

# LIST OF FUNDS

**GENERAL FUND** ..... 111

## **SPECIAL REVENUE FUNDS**

HCD – Housing Rehabilitation Fund (Administrative Services) .....	211
HCD – CDBG Fund (Administrative Services).....	212
Non-Point Source Maintenance Fund (Parks and Public Works) .....	222
Assessment District Funds (Parks and Public Works).....	231-237

## **INTERNAL SERVICE FUNDS**

Liability Self-Insurance Fund (Administrative Services) .....	611
Workers' Compensation Fund (Administrative Services).....	612
Information Technology Fund (Administrative Services) .....	621
Office Stores Fund (Administrative Services) closed at beginning of FY 2019/20 .....	622
Equipment Replacement Fund (Parks and Public Works).....	631
Vehicle Maintenance Fund (Parks and Public Works) closed at beginning of FY 2019/20 .....	632
Facilities Maintenance Fund (Parks and Public Works).....	633

## **TRUST AND AGENCY FUNDS**

Library Trust (Library) .....	711
Celles Ness Trust (Library) .....	713
Susan McClendon Trust (Library) .....	714
Barbara J Cassin Trust Fund.....	716
Successor Agency to the Town of Los Gatos RDA trust Fund (Administrative Services).....	942

## **CAPITAL PROJECT FUNDS**

General Fund Appropriated Reserves (GFAR) .....	411
Grant Funded Projects Fund.....	421
Storm Drain Basin Project Funds.....	461-463
Traffic Mitigation Fund.....	471
Utility Undergrounding Fund.....	472
Gas Tax .....	481

## **SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY FUNDS**

Successor Agency to the Town of Los Gatos RDA Trust Fund (Administrative Services) .....	942
--	-----

# LIST OF PROGRAMS

## GENERAL FUND

### *Town Offices*

Town Council .....	1101
Town Attorney.....	1301

### *Administrative Services*

Non-Departmental .....	1201
Town Manager's Office .....	2101
Human Resources.....	2201
Finance Services .....	2301
Clerk Administration .....	2401
Information Technology Management .....	2502
Operating Grants.....	2801

### *Community Development Department*

Administration.....	3101
Development Review .....	3201
Advanced Planning.....	3202
Inspection Services.....	3301
Code Compliance.....	3401
BMP Housing .....	3501

### *Police Department*

Administration.....	4101
Records & Communication.....	4201
Personnel & Community Services .....	4202
Patrol .....	4301
Traffic .....	4302
Investigations .....	4303
Parking Management .....	4304
Operating Grants.....	4803 - 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
Celles 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

## ☒ LIST OF PROGRAMS ☒

### **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

## ☒ LIST OF PROGRAMS ☒

### **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

## ☒ LIST OF PROGRAMS ☒

### **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

<b>Town Offices</b>		
<b>Program</b>		<b>Fund</b>
1101 Town Council	111	General Fund
1301 Town Attorney	111	General Fund
1302 Liability Self Insurance	611	Liability Self Insurance Fund - Internal Service Fund
<b>Administrative Services Department</b>		
<b>Program</b>		<b>Fund</b>
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
<b>Community Development Department</b>		
<b>Program</b>		<b>Fund</b>
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
<b>Police Department</b>		
<b>Program</b>		<b>Fund</b>
4101 Administration	111	General Fund
4201 Records & Communication	111	General Fund
4202 Personnel & Community Services	111	General Fund
4301 Patrol	111	General Fund
4302 Traffic	111	General Fund
4303 Investigations	111	General Fund
4304 Parking Program	111	General Fund
4800 Grants Program - Police	111	General Fund
4999 Pass Thru Accounts	111	General Fund

## LIST OF DEPARTMENT PROGRAMS BY FUNDING SOURCE

<b>Parks &amp; Public Works Department</b>		
<b>Program</b>		<b>Fund</b>
5101 Administration	111	General Fund
5201 Engineering Program Services	111	General Fund
5202 Engineering Development Svcs	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
<b>Library Department</b>		
<b>Program</b>		<b>Fund</b>
7101 Administration	111	General Fund
7201 Adult Services	111	General Fund
7202 Children's Services	111	General Fund
7203 Acquisitions & 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 Cleelles Ness Bequest Trust	713	Cleelles 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
<b>Successor Agency to the Los Gatos RDA</b>		
<b>Program</b>		<b>Fund</b>
9403 SA- Admin Services	942	Successor Agency to the Los Gatos RDA Fund -Trust Fund
9404 SA- Debt to 2002 COP	942	Successor Agency to the Los Gatos RDA Fund -Trust Fund
9405 SA-Debt to 2010 COP	942	Successor Agency to the Los Gatos RDA Fund -Trust Fund

# GLOSSARY

**Accounting System** - The set of records and procedures that are used to record, classify, and report information on the financial status and operations of the Town.

