



TOWN OF LOS GATOS CALIFORNIA



OPERATING AND CAPITAL SUMMARY BUDGET

FISCAL YEAR 2024/25

Cover Photos: Ken Benjamin, Scott Anderson, and Evie Julian

TOWN OF LOS GATOS



CALIFORNIA

Operating and Capital Summary Budget

for

Fiscal Year July 1, 2024 to June 30, 2025

Town Council

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

Prepared under the direction of:

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TOWN VISION STATEMENT

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

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

TOWN OF LOS GATOS

OPERATING AND CAPITAL SUMMARY BUDGET

FISCAL YEAR 2024/25

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Introduction

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April 22, 2024

Honorable Mayor and Town Council:

I am pleased to present to you a balanced Fiscal Year (FY) 2024/25 Proposed General Fund Operating Budget for the Town of Los Gatos of \$56.9 million. The Proposed Budget maintains high levels of service for the community while (1) absorbing new unfunded State and Federal mandates, (2) acknowledging inflationary impacts, and (3) reducing expenditures in certain line items. The Proposed Budget includes Council direction to include a 4.6% vacancy factor while the organization continues to hire for all vacant positions. The 4.6% vacancy factor represents approximately \$1.8 million in projected savings. In addition to the vacancy savings, the Proposed Budget is balanced by closing a gap of approximately \$0.6 million through the one-time use of residual funds in the Measure G District Sales Tax-Operating Reserve for one-time expenditures, such as proposed one-time hire ahead positions.

In February 2024, the Town Council determined the Strategic Priorities for 2024-2026, providing guidance to Town staff and Commissions on workload prioritization. Even with the budgetary challenges of the last several years, many of Council's primary goals and priorities have been programmed in the FY 2024/25 Operating and Capital Budgets. Continued emphasis remains for wildfire protection, emergency preparedness, traffic calming/traffic safety for all users, parking study implementation, and prudent fiscal management among other items (see the following page).

Although the Town is fortunate to have a diverse economy, the loss of previously projected future growth in revenues, such as Sales Tax, in conjunction with increasing expenses continues to illustrate persistent deficits in future years. The deficits are on the order of approximately \$1.1 to \$1.8 million per year including the 4.6% salary savings factor and the more realistic revenue growth assumption that the Council adopted in February 2024. The Budget also reflects inflationary effects and the continued Departmental constraints after multiple years of status quo organizational budgets.

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

In the event revenue growth does not strengthen, the current projected deficits may need to be addressed through service delivery reductions or other actions. If this occurs, the Council will need significant input from the community to identify acceptable organizational changes and service levels.

The FY 2024/25 General Fund Budget of \$56.9 million maintains existing services with modest staffing adjustments and no new programs. This Budget also provides for limited, continued

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

STRATEGIC PRIORITIES AND CORE GOALS

In February 2024, the Town Council established the 2024-26 Strategic Priorities (see page A-3). The Council's Core Goals of Quality Public Infrastructure, Public Safety, Good Governance, Fiscal Stability, Community Character, and Civic Enrichment together with its Strategic Priorities guide the preparation of both the Capital and Operating 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 fiscal challenges, implementing the Comprehensive Parking Study, and fostering emergency preparedness and community wildfire resilience.

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



Ongoing Strategic Priorities 2024-2026

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

SAFETY

- Emergency Preparedness
 - CERT Recruitment & Training
 - Communications, EOC Readiness & Emergency Plan Development
- Fire Protection
 - Advance and Activate Ad Hoc Wildfire Action Items
- Vegetation and Hazardous Tree Management

TRAFFIC/TRANSPORTATION

- Comprehensive Parking Study
 - Short, Medium, and Long-Term Actions
- Transportation Demand Management
 - Measure B Transportation Projects
 - Bicycle & Pedestrian Improvements
 - Community Shuttle
 - Summer/Rush Hour/School Traffic
 - Regional Transportation Issues
- Traffic Calming/Safety for All Users

PRUDENT FINANCIAL MANAGEMENT

- Address Pension & OPEB Obligations
- Sell or Lease Certain Town Properties
- Develop a Five-Year Structurally Balanced and Sustainable Operating Forecast
- Develop a Five-Year Full Funded Capital Plan
- Create Council Scorecard

QUALITY OF LIFE

- Community Vitality
 - Diversity, Equity & Inclusion Efforts
 - Community Where Older Adults Thrive
 - Implement the Senior Road Map
 - Events & Other Town-Wide Efforts
 - Community Engagement
 - Environmental Sustainability/Climate Resiliency
- Economic Vitality
 - Policies & Ordinances
 - Streamline Permit Process
- Land Use Planning
 - General Plan 2040 Implementation
 - Housing Element Certification and Implementation
 - Support a Land Use Mix and Density that Reflects the Values of the Community
 - Update Objective Standards
- Work with Partners to Support Needs of Unhoused Residents

BUDGET DEVELOPMENT CONTEXT

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

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

In the development of the FY 2024/25 Operating Budget and the Five-Year Forecast, it is helpful to look at the estimated results of the FY 2023/24 Operating Budget (page A-5). These numbers are estimates and the actual final results will be determined at the final close of the FY 2023/24 (fall 2024). In addition to the improvements in revenue projections, staff is continuing to estimate a \$0.7 million year-end savings in FY 2023/24. Savings are attributable to Departmental vacancies and other operational savings. The FY 2023/24 Adjusted Budget includes 4.6% salary savings factor. While total Town-wide salary and benefit savings are estimated to be approximately \$58,000, fully staffed, individual Departments will not realize the budgeted 4.6% salary savings. Staff continues to monitor actual results and return to Council for necessary budget actions before FY 2023/24 end.

	A	B	<u>YE Estimated to Adjusted</u>	
			C	D
			<i>(B to A)</i>	
			<i>FY 2023/24 Estimated to FY 2023/24 Adjusted</i>	
	<u>2023/24</u>	<u>2023/24</u>	<u>\$ Variance</u>	<u>% Variance</u>
	<u>Adjusted</u>	<u>Estimated</u>		
REVENUES				
Property Taxes	23,903,898	23,938,718	34,820	0.15%
Sales & Use Taxes	8,200,593	7,881,069	(319,524)	-3.90%
Transient Occupancy Taxes	2,262,528	2,264,484	1,956	0.09%
Other Taxes	2,429,419	2,429,419	-	0.00%
Licenses & Permits	3,290,579	3,274,517	(16,062)	-0.49%
Intergovernmental	1,276,476	1,347,999	71,523	5.60%
Charges for Services	4,580,373	4,997,670	417,297	9.11%
Fines & Forfeitures	365,950	367,700	1,750	0.48%
Franchise Fees	3,308,703	3,308,703	-	0.00%
Interest	1,566,384	1,567,130	746	0.05%
Other	2,138,052	2,274,145	136,093	6.37%
Lease Reimbursement (Eliminated for ACFR)	1,894,550	1,894,550	-	0.00%
Total Revenues	55,217,505	55,546,104	328,599	0.60%
EXPENDITURES				
Current:				
General Government:				
Town Council	184,395	193,212	8,817	4.78%
Town Attorney	937,706	822,209	(115,497)	-12.32%
Administrative Services	6,557,982	5,878,639	(679,343)	-10.36%
Non-Departmental	6,678,635	6,523,433	(155,202)	-2.32%
Total General Government	14,358,718	13,417,493	(941,225)	-6.56%
Public Safety	20,547,933	20,924,555	376,622	1.83%
Parks & Public Works	10,146,589	10,140,405	(6,184)	-0.06%
Community Development	5,501,042	5,409,846	(91,196)	-1.66%
Library Services	3,223,573	3,175,016	(48,557)	-1.51%
Capital Outlay	-	-	-	0.00%
Debt Service				
Lease Payment (Eliminated for ACFR)	1,894,550	1,894,550	-	0.00%
Principal	156,034	156,034	-	0.00%
Total Expenditures	55,828,439	55,117,899	(710,540)	-1.27%
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>(610,934)</u>	<u>428,205</u>	<u>1,039,139</u>	<u>-170.09%</u>
OTHER FINANCING SOURCES (USES)				
Gain from sale of assets	-	-	-	0.00%
Transfers In	562,411	564,910	2,499	0.00%
Transfers Out	1,615,000	2,045,000	430,000	26.63%
Total Other Financing Sources (Uses)	<u>(1,052,589)</u>	<u>(1,480,090)</u>	<u>(427,501)</u>	<u>40.61%</u>
ESTIMATED NET CHANGE IN FUND BALANCE	<u>(1,663,523)</u>	<u>(1,051,885)</u>	<u>611,638</u>	<u>-36.77%</u>
BEGINNING FUND BALANCE		<u>29,528,304</u>		
ESTIMATED ENDING FUND BALANCE		<u>28,476,419</u>		

As with most municipalities, services are provided directly by employees to the Town's residents, businesses, and visitors. As a service delivery enterprise, the cost of salaries and benefits are a significant portion of the budget. The delivery of Town services is highly dependent on recruiting and retaining talent which comprises 64.7% of budgeted General Fund expenditures for FY 2024/25.

Given the high dependence on labor for service delivery, the Town has helped manage salary escalation through the maintenance of relatively flat staffing levels.



Since FY 2015/16, the Town full-time employee number grew from 144 FTE to 153 FTE (6.25% increase). In the same time period, pension costs escalated by 142%.

Mandated pension payments to CalPERS have consistently been one of the major cost drivers for the Town over the past decade with persistent unanticipated increases in pension costs. The Town's pension plans over the past several decades, like all other CalPERS participants, have experienced changes in actuarial assumptions, demographic changes, and volatile investment returns which have outweighed any positive plan experiences. The outcome of these unfavorable economic and demographic conditions is the creation of unfunded pension and Other Post-Employment Benefits (OPEB) liabilities for the Town. According to the most recent actuarial valuations, the unfunded actuarial liability for pensions was \$64.9 million as of June 30, 2022 and \$5.5 million for OPEB as of June 30, 2021.

To address the escalation in pension costs, previous Councils have allocated additional discretionary pension funding totaling \$10.4 million. These additional discretionary payments will ultimately yield an approximate additional \$12.7 million in contribution savings. In addition to the management of the Town's pension obligations, prior Councils have worked to curb cost escalation in Other Post-Employment Benefits (OPEB). In 2009, the Town initiated prefunding of the retiree healthcare benefit and has since established approximately \$25.9 million in OPEB assets from zero in 2009.

The Town has three bargaining units, including the Town Employees' Association (TEA), the American Federation of State, County and Municipal Employees (AFSCME), and the Police Officers' Association (POA). The unrepresented groups are Management and Confidential. The Town and its bargaining groups have also worked to contain benefit costs. The Town closed the CalPERS retiree Tier 1 benefit for non-safety employees and created a new Tier 2 for non-safety new employees in 2012, implemented the Public Employees' Pension Reform Act (PEPRA) for all new non-classic employees starting in 2013, and participates in the CalPERS discounted prepayment option. In 2016, the Town's bargaining groups approved the introduction of dependent cost sharing and a reimbursement cap to Medicare eligible employees, and, in 2018, the elimination of the Town's existing retiree healthcare benefit prospectively.

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

FISCAL YEAR (FY) 2024/25 BUDGET BALANCING STRATEGIES

For FY 2024/25, the Proposed Operating Budget is balanced utilizing three primary budget balancing strategies. The first strategy was the direction to all Departments to develop a status quo budget. To that end, the Departments programmed existing resources by either maintaining current structures or realigning operations to remain effective. This proved exceptionally difficult as vendor, supply, and other costs rose beyond FY 2023/24 levels. In addition, Departments were provided guidance to enhance capacity where necessary through limit-dated, non-benefited personnel options when possible.

The second strategy is to build in a 4.6% salary savings factor that represents approximately \$1.8 million in anticipated savings. Per prior Council direction, staff continues to hire for all vacant positions. If vacancy savings are not materialized, staff will come back to Council for adjustments.

The third strategy is the one-time use of \$0.6 million of the Town's residual Measure G District Sales Tax – Operating Reserve for one-time expenditures.

The FY 2024/25 Proposed Budget endeavored to maintain essential public services while controlling operational costs in light of the Five-Year Financial Forecast, which predicts operating shortfalls in subsequent fiscal years. Providing current service levels to the community in future fiscal years will require a strong return to pre-pandemic performance of the Town's economically sensitive revenues and/or revenue enhancements.

FIVE-YEAR FINANCIAL FORECAST

Similar to prior years, the Five-Year Forecast serves as the foundation of the budget planning process. The Forecast identifies the Town's fiscal capacity and provide the financial framework within which the proposed budget must be developed, including resource capacity, staffing, and service levels, consistent with the Town Council's most recently adopted Strategic Priorities. All revenue and expenditure Forecast assumptions are summarized immediately after this letter and are based on Council prior direction after considering the recommendations of the Finance Commission (most recently February 2024).

The Five-Year Forecast (FY 2025/26– 2029/30) is predicated on the estimated ending results for FY 2023/24 and includes updates to Town revenues and expenditures. Like any forecast, the Forecast’s revenue estimates for the first year is the most critical in the process as they ultimately define the expenditure limitations for the upcoming budget year.

The Town is highly dependent on three economically sensitive revenues (Property Tax, Sales Tax, and Transient Occupancy Tax) comprising 62.7% of General Fund forecasted revenues. The revenue assumptions are informed by the County Tax Assessor, the Town’s Sales Tax consultant, and direct communication with the Town’s hospitality industry. These assumptions are described immediately following this letter.

On the expenditure side, the Forecast budgets positions at the actual rate of pay of employees including benefits as of April 1, 2024. Then, by position, salary costs are updated in accordance with the applicable Memorandum of Understanding (MOU) between the Town and its bargaining units. The Town and POA agreed to a successor MOU until June 30, 2027. Of note, the MOU includes a 6.5% salary increase effective the pay period containing April 1, 2024, a 5% increase for FY 2025/26, and a 4% increase for FY 2026/27. The MOUs for the two other bargaining units expire June 30, 2024 and the Town is in the process of negotiating successor MOUs.

In addition to the economic terms of the MOUs, the Forecast assumes step increases for employees in applicable positions, and merit increases for Management and Confidential employees. In addition, based on prior Council guidance, 2% cost of living wage adjustments (COLA) are included in the Forecast for each year from FY 2025/26 through FY 2029/30 for each bargaining or unrepresented unit that does not have an updated MOU. The Forecast also recognizes higher pension costs due to the continued annual payment for prior unfunded actuarial liability (UAL) amortization bases. This information was determined in coordination with the Town’s Actuarial Consultant and CalPERS.

As previously mentioned, the Forecast includes a multitude of primary revenue and expenditure adjustments related to recent trends, the culmination of which is depicted in the Table on page A-9. In addition, a table of the past eight years of actual year-end results has been included for comparative purposes for the Proposed Operating Budget and Forecast period on page A-10.

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

General Fund 5-Year Forecast
(in \$ million)

Revenue Category	FY 2022/23 Actuals	FY 2023/24 Adjusted Budget	FY 2023/24 Estimates	FY 2024/25 Budget	FY 2025/26 Forecast	FY 2026/27 Forecast	FY 2027/28 Forecast	FY 2028/29 Forecast	FY 2029/30 Forecast
Property Tax	\$ 18.2	\$ 19.0	\$ 19.0	\$ 20.2	\$ 21.3	\$ 22.5	\$ 23.7	\$ 25.0	\$ 26.5
VLF Backfill Property Tax	4.6	4.9	4.9	5.0	5.3	5.6	5.9	6.3	6.7
Sales & Use Tax	7.5	7.0	6.7	6.6	6.7	6.9	6.9	7.0	7.1
Measure G District Sales Tax	1.3	1.2	1.2	1.3	1.3	1.3	1.4	1.4	1.4
Franchise Fees	3.1	3.3	3.3	1.0	1.1	1.1	1.1	1.2	1.2
Transient Occupancy Tax	2.2	2.3	2.3	2.3	2.4	2.4	2.4	2.4	2.4
Business License Tax	2.4	2.4	2.4	2.4	2.5	2.6	2.6	2.7	2.8
Licenses & Permits	3.3	3.3	3.3	3.0	3.0	3.1	3.2	3.3	3.4
Intergovernmental	1.6	1.3	1.3	1.4	0.9	1.0	0.9	0.9	1.0
Town Services	4.6	4.6	5.0	7.0	6.7	6.8	7.0	7.2	7.4
Fines & Forfeitures	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3
Interest	0.6	1.6	1.6	1.8	1.4	1.3	1.2	1.1	1.1
Other Sources	8.1	4.0	4.1	3.5	3.1	3.2	3.3	3.2	2.0
Fund Transfers In	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
TOTAL OPERATING REVENUES & TRANSFERS	\$ 58.4	\$ 55.9	\$ 56.1	\$ 56.4	\$ 56.6	\$ 58.7	\$ 60.5	\$ 62.6	\$ 63.9
Use of Capital/Special Projects Reserve	\$ 2.4	\$ 1.6	\$ 2.0	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1
Use of Measure G Sales Tax - Operating	-	-	-	0.6	-	-	-	-	-
Use of Pension/OPEB Reserve	0.3	0.3	0.3	-	-	-	-	-	-
Use of Council Priorities - Economic Recovery	-	1.5	1.5	-	-	-	-	-	-
TOTAL REVENUES, TRANSFERS, AND USE OF RESERVES*	\$ 61.1	\$ 59.3	\$ 59.9	\$ 58.1	\$ 57.7	\$ 59.8	\$ 61.6	\$ 63.7	\$ 65.0
Expenditure Category	FY 2022/23 Actuals	FY 2023/24 Adjusted Budget	FY 2023/24 Estimates	FY 2024/25 Budget	FY 2025/26 Forecast	FY 2026/27 Forecast	FY 2027/28 Forecast	FY 2028/29 Forecast	FY 2029/30 Forecast
Salary	\$ 20.4	\$ 21.3	\$ 21.9	\$ 23.6	\$ 23.8	\$ 24.5	\$ 25.1	\$ 25.7	\$ 26.2
Overtime	1.4	0.6	1.3	0.6	0.7	0.7	0.7	0.7	0.7
CalPERS Benefits	7.1	8.2	7.2	8.8	9.1	9.7	10.4	11.2	11.8
All Other Benefits	3.8	4.7	4.4	5.6	6.1	6.3	6.5	6.7	6.8
4.6% Salary and Benefits Savings	-	-	-	(1.8)	(1.8)	(1.9)	(2.0)	(2.0)	(2.1)
OPEB Pay as You Go	1.5	1.6	1.6	1.7	1.9	2.0	2.0	2.0	2.0
Operating Expenditures	11.7	11.0	10.6	8.8	8.3	8.6	8.7	9.0	9.2
Grants & Awards	0.6	1.0	0.7	0.3	0.2	0.2	0.2	0.2	0.3
Utilities	0.6	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.8
Internal Service Charges	2.6	3.4	3.4	4.4	5.2	5.4	5.6	5.8	6.1
Debt Service	2.0	2.1	2.1	2.1	2.1	2.1	2.1	2.1	0.8
TOTAL OPERATING EXPENDITURES	\$ 51.8	\$ 54.5	\$ 53.9	\$ 54.8	\$ 56.2	\$ 58.4	\$ 60.1	\$ 62.2	\$ 62.7
Additional Discretionary Payment - Pension	0.7	0.7	0.7	0.4	0.4	0.4	0.4	0.4	0.4
TOTAL OPERATING & DISCRETIONARY EXPENDITURES	\$ 52.5	\$ 55.2	\$ 54.6	\$ 55.2	\$ 56.6	\$ 58.8	\$ 60.5	\$ 62.6	\$ 63.1
Capital Transfers Out to GFAR	\$ 2.4	\$ 1.6	\$ 1.6	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1
Transfer to General Liability	-	-	0.4	-	-	-	-	-	-
1/2 of Measure G Proceeds to Capital	0.6	0.6	0.7	0.6	0.6	0.7	0.7	0.7	0.7
Allocate to ERAF Risk Reserve	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8
Allocate to Pension Trust	0.7	0.7	0.7	0.4	0.4	0.4	0.4	0.4	0.4
TOTAL EXPENDITURES & RESERVE ALLOCATIONS*	\$ 56.2	\$ 58.8	\$ 58.7	\$ 58.1	\$ 59.5	\$ 61.8	\$ 63.5	\$ 65.6	\$ 66.1
NET REVENUES, TRANSFERS IN, USE OF RESERVES LESS EXPENDITURES, TRANSFERS IN, AND RESERVE ALLOCATIONS	\$ 4.9	\$ 0.5	\$ 1.1	\$ -	\$ (1.8)	\$ (2.0)	\$ (1.9)	\$ (1.9)	\$ (1.1)
* Due to rounding of individual categories total revenues, expenditures, and reserve allocations may include \$0.1 million.									

