maintenance and development, and computer training.

Infrastructure - The basic facilities, services, and installations needed for the functioning of a community or society, such as streets and roads, sidewalks, bridges, communications systems, water and power lines, and public institutions including schools, police stations, libraries, and post offices.

Interest Income - The prudent investment of idle funds. The types of investments that can be made are limited by the Government Code to protect the safety of taxpayers' money.

Intergovernmental Revenue - Revenue received from other governmental agencies and municipalities, such as grants from the State or Federal government.

Internal Services Fund - The Internal Service Funds are used to finance and account for special activities and services performed by a designated Town department for other departments on a cost reimbursement basis.

Inter-Fund Transfers - When the Town moves money between its various funds, it makes an inter-fund transfer, referred to as transfers-in and transfers-out. In aggregate, transfers in and out offset each other for the fiscal year.

Landscape and Lighting Fund - The Town has formed six landscape and lighting district funds established by written consent of the property owners owning all of the property within the boundaries of the district.

Levy - To impose taxes, special assessments or service charges for the support of governmental activities. The total amount of taxes, special assessments or service charges imposed by Santa Clara County levying property taxes.

Licenses and Permits - Revenues earned by the issuance of licenses or permits levied in accordance with the benefits conferred by the license or permit.

Limited Obligation Bond - A bond sold by a municipality to finance projects which are secured by the revenue generated by those projects.

Line-Item Budget - A budget that lists detailed expenditure categories (salaries & benefits, office supplies, travel, dues, rents, etc.) separately, along with the amount budgeted for each specified category. The Summary Budget reflects the program rather than line item budgets. The Detail Budget reflects the line-item detail.

Major Fund – Major funds are funds whose revenues, expenditures/expenses, assets, or liabilities are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds for the same item The General Fund

is always a major fund. The Town may also select other funds it believes should be presented as major funds.

Modified Accrual Basis - Under this accounting method, revenues are recognized when they become both measurable and available to finance expenditures of the current period. Expenditures for the most part are recognized when the related fund liability is incurred except for prepayments, accumulated employee leave and long-term debt. All governmental funds and expendable trust funds are accounted for using the modified accrual basis of accounting.

Motor Vehicle in Lieu Fee - A State fee charged for the privilege of operating a vehicle on public streets. A VLF is levied annually against the market value of a motor vehicle and is imposed by the State "in lieu" of local property taxes.

Non-Departmental - This program has the sole purpose of accounting for all expenditures that the Town cannot specifically designate to any operating department within the General Fund.

Non-major Fund – Non-major funds are all governmental and enterprises funds that are not classified as major funds.

Objective - A statement of specific direction, purpose, or intent based on the needs of the community and the goals established for a specific program or service level.

Ordinance - A formal legislative enactment by the Town Council. It has the full force and effect of law within Town boundaries unless pre-empted by a higher form of law. An Ordinance has a higher legal standing than a Resolution and is typically codified in a Town's municipal code.

Operating Budget - The operating budget is the primary means by which most of the financing of acquisition, spending and service delivery activities of a government are controlled. The use of annual operating budgets is required by law.

Other Revenues - Revenues from sources other than those specifically identified that are too immaterial in amount to justify the creation of new revenue account line items

Performance Measure - Sets forth a performance objective and a goal for achieving the objective.

Personnel Benefits - Those benefits paid by the Town as conditions of employment.

Personnel - Town employees.

Present Value - The amount that a future sum of money is worth today given a specified rate of return.

Proposition 218 - A statewide initiative passed by the voters of California on November 5, 1996. The initiative provided voters with the right to vote on new taxes.

Program - As subdivisions of departments, programs are budgetary or organizational units of government with limited sets of work responsibilities within their respective departments. Programs also serve to increase budgetary accountability. Los Gatos' budget is compiled on a program basis.

Property Tax - Imposed on real property (land and permanently attached improvements). The tax is based upon the assessed value of such property. The tax rate may not exceed 1% of assessed value.

Proprietary Funds - Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

Public Employees' Retirement System (PERS) - Provided for the Town's employees, by the State of California.

RDA - Redevelopment Agency, while a component unit, the Agency is a legal entity separate from the Town.

Redevelopment Agency Fund - Fund is used to account for the proceeds of notes, advances and other forms of indebtedness, and the expenditure of these funds for improvement, reconstruction and redevelopment projects within the specified boundaries of the Town of Los Gatos Redevelopment Agency.

Reserve - An account used to indicate that a portion of fund equity is legally restricted for a specific purpose.

Resolution - A special order of the Town Council which has a lower legal standing than an ordinance.

Resources - Total amounts available for appropriation including estimated revenues, inter-fund transfers, and beginning fund balances.

Revenue - Sources of income, which the Town receives during a fiscal year. Examples of revenue include taxes, intergovernmental grants, charges for services, resources forward from the prior year, operating transfers for other funds, and other financing sources such as the proceeds derived from the sales of fixed assets.

Road Impact Fees - Pursuant to Article III of Chapter 15 of the Town Code, the Town collects road impact fees in order to finance road construction and maintenance projects throughout the Town. Article IX of Chapter 15 authorizes the establishment of special fund accounts known as Road Impact #1, Road Impact #2, and Road Impact #3, into which all such fees are deposited. Because the road systems generally follow drainage patterns, the existing drainage basin map boundaries are used to track and expend funds for road construction and maintenance. The amount of each fee collected is based on an estimate of the weight of the loads to be hauled to or from the project and the weight of heavy vehicles to be used in connection with the project. The fee is collected for: Building Permits, Grading and Landscape Permits, Improvement Contracts, and Encroachment permits. Money collected from such fees is to be used solely for design, construction, and repair of town streets and installation of sidewalk curb cut ramps when the level of work as triggers such a requirement provided by the Americans with Disabilities Act, within the prescribed area. Projects will be brought forward on an as needed basis.