**Accrual Basis Accounting** - Under this accounting method, transactions are recognized when they occur, regardless of the timing of related cash receipts and disbursements.

**Ad Valorem** - Latin for "in proportion to the value". This refers to property taxes levied on value and includes the General Obligation (G.O.) Bond rates added to the 1% rate allowed by Prop. 13. These rates are applied to the secured, unsecured, supplemental, and other miscellaneous tax rolls.

**Adoption** - Formal action by the Town Council, which sets the spending limits for the fiscal year. The town's budget is adopted by Council resolution.

**Agency Fund** - A fund used to account for assets held by the Town in the capacity of an agent for individuals, organizations, or other governmental entities.

**Annual Budget** - A budget applicable to a single fiscal year.

**Appropriation** - An authorization made by the Town Council, which permits officials to incur obligations against and to make expenditures of government resources. Appropriations are typically granted for a one-year period.

**Assessed Valuation** - A value established for real property for use as a basis in levying property taxes. For all agencies in the State of California, the County for the secured and unsecured property tax rolls establishes assessed value; the utility property tax roll is valued by the State Board of Equalization. Under Article XIII of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978), properties are assessed at 100% of full value. Proposition 13 also modified the value of real taxable property for fiscal 1979 by rolling back values to fiscal 1976 levels. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property improvements or upon change of ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

**Assessment Fund** - A fund used to account for special levies made against certain properties to defray part or all of the costs of a specific improvement or service deemed to primarily benefit those parties.

**Audit** - Prepared by an independent Certified Public Accountant (CPA), the primary objective of an audit is to determine if the Town's Financial Statements present fairly the Town's financial position and results of operations in conformity with generally accepted accounting principles. In conjunction with their performance of an audit, it is customary for an independent auditor to issue a Management Letter stating the adequacy of the Town's internal controls as well as recommending improvements to the Town's financial management practices.

**Balanced Budget** - Balanced budget is a budget with operating revenues equal to operating expenditures and neither a budget deficit nor a budget surplus. More generally, it refers to a budget with no deficit, but possible with surplus.

## **GLOSSARY**

**Bonds** - A bond is a written promise to pay a specified sum of money (called the face value or principle amount) at a specified date or dates in the future (called the maturity date) together with period interest at a specified rate. Bonds are typically used to finance capital facilities.

**Budget** - As the Town's financial operating plan for the fiscal year, the budget displays the estimated expenditures (costs) for providing services and the estimated sources of revenue (income) to pay for them. Once the Town Council adopts the budget, the total becomes the maximum spending limit. Los Gatos' budget encompasses fiscal year (July 1, through June 30).

**Budget Amendment** - The Council has the sole responsibility for adopting the Town's budget, and may amend or supplement the budget at any time after adoption. The Town Manager has the authority to approve administrative adjustments to the budget as outlined in the Financial and Administrative Policies set by Council.

**Budget Calendar** - The schedule of key dates which the Town follows in the preparation and adoption of the budget.

**Budget Document** - The official financial spending and resource plan submitted by the Town Manager and adopted by the Town Council explaining the approved budget to the public and Town Council.

**Budget Message** - Included in the opening section of the budget, the Budget Message provides the Council and the Public with a general summary of the most important aspects of the budget, comparative data from previous fiscal years, goals and objectives, and the views and recommendations of the Town Manager.

**Budget Overview** - This section provides an overview of the changes adopted in the budget. Additionally, the significant impacts of budgetary changes are outlined along with dollar amounts (increase/decrease).

**Budget Policies** - General and specific guidelines adopted by the Council that governs the financial plan's preparation and administration.

**Building Permit** - Fee required for new construction or for any alteration or addition to a residence or commercial building. The fee is based on square footage and valuation. Electrical or plumbing/mechanical work will require a similar permit.

**Business License Tax** - A tax imposed on those conducting business within the Town limits. Business License Tax is a non-regulatory tax implemented for the purpose of raising revenue to support General Fund activities.