Town of Los Gatos General Fund Historical Year-End Results (in \$ million)								
Account	Revenue Category	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2020/21 Actuals	FY 2021/22 Actuals
4100	Property Tax	\$ 10.8	\$ 11.5	\$ 12.5	\$ 13.6	\$ 14.5	\$ 15.8	\$ 16.9
4110	VLF Backfill Property Tax	3.0	3.2	3.4	3.7	3.9	4.1	4.2
4200	Sales & Use Tax	7.5	9.2	7.6	8.0	6.5	6.8	7.2
4200	Measure G District Sales Tax	-	-	-	0.2	1.0	1.1	1.3
4250	Franchise Fees	2.3	2.4	2.5	2.5	2.5	2.5	2.8
4251	Transient Occupancy Tax	1.9	2.3	2.6	2.7	1.9	1.0	1.9
4400	Business License Tax	1.5	1.7	1.7	1.5	1.4	1.4	1.5
4400	Licenses & Permits	3.5	3.0	3.0	3.1	2.7	3.1	4.8
4500	Intergovernmental	1.0	0.9	1.0	0.9	1.0	1.6	1.3
4600	Town Services	4.0	3.3	4.4	4.4	4.4	4.6	5.3
4700	Fines & Forfeitures	0.9	0.9	0.7	0.5	0.3	0.1	0.3
4800	Interest	0.6	0.2	0.2	1.4	2.2	0.1	(1.4)
4850	Other Sources	2.3	4.3	3.2	4.6	2.7	3.7	7.0
4900	Fund Transfers In	2.4	0.3	0.8	1.6	0.6	0.7	0.6
TOTAL OPERATING REVENUES & TRANSFERS*		\$ 41.7	\$ 43.2	\$ 43.6	\$ 48.7	\$ 45.6	\$ 46.6	\$ 53.7
	Capital	-	1.4	3.2	2.8	8.0	3.4	0.6
	Use of Pension/OPEB Reserve	-	-	-	-	-	4.5	0.3
	Use of Property Surplus Reserve	-	-	-	-	-	-	1.2
	Use of Almond Grove Reserve	-	5.9	-	-	-	-	-
	Use of Measure G Reserve	-	-	-	-	-	-	1.1
TOTAL REVENUES, TRANSFERS, AND USE OF RESERVES		\$ 41.7	\$ 50.5	\$ 46.8	\$ 51.5	\$ 53.6	\$ 54.5	\$ 56.9
Account	Expenditure Category	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2020/21 Actuals	2021/22 Actuals
5110	Salary	14.5	14.8	16.0	17.9	19.3	20.2	20.0
5120	CalPERS Benefits	3.6	3.9	4.3	5.3	6.1	6.4	6.5
5200	All Other Benefits	3.2	3.2	3.3	3.6	3.6	3.7	3.7
6211	OPEB Pay as You Go	0.9	1.0	1.1	1.2	1.2	1.3	1.4
6000	Operating Expenditures	4.7	4.8	5.0	5.6	5.1	5.7	10.4
7200	Grants & Awards	0.7	0.2	0.2	0.3	0.3	0.3	1.8
7400	Utilities	0.4	0.6	0.5	0.5	0.5	0.6	0.6
8060	Internal Service Charges	3.5	3.6	3.9	2.5	2.2	2.3	2.6
8900	Debt Service	1.9	1.9	1.9	1.9	1.9	2.0	2.1
TOTAL OPERATING EXPENDITURES		\$ 33.6	\$ 34.0	\$ 36.2	\$ 38.8	\$ 40.2	\$ 42.4	\$ 49.0
	GASB 45 Retiree Medical Actuarial	1.5	2.6	1.6	1.1	1.1	0.6	0.1
	Additional Discretionary Payment - Pension	-	-	-	-	-	5.6	0.7
TOTAL OPERATING & DISCRETIONARY EXPENDITURES		\$ 35.1	\$ 36.6	\$ 37.8	\$ 39.9	\$ 41.3	\$ 48.6	\$ 49.8
	Capital Transfers Out to GFAR	0.5	7.3	2.6	2.3	7.0	3.4	1.2
	Operating Transfer Out	0.1	-	0.6	0.5	1.1	-	-
	1/2 of Measure G Proceeds to Capital	-	-	-	-	-	-	0.7
	Fixed Assets/ Equipment	0.4	-	-	-	0.1	-	-
	Fund	-	-	1.2	3.6	0.4	-	-
AMOUNTS AVAILABLE FOR RESERVE ALLOCATIONS		\$ 5.6	\$ 6.6	\$ 4.6	\$ 5.2	\$ 3.7	\$ 2.5	\$ 5.9
	Allocate to Almond Grove Reserve	2.5	-	-	-	-	-	-
	Stabilization/Catastrophic	-	-	-	-	-	0.1	1.1
	Allocate to Compensated Absences	-	-	-	-	-	0.1	(0.2)
	Allocate to Market Fluctuations Reserve	0.3	0.3	-	-	1.2	-	(0.4)
	Allocate to CalPERS/Pension Reserve	-	1.8	-	-	-	0.3	0.3
	Allocate to Measure G Reserve	-	-	-	-	1.2	-	-
	Allocate to VM & Stores Surplus Reserve	-	-	-	1.0	-	-	-
	Allocate to Authorized Carryforwards	0.1	-	-	-	-	-	0.03
	Sales Tax Prior - Year Adjustments	-	0.4	-	-	-	-	-
	Allocate to Property Surplus Reserve	-	-	-	1.9	-	1.2	-
TOTAL EXPENDITURES & RESERVE ALLOCATIONS		\$ 39.0	\$ 46.4	\$ 42.2	\$ 49.2	\$ 52.2	\$ 53.7	\$ 52.2
NET REVENUES RESERVE TRANSFERS LESS EXPENDITURES & RESERVE ALLOCATIONS FOR FINAL ALLOCATION AFTER YEAR END CLOSE		\$ 2.7	\$ 4.1	\$ 4.6	\$ 2.3	\$ 1.4	\$ 0.8	\$ 4.7
* Due to rounding of individual categories Total Expenditures and Reserve Allocations may include \$0.1 million. General Fund (111) Historical presentation does not include Pension Trusts activities.								

UNDERSTANDING THE BUDGET DOCUMENT

The Operating Budget document includes Town-wide information and information specific to each fund and 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 (GAAP). 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.

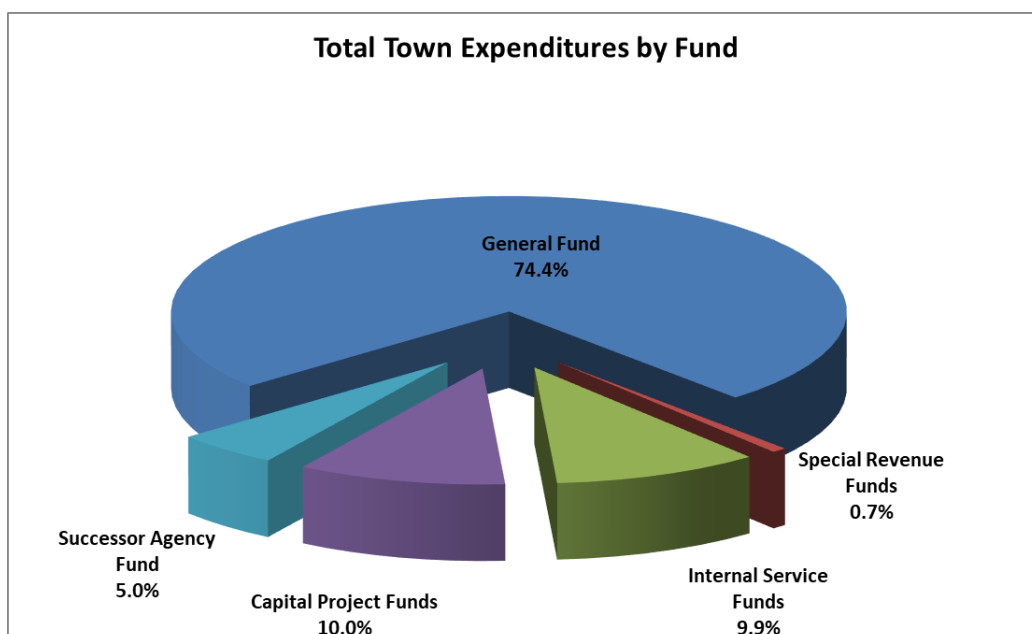
FY 2024/25 FISCAL OUTLOOK

Overview

The workload and budgetary prioritization process considers 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;
- Continue to make progress on Strategic Priorities identified by the Town Council;
- Identify opportunities to enhance service delivery through new revenue sources, technology, and open government; and
- Prepare for addressing future deficits in the event new revenue sources do not materialize.

As shown in the chart below, the Proposed Budget is largely funded by the General Fund (74.4%).



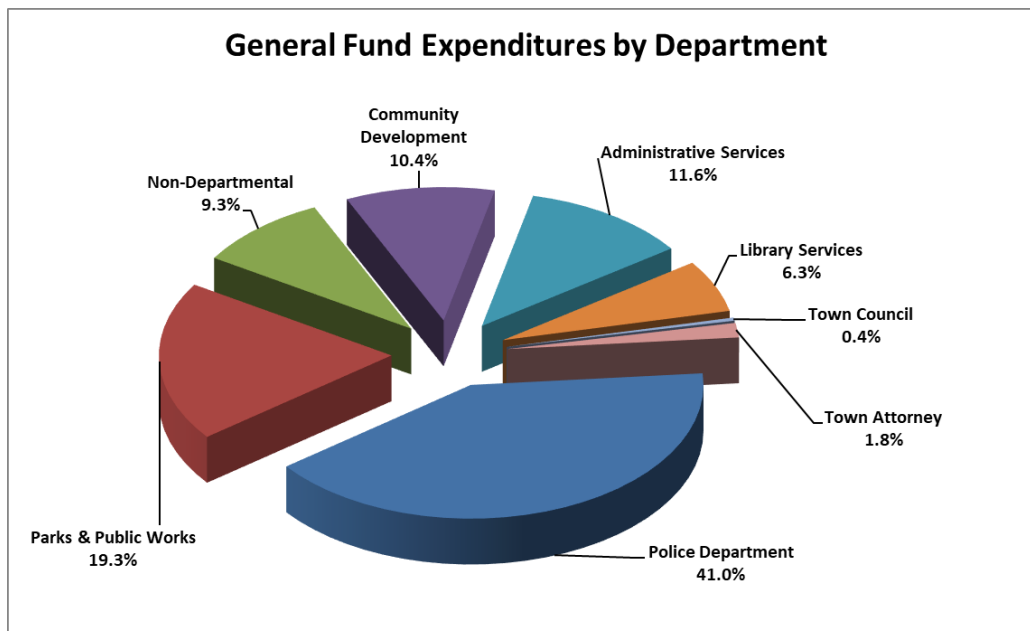
For Council's consideration, staff is recommending the following allocations:

- \$568,051 one-time use of available Measure G District Sales Tax - Operating Reserve to fund one-time expenditures to balance the budget;
- \$11,333 from the Council Priorities – Economic Reserve residual balance created by recognizing American Recovery Act (ARPA) proceeds for the Adult Recreation Center Interim Community Center Fund; and
- \$1,110,000 from the General Fund Capital/Special Projects Reserve to fund the proposed Capital Improvement Program.

If the Town Council does not agree with these proposed recommendations, the Council should provide specific guidance regarding budget balancing strategies.

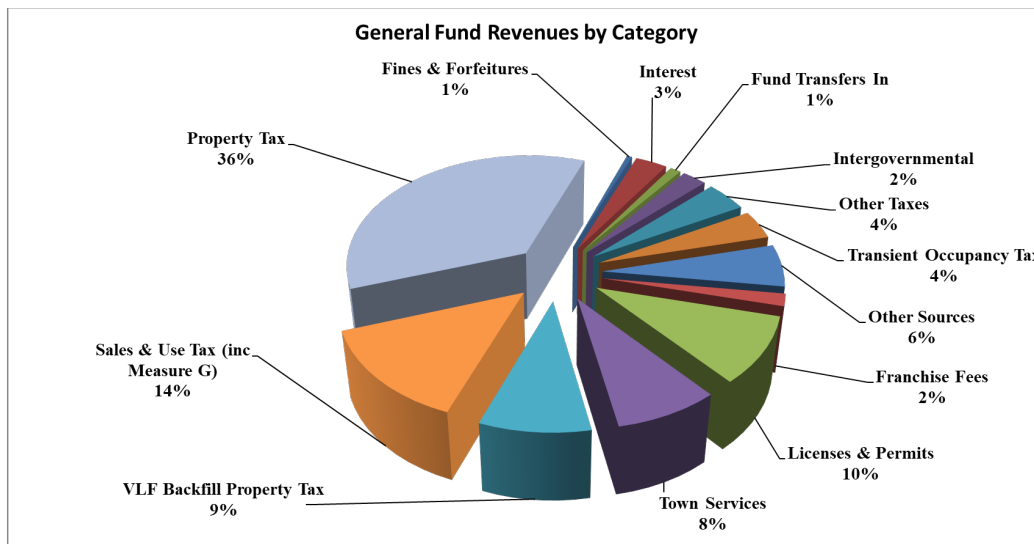
General Fund

The General Fund pays for core services such as public safety, community development, parks and public works, library, and other services. The revenue used to pay for these services comes primarily from local taxes such as Property Tax, Sales Tax, Transient Occupancy Tax, Franchise Fees, Licenses and Permits, Town Services, Fines and Forfeitures, and a variety of other sources. As illustrated in the chart below, the majority of General Fund revenue supports the services provided by Police, Parks and Public Works, Community Development, and Library Departments, consistent with the Council's Core Goals.



General Fund revenue is estimated at \$53.6 million in the FY 2024/25 Proposed Budget, excluding debt service, restricted pension trust activity, and fund transfers. This is an increase of \$612,000 (1.2%) when compared to the FY 2023/24 estimated revenue excluding the above-mentioned items. Property Taxes, Vehicle License Fee in Lieu (VLF) backfill Property Tax, Transient Occupancy Tax, Licenses and Permit, and Business License Tax are projected to increase. Anticipated increases in Property Tax are primarily attributable to more favorable projections of

Educational Revenue Augmentation Fund (ERAF) distributions. While Sales Tax remains flat with FY 2023/24 estimates, the FY 2024/25 estimates are \$920,000 below the FY 2022/23 actual collections.



The Town's General Fund proposed operating budget expenditures for FY 2024/25 increased by \$0.7 million to \$53.8 million (excluding fund transfers, Pension Trust Fund activities, and debt service) compared to FY 2023/24 estimates (excluding fund transfers, Pension Trust Fund activities, and debt service). FY 2023/24 estimates include a \$1.5 million Income Replacement Pass-Through expenditure. Excluding the above-mentioned pass-through expenditure, the increase is approximately \$2.2 million. The increase is primarily attributable to merit step increases, employee promotions, cost of living increases in the approved Memorandum of Understanding with POA) 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 talented and skilled labor, which makes up 64.7% of budgeted General Fund expenditures for FY 2024/25.

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 2024/25 is \$7.6 million.

Capital Improvement 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 2024/25 Town-wide expenditures from the Capital Improvement Projects Fund is \$7.6 million which is inclusive of \$4.7 million in General Fund Appropriated Reserve (GFAR) allocation.

Special Revenue Funds

Special Revenue Funds are a fund type used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes including four trusts established to provide for the servicing of donations and bequests to the Town's Library program. Special Revenue Funds account for 0.7% of the Town-wide expenditure budget. The Town's largest Special Revenue Funds are the Library Trust Funds and the Urban Run-Off Source Fund. The total proposed Budget for Special Revenue Funds for FY 2024/25 is \$0.5 million.

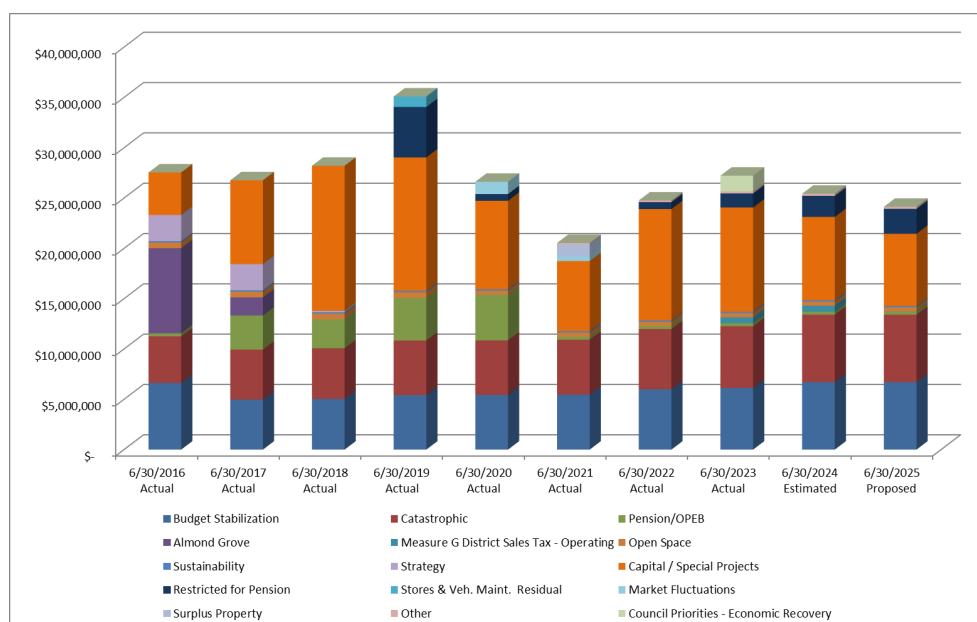
Successor Agency to the Los Gatos RDA Funds

The Successor Agency to the Los Gatos Redevelopment Agency (RDA) is a private purpose trust fund that accounts for the assets, liabilities, and operations transferred from the dissolution of the Town's RDA. These funds include Certificates of Participation issued to finance several capital improvement projects throughout the Town and repayment of obligations incurred by the Town's RDA prior to its dissolution. The FY 2024/25 budgeted expenditures in this trust fund total \$3.8 million.

GENERAL FUND RESERVES

The total General Fund Reserves are forecasted at a balance of approximately \$28 million as of June 30, 2025. Additional information on the estimated FY 2023/24 year-end General Fund balances can be found in the Financial Summaries section. As indicated in the chart on the next page, the General Fund reserves are decreasing from prior years due primarily to previous programmed payments toward the Town's unfunded pension/OPEB obligations and transfers to the CIP program. Transfers to the CIP program over the last six years range from \$1.6 million (FY 2023/24) to \$5.7 million (FY 2019/20). The proposed transfer in FY 2024/25 is \$1.1 million.

Pension/OPEB transfers of note include the \$4.5 million California Public Employees Retirement System (CalPERS) side-fund payoff in June 2014 and a \$4.8 million additional discretionary payment (ADP) in FY 2019/20 and \$5.7 million in FY 2020/21.