Sales Tax - The Town receives 1.125 cents of the 9.125 cents of sales tax paid per dollar of taxable sales generated in Town.

Self-Insurance Fund - The Self-Insurance Fund (General Liability) is used to finance and account for the Town's general liability self-insurance program.

Special Assessment Bonds - Bonds payable from the proceeds of special assessment.

Special Revenue Fund - In governmental accounting, fund used to account for the proceeds of special revenue sources (other than special assessments, expandable trusts, or for major capital projects) that are legally restricted to expenditure for specified purpose.

Service Charge - Charges for specific services rendered.

Services and Supplies - Expenditures for services and supplies which are directly related to a department's primary service activities.

Sewer Service Charge - Sanitary Sewer Taxes are collected by the West Valley Sanitation District to maintain the Sanitary Sewer Collection System in District's Service Area. The Parks, Forestry and Maintenance Department provide sanitary Sewer collection maintenance within the Town limits. These operating costs are reimbursed to the Town from Sanitary Sewer fees.

Successor Agency to the Town of Los Gatos RDA – Effective February 1, 2012, all redevelopment agencies in the State of California were dissolved pursuant to AB 1X 26. Following the provisions of the Dissolution Act, the Town Council of the Town of Los Gatos adopted a resolution accepting for the Town role of Successor Agency to the Redevelopment Agency of the Town of Los Gatos.

Supplies - An expenditure classification for articles and commodities purchased for consumption or resale.

Taxes - Compulsory charges levied by the Town, County and State for the purpose of financing services performed for the common benefit.

Town Code - A book that contains the Town Council approved ordinances currently in effect. The code defines Town policy with respect to areas such as planning, etc.

Transient Occupancy Tax - Imposed on hotels, motels, inns or other lodging facilities. The rate in Los Gatos is 12%.

Transfers In/Out - Money transferred from one Town fund to another. Differs from revenues and expenses - see definition of these terms.

Workers' Compensation Fund - The Worker's Compensation Fund accounts for the cost to provide worker's compensation insurance coverage to all Town employees in compliance with State of California requirements.

LIST OF ACRONYMS

Following is a list of acronyms common to local government terminology:

AB	Assembly Bill
ADA	Americans with Disabilities Act
AFIS	Automated Fingerprint Identification System
AFSCME	American Federation of State, County, and Municipal Employees Union
ARPA	American Rescue Plan Act
ARS	Automated Reporting System
BMP	Below Market Price (Housing)
CDBG	Community Development Block Grant
CEQA	California Environmental Quality Act
CERT	Community Emergency Response Team
CLEEP	California Law Enforcement Equipment Program
CIP	Capital Improvement Program
COP	Certificates of Participation
COPS	Community Oriented Policing Services
CPUC	California Public Utilities Commission
CSMFO	California Society of Municipal Finance Officers
CSO	Community Services Officer
CY	Current Year
DARE	Drug Awareness Resistance Education
DART	Disaster Aid Response Team
DOJ	Department of Justice
DUI	Driving Under the Influence
EOC	Emergency Operations Center
ERAF	Educational Revenue Augmentation Fund
FEMA	Federal Emergency Management Agency
FTE	Full-Time Equivalent (2080 annual work hours)
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GFAR	General Fund Appropriated Reserve
GFOA	Government Finance Officers Association
GIS	Geographical Information System
GO	General Obligation (Bond)
HCD	Housing and Community Development

ACRONYMS

HHW	Household Hazardous Waste
HUD	Housing & Urban Development
HVAC	Heating / Ventilation & Air Conditioning
IT	Information Technology
JPA	Joint Powers Authority
LAIF	Local Agency Investment Fund
LAWCX	Local Agency Workers Compensation Excess (JPA)
LLD	Landscaping & Lighting District
LT	Long-Term (as in Long-Term Notes Receivable)
MOU	Memorandum of Understanding
MVLF	Motor Vehicle in Lieu Fee (see also VLF)
NPDES	National Pollutant Discharge Elimination System
OCJP	Office of Criminal Justice Planning
OES	Office of Emergency Services
OPEB	Other Post-Employment Benefits
PARS	Public Agency Retirement Services
PCI	Pavement Condition Index
PERS	Public Employees' Retirement System
PLAN JPA	Pooled Liability Assurance Network Joint Powers Authority
POA	Police Officers Association
POST	Peace Officers Standard Training
PPW	Parks & Public Works Department
PSAP	Public Safety Answering Point
PY	Prior Year
RATTF	Regional Auto Theft Task Force
RDA	Redevelopment Agency
SB	Senate Bill
SA	Successor Agency
SCC	Santa Clara County
SCCET	Santa Clara County Enforcement Team
SLESF	Supplemental Law Enforcement Services Fund Grant
SWAT	Special Weapons and Tactics
TDA	Transportation Development Act
TEA	Town Employees Association
TFCA	Transportation Fund for Clean Air
TOT	Transient Occupancy Tax
VLF	Motor Vehicles In Lieu Fee (see also MVLF)
VIP	Volunteers in Policing
VTA	Valley Transportation Authority
WVSD	West Valley Sanitation District

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TOWN OF LOS GATOS