**Capital Acquisitions/Assets** – See “Fixed Assets.”

**Capital Expenditures** - Funds spent for the construction, improvement, or rehabilitation of Town infrastructure.

**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

## **GLOSSARY**

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.

## GLOSSARY

**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 1<sup>st</sup> to June 30<sup>th</sup>.

**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.

## **GLOSSARY**

**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.

## **GLOSSARY**

**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

## **GLOSSARY**

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.

## **GLOSSARY**

**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.

## **GLOSSARY**

**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:

<b>AB</b>	Assembly Bill
<b>ADA</b>	Americans with Disabilities Act
<b>AFIS</b>	Automated Fingerprint Identification System
<b>AFSCME</b>	American Federation of State, County, and Municipal Employees Union
<b>ARPA</b>	American Rescue Plan Act
<b>ARS</b>	Automated Reporting System
<b>BMP</b>	Below Market Price (Housing)
<b>CDBG</b>	Community Development Block Grant
<b>CEQA</b>	California Environmental Quality Act
<b>CERT</b>	Community Emergency Response Team
<b>CLEEP</b>	California Law Enforcement Equipment Program
<b>CIP</b>	Capital Improvement Program
<b>COP</b>	Certificates of Participation
<b>COPS</b>	Community Oriented Policing Services
<b>CPUC</b>	California Public Utilities Commission
<b>CSMFO</b>	California Society of Municipal Finance Officers
<b>CSO</b>	Community Services Officer
<b>CY</b>	Current Year
<b>DARE</b>	Drug Awareness Resistance Education
<b>DART</b>	Disaster Aid Response Team
<b>DOJ</b>	Department of Justice
<b>DUI</b>	Driving Under the Influence
<b>EOC</b>	Emergency Operations Center
<b>ERAF</b>	Educational Revenue Augmentation Fund
<b>FEMA</b>	Federal Emergency Management Agency
<b>FTE</b>	Full-Time Equivalent (2080 annual work hours)
<b>FY</b>	Fiscal Year
<b>GAAP</b>	Generally Accepted Accounting Principles
<b>GASB</b>	Governmental Accounting Standards Board
<b>GFAR</b>	General Fund Appropriated Reserve
<b>GFOA</b>	Government Finance Officers Association
<b>GIS</b>	Geographical Information System
<b>GO</b>	General Obligation (Bond)
<b>HCD</b>	Housing and Community Development

## ☒ ACRONYMS ☒

<b>HHW</b>	Household Hazardous Waste
<b>HUD</b>	Housing & Urban Development
<b>HVAC</b>	Heating / Ventilation & Air Conditioning
<b>IT</b>	Information Technology
<b>JPA</b>	Joint Powers Authority
<b>LAIF</b>	Local Agency Investment Fund
<b>LAWCX</b>	Local Agency Workers Compensation Excess (JPA)
<b>LLD</b>	Landscaping & Lighting District
<b>LT</b>	Long-Term (as in Long-Term Notes Receivable)
<b>MOU</b>	Memorandum of Understanding
<b>MVLF</b>	Motor Vehicle in Lieu Fee (see also VLF)
<b>NPDES</b>	National Pollutant Discharge Elimination System
<b>OCJP</b>	Office of Criminal Justice Planning
<b>OES</b>	Office of Emergency Services
<b>OPEB</b>	Other Post-Employment Benefits
<b>PARS</b>	Public Agency Retirement Services
<b>PCI</b>	Pavement Condition Index
<b>PERS</b>	Public Employees' Retirement System
<b>PLAN JPA</b>	Pooled Liability Assurance Network Joint Powers Authority
<b>POA</b>	Police Officers Association
<b>POST</b>	Peace Officers Standard Training
<b>PPW</b>	Parks & Public Works Department
<b>PSAP</b>	Public Safety Answering Point
<b>PY</b>	Prior Year
<b>RATTF</b>	Regional Auto Theft Task Force
<b>RDA</b>	Redevelopment Agency
<b>SB</b>	Senate Bill
<b>SA</b>	Successor Agency
<b>SCC</b>	Santa Clara County
<b>SCCET</b>	Santa Clara County Enforcement Team
<b>SLESF</b>	Supplemental Law Enforcement Services Fund Grant
<b>SWAT</b>	Special Weapons and Tactics
<b>TDA</b>	Transportation Development Act
<b>TEA</b>	Town Employees Association
<b>TFCA</b>	Transportation Fund for Clean Air
<b>TOT</b>	Transient Occupancy Tax
<b>VLF</b>	Motor Vehicles In Lieu Fee (see also MVLF)
<b>VIP</b>	Volunteers in Policing
<b>VTA</b>	Valley Transportation Authority
<b>WVSD</b>	West Valley Sanitation District