General Fund Reserve	6/30/2016 Actual	6/30/2017 Actual	6/30/2018 Actual	6/30/2019 Actual	6/30/2020 Actual	6/30/2021 Actual	6/30/2022 Actual	6/30/2023 Actual	6/30/2024 Estimated	6/30/2025 Proposed
Restricted for:										
Pension	\$ -	\$ -	\$ -	\$ 5,015,316	\$ 669,978	\$ -	\$ 690,000	\$ 1,400,163	\$ 2,090,163	\$ 2,480,163
Property Held for Resale								44,338	44,338	44,338
Committed to:										
Budget Stabilization	\$ 6,621,808	\$ 4,969,847	\$ 5,037,243	\$ 5,419,222	\$ 5,427,603	\$ 5,460,485	\$ 5,991,566	\$ 6,129,774	\$ 6,701,406	\$ 6,701,406
Catastrophic	4,637,406	4,969,847	5,037,243	5,419,222	5,427,603	5,460,485	5,991,566	6,129,775	6,701,406	6,701,406
Pension/OPEB	300,000	3,388,913	2,878,913	4,232,500	4,532,500	300,000	300,000	300,000	300,000	300,000
Almond Grove	8,459,973	1,801,318	-	-	-	-	-	-	-	-
Measure G District Sales Tax - Operating	-	-	-	-	-	-	-	590,581	590,581	22,530
Assigned to:										
Open Space	\$ 562,000	\$ 562,000	\$ 562,000	\$ 562,000	\$ 410,000	\$ 410,000	\$ 410,000	\$ 410,000	\$ 410,000	\$ 410,000
Sustainability	140,553	140,553	140,553	140,553	140,553	140,553	140,553	140,553	140,553	140,553
Strategy	2,600,000	2,600,000	129,090	-	-	-	-	-	-	-
Capital / Special Projects	4,222,405	8,332,953	14,421,203	13,262,303	8,787,958	6,965,356	11,071,231	10,359,577	8,279,264	7,169,264
Authorized Carryforward	99,284	34,852	99,927	413,729	-	-	33,145	37,698	37,698	37,698
Compensated Absences	-	350,329	2,122,512	1,232,653	1,539,408	1,649,917	1,519,147	1,580,623	1,580,623	1,580,623
To Workers' Compensation	-	-	-	1,232,654	-	-	-	-	-	-
Measure G District Sales Tax - Op/Cap	-	-	-	-	1,181,162	1,730,490	590,581	-	-	-
Stores & Veh. Maint. Residual	-	-	-	1,040,375	-	-	-	-	-	-
Market Fluctuations	-	-	-	-	1,218,732	438,333	-	-	-	-
Surplus Property	-	-	-	-	-	1,200,000	-	-	-	-
ERAF Risk Reserve	-	-	-	-	-	-	-	689,608	1,430,054	2,215,154
Council Priorities - Economic Recovery	-	-	-	-	-	-	-	1,556,614	11,333	-
Other	-	-	-	-	-	159,000	159,000	159,000	159,000	159,000
Total General Fund Reserve	\$ 27,643,429	\$ 27,150,612	\$ 30,428,684	\$ 37,970,527	\$ 29,335,497	\$ 23,914,619	\$ 26,896,789	\$ 29,528,304	\$ 28,476,419	\$ 27,962,135

Catastrophic and Budget Stabilization Reserves

Consistent with the Town's General Fund Reserve Policy and reaffirmed by Council, the Catastrophic and Budget Stabilization Reserves are to be maintained at combined minimum funding level of 25% of General Fund ongoing operating expenditures. The funding requirement is equally divided between the Catastrophic Reserve (12.5%) and the Budget Stabilization Reserve (12.5%). Fund balance in these reserves is used to fund future fluctuations in the economy due to catastrophic events and mitigating cyclical changes in locally generated revenues from temporary downturns in the local economy. Staff recommends transferring \$1.1 million from available prior year-end savings to meet the required 25% funding level, or \$13.4 million total for FY 2024/25.

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 allocations to CalPERS. The Town's Pension/OPEB Trusts Oversight Committee has determined that additional discretionary payments for pension obligations should be allocated directly to CalPERS. Until they are allocated, the funds earn interest in the California Employer's Pension Prefunding Trust (CEPPT).

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

Capital/Special Projects

With Council direction according to the General Fund Reserve Policy, upon the close of the fiscal year, the Capital/Special Projects Reserve receives the Town's annual revenues above operating expenditures after funding all legally restricted reserves at their required levels. Fund balance is assigned for the acquisition and construction of capital facilities or special projects as determined

by the Town Council. In FY 2024/25, the amount being allocated to the Capital Improvement Program is \$1.1 million. It is anticipated the Reserve will have approximately \$7.2 million as of June 30, 2025.

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 \$1.6 million as of June 30, 2025.

Educational Realignment Augmentation Fund (ERAF) Risk Reserve

A reserve is maintained to set aside 30% of the anticipated ERAF proceeds from FY 2022/23 until the risk subsides. Based on the most recent communication from the County of Santa Clara County Assessor's Office, there is potential at-risk exposure related to the Governor's budget proposal of ERAF funding for Charter Schools, and the SCAO's audit findings on Excess ERAF calculation as presented below. Staff recommends continuing to reserve 30% of the anticipated ERAF proceeds.

	FY 2020/21 Actual	FY 2021/22 Actual	FY 2022/23 Actual	FY 2023/24 Estimated	FY 2024/25 Estimated	Total \$
Excess ERAF	\$ 2,043,321	\$ 2,371,984	\$ 2,298,692	\$ 2,534,820	\$ 2,617,000	
<i>According to Santa Clara County State Controller Office March 2024 Communication</i>						
State Controller Audit Finding Risk %	22%	22%	22%	22%	20%	
State Controller Audit Finding Risk (\$)	\$ 449,531	\$ 521,836	\$ 505,712	\$ 557,660	\$ 523,400	
Governor's Budget Proposal for Charter School Risk %	N/A	N/A	N/A	8%	9%	
Governor's Budget Proposal for Charter School Risk \$	N/A	N/A	N/A	\$ 202,786	\$ 235,530	
Total % at Risk	22%	22%	22%	30%	29%	
Total \$ at Risk	\$ 449,531	\$ 521,836	\$ 505,712	\$ 760,446	\$ 758,930	\$ 2,996,455
Town ERAF Risk Reserve - 30%			\$ 689,608	\$ 760,446	\$ 785,100	\$ 2,235,154

Measure G District Sales Tax Reserve

A reserve was established to track the receipt and the usage of the 1/8 cents District Tax funds collected by the Town. Based on prior Council direction, 50% of this revenue is dedicated to the Operating Budget and 50% to the Capital Budget directly. Staff recommends using the residual Measure G Operating Reserve for balancing the FY 2024/25 budget. It is anticipated the reserve will have approximately \$22,530 as of June 30, 2025. Staff is recommending that the residual and current year Measure G proceeds dedicated for capital should be programmed toward the Shannon Road Repair Project. Future year Measure G proceeds dedicated for Capital Improvement Projects should be programmed toward the State Route 17 Corridor Congestion Relief Project. At the time of the budget adoption, a resolution would memorialize the project(s) that are funded by the Measure G proceeds dedicated to the Capital Improvement Program and the proceeds should be held in a committed General Fund Appropriated Reserve until it is spent on the forementioned projects.

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

FY 2024/25 General Fund revenues (excluding fund transfers in) are expected to increase by 0.6% to \$55.9 million from FY 2023/24 estimated revenues. Revenue projections for each category were based upon estimates provided to the Town by the Santa Clara County Assessor, the Town's Sales Tax Consultant, and careful examination of revenue trends, patterns, and industry research.

The net increase from FY 2023/24 in overall revenues is mostly due to forecasted increases in Property Tax, Business License Tax, Transient Occupancy Tax, and License and Permits combined with a significant decrease in Sales Tax collection. 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 temporary staffing.

	FY 2023/24 Authorized/Funded Town Staff Positions	FY 2024/25 Authorized/Funded Town Staff Positions
Departments		
Town Council	0.50	0.50
Town Attorney	2.13	1.88
Administrative Services	20.18	21.42
Community Development	20.45	20.45
Police Department	60.00	60.00
Parks & Public Works	35.75	34.75
Library	13.50	13.50
Total Positions	152.50	152.50
All Hourly Employee Staff Converted to FTEs	10.33	12.56
Total Town FTEs	162.83	165.07

The FY 2023/24 Operating Budget has 152.50 full time employees and an additional 12.56 full time equivalent (FTE) hourly employees for a total of 165.07 budgeted FTEs, including temporary staff. This reflects an increase of 2.24 FTE compared to the prior year. Six staggered positions are recommended for funding for one year only to provide important hire ahead capacity in the Police Department. The positions help bridge recent resignations and anticipated retirements. The recommended FY 2024/25 staffing level also reflects the following changes from the prior year's Adopted Budget:

- *Administrative Services* - The FY 2024/25 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 and Human Resources Analyst to augment the Town's limited Human Resources Department capacity. The FY 2024/25 Budget also includes

temporary hours to help with implementation of a new Enterprise Resource Planning system.

- *Community Development Department (CDD)* –The FY 2024/25 Budget includes the part-time Code Compliance Officer position which will be continued for another year and a reclassification of an Executive Assistant to an Administrative Technician to better meet organizational needs.
- *Police* – The FY 2023/24 Budget contains temporary staff hours for three Community Service Officer Interns, six Police Trainee hire ahead recruit positions, and Background Investigation staff.
- *Parks and Public Works (PPW)* – The FY 2024/25 Budget reflects staffing changes including the addition of a part-time unbenefited temporary Engineering Technician and a hire-ahead one-time flexibly staffed Administrative Analyst position. It also reflects the reallocation of an Associate Engineer to a Senior Civil Engineer and a reallocation of a Transportation and Mobility Manager to a Senior Transportation Planner as approved during FY 2023/24 mid-year review process.

Non-Personnel Operating Expenditures

Non-Personnel expenditure budgets were developed based on actual expenditures in prior years, adjusted for FY 2024/25 funding needs. In light of limited available resources, the FY 2024/25 proposed budgeted non-personnel expenditures are conservative, with additions primarily limited to non-discretionary, contractually obligated, internal service charges to ensure cost recovery, 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 2024/25 Proposed Budget anticipates a \$58 billion deficit. The Governor’s Proposed Budget intends to address the budget problem without using funds from the State’s reserves, and instead relying on reductions and delays in spending.

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

The estimated Gas Tax revenue totals approximately \$1.8 million for FY 2024/25 due to the Road Recovery and Repair Act of 2017 (SB1). These funds can only be used for new construction and reconstruction of Town streets.

ONGOING BUDGET CONSIDERATIONS:

Fire Protection Services

Fire Protection Services for the Town of Los Gatos are provided by the Santa Clara County Central Fire Protection District. These services have been provided under an annexation agreement effective March 18, 1970 in which the tax rate then in effect for Town's fire protection services was essentially transferred to the County's Central Fire Protection District. Based upon the latest assessed valuation reports provided by the County of Santa Clara, the Property Tax collected from Los Gatos residents for FY 2023/24 and remitted to the Santa Clara County Central Fire Protection District for fire protection services is estimated to be approximately \$23.9 million.

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

The Town's pension unfunded actuarial liability (UAL) as of June 30, 2022 (the "date of value" for the most up to date actuarial valuation from CalPERS) is approximately \$64.9 million. The Town's unfunded actuarial OPEB liabilities are projected to total approximately \$5.5 million as of June 30, 2021.

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

CONCLUSION

While the Town is experiencing increases in Property Tax and Transient Occupancy Tax, Sales Tax proceeds are estimated to be \$920,000 lower than FY 2022/23 actual collections. The Town is also experiencing inflationary pressures and increased pension costs. The Proposed Budget and Five-Year Forecast reflect these challenges. For this reason, the FY 2024/25 Budget is a status quo budget that necessitated using \$0.6 million of reserve for one-time expenditures even with the built in 4.6% vacancy factor. The Town's primary revenue sources will need to continue to strengthen to ensure the Town's high service levels are maintained in future years, Council Strategic Priorities are addressed, and essential infrastructure investments are made.

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

For now, due to the proactive and conservative fiscal policies of the past, the Town is able to weather current economic conditions. With this Budget, the Town continues to fund both the Catastrophic and Budget Stabilization Reserves per the Town's General Fund Reserve Policy at a combined minimum funding level of 25% of General Fund ongoing operating expenditures. The funding requirement is equally divided between the Catastrophic Reserve (12.5%) and the Budget Stabilization Reserve (12.5%) and currently approximates \$13.4 million in reserves. These contingencies provide ample resources in the event a recession or other event affects the Town.

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

Gitta Ungvari, Finance Director
Eric Lemon, Finance and Accounting Manager
Melissa Ynegas, Administrative Analyst
Diane Howard, Administrative Analyst
Eagled'Or Am, Accountant
Ed Karas, Accountant
Wayne Chen, Administrative Technician
Katy Nomura, Assistant Town Manager

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

Respectfully submitted,



Laurel Prevetti
Town Manager

SUMMARY OF CHANGES

FROM PROPOSED TO ADOPTED BUDGET

Per Measure A, the Finance Commission received the Proposed FY 2024/25 Operating and Capital Budgets 21 business days before May 16, 2023, which was the first meeting that the Town Council considered the Proposed Budgets. The Finance Commission held three public meetings at which Commissioners discussed the Proposed Budgets and provided recommendations to the Town Council per Measures A and G. On May 21, 2024, the Town Council conducted a public hearing to discuss the proposed FY 2024/25 Operating and Capital Summary Budget and Proposed FY 2024/25 – 2028/29 Capital Improvement Program. The Town Council considered public testimony, discussed both documents, considered the Finance Commission recommendations, and directed staff to bring back the documents for final approval incorporating the Council recommendations.

The Town Council adopted a balanced budget on June 4, 2024. The Adopted Budget includes an additional \$33,000 one-time use for the Chamber of Commerce Agreement. The Adopted Budget also reallocated \$550,000 from the Downtown Revitalizations Streetscape Project and the Sport Park Resurfacing Project for the following purposes.

\$450,000 transfer from the Downtown Revitalization Streetscape Project

- \$100,000 – To Community Grant Program (General Fund)
- \$25,000 – To Nutrition Program Community Grants (General Fund)
- \$25,000 – To Rental Assistance Community Grants (General Fund)
- \$100,000 – To NUMU History Collection (General Fund)
- \$100,000 – To Sport Court Resurfacing (411-831-4611)
- \$50,000 – To Town Campus Signage (411-813-0242)
- \$50,000 – To Montebello Bollards (remains in 411-813-0235)

\$100,000 Transfer from Sport Court Resurfacing Project (411-831-4611)

- \$50,000 – To Pinehurst Community Garden Project (411-831-4610)
- \$50,000 – To Lynn Ave Pedestrian Path Design Project (411-832-4510)

The Adopted Budget fully recognizes the Educational Revenue Augmentation Fund (ERAF) proceeds for FY 2024/25. The Council programmed 70% of the estimated revenue and reserved 30% as the “at risk” amount until the State Controller Audit Finding and the Governor’s Proposed Budget for Charter school risk resolves. The Council also directed a \$1,000,000 transfer from the Education Realignment General Fund (ERAF) Risk Reserve to the General Fund Pension/OPEB Reserve during FY 2024/25.

SUMMARY OF CHANGES

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

	2024/25 Proposed Budget	Estimated Budget Revision	2024/25 Recommended Budget
REVENUES			
General Fund	\$56,428,459	\$ 250,000 (1)	\$ 56,678,459
Special Revenue Funds	337,280	-	\$ 337,280
Internal Service Funds	6,846,909	-	\$ 6,846,909
Capital Project Funds (does not include carryforwards)	6,627,998	-	\$ 6,627,998
Successor Agency Funds	3,828,264	-	\$ 3,828,264
TOTAL REVENUES	\$74,068,910	\$ 250,000	\$ 74,318,910
OTHER FUNDING SOURCES			
Designated One-Time Use of General Fund Reserves	1,689,384	\$ 33,000	1,722,384 (2)
TOTAL TOWN REVENUES & OTHER FUNDING SOURCES	\$75,758,294	\$ 283,000	\$ 76,041,294
TOTAL TOWN EXPENDITURES, TRANSFERS OUT & CARRYFORWARD APPROPRIATION			
General Fund	\$56,942,743	\$ 283,000	\$ 57,225,743
Special Revenue Funds	546,971	-	546,971
Internal Service Funds	7,566,991	-	7,566,991
Capital Project Funds (does not include carryforwards)	7,629,123	- (3)	7,629,123
Successor Agency Funds	3,816,107	-	3,816,107
TOTAL TOWN EXPENDITURE & OTHER FUNDING USES	\$76,501,935	\$ 283,000	\$ 76,784,935
OTHER FUNDING USES			
Designated One-Time Use of General Fund Reserves	1,175,100	-	1,175,100 (4)
TOTAL TOWN EXPENDITURES & OTHER FUNDING SOURCES	\$77,677,035	\$ 283,000	\$ 77,960,035
GENERAL FUND SOURCE(USE) OF FUND BALANCES	\$ -	\$ -	\$ -
OTHER FUNDS SOURCE(USE) OF FUND BALANCES	(1,918,741)	-	(1,918,741) (5)
TOTAL SOURCE(USE) OF FUND BALANCES	\$ (743,641)	\$ -	\$ (743,641)

(1) Additional General Fund Revenues

\$250,000 - Increase - From Downtown Streetscape Revitalization Project

(2) Designated One-Time Use of the General Fund Reserves during FY 2023/24

\$1,110,000 - Transfer to Capital Projects (GFAR)

\$568,051 - One-Time Reserve Use for One-Time Expenditures

\$11,333 - ARPA Revenue Replacement Tracking

\$33,000 - One-Time Reserve Use for Chamber Agreement

(3) General Fund Expenditures

\$100,000 - Increase - General Grant Program from Downtown Streetscape Revitalization Project

\$25,000 - Increase - Nutrition Program from Downtown Streetscape Revitalization Project

\$25,000 - Increase - Rental Assistance from Downtown Streetscape Revitalization Project

\$100,000 - Increase - NUMU History Project from Downtown Streetscape Revitalization Project

\$33,000 - Increase Chamber Agreement

(4) Other Funding Uses

\$390,000 - To Restricted 115 Pension Trust

\$785,000 - To ERAF Risk Reserve

(4) Capital Project Funds Expenditures

No Change in Total Expenditures

Transfer from Downtown Streetscape Revitalization Project (411-813-0235)

\$100,000 - To Community Grant Program (General Fund)

\$25,000 - To Nutrition Program (General Fund)

\$25,000 - To Rental Assistance (General Fund)

\$100,000 - To NUMU History Collection (General Fund)

\$100,000 - To Sport Court Resurfacing (411-831-4611)

\$50,000 - To Town Campus Signage (411-813-0242)

\$50,000 - To Montebello Bollards (remains in 411-813-0235)

Transfer from Sport Court Resurfacing Project (411-831-4611)

\$50,000 to Pinehurst Community Garden Project (411-831-4610)

\$50,000 to Lynn Ave Pedestrian Path Design Project (411-832-4510)

(5) 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.

SUMMARY OF CHANGES

While the Adopted Budget document reflects all of the approved changes, the Town Manager's Transmittal Letter dated April 22, 2024 discusses the proposed FY 2024/25 Operating and Capital Budgets as it was submitted on April 22, 2024. The five-year forecast below has been updated to reflect the adjustments to revenues and expenditures in the FY 2024/25 Adopted General Fund Budget. The previously projected deficits in the outyears did not change relative to the updated Forecast.

General Fund 5-Year Forecast (in \$ million)

Revenue Category	FY 2022/23 Actuals	FY 2023/24 Adjusted Budget	FY 2023/24 Estimates	FY 2024/25 Adopted Budget	FY 2025/26 Forecast	FY 2026/27 Forecast	FY 2027/28 Forecast	FY 2028/29 Forecast	FY 2029/30 Forecast
Property Tax	\$ 18.2	\$ 19.0	\$ 19.0	\$ 20.2	\$ 21.3	\$ 22.5	\$ 23.7	\$ 25.0	\$ 26.5
VLF Backfill Property Tax	4.6	4.9	4.9	5.0	5.3	5.6	5.9	6.3	6.7
Sales & Use Tax	7.5	7.0	6.7	6.6	6.7	6.9	6.9	7.0	7.1
Measure G District Sales Tax	1.3	1.2	1.2	1.3	1.3	1.3	1.4	1.4	1.4
Franchise Fees	3.1	3.3	3.3	1.0	1.1	1.1	1.1	1.2	1.2
Transient Occupancy Tax	2.2	2.3	2.3	2.3	2.4	2.4	2.4	2.4	2.4
Business License Tax	2.4	2.4	2.4	2.4	2.5	2.6	2.6	2.7	2.8
Licenses & Permits	3.3	3.3	3.3	3.0	3.0	3.1	3.2	3.3	3.4
Intergovernmental	1.6	1.3	1.3	1.4	0.9	1.0	0.9	0.9	1.0
Town Services	4.6	4.6	5.0	7.0	6.7	6.8	7.0	7.2	7.4
Fines & Forfeitures	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3
Interest	0.6	1.6	1.6	1.8	1.4	1.3	1.2	1.1	1.1
Other Sources	8.1	4.0	4.1	3.5	3.1	3.2	3.3	3.2	2.0
Fund Transfers In	0.5	0.6	0.6	0.9	0.6	0.6	0.6	0.6	0.6
TOTAL OPERATING REVENUES & TRANSFERS	\$ 58.4	\$ 55.9	\$ 56.1	\$ 56.7	\$ 56.6	\$ 58.7	\$ 60.5	\$ 62.6	\$ 63.9
Use of Capital/Special Projects Reserve	\$ 2.4	\$ 1.6	\$ 2.0	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1
Use of Measure G Sales Tax - Operating	-	-	-	0.6	-	-	-	-	-
Use of Pension/OPEB Reserve	0.3	0.3	0.3	-	-	-	-	-	-
Use of Council Priorities - Economic Recovery	-	1.5	1.5	-	-	-	-	-	-
TOTAL REVENUES, TRANSFERS, AND USE OF RESERVES*	\$ 61.1	\$ 59.3	\$ 59.9	\$ 58.4	\$ 57.7	\$ 59.8	\$ 61.6	\$ 63.7	\$ 65.0
Expenditure Category	FY 2022/23 Actuals	FY 2023/24 Adjusted Budget	FY 2023/24 Estimates	FY 2024/25 Adopted Budget	FY 2025/26 Forecast	FY 2026/27 Forecast	FY 2027/28 Forecast	FY 2028/29 Forecast	FY 2029/30 Forecast
Salary	\$ 20.4	\$ 21.3	\$ 21.9	\$ 23.6	\$ 23.8	\$ 24.5	\$ 25.1	\$ 25.7	\$ 26.2
Overtime	1.4	0.6	1.3	0.6	0.7	0.7	0.7	0.7	0.7
CalPERS Benefits	7.1	8.2	7.2	8.8	9.1	9.7	10.4	11.2	11.8
All Other Benefits	3.8	4.7	4.4	5.6	6.1	6.3	6.5	6.7	6.8
4.6% Salary and Benefits Savings	-	-	-	(1.8)	(1.8)	(1.9)	(2.0)	(2.0)	(2.1)
OPEB Pay as You Go	1.5	1.6	1.6	1.7	1.9	2.0	2.0	2.0	2.0
Operating Expenditures	11.7	11.0	10.6	8.8	8.3	8.6	8.7	9.0	9.2
Grants & Awards	0.6	1.0	0.7	0.5	0.2	0.2	0.2	0.2	0.3
Utilities	0.6	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.8
Internal Service Charges	2.6	3.4	3.4	4.4	5.2	5.4	5.6	5.8	6.1
Debt Service	2.0	2.1	2.1	2.1	2.1	2.1	2.1	2.1	0.8
TOTAL OPERATING EXPENDITURES	\$ 51.8	\$ 54.5	\$ 53.9	\$ 55.1	\$ 56.2	\$ 58.4	\$ 60.1	\$ 62.2	\$ 62.7
Additional Discretionary Payment - Pension	0.7	0.7	0.7	0.4	0.4	0.4	0.4	0.4	0.4
TOTAL OPERATING & DISCRETIONARY EXPENDITURES	\$ 52.5	\$ 55.2	\$ 54.6	\$ 55.5	\$ 56.6	\$ 58.8	\$ 60.5	\$ 62.6	\$ 63.1
Capital Transfers Out to GFAR	\$ 2.4	\$ 1.6	\$ 1.6	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1
Transfer to General Liability	-	-	0.4	-	-	-	-	-	-
1/2 of Measure G Proceeds to Capital	0.6	0.6	0.7	0.6	0.6	0.7	0.7	0.7	0.7
Allocate to ERAF Risk Reserve	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8
Allocate to Pension Trust	0.7	0.7	0.7	0.4	0.4	0.4	0.4	0.4	0.4
TOTAL EXPENDITURES & RESERVE ALLOCATIONS*	\$ 56.2	\$ 58.8	\$ 58.7	\$ 58.4	\$ 59.5	\$ 61.8	\$ 63.5	\$ 65.6	\$ 66.1
NET REVENUES, TRANSFERS IN, USE OF RESERVES LESS EXPENDITURES, TRANSFERS IN, AND RESERVE ALLOCATIONS	\$ 4.9	\$ 0.5	\$ 1.1	\$ -	\$ (1.8)	\$ (2.0)	\$ (1.9)	\$ (1.9)	\$ (1.1)

* Due to rounding of individual categories total revenues, expenditures, and reserve allocations may include \$0.1 million.



FORECAST ASSUMPTIONS

REVENUE BASELINE AND PROJECTION FACTORS

Type of Revenue Base Line Estimate	FY2024/25 Budget	FY 2025/26 Forecast	FY 2026/27 Forecast	FY2027/28 Forecast	FY2028/29 Forecast	FY 2029/30 Forecast
Property Tax SCC Assessor Office February 2024 Report	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%
VLF Backfill SCC Assessor Office February 2024 Report	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%
Other Property Tax SCC Assessor Office February 2024 Report	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
ERAF SCC Assessor Office March 2024 Notification	\$2,534,820 Including 30% to Reserve	\$2,617,000 Including 30% to Reserve	\$2,617,000 Including 30% to Reserve	\$2,617,000 Including 30% to Reserve	\$2,617,000 Including 30% to Reserve	\$2,617,000 Including 30% to Reserve
Sales Tax	MuniServices March 2024 Most Likely Estimates	MuniServices March 2024 Most Likely Estimates	MuniServices March 2024 Most Likely Estimates	MuniServices March 2024 Most Likely Estimates	MuniServices March 2024 Most Likely Estimates	MuniServices March 2024 Most Likely Estimates
Sales Tax - Measure G	MuniServices March 2024 Most Likely Estimates	MuniServices March 2024 Most Likely Estimates	MuniServices March 2024 Most Likely Estimates	MuniServices March 2024 Most Likely Estimates	MuniServices March 2024 Most Likely Estimates	MuniServices March 2024 Most Likely Estimates
Franchise Fee	Current baseline set by FY 2023/24 Year End Estimates	3%	3%	3%	3%	3%
Encroachment Permit Fee from Waste Hauler Provider	Current baseline set by FY 2023/24 Year End Estimates	3%	3%	3%	3%	3%

FORECAST ASSUMPTIONS
REVENUE BASELINE AND PROJECTION FACTORS

Type of Revenue Base Line Estimates	FY2024/25 Budget	FY 2025/26 Forecast	FY 2026/27 Forecast	FY2027/28 Forecast	FY2028/29 Forecast	FY 2029/30 Forecast
Transient Occupancy Tax Current baseline set by FY 2023/24 Year End Estimates	3%	3%	0%	0%	0%	0%
Business License Tax Current baseline set by FY 2023/24 Year End Estimates	2%	2%	2%	2%	2%	2%
License & Permits Current baseline set by FY 2023/24 Year End Estimates	3%	3%	3%	3%	3%	3%
Town Services Current baseline set by FY 2023/24 Year End Estimates	3%	3%	0%	3%	3%	3%
Fine & Forfeitures Current baseline set by FY 2023/24 Year End Estimates	1%	Varies	Varies	Varies	Varies	Varies
Interest Varies, based on Portfolio	Weighted Portfolio Yield 3.77%	Weighted Portfolio Yield 3.59%	Weighted Portfolio Yield 3.37%	Weighted Portfolio Yield 3.05%	Weighted Portfolio Yield 3.03%	Weighted Portfolio Yield 3.01%
Other Sources Current baseline set by FY 2023/24 Year End Estimates	Varies	Varies	Varies	Varies	Varies	Varies

FORECAST ASSUMPTIONS

EXPENDITURE BASELINE AND PROJECTION FACTORS

Beginning in FY 2020/21, the Town is budgeting salaries at the actual salary plus a one-step increase. 71% of the workforce is already at top step or one step below top step. In the Five-Year Forecast, positions are forecasted at the actual rate of pay including salaries and benefits as of April 1, 2024 and rate is increasing in the actual anniversary date. The FY 2024/25 Budget and the FY 2025/26 – FY 29/30 Forecast includes 4.6% salary savings.

Type of Expenditure	FY2024/25 Budget	FY 2025/26 Forecast	FY 2026/27 Forecast	FY2027/28 Forecast	FY2028/29 Forecast	FY 2029/30 Forecast
Salaries (TEA, Conf, Temp)*	0%	2%	2%	2%	2%	2%
Salaries (POA)*	6.5%	5%	4%	2%	2%	2%
Salaries (AFSCME)*	0%	2%	2%	2%	2%	2%
Salaries (Management)*	0%	2%	2%	2%	2%	2%
Benefit - Medical**	7%	7%	7%	7%	7%	7%
Salary Savings	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%
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 6.5% is effective from 4/1/2024.

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

***Based on historical trends.

FORECAST ASSUMPTIONS

The Town's required employer contribution rate estimates were developed using data provided by each plan's most recent CalPERS actuarial valuation. The employer contribution rates reflect percentages of covered payroll. Forecasted rates for FY 2024/25 and subsequent years are based on the most recent CalPERS actuarial valuation Reports as adjusted by the impact related to the FY 2022/23 CalPERS 6.1% investment return and forecasted payroll.

Beginning in FY 2021/22, the estimates of employer contributions were credited with an anticipated reductions associated with the approximate \$4.8 million additional discretionary payment (ADP) toward the 2016 unfunded amortization base paid off in October 2019 and the total of approximately \$5.8 million in ADPs toward unfunded 2013 and 2015 amortization bases that were paid off in FY 2020/21.

Type of Expenditure	FY2024/25 Budget	FY 2025/26 Forecast	FY 2026/27 Forecast	FY2027/28 Forecast	FY2028/29 Forecast	FY 2029/30 Forecast
Safety POA	94.98%	98.72%	102.27%	106.14%	115.00%	117.32%
Safety Management POA	97.98%	101.72%	105.27%	109.14%	118.00%	122.32%
Safety POA - PEPRA	15.56%	15.56%	15.68%	15.69%	16.32%	16.61%
Miscellaneous TEA/Confidential/ Management	30.62%	29.65%	31.01%	32.28%	33.81%	34.49%
Miscellaneous TEA/Confidential/ Management PEPRA						
Separate PEPRA rate for Miscellaneous has not been established yet by CalPERS.	30.62%	29.65%	31.01%	32.28%	33.81%	34.49%

**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 01, 2023

Christopher P. Morill

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.
- **Library Trust Fund** - established to account for the accounts for assets held in trust, through receipt of donations and bequests. Funds received from individuals, services organizations, and a library specific non-profit organization.
- **Clelles Ness Trust Fund** – established to account for the accounts for a specific bequest subject to an agreement made for its use.
- **Susan McClendon Trust Fund** – established to account for the accounts for a specific bequest subject to an agreement made for its use.

FUND DESCRIPTIONS

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

Capital Project Funds

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

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

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

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

NON-MAJOR PROPRIETARY FUNDS

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

Internal Service Funds

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

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

FUND DESCRIPTIONS

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

FIDUCIARY FUNDS

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

Trust Funds

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

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

Debt Service Funds

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



FINANCIAL PRACTICES

REVENUE

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

BUDGETING and EXPENDITURE

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

FUND BALANCE RESERVES

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

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

FINANCIAL PRACTICES

- IRS 115 Trusts are established for management of the Town's unfunded pension and other post-employment benefit obligations.
- The specific Fund Balance Reserves include but are not limited to a restricted Reserve for:
 - A fully funded workers' compensation and unemployment insurance
 - Liability insurance including one year's premium payment to the insurance carrier or pool
- Reserves are maintained at a minimum of 25% of General Fund ongoing operating expenditures, equally divided between the Catastrophic Reserve (12.5%) and the Budget Stabilization Reserve (12.5%).
- When either Reserve drops below the minimum, per Town Council adopted policy, Town Council is required to develop a one to five-year reserve replenishment plan to meet the minimum threshold of 25% of General Fund ongoing, operating expenditures, excluding one-time expenditures.
- A Reserve is maintained for the depreciation and replacement of equipment.
- A Reserve is maintained for the maintenance of buildings.
- Pension/Other Post-Employment Benefits (Pension/OPEB) Reserve is maintained to use as a supplemental funding source to pay down unfunded pension and other post-employment liabilities.

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

- Compensated Absences – A reserve is maintained annually to fund 50% of all vested hours of vacation earnings.
- Open Space – Town Council established this reserve in FY 1998/99 with an initial balance of \$500,000 to be used for the preservation of open space, connection of open space trails, the definition of the southern boundary of the Town with passive open space, and protection of unique natural features.
- Sustainability – Established by Town Council in FY 2008/09 budget by closing the Solid Waste Management Fund and placing the initial residual fund balance of \$296,554 in a General Fund reserve dedicated for conservation, recycling, and sustainability.
- Authorized Carry Forward - A reserve is maintained for materials and services on approved purchase order and contracts which were issued but not finalized or fulfilled as of the end of the fiscal year but for which funds will be carried forward to the following fiscal year.
- Vehicle Maintenance and Stores Residual – A reserve established to hold the residual fund balances transferred to the Town's General Fund upon closing the Vehicle Maintenance and Stores Internal Service Funds for future Council reallocation.
- Surplus Property – A reserve established for placing the proceeds from surplus property sales until further Town Council reallocation.

FINANCIAL PRACTICES

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

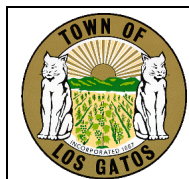
CAPITAL IMPROVEMENT

Capital Improvement Projects are funded by the following revenue sources:

- Available General Fund Reserves
 - Gas Taxes
 - Construction Fund Fees
 - ▶ Construction
 - ▶ Utilities
 - ▶ Parks
 - Traffic Impact Mitigation
 - Storm Drain Basin Fees
 - Grant Funding
 - Other state and federal funding sources as they become available
- The multi-year plan for capital improvements is updated annually. Future capital expenditures will be projected annually for a 5-year period based on changes in Council priorities or replacement of the infrastructure.
 - The annual Capital Improvement Plan is based on the multi-year Capital Improvement Program.
 - The Town coordinates the development of the Capital Improvement Plan with the development of the Operating Budget.
 - The Town identifies the estimated costs and potential funding sources for each capital project proposed prior to its submittal to the Town Council for approval.
 - Capital projects financed by issuing bonds are paid back within a period not to exceed the useful life of the project.
 - The Town Manager is authorized to implement the projects as approved in the adopted Capital Improvement Plan. Within a specific fund, the Town Manager may transfer appropriations between projects as needed to implement the adopted Capital Improvement Plan.



GENERAL FUND RESERVE POLICY



TOWN OF
LOS GATOS
CALIFORNIA

COUNCIL POLICY MANUAL

Small Town Service Community Stewardship Future Focus

TITLE: General Fund Reserve Policy

POLICY NUMBER: 4-03

EFFECTIVE DATE: 05/16/2011

PAGES: 6

ENABLING ACTIONS:

REVISED DATES: 02/21/2017; 05/15/2018;
06/04/2019; 09/21/2021

APPROVED:

PURPOSE

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

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

BACKGROUND

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

GUIDING PRINCIPLES

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

- Diversity of revenue base
- Volatility of revenue structure

GENERAL FUND RESERVE POLICY

- 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 non-spendable fund balance is inventory. Restricted fund balance is either imposed by law or constrained by grantors, contributors, or laws or regulations of other governments. This Policy is focused on financial reporting of unrestricted fund balance, or the last three components listed above. These three components are further defined below.

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

Committed Fund Balance

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

GENERAL FUND RESERVE POLICY

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 Projects 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;

GENERAL FUND RESERVE POLICY

- 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.

GENERAL FUND RESERVE POLICY

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

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

Almond Grove Street Project Reserve

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

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

Assigned Fund Balance

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

- Encumbrances – material s and services on purchase order and contracts which are unperformed.
- Reappropriations – appropriated by the Council for specific projects or programs that were not completed and not encumbered by year end.
- GASB 31 Adjustments – \$10,000 or higher unrealized investment gains that have been recorded in the financial statements in accordance with GASB 31.

GENERAL FUND RESERVE POLICY

Capital and Special Projects Reserve

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

Unassigned Fund Balance

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

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

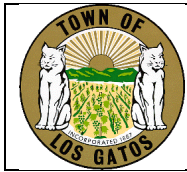
Upon funding any of the above reserve levels pursuant to this General Fund Reserve Policy, any remaining surplus of fiscal year revenues above expenditures shall be placed in the Capital and Special Projects Reserve for appropriation within the Capital Improvement Program budget.

Replenishment of Unreserved Fund Balance

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

/S/ Robert Schultz, Town Attorney

LONG TERM DEBT POLICY



TOWN OF
LOS GATOS
CALIFORNIA

COUNCIL POLICY MANUAL

Small Town Service Community Stewardship Future Focus

TITLE: Long Term Debt Policy

POLICY NUMBER: 4-01

EFFECTIVE DATE: 11/2/16

PAGES: 3

ENABLING ACTIONS: 2016-062

REVISED DATES:

APPROVED:

PURPOSE

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

SCOPE

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

POLICY

GENERAL PRACTICES

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

LONG TERM DEBT POLICY

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

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

LONG TERM DEBT POLICY

PROCEDURES

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

/S/ Robert Schultz, Town Attorney

BOND RATING:

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



INVESTMENT POLICY



TITLE: Investment Policy		POLICY NUMBER: 4-02
EFFECTIVE DATE: 11/1/16		PAGES: 8
ENABLING ACTIONS: 2016-063	REVISED DATES: 5/16/17;5/15/2018; 9/3/2019; 11/03/2020, 09/21/2021, 01/17/2023, 02/21/2023;5/21/2024	
APPROVED:		

PURPOSE

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

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

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

SCOPE

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

General Fund

INVESTMENT POLICY

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.

INVESTMENT POLICY

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.

INVESTMENT POLICY

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.

INVESTMENT POLICY

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

1. United States Treasury bills, notes, bonds, or certificates with a final maturity not exceeding five years from the date of trade settlement.
2. Federal Agency Obligations for which the faith and credit of the United States are pledged for the payment of principal and interest and which have a final maturity not exceeding five years from the date of trade settlement. There is no limit on the percentage of the portfolio that can be invested in this category, however, no more than 20% of the town's total portfolio shall be invested in the combination of Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA) and Federal Home Loan Mortgage Corporation (FHLMC) mortgage-backed securities.
3. Federal Instrumentality (government sponsored enterprise) debentures, discount notes, callable securities, step-up securities, and mortgage-backed securities (including FNMA and FHLMC) with a final maturity not exceeding five years from the date of trade settlement. There is no limit on the percentage of the portfolio that can be invested in this category, however, no more than 20% of the town's total portfolio shall be invested in the combination of GNMA, FNMA, and FHLMC mortgage-backed securities.
4. Prime Commercial Paper with a maturity not exceeding 270 days from the date of trade settlement with the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization (NRSRO). The entity that issues the commercial paper shall meet all of the following conditions in either sub-paragraph A. or sub-paragraph B. below:
 - A. The entity shall (1) be organized and operating in the United States as a general corporation, (2) have total assets in excess of five hundred million dollars (\$500,000,000) and (3) Have debt other than commercial paper, if any, that is rated "A" or higher by a NRSRO.
 - B. The entity shall (1) be organized within the United States as a special purpose corporation, trust, or limited liability company, (2) have program wide credit enhancements, including, but not limited to, over collateralization, letters of credit or surety bond and (3) have commercial paper that is rated "A-1" or higher, or the equivalent, by a NRSRO.

INVESTMENT POLICY

Purchases of eligible commercial paper shall not exceed:

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

5. Eligible Bankers Acceptances with a maturity not exceeding 180 days from the date of trade settlement, issued by a state or national bank with combined capital and surplus of at least \$250 million, whose deposits are insured by the FDIC, and whose senior long-term debt is rated at least A or the equivalent by a NRSRO at the time of purchase. No more than 5% of the Town's total portfolio shall be invested in banker's acceptances of any one issuer, and the aggregate investment in banker's acceptances shall not exceed 30% of the Town's total portfolio.
6. Medium Term Notes (Corporate Notes) issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States, with a final maturity not exceeding five years from the date of trade settlement and rated at least "A" or the equivalent by a NRSRO. No more than 5% of the Town's total portfolio shall be invested in the medium-term notes of any one issuer and the aggregate investment in medium term notes shall not exceed 30% of the Town's total portfolio.
7. Municipal & State Obligations:
 - A. Municipal bonds including registered notes or bonds of any of the 50 states, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the 50 states.
 - B. In addition, bonds, notes, warrants, or other evidences of indebtedness of any local agency in California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, operated by the local agency, or by a department, board, agency, or authority of the local agency.

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

INVESTMENT POLICY

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

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

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

9. State of California's Local Agency Investment Fund (LAIF), pursuant to California Government Code Section 16429.1. The aggregate amount invested in LAIF shall not exceed the maximum allowed by the fund.
10. Money Market Funds registered under the Investment Company Act of 1940 that (1) are "no-load" (meaning no commission or fee shall be charged on purchases or sales of shares); (2) have a constant net asset value per share of \$1.00; (3) invest only in government securities, and (4) have a rating of at least AAA or the equivalent by at least two NRSROs. No more than 10% of the Town's total portfolio shall be invested in money market funds of any one issuer, and the aggregate investment in money market funds shall not exceed 20% of the Town's total portfolio.

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

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

INVESTMENT POLICY

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.