# INDEX

---

Acronyms .....	G - 18
Administrative Services Overview .....	D - 21
Annual Budget Resolution .....	A - 81
Budget Award .....	A - 27
Budget Calendar .....	A - 67
Budget Message .....	A - 1
Budget Process Overview .....	A - 65
Capital Improvement Program	
<i>Gas Tax Fund</i> .....	E - 35
<i>General Fund Appropriated Reserve Fund (GFAR)</i> .....	E - 9
<i>Grants and Awards Project Fund</i> .....	E - 21
<i>Storm Drain Funds</i> .....	E - 25
<i>Traffic Mitigation Fund</i> .....	E - 17
<i>Utility Underground Fund</i> .....	E - 31
Clerk Administration .....	D - 59
Community Development Department Overview .....	D - 87
Core Goals and Strategic Priorities .....	A - 9
Department/Program List .....	D - 1
Equipment Replacement Fund .....	D - 241
Facilities Maintenance Fund .....	D - 249
Facilities Maintenance Staffing .....	D - 237
Fee Related Project List .....	C - 43
Finance .....	D - 51
Financial Practices .....	A - 33
Financial Summaries .....	C - 1
<i>Departmental Budget Revenues &amp; Expenditures</i> .....	C - 38
<i>Fund Balance</i> .....	C - 34
<i>General Fund Revenues and Expenditures</i> .....	C - 23
<i>Operating Transfers</i> .....	C - 33
<i>Staffing</i> .....	C - 45
<i>Total Revenues and Expenditures</i> .....	C - 3
Fiscal Year Surplus Flow of Funds .....	A - 73
Forecast .....	A - 22
Fund Descriptions .....	A - 29
Gann Appropriation Limit .....	A - 75
Gann Appropriation Limit Resolution .....	A - 78
General Fund Reserve Policy .....	A - 37
Glossary .....	G - 9
History and Culture of Los Gatos .....	B - 1
Human Resources .....	D - 43

# INDEX

---

Index .....	G – 20
Information Technology Fund .....	D – 77
Information Technology Staffing .....	D – 65
In-Kind Donations .....	C – 42
Investment Policy .....	A – 49
IRS Section 115 Pension Trust and OPEB Trust Investment Policy .....	A – 61
Liability Self-Insurance Fund .....	D – 17
Library Department .....	D – 277
Library Trust Fund .....	D – 313
List of Department Programs by Funding Source .....	G – 7
List of Funds .....	G – 1
List of Programs .....	G – 2
Long-Term Debt Policy .....	A – 45
Non-Departmental Program .....	D – 73
Non-Point Source Program .....	D – 255
Office Stores Fund .....	D – 85
Organizational Structure Chart .....	B – 14
Parks & Public Works Department Overview .....	D – 179
Police Department Overview .....	D – 123
Special Assessment Districts	
<i>Blackwell Drive Assessment District</i> .....	D – 265
<i>Gemini Court Assessment District</i> .....	D – 269
<i>Hillbrook Drive Assessment District</i> .....	D – 275
<i>Kennedy Meadows Assessment District</i> .....	D – 267
<i>Santa Rosa Heights Assessment District</i> .....	D – 271
<i>Vasona Heights Assessment District</i> .....	D – 273
Successor Agency to the Los Gatos RDA Debt Administration Fund	
<i>2002 COP Debt Schedule</i> .....	F – 11
<i>2010 COP Debt Schedule</i> .....	F – 13
<i>Computation of Legal Debt Margin</i> .....	F – 14
Successor Agency to the Los Gatos Redevelopment Agency Overview .....	F – 1
Town Commissions, Committees, and Advisory Boards .....	B – 15
Town Management Team List .....	B – 13
Town Offices Overview .....	D – 3
<i>Town Attorney Administration</i> .....	D – 11
<i>Town Council Administration</i> .....	D – 7
Town Demographics .....	B – 6
Town Economic Statistics .....	B – 9
Vehicle Maintenance Fund .....	D – 245
Vehicle Maintenance Management .....	D – 233
Workers' Compensation Fund .....	D – 81