INVESTMENT POLICY

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

INVESTMENT POLICY

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

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

REPORTING

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

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

PROCEDURES

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

/S/ Gabrielle Whelan, Town Attorney

IRS SECTION 115 PENSION TRUST AND OPEB TRUST INVESTMENT POLICY



TITLE: Town of Los Gatos IRS Section 115 Pension Trust
and OPEB Trust Investment Policy

POLICY NUMBER: 4-04

EFFECTIVE DATE: 11/7/17

PAGES: 3

ENABLING ACTIONS: 2017-062

REVISED DATES: 12/18/2018; 12/03/2019

APPROVED:

PURPOSE

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

COMPOSITION

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

FIDUCIARY DUTIES AND RESPONSIBILITIES

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

IRS SECTION 115 PENSION TRUST AND OPEB TRUST INVESTMENT POLICY

- a) solely in the interest of, and for the exclusive purposes of providing for funding of benefits for participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the Trusts;
 - b) with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims; and
 - c) by diversifying the investments of the Trusts so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly prudent not to do so.
2. The work of the Oversight Committee shall be consistent with written statement of Investment Policy (i.e., this Investment Policy for the Trusts). At least once every three years, the Oversight Committee will evaluate the appropriateness of the Investment Policy and, based on such evaluation, either confirm the tenets of the Investment Policy as then in effect, or amend the 115 Trusts Investment Policy as appropriate. The Investment Policy must include the following:
- a) document investment objectives, performance expectations and investment guidelines for assets under the Trusts;
 - b) establish an appropriate investment strategy for managing all assets under the Trusts, including an investment time horizon, risk tolerance ranges and asset allocation to provide sufficient diversification and overall return over the long-term time horizon of the Trusts; and
 - d) establish periodic performance reporting requirements that will effectively monitor investment results and ensure that the investment policy is being followed.

INVESTMENT OBJECTIVES

1. The primary objective of the 115 Trusts investment portfolios is to satisfy the Pension Plans and OPEB Plan obligations to pay benefits to members and their beneficiaries. To do so, the 115 Trusts will seek to achieve long-term net returns in excess of the actuarial investment return assumption while maintaining a reasonable level of investment risk.
2. The funds will be managed as an ongoing concern with a long-term investment horizon, consistent with demographic profile of the members and beneficiaries of the plans.

IRS SECTION 115 PENSION TRUST AND OPEB TRUST INVESTMENT POLICY

3. A range of risks will be managed in connection with the trusts, with an emphasis on the following:
 - a) The impact of the investment decisions on the funded status of the plans and the resulting volatility of contributions.
 - b) Risk of loss of plan assets.
4. In determining the investment strategies of the 115 Trusts, various factors will be considered including, but not limited to:
 - a) The structure and duration of the Pension Plans and OPEB Plan liabilities.
 - b) Modern Portfolio Theory.
 - c) The liquidity needs of Pension Plans and OPEB Plan.

INVESTMENT STRATEGY/ASSET ALLOCATION

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

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

MONITORING AND REPORTING

1. Monitor the 115 Trusts investment managers on an ongoing basis and may be terminated by Oversight Committee at any time due to performance or other developments that call into question the investment manager's ability to continue to effectively manage assets of the 115 Trusts.
2. Review and assess the performance of any Investment Manager(s) appointed by the Oversight Committee to perform services related to the Trusts quarterly.
3. Measure and evaluate the annual and quarterly performance of investment managers relative to appropriate long-term performance benchmark.
4. Measure and evaluate annual and quarterly fees.

IRS SECTION 115 PENSION TRUST AND OPEB TRUST INVESTMENT POLICY

5. Review quarterly cash flow statements associated with the Trusts.
6. Review the actuarial pension evaluation annually.
7. Review the actuarial OPEB evaluation biennially.
8. Monitor compliance with this Investment Policy for the Trusts.

/S/ Robert Schultz, Town Attorney

BUDGET PROCESS OVERVIEW

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

Budget Purpose

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

The format of the budget facilitates this linkage by clearly identifying the program purpose, key projects, and work plan goals in relation to revenue and expenditures appropriations. The contents and presentation follow best practices of municipal government finance.

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

BUDGET PROCESS OVERVIEW

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

Consistent with Section 2.30.295(b) of the Los Gatos Town Code, the Town Manager is required to annually prepare and submit a budget to the Town Council. The Town Manager develops the operating and capital 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 in April; operational and capital work plans are finalized, and the Finance/Budget staff prepares financial summary information.

Pursuant to State Government Code Section 65401, the Town's Planning Commission reviews the proposed Capital Improvement Plan (CIP) and advises the Town Council as to the conformance and consistency of the CIP with the Town's Adopted General Plan.

Per the Town Code, the Town Manager submits the entire proposed budget package to the Town Council for its consideration, including Departmental budgets, performance measures, and work plans. Beginning in 2021, per a voter initiative, the draft Budget documents are provided to the Town Finance Commission

BUDGET PROCESS OVERVIEW

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. At the time the Budgets are available to the Finance Commission, the documents are also provided to the Town Council and the public.

Budget Adoption

During the month of May, the Town Council reviews the proposed Operating and Capital Summary Budget, and the Capital Improvement Plan for the five-year period during a public hearing. Notice of the Council's 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 on the Town website.

After hearing public testimony, the Town Council-directs revisions to the proposed budget and the updated budget documents are resubmitted to the Town Council for adoption in June along with the required resolutions. 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

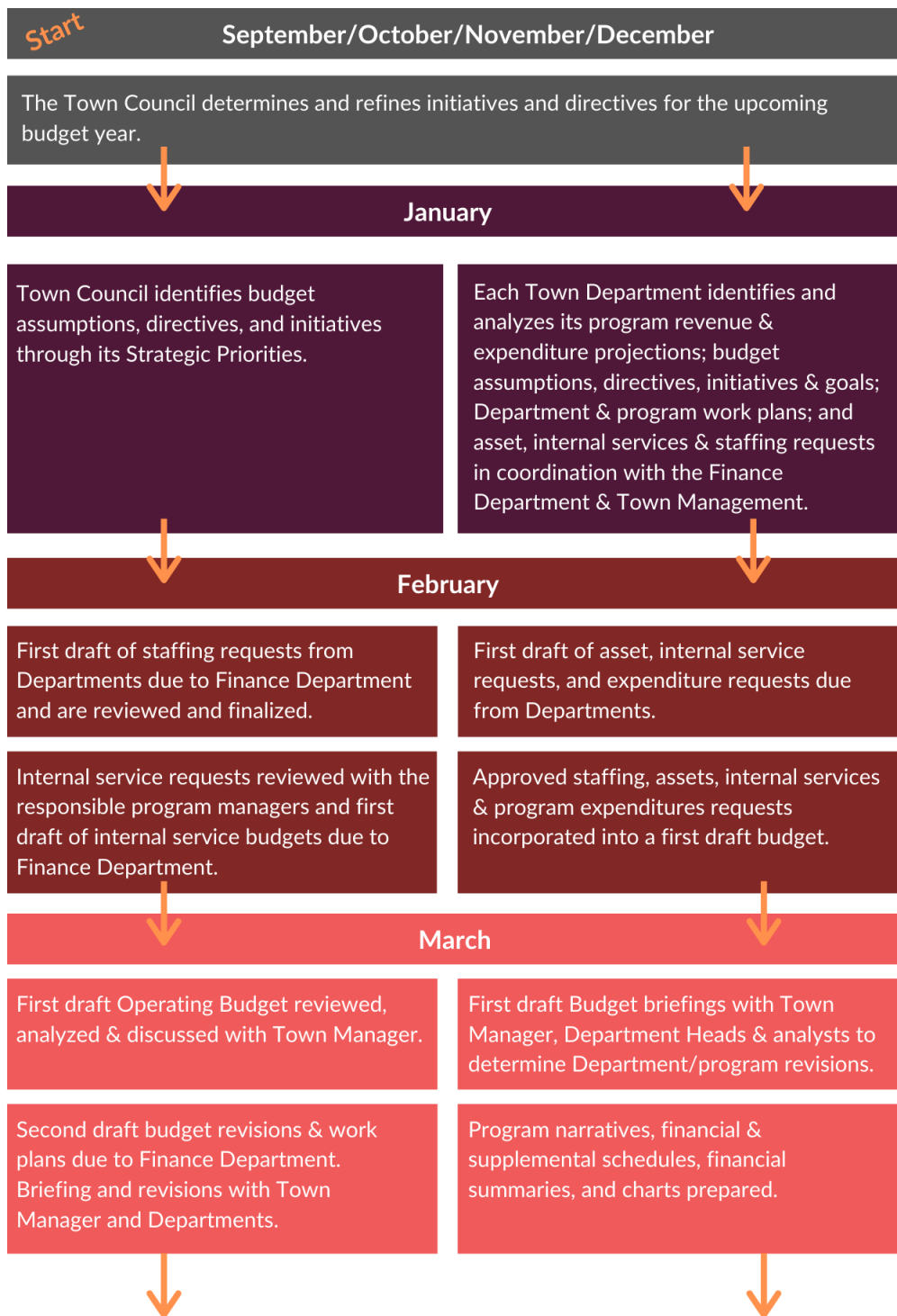
During the course of the fiscal year, work plan changes and unanticipated needs necessitate adjustments to the adopted budgets. The Town Manager is authorized to transfer appropriations between categories, Departments, projects, and programs within a fund in the adopted budget, whereas the Town Council 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.

Operating Budget Development Process

Team-Based Approach: Program budgets & work plans are developed with each Department's Director, Analyst, and Program Manager's oversight and expertise (guided by Town Management & the Finance Department)

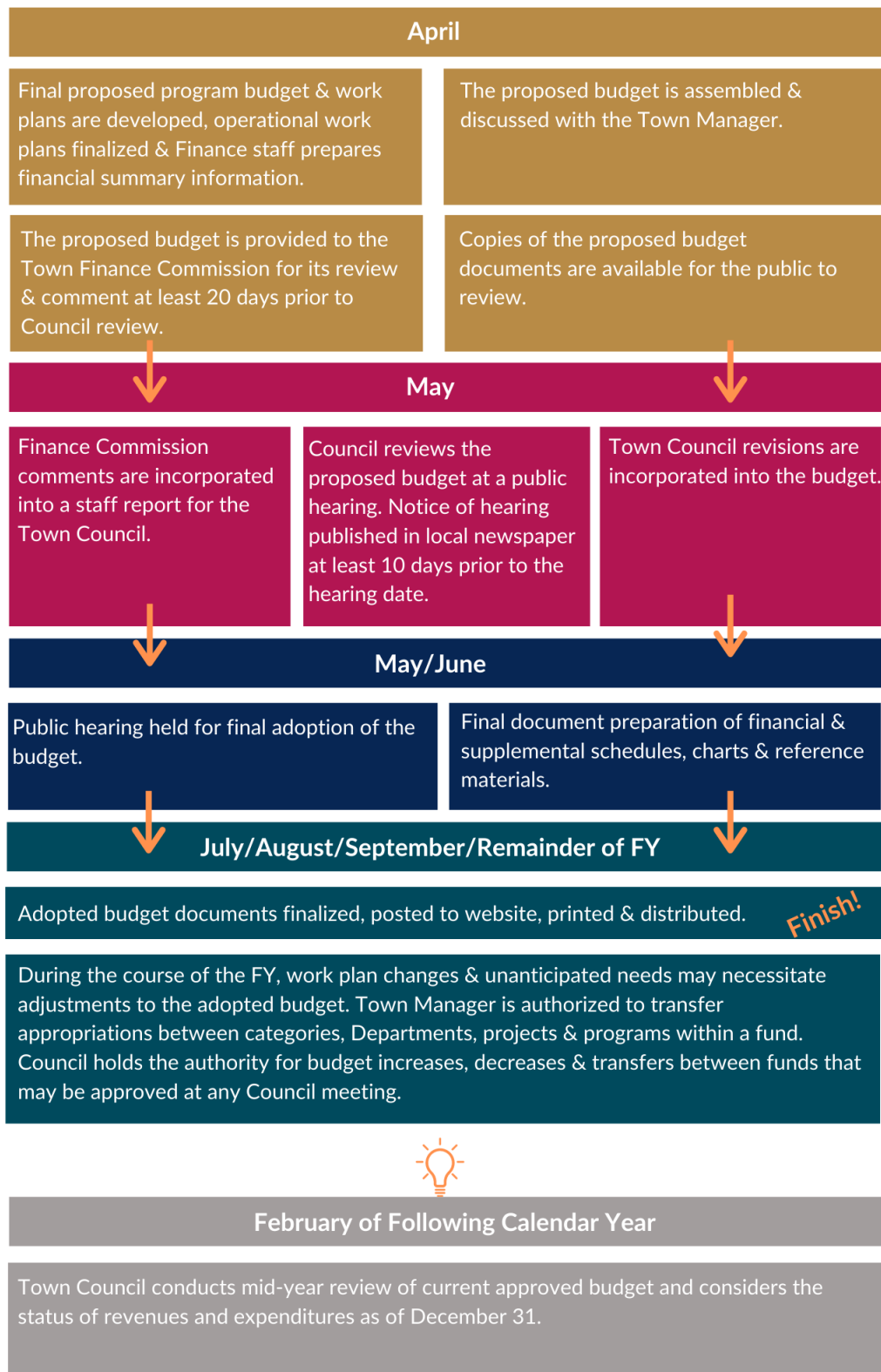
BUDGET CALENDAR



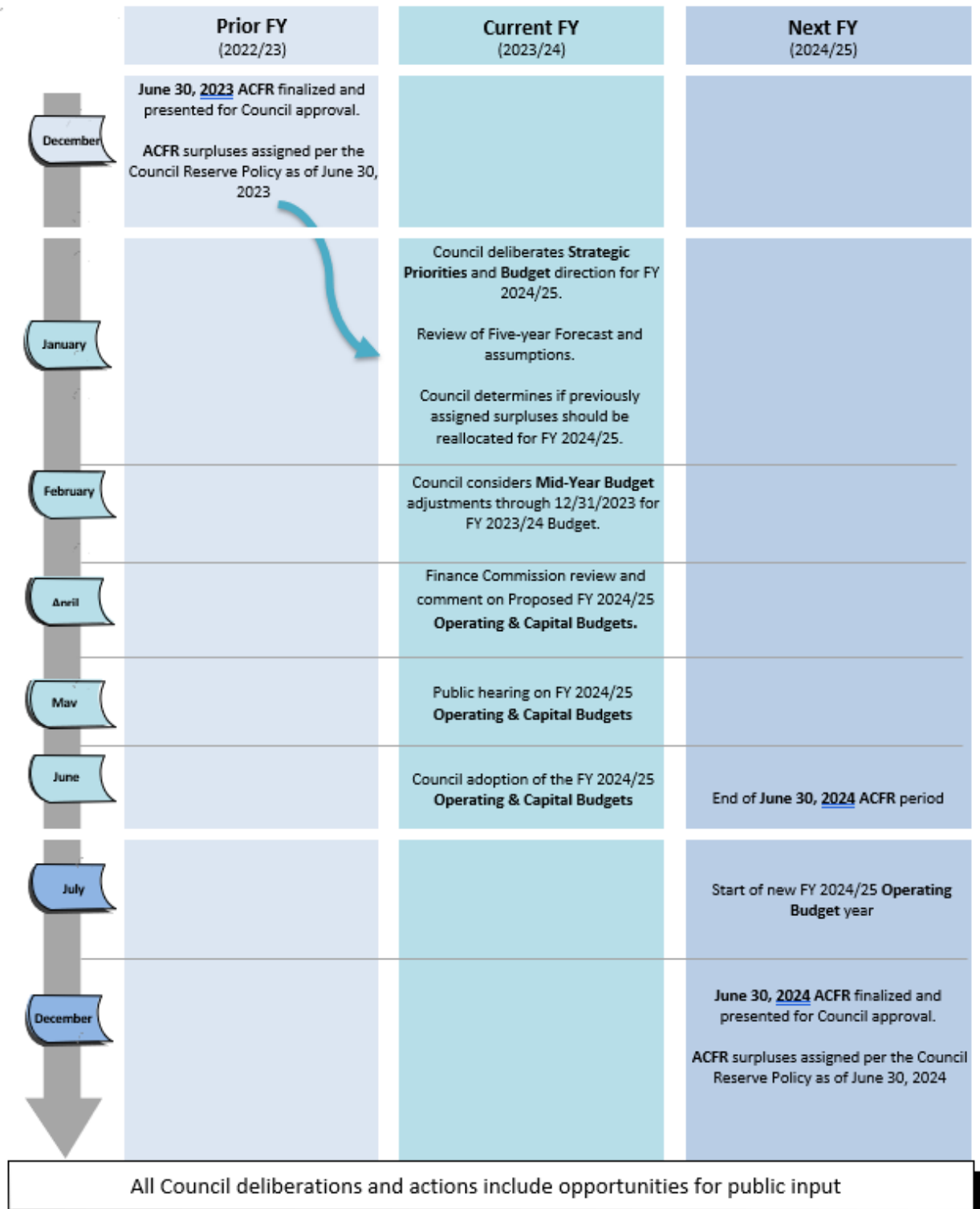
Operating Budget Development Process

Team-Based Approach: Program budgets & work plans are developed with each Department's Director, Analyst, and Program Manager's oversight and expertise (guided by Town Management & the Finance Department)

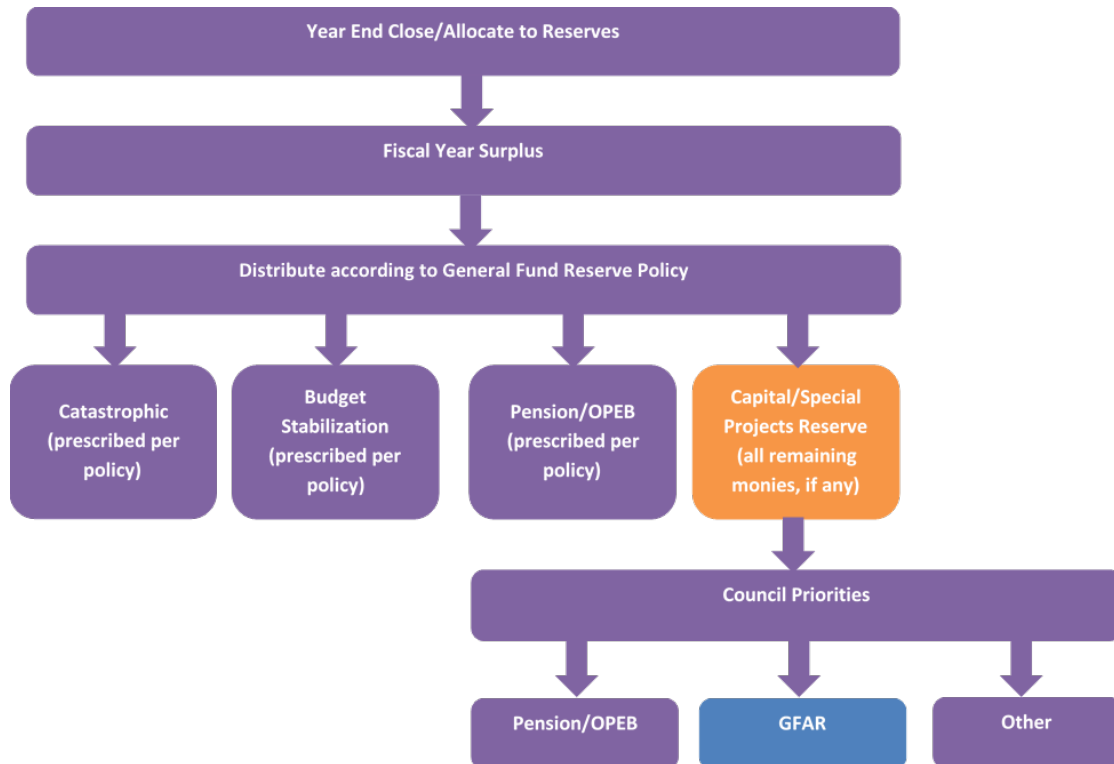
BUDGET CALENDAR



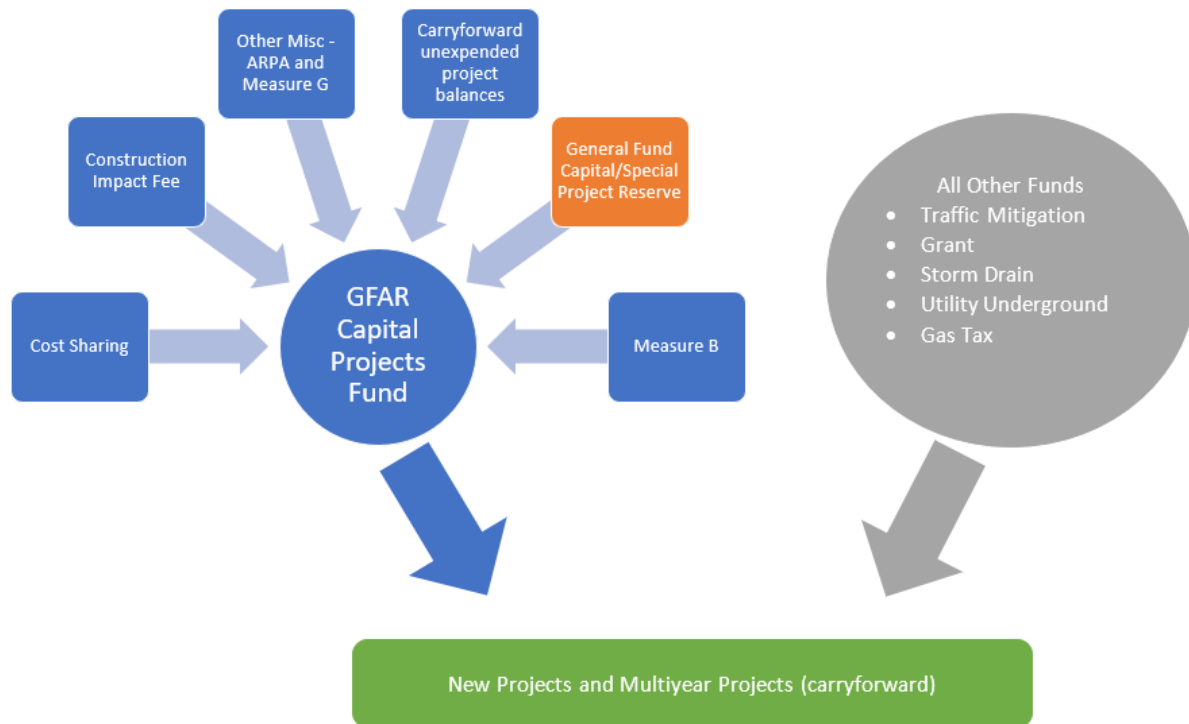
ANNUAL BUDGET/ACFR CYCLE



FISCAL YEAR SURPLUS FLOW OF FUNDS



CAPITAL IMPROVEMENT PROGRAM



GANN APPROPRIATION LIMIT

On November 6, 1979, California voters approved Proposition 4, commonly known as the Gann Spending Limitation Initiative, establishing Article XIII B 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 2024/25:

**GANN APPROPRIATION LIMIT
APPROPRIATION LIMIT FACTORS**

For YE June 30	Beginning Appropriation Limit	County Population Factor	Town Population Factor	Per Capita Income Factor	Ending Appropriation Limit	% Limit Increase
2010	28,426,367	1.0156	1.0108	1.0062	29,048,811	2.19%
2011	29,048,811	1.0126	1.0101	0.9746	28,667,689	-1.31%
2012	28,667,689	1.0089	1.0096	1.0251	29,669,366	3.49%
2013	29,669,366	1.0124	1.0081	1.0377	31,169,671	5.06%
2014	31,169,671	1.0157	1.0147	1.0512	33,279,977	6.77%
2015	33,279,977	1.0150	1.0102	0.9977	33,701,485	1.27%
2016	33,701,485	1.0113	1.0020	1.0382	35,384,256	4.99%
2017	35,384,256	1.0126	1.0070	1.0537	37,754,174	6.70%
2018	37,754,174	1.0081	1.0040	1.0369	39,464,396	4.53%
2019	39,464,396	1.0099	1.0050	1.0367	41,317,775	4.70%
2020	41,317,775	1.0033	0.9998	1.0385	43,050,108	4.19%
2021	43,050,108	1.0037	1.0234	1.0373	45,831,327 *	6.46%
2022	45,831,327	0.9944	0.9919	1.0573	48,186,101 **	5.14%
2023	48,186,101	0.9931	0.9961	1.0755	51,622,037	7.13%
2024	51,622,037	0.9975	0.9980	1.0444	53,806,227	4.23%
2025	53,806,227	1.0002	0.9959	1.0362	55,765,163	3.64%

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

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

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

The Town of Los Gatos’ appropriation limit for fiscal year 2024/25 is calculated as follows:

FY 2024/25 Calculation

County Population Factor		Per Capita Income Factor		Appropriation Factor		2023/24 Appropriation Limit		2024/25 Appropriation Limit
1.0002	X	1.0362	=	1.036407240	X	\$ 53,806,227	=	\$ 55,765,163

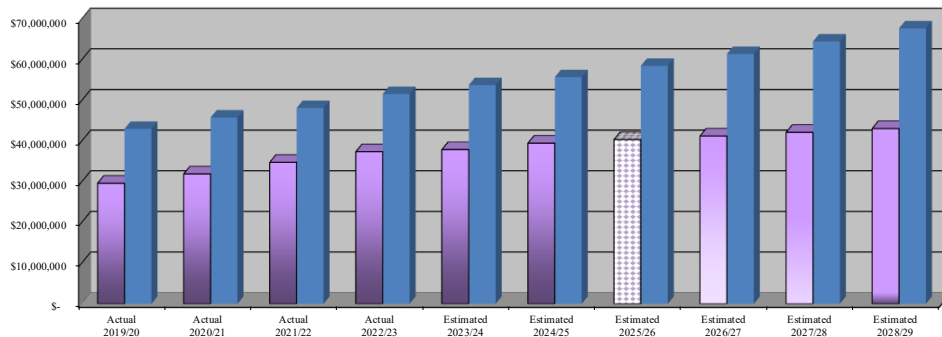
GANN APPROPRIATION LIMIT

As illustrated, the total amount of tax revenues appropriated to the Town in FY 2024/25 is not to exceed \$55,765,163. The FY 2024/25 budget anticipates \$39,523,911 in tax revenues which equates to \$16,241,252 less than, or approximately 71% of, the appropriation limit for FY 2024/25. Therefore, the Town's tax revenues fall substantially below the appropriation limit.

APPROPRIATION TREND

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

Tax Revenues to Appropriation Limit 10 Year Trend



	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Estimated 2023/24	Estimated 2024/25	Estimated 2025/26	Estimated 2026/27	Estimated 2027/28	Estimated 2028/29	Estimated 2029/30
Tax Revenues	\$ 29,670,194	\$ 31,948,000	\$ 34,818,417	\$ 37,423,641	\$ 37,935,453	\$ 39,523,911	\$ 40,393,437	\$ 41,282,093	\$ 42,190,299	\$ 43,118,485	\$ 44,067,092
Appropriation Limit	\$ 43,050,108	\$ 45,831,327	\$ 48,186,101	\$ 51,622,037	\$ 53,806,227	\$ 55,765,163	\$ 58,553,422	\$ 61,481,093	\$ 64,555,147	\$ 67,782,905	\$ 71,172,050
Revenue to Limit %	69%	70%	72%	72%	71%	71%	69%	67%	65%	64%	62%

APPROPRIATION LIMIT ADOPTION

The resolution to adopt the appropriation limit of \$55,765,163 was adopted by Council adoption on June 4, 2024.

GANN APPROPRIATION LIMIT RESOLUTION

RESOLUTION 2024-028

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS ESTABLISHING THE FY 2024/25 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

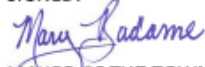
THEREFORE, BE IT RESOLVED: that the Annual Appropriations Limit for the Town of Los Gatos for FY 2024/25 is \$55,765,163 as reflected in Exhibit A.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California, held on the 4th day of June, 2024, by the following vote:

COUNCIL MEMBERS:

AYES: Maria Ristow, Rob Rennie, Rob Moore, Matthew Hudes, Mayor Mary Badame
NAYS: None
ABSENT: None
ABSTAIN: None

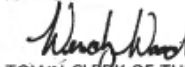
SIGNED:



MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____

ATTEST:



TOWN CLERK OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA
DATE: _____

Resolution 2024-028

1 of 2

June 04, 2024

GANN APPROPRIATION LIMIT RESOLUTION

APPROPRIATION LIMIT FACTORS						
For YE June 30	Beginning Appropriation Limit	County Population Factor	Town Population Factor	Per Capita Income Factor	Ending Appropriation Limit	% Limit Increase
2010	28,426,367	1.0156	1.0108	1.0062	29,048,811	2.19%
2011	29,048,811	1.0126	1.0101	0.9746	28,667,689	-1.31%
2012	28,667,689	1.0089	1.0096	1.0251	29,669,366	3.49%
2013	29,669,366	1.0124	1.0081	1.0377	31,169,671	5.06%
2014	31,169,671	1.0157	1.0147	1.0512	33,279,977	6.77%
2015	33,279,977	1.0150	1.0102	0.9977	33,701,485	1.27%
2016	33,701,485	1.0113	1.0020	1.0382	35,384,256	4.99%
2017	35,384,256	1.0126	1.0070	1.0537	37,754,174	6.70%
2018	37,754,174	1.0081	1.0040	1.0369	39,464,396	4.53%
2019	39,464,396	1.0099	1.0050	1.0367	41,317,775	4.70%
2020	41,317,775	1.0033	0.9998	1.0385	43,050,108	4.19%
2021	43,050,108	1.0037	1.0234	1.0373	45,831,327 *	6.46%
2022	45,831,327	0.9944	0.9919	1.0573	48,186,101 **	5.14%
2023	48,186,101	0.9931	0.9961	1.0755	51,622,037	7.13%
2024	51,622,037	0.9975	0.9980	1.0444	53,806,227	4.23%
2025	53,806,227	1.0002	0.9959	1.0362	55,765,163	3.64%

FY 2024/25 Calculation

County Population Factor		Per Capita Income Factor		Appropriation Factor		2023/24 Appropriation Limit		2024/25 Appropriation Limit
1.0002	X	1.0362	=	1.036407240	X	\$ 53,806,227	=	\$ 55,765,163

Percentage of Appropriation

2024/25 Tax Revenues		2024/25 Appropriation Limit		Percentage of Limit
39,523,911	/ \$	55,765,163	=	71%

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

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

EXHIBIT A

TOWN OF LOS GATOS

ANNUAL BUDGET RESOLUTION

RESOLUTION 2024-031

**RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS
APPROVING THE FISCAL YEAR (FY) 2024/25 OPERATING BUDGET AND FY 2025/26-
2028/29 CAPITAL BUDGET; NEW APPROPRIATIONS; OTHER ADJUSTMENTS;
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 2024/25 on April 21, 2024; and

WHEREAS, the Town Manager submitted to the Town Council and Finance Commission a Proposed Five-Year Capital Improvement Program for FY 2024/25 – 2028/29 on April 21, 2024; and

WHEREAS, the Town Council conducted a noticed public hearing on the Proposed Operating Budget and Capital Improvement Program on May 21, 2024; and

WHEREAS, per Measure A, the Town Council has considered and reviewed the Finance Commission's written recommendations to the Town Council on the said proposed Budget and Capital Improvement Program during the public hearing on May 21, 2024; and

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

WHEREAS, the Town Council has continued the use of Measure G proceeds in the remainder of the forecast (FY 2024/25- FY 2028/29) to be 50% for operating expenditures and 50% for capital purposes; and

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

ANNUAL BUDGET RESOLUTION

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

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

WHEREAS, the Town Council has determined that \$1,000,000 of the ERAF Risk Reserve should be transferred to Pension/OPEB General Fund Reserve; and

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

WHEREAS, the estimated FY 2024/25 General Fund expenditures and revenues increased by \$100,000 for additional money for additional one-time Community Grants; and

WHEREAS, the estimated FY 2024/25 General Fund expenditures and revenues increased by \$25,000 for additional money for additional one-time rental assistance community grants; and

WHEREAS, the estimated FY 2024/25 General Fund expenditures and revenues increased by \$25,000 for additional money for additional one-time nutrition support community grants; and

WHEREAS, the estimated FY 2024/25 General Fund expenditures and revenues increased by \$100,000 for additional money for one-time contribution to New Museum of Los Gatos (NUMU) History Project; and

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

WHEREAS, the Town Council has determined that the remainder of the \$7.2 million proceeds should be tracked in a Council Priorities – Economic Recovery Reserve; and

ANNUAL BUDGET RESOLUTION

WHEREAS, on June 4, 2024, Town Council considered and reviewed the proposed Budget and Capital Improvement Program and made 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 2024/25 fiscal year as depicted in Exhibit A entitled "Total Town Revenues and Expenditures by Fund" including the first year (FY 2024/25) of the Town's Capital Improvement Program budget as contained in the Town's FY 2024/25 – 2028/29 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, 2024.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California, held on the 4th day of June, 2024, by the following vote:

COUNCIL MEMBERS:

AYES: Maria Ristow, Rob Rennie, Rob Moore, Matthew Hudles, Mayor Mary Badame
NAYS: None
ABSENT: None
ABSTAIN: None

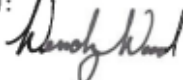
SIGNED:



MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____

ATTEST:



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

DATE: 6/5/2024

ANNUAL BUDGET RESOLUTION

TOTAL TOWN REVENUES AND EXPENDITURES BY FUND

	2024/25 Proposed Budget	Estimated Budget Revision	2024/25 Recommended Budget
REVENUES			
General Fund	\$56,428,459	\$ 250,000 (1)	\$ 56,678,459
Special Revenue Funds	337,280	-	\$ 337,280
Internal Service Funds	6,846,909	-	\$ 6,846,909
Capital Project Funds (does not include carryforwards)	6,627,998	-	\$ 6,627,998
Successor Agency Funds	3,828,264	-	\$ 3,828,264
TOTAL REVENUES	\$74,068,910	\$ 250,000	\$ 74,318,910
OTHER FUNDING SOURCES			
Designated One-Time Use of General Fund Reserves	1,689,384	\$ 33,000	1,722,384 (2)
TOTAL TOWN REVENUES & OTHER FUNDING SOURCES	\$75,758,294	\$ 283,000	\$ 76,041,294
TOTAL TOWN EXPENDITURES, TRANSFERS OUT & CARRYFORWARD APPROPRIATION			
General Fund	\$56,942,743	\$ 283,000	\$ 57,225,743
Special Revenue Funds	546,971	-	546,971
Internal Service Funds	7,566,991	-	7,566,991
Capital Project Funds (does not include carryforwards)	7,629,123	- (3)	7,629,123
Successor Agency Funds	3,816,107	-	3,816,107
TOTAL TOWN EXPENDITURE & OTHER FUNDING USES	\$76,501,935	\$ 283,000	\$ 76,784,935
OTHER FUNDING USES			
Designated One-Time Use of General Fund Reserves	1,175,100	-	1,175,100 (4)
TOTAL TOWN EXPENDITURES & OTHER FUNDING SOURCES	\$77,677,035	\$ 283,000	\$ 77,960,035
GENERAL FUND SOURCE(USE) OF FUND BALANCES	\$ -	\$ -	\$ -
OTHER FUNDS SOURCE(USE) OF FUND BALANCES	(1,918,741)	-	(1,918,741) (5)
TOTAL SOURCE(USE) OF FUND BALANCES	\$ (743,641)	\$ -	\$ (743,641)

(1) Additional General Fund Revenues

\$250,000 - Increase - From Downtown Streetscape Revitalization Project

(2) Designated One-Time Use of the General Fund Reserves during FY 2023/24

\$1,110,000 - Transfer to Capital Projects (GFAR)

\$568,051 - One-Time Reserve Use for One-Time Expenditures

\$11,333 - ARPA Revenue Replacement Tracking

\$33,000 - One-Time Reserve Use for Chamber Agreement

(3) General Fund Expenditures

\$100,000 - Increase - Community Grant Program from Downtown Streetscape Revitalization Project

\$25,000 - Increase - Nutrition Grants Program from Downtown Streetscape Revitalization Project

\$25,000 - Increase - Rental Assistance Grants Program from Downtown Streetscape Revitalization Project

\$100,000 - Increase - NUMU History Project from Downtown Streetscape Revitalization Project

\$33,000 - Increase Chamber Agreement

(4) Other Funding Uses

\$390,000 - To Restricted 115 Pension Trust

\$785,000 - To ERAF Risk Reserve

(4) Capital Project Funds Expenditures

No Change in Total Expenditures

Transfer from Downtown Streetscape Revitalization Project (411-813-0235)

\$100,000 - To Community Grants Program (General Fund)

\$25,000 - To Nutrition Grants Program (General Fund)

\$25,000 - To Rental Assistance Grants Program (General Fund)

\$100,000 - To NUMU History Project (General Fund)

\$100,000 - To Sport Court Resurfacing (411-831-4611)

\$50,000 - To Civic Center and NUMU Signage (411-813-0242)

\$50,000 - To Montebello Ballards (remains in 411-813-0235)

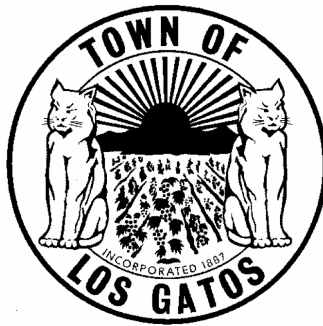
Transfer from Sport Club Resurfacing Project (411-831-4611)

\$50,000 to Pinehurst Community Garden Project (411-831-4610)

\$50,000 to Lynn Ave Pedestrian Path Design Project (411-832-4510)

(5) 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.

EXHIBIT A





Town Profile

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History and Culture of Los Gatos

Location

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

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



History

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

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



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

Because of its distance from other centers of population, Los Gatos developed as a complete community including residential, business, and industrial elements. Preserving Los Gatos as a complete and well-balanced community has been and remains a prominent goal of residents. From the first 100-acre town site in 1890 with a population of 1,652, Los Gatos grew slowly so that by 1963 the area was 6.3 square miles, with a population of 11,750. Today Los Gatos covers nearly 15 square miles and has a population of about 30,000. This relatively slow growth over the first 80 years resulted in a human scale community with narrow streets and small buildings.

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



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

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

Community

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



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



Climate

Los Gatos enjoys a mild Mediterranean climate, making it ideal for business, residential, and recreational opportunities. Summers are dry and warm in the 80 degrees to 100 degrees range. Winters are temperate and semi-moist in the 40 degrees to 60 degrees range. Los Gatos receives most of its precipitation from December through March. It is rare to see raindrops in the summer months.

Transportation

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



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

Economy

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



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

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

The FY 2024/25 Budget currently anticipates no significant new programming and does maintain existing service with modest staffing additions. This Budget also provides for limited, continued strategic investments toward wildfire protection, emergency preparedness, traffic calming/traffic safety for all users, parking study implementation, and prudent fiscal management among other items.

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

Town of Los Gatos Vision



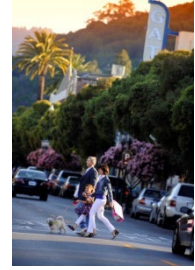
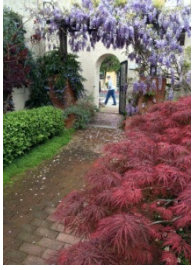
The Town of Los Gatos is a welcoming, family-oriented, and safe community nestled in the beautiful foothills of the Santa Cruz Mountains. The Town is a sustainable community that takes pride in its small-town character and provides a range of housing opportunities, historic neighborhoods, local culture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

What makes Los Gatos Special?

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

- Be a full-service community that is also environmentally sensitive.
- Maintain a balanced, well-designed mix of residential, commercial, service, and open space uses, fostering a pedestrian-oriented and bicycle friendly community with a small town, village-like character.
- Support an active business community that provides a wide variety of goods and services and a broad range of employment opportunities, minimizing the need to travel to other communities.

- Provide a well-run, efficient municipal government that is fiscally healthy, with high levels of public safety, recreational, and arts and cultural amenities, and that is committed to high quality education.



STATISTICS SECTION

Town of Los Gatos Statistics

TOWN DEMOGRAPHICS:

Current Town Area	15 Square Miles
Incorporated	August 10, 1887
Elevation	428 ft.
Miles of Streets	112
Number of Traffic Signals	31
Number of Registered Voters	22,603
Form of Government	Council Manager
Town Employee/Resident Ratio	1:218

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

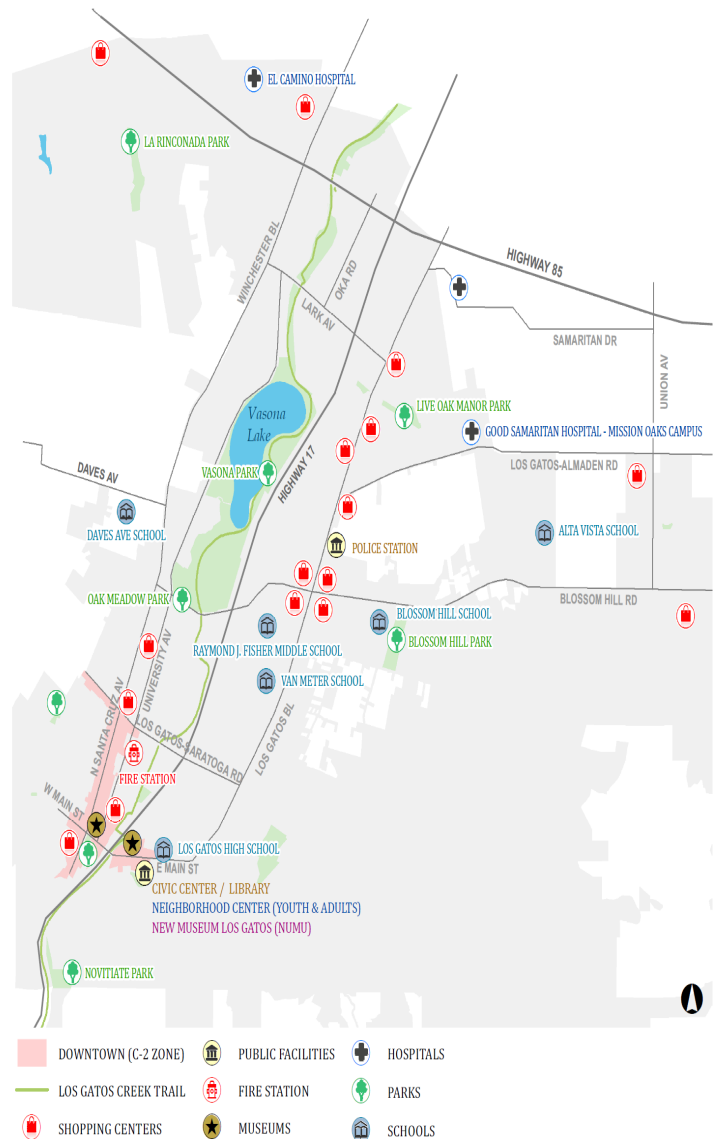
- Good Samaritan Hospital - Mission Oaks Campus
- El Camino Hospital

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:

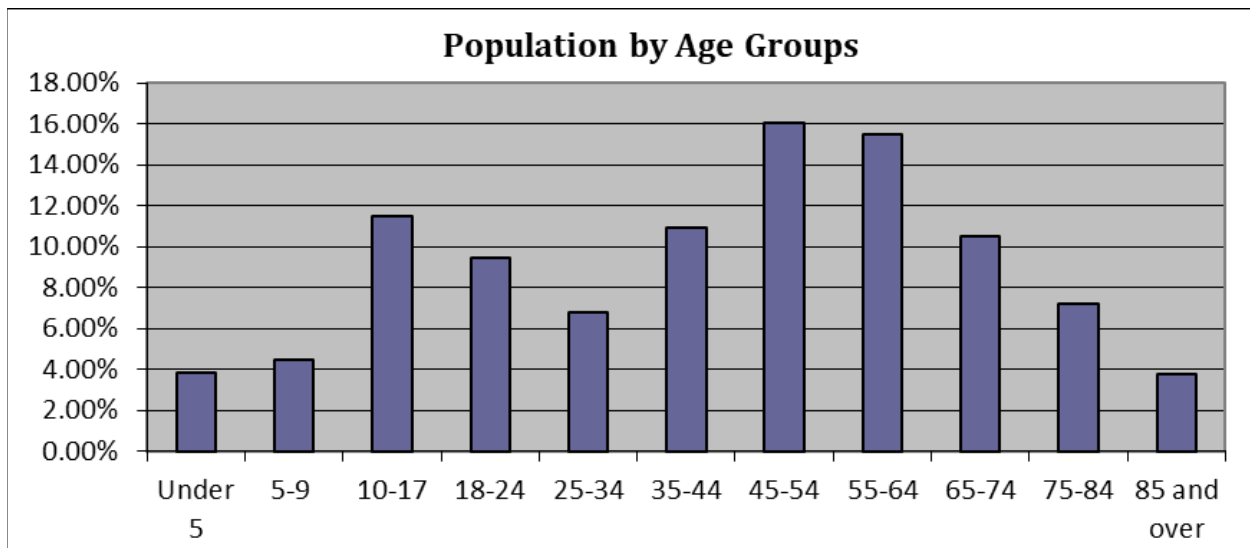
1990 Census 28,013

2000 Census 28,523

2010 Census 29,413

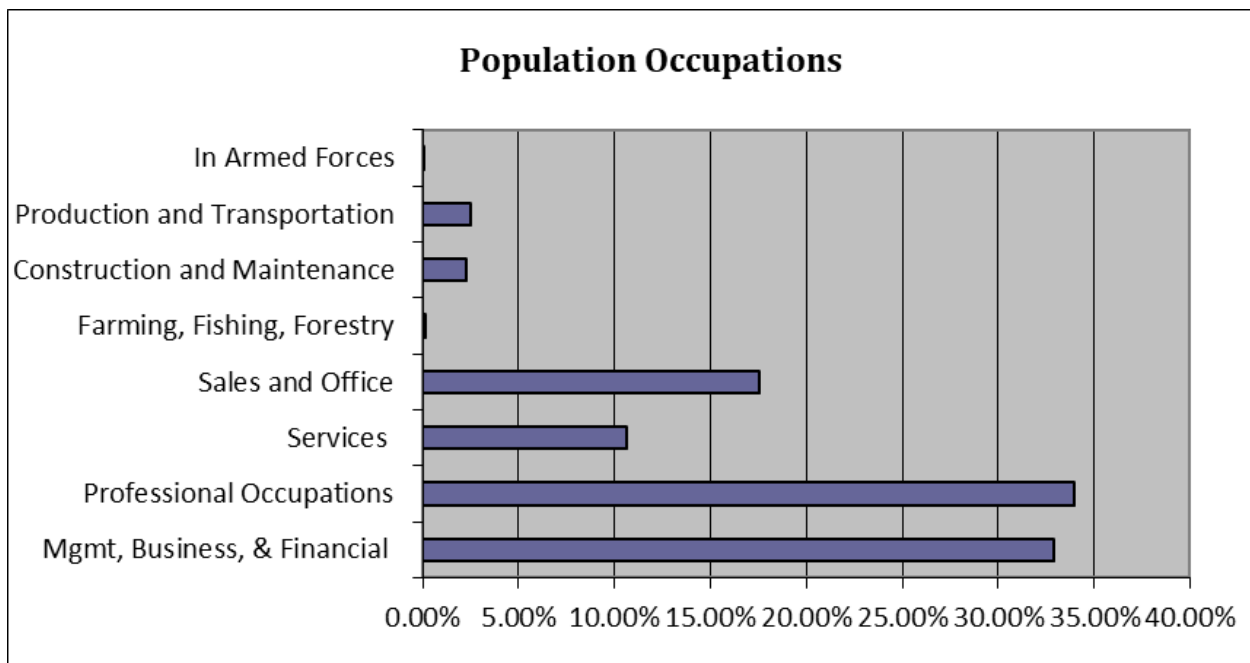
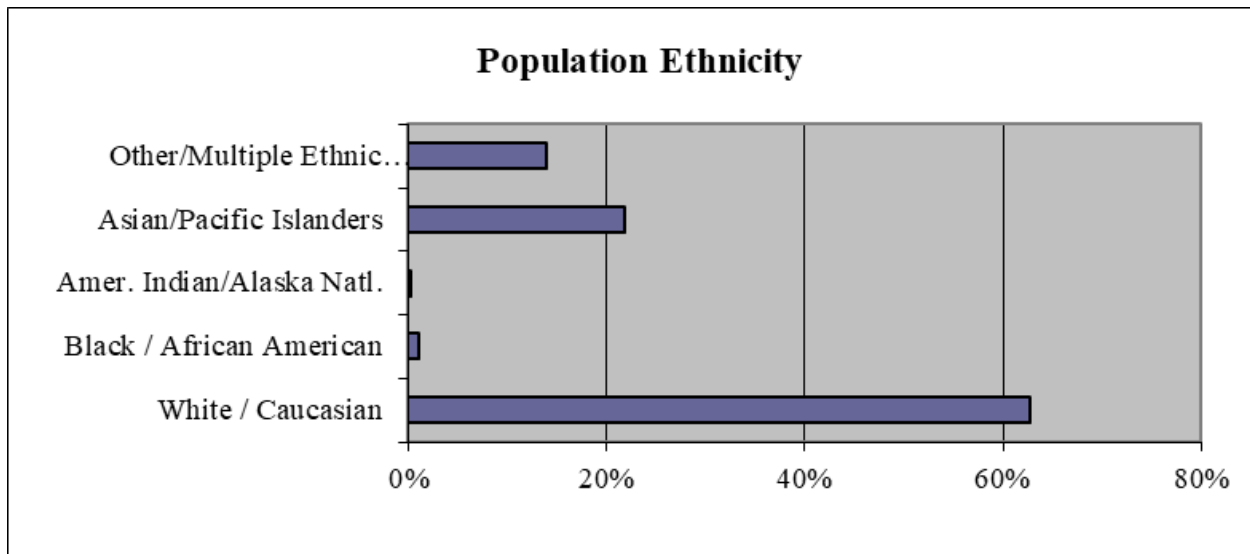
2024 Estimates 33,230

State Ranking in Population 227 of 482



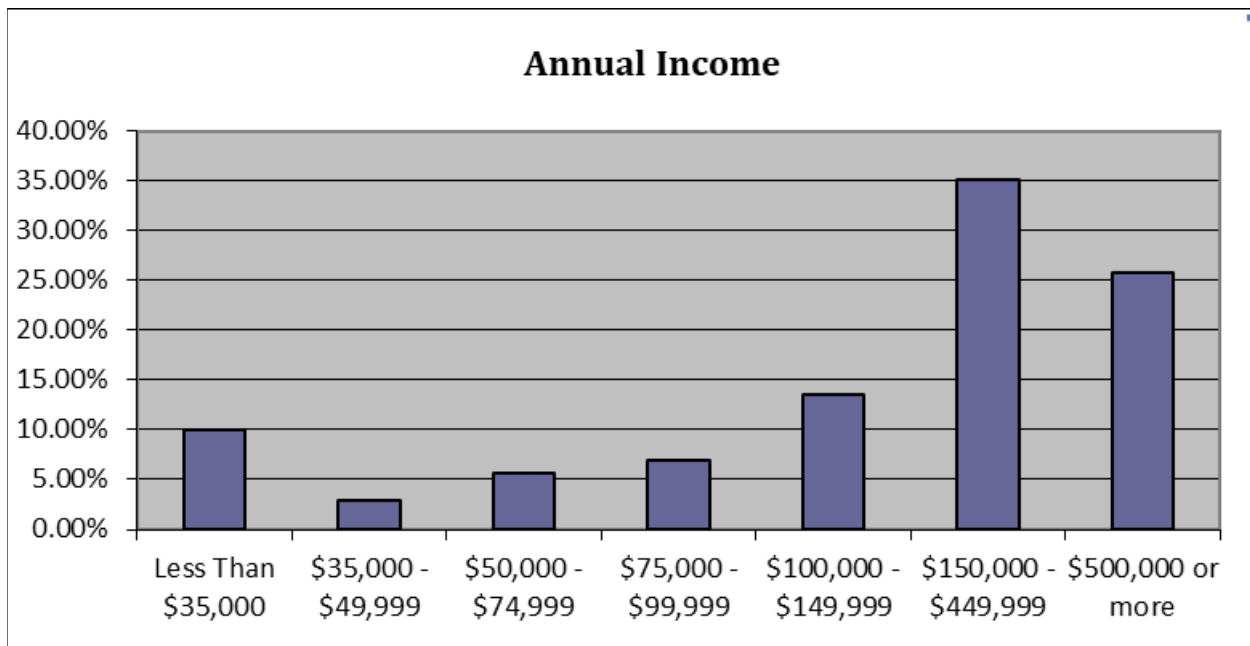
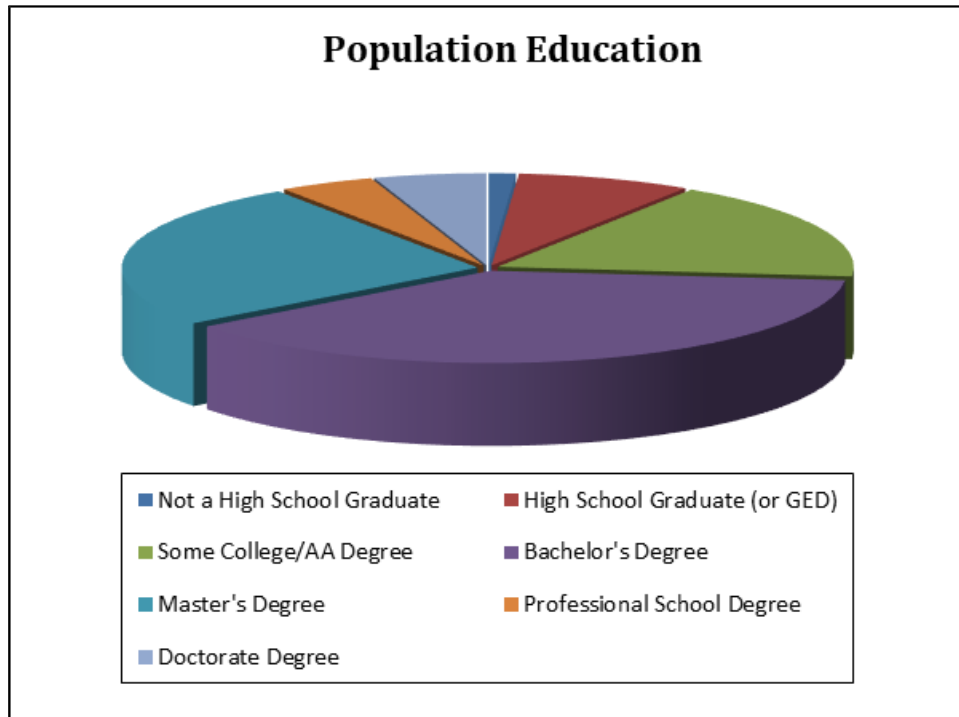
Note: Demographic figures obtained from State of California and Claritas LLC

Town of Los Gatos Statistics



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

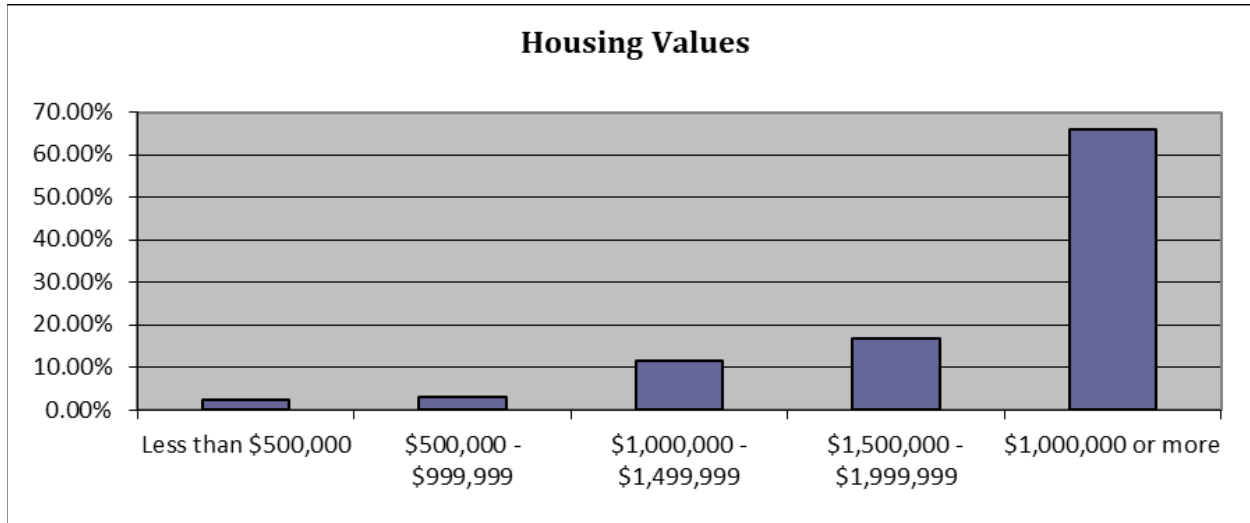
Town of Los Gatos Statistics



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

Town of Los Gatos Statistics

Housing Units	Units	Percentage
Owner Occupied	8,029	63.7%
Renter Occupied	4,571	36.3%
Total Housing Units	12,600	100%



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

Economic Factors

FY 2023/24 Twenty Local Secured Taxpayers

Property Owner	Land Use	Assessed Value	% of Total (1)
Serramonte Corporate Center LLC	Business Park	\$219,652,926	1.25%
SI 32 LLC	Apartments	163,243,322	0.93%
Wealthcap Los Gatos 121	Business Park	124,137,190	0.70%
Preylock Los Gatos LLC	Business Park	96,498,189	0.55%
Donahue Schriber Realty Group LP	Shopping Center	61,649,025	0.35%
Knowles Los Gatos LLC	Industrial	56,797,751	0.32%
San Jose Water Works	Water Company	52,511,158	0.30%
Sobrato Interests IV LLC	Apartments	48,004,098	0.27%
Summerhill N40 LLC	Residential Development	42,705,086	0.24%
El Camino Hospital	Medical Buildings	42,156,737	0.24%
EL Gato 15 LLC	Shopping Center	36,719,999	0.21%
SRI Old Town LLC	Shopping Center	36,670,359	0.21%
140 Toll House Hotel LLC	Hotel	35,490,590	0.20%
SHP Newark LLC	Office Building	31,799,550	0.18%
KSL Capital Partners	Athletic Club	31,484,883	0.18%
17443 Farley Rd LLC	Public Storage	29,000,000	0.16%
Kay K. & Go Sasaki Sr., Trustee	Apartments	28,585,258	0.16%
Fox Creek Fund LLC	Athletic Club	28,331,465	0.16%
750 University LLC	Office Building	28,157,772	0.16%
Equestrian 3 Investments LLC	Office Building	27,368,894	0.16%
		\$ 1,220,964,252	

(1) 2023-24 Local Secured Assessed Valuation: \$17,621,748,976

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

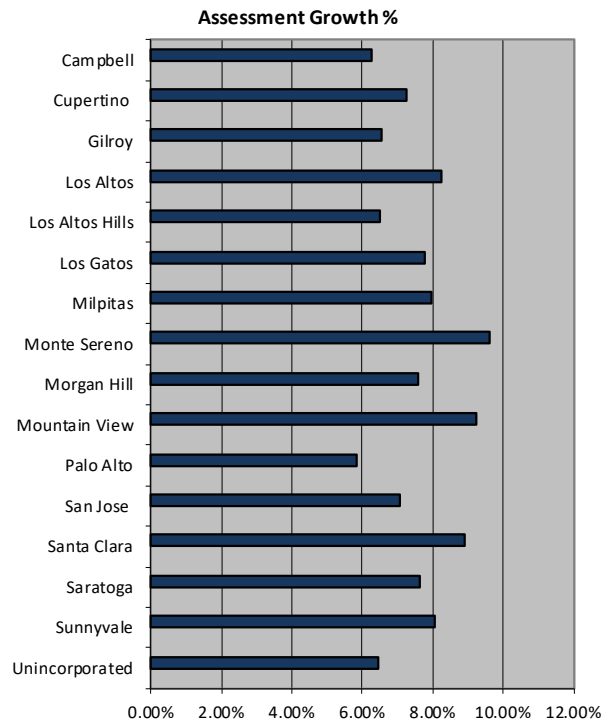
Source: California Municipal Statistics, Inc.

Economic Factors

Santa Clara County Assessment Roll Growth by City (Values in \$Billions*)			
Santa Clara County Cities	Total Roll 2023	Total Roll 2022	Percent Growth**
Campbell	\$ 13.91	\$ 13.15	5.78%
Cupertino	32.30	30.90	4.57%
Gilroy	11.57	10.94	5.75%
Los Altos	21.62	20.38	6.10%
Los Altos Hills	10.51	9.93	5.76%
Los Gatos	18.05	16.76	7.72%
Milpitas	25.27	24.12	4.74%
Monte Sereno	3.04	2.81	8.25%
Morgan Hill	13.14	12.35	6.34%
Mountain View	44.28	41.05	7.87%
Palo Alto	49.49	46.59	6.22%
San Jose	246.18	231.11	6.52%
Santa Clara	61.10	56.92	7.28%
Saratoga	19.87	18.88	5.24%
Sunnyvale	67.58	62.23	8.59%
Unincorporated	23.28	21.82	6.69%
TOTALS	\$ 661.19	\$ 619.94	6.65%

*Net of nonreimbursable exemptions

**Percentage based on non-rounded values



Source: Santa Clara County's Office of the County Assessor 2023/24 Annual Report

Major Employers

Organization	Product/Services	Employees
Netflix	Internet Services	2444
El Camino Hospital, Los Gatos	Health Industry	548
Courtside Tennis Club*	Leisure/Recreation	342
Los Gatos -Saratoga Union High School District*	Education	320
Safeway (3 locations)	Food Industry	314
Los Gatos Elementary School District (LGUSD)	Education	287
Vasona Creek Health Care Ctr*	Health Industry	250
Terraces of Los Gatos	Health Industry	230
Good Samaritan Regional Cancer Center	Health Industry	111
Whole Foods Market*	Food Industry	133
Town of Los Gatos*	Town Government	165

*Includes full and part time employees

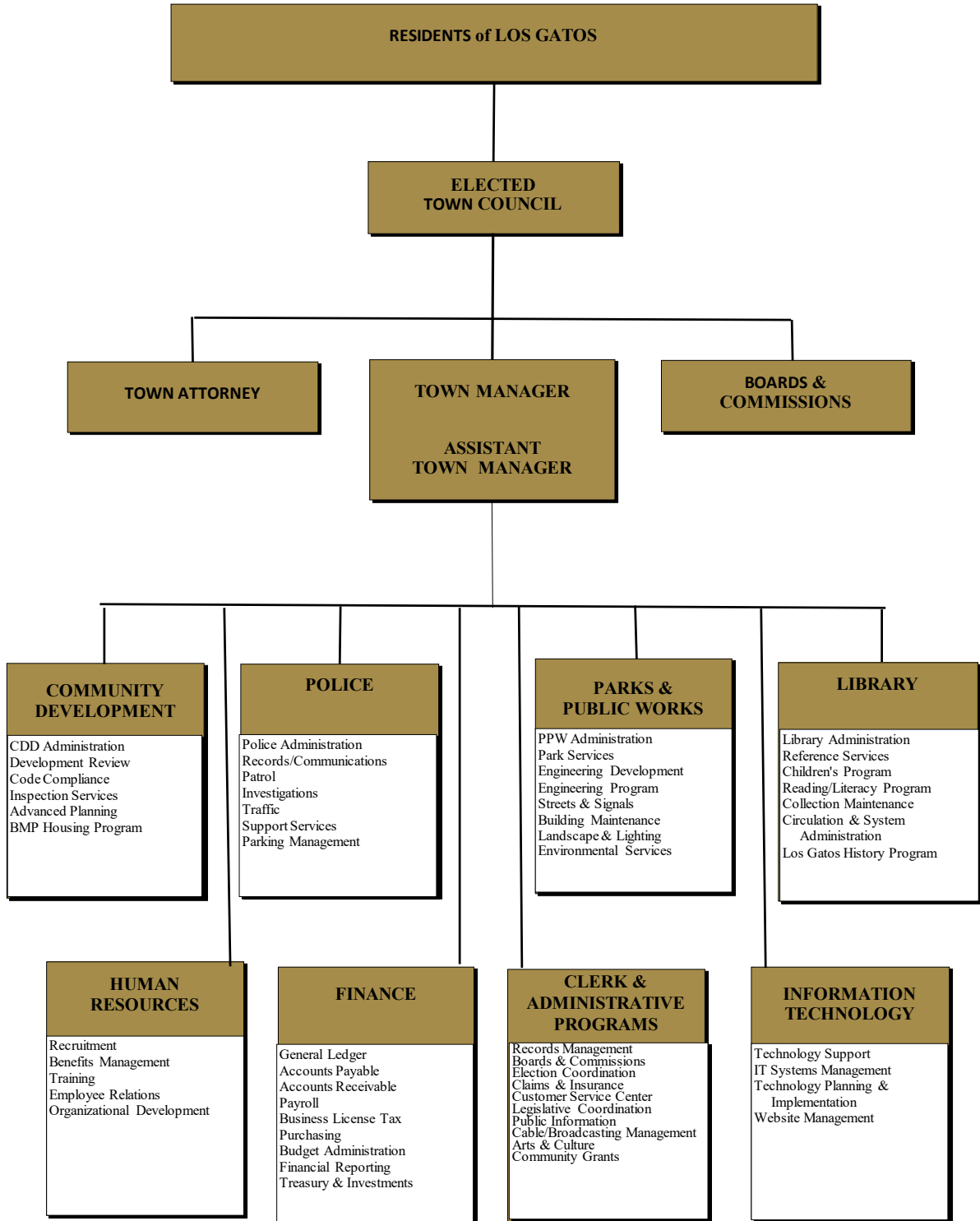
Source: Staff direct correspondence with Town's local businesses.

Latest data available at the time of publication.

Town Management

Town Manager	Laurel Prevetti
Assistant Town Manager	Katy Nomura
Town Attorney	Gabriella Wheelan
Chief of Police	Jamie Field
Community Development Director	Joel Paulson
Parks and Public Works Director	Nicolle Burnham
Library Director	Ryan Baker
Finance Director	Gitta Ungvari
Interim Human Resources Director	Katy Nomura

Town of Los Gatos Organizational Structure



Town of Los Gatos

Commissions, Committees, and Advisory Boards

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

Arts and Culture Commission

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

Building Board of Appeals

Hears appeals of Building regulations.

Community Health and Senior Services Commission

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

Complete Streets and Transportation Commission

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

Conceptual Development Advisory Committee

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

Diversity, Equity, and Inclusion (DEI) Commission

Advises the Town Council regarding matters pertaining to creating equitable opportunities and increasing a sense of belonging within the Town of Los Gatos.

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.

Town of Los Gatos

Commissions, Committees, and Advisory Boards

Library Board

Represents the community in making recommendations regarding Library services.

Parks and Sustainability Commission

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

Personnel Board

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

Planning Commission

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

Town Pension and OPEB Trusts Oversight Committee

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

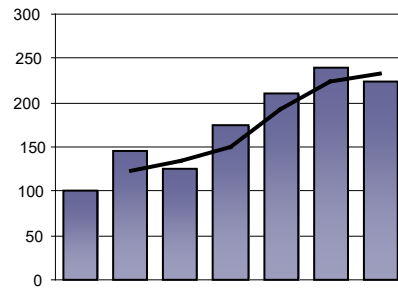
Youth Commission

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



Financial Summaries

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FINANCIAL SUMMARIES

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 – 14
Total Town Expenditures – by Fund	C – 16
Total Town Revenues – by Category	C – 18
Total Town Expenditures – by Category.....	C – 20

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.

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General Fund Revenues – by Category.....	C – 24
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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 – 32

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 – 33
5 Year Comparative Fund Balance – by Fund	C – 35

Departmental Budgets

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

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American Rescue Plan Act (ARPA)

The Town tracks ARPA as described in this section.

ARPA Revenue Loss Reimbursement Tracking	C – 41

In-Kind Donations

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

In-Kind Donations	C – 43

Fee-Related Projects List

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

Fee-Related Projects List	C – 44

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 – 46
Summary of FTEs by Department	C – 47
5 Year History of Funded Positions by Department	C – 48
Summary of Personnel Changes	C – 49
Positions by Home Department	C – 53

TOTAL BUDGETED FUND ACTIVITY SUMMARY FY 2024/25

	Estimated Fund Balance 7/1/2024	Revenues, Prior Year Carryfwd & Transfers	Expenditures, Prior Year Carryfwd & Transfers	Estimated Fund Balance 6/30/2025	Fund Balance Change From Prior Year	Fund
Operating Funds						
Governmental Funds						
General Fund*	\$ 28,476,419	\$ 56,678,459	\$ 57,225,743	\$ 27,929,135	-1.9% (1)	111
Housing Conservation Program Fund	177,241	-	-	177,241	0.0%	211
Community Dev Block Grant Fund	(10,587)	-	-	(10,587)	0.0%	212
Urban Run-Off Source Fund	708,678	163,690	278,884	593,484	-16.3% (2)	222
Blackwell Assessment District Fund	13,921	3,210	3,072	14,059	1.0% (3)	231
Kennedy Assessment District Fund	15,748	10,605	11,875	14,478	-8.1%	232
Gemini Assessment District Fund	43,525	4,750	1,742	46,533	6.9% (3)	233
Santa Rosa Assessment District Fund	28,032	4,550	8,156	24,426	-12.9% (3)	234
Vasona Assessment District Fund	40,838	10,075	9,019	41,894	2.6% (3)	235
Hillbrook Assessment District Fund	27,413	6,040	6,536	26,917	-1.8% (3)	236
Los Gatos Theatre	131,687	57,960	119,685	69,962	-46.9%	251
Library Trust Fund	69,356	71,000	80,000	60,356	-13.0% (3)	711
Ness Bequest Trust Fund	22,949	400	23,002	347	-98.5% (3)	713
Betty McClendon Trust Fund	88,777	1,000	1,000	88,777	0.0%	714
Barbara J Cassin Trust Fund	364,485	4,000	4,000	364,485	0.0%	716
Proprietary Funds - Internal Service Funds						
Liability Self-Insurance Fund	94,685	1,507,435	1,540,481	61,639	-34.9% (4)	611
Worker's Comp Self-Insurance Fund	80,451	1,905,154	1,826,050	159,555	98.3% (4)	612
Information Technology Fund	2,494,446	914,113	1,105,331	2,303,228	-7.7% (5)	621
Equipment Replacement Fund	3,057,509	1,123,659	1,690,462	2,490,706	-18.5% (5)	631
Facilities Maintenance Fund	789,757	1,396,548	1,404,667	781,638	-1.0% (3)	633
Total Operating Funds	\$ 36,715,330	\$ 63,862,648	\$ 65,339,705	\$ 35,238,273	-4.0%	
Capital Funds						
GFAR*	\$ 20,110,100	\$ 4,027,670	\$ 4,684,537	\$ 19,453,233	-3.3% (6)	411 & 412
Grant Funded CIP Projects Fund	(9,161,855)	663,323	640,000	(9,138,532)	0.3%	421
Storm Drain #1 Fund	1,396,148	50,880	336,667	1,110,361	-20.5%	461
Storm Drain #2 Fund	2,121,680	54,850	86,667	2,089,863	-1.5%	462
Storm Drain #3 Fund	(118,810)	1,100	86,667	(204,377)	-72.0% (3)	463
Traffic Mitigation Fund	275,745	-	10,000	265,745	-3.6%	471
Construction Tax-Undergrounding Fund	3,474,992	45,590	-	3,520,582	1.3% (3)	472
Gas Tax Fund	1,815,021	1,784,585	1,784,585	1,815,021	0.0% (3)	481
Total Capital Projects Funds	\$ 19,913,021	\$ 6,627,998	\$ 7,629,123	\$ 18,911,896	-5.0%	
Fiduciary Fund						
SA- Trust Fund (Budgetary Fund Balance)	\$ 3,967,601	\$ 3,828,264	\$ 3,816,107	\$ 3,979,758	0.3%	942
Total Fiduciary Fund	\$ 3,967,601	\$ 3,828,264	\$ 3,816,107	\$ 3,979,758	0.3%	
TOTAL ALL FUNDS	\$ 60,595,952	\$ 74,318,910	\$ 76,784,935	\$ 58,129,927	-4.1%	

* Major Funds

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

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

(3) One-time Capital Project budgeted for FY 2024/25

(4) Based on estimated claims and insurance premium activity

(5) Equipment Replacement and Information Technology Fund reflects acquisition activities for FY 2024/25

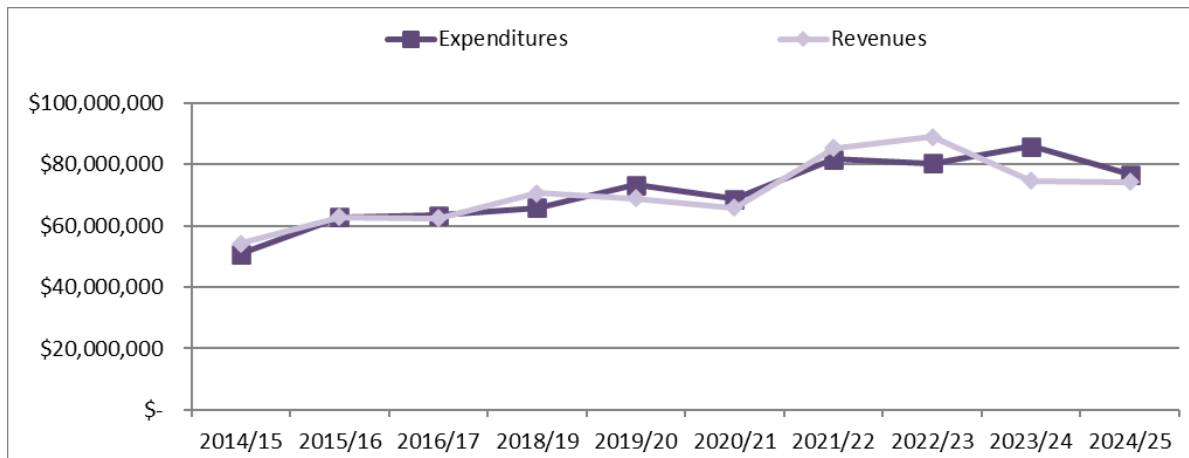
This Total Budgeted Fund Activity Summary schedule groups the Town's funds into three categories based on fund purpose:

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

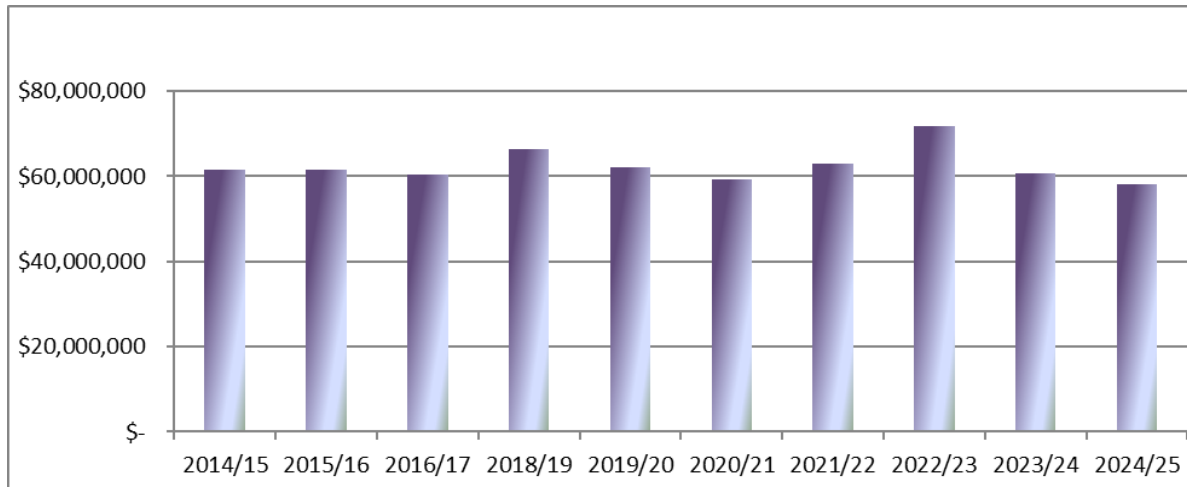
Fiduciary Funds - These funds include Trust funds and are held in a fiduciary capacity, with little variation in activity. RDA Successor Agency Private Purpose Trust Fund is established to account for the assets and liabilities transferred from the dissolution of the Town's former Redevelopment Agency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

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

TOTAL TOWN REVENUES AND EXPENDITURES



FUND BALANCE TREND INFORMATION



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

Year End	Reference	Revenues & Transfers In	Expenditures & Transfers Out	Designated Fund Balance
2014/15	Actuals	\$ 54,234,948	\$ 50,881,063	\$ 61,601,771
2015/16	Actuals	\$ 62,873,000	\$ 62,912,316	\$ 61,562,435
2016/17	Actuals	\$ 62,358,798	\$ 63,386,198	\$ 60,535,055
2018/19	Actuals	\$ 70,675,272	\$ 65,949,701	\$ 66,467,476
2019/20	Actuals	\$ 68,958,311	\$ 73,327,492	\$ 62,098,295
2020/21	Actuals	\$ 65,930,887	\$ 68,699,265	\$ 59,329,917
2021/22	Actuals	\$ 85,427,742	\$ 81,762,795	\$ 62,994,864
2022/23	Actuals	\$ 89,034,470	\$ 80,343,759	\$ 71,685,575
2023/24	Estimated	\$ 74,758,039	\$ 85,847,662	\$ 60,595,952
2024/25	Proposed	\$ 74,318,910	\$ 76,784,935	\$ 58,129,928

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 the Town other objectives to protect the Town's fiscal health and ensure cost efficient and effective delivery of Town-wide services.

The FY 2024/25 Budget maintains high levels of service for the community while (1) absorbing new unfunded State and federal mandates, (2) acknowledging inflationary impacts, and (3) reducing expenditures in certain line items. The Budget is balanced by closing a gap of approximately \$1.8 million by building in a 4.6% Town –wide salary savings (including benefits savings) and using an additional \$0.6 million of one-time funding from the residual Measure G District Sales Tax committed reserve.

The Budget addresses the Council identified Strategic Priorities and considers other areas of importance to the Los Gatos community and the Council. Several Strategic Priorities are not one-time projects, but rather are ongoing commitments due to their critical significance in ensuring the Town's fiscal and infrastructure stability and the safety and quality of life for Los Gatos residents, businesses, and visitors. These commitments include continuing to foster emergency preparedness and community wildfire resilience, address traffic calming and traffic safety, and focus on community and economic vitality.

The Town Council Priorities guide the Capital Budget to focus on continued implementation of the Downtown Parking Roadmap; transportation improvements (enhancing bicycle and pedestrian access and connection, evaluating shuttle services, and managing traffic); vegetation management of Town lands and roadways to protect against wildfire; and other needed improvements. All these efforts enhance the Town's transportation options, public safety, and quality of life within the context of prudent fiscal management, including leveraging grant funds.

Specific trends affecting the fund balance forecast are discussed below.

REVENUES

General Fund revenues (excluding debt payments, restricted pension trust activity, and fund transfers in) are expected to increase by 1.2% to \$53.6 million from prior estimated revenues. Revenue projections for each category were based upon estimates provided to the Town by the Santa Clara County Assessor, the Town's sales tax consultant, and careful examination of revenue trends, patterns, and industry research. The net change in overall revenues is mostly due to forecasted increases in some revenues such as property tax, licenses and permits, and transient occupancy tax (TOT).

The Town has a seat on the Board of the West Valley Solid Waste Management Authority (WVSWMA), a Joint Powers Authority (JPA) that manages the solid waste contracts. The JPA recently conducted a Franchise Fee Valuation Study. Based on the study, the new agreement reclassified the Franchise Fee Payment to Encroachment Permit since the collection vehicles utilize Town streets. While collections are estimated to stay at prior year levels, the revenue shifted from Franchise Fees to Licenses and Permits.

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 48.5% of the Town's total expenditures in FY 2024/25 (and 64.7% of General Fund expenditures). FY 2024/25 proposed budget includes 4.6% salary savings factor. The Town recognizes fiscal constraints while it endeavors to attract and retain skilled personnel to manage a 21st century municipality. The Town has Memoranda of Understanding (MOU) with three bargaining units: Police Officers Association (POA), Town Employees Association (TEA), and American Federation of State, County and Municipal Employees (AFSCME).

TOTAL TOWN

REVENUE, EXPENDITURE, AND FUND BALANCE TREND INFORMATION

The Town and POA agreed to a successor MOU until June 30, 2027. Of note, the MOU includes a 6.5% salary increase effective the pay period containing April 1, 2024, a 5% increase for FY 2025/26, and a 4% increase for FY 2026/27. The MOUs for the other two bargaining units expire June 30, 2024 and the Town is in the process of negotiating successor MOUs. The FY 2024/25 Proposed Budget reflects the POA increases, but there is no adjustment included for any other bargaining units or the non-represented groups beyond anticipated merit increases, and growing costs of benefits and CalPERS pension rates. The Town Manager and Town Attorney are under contract to the Town Council and any COLA or other modification for these positions is considered in the fall of every year.

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 eligible employees, paying 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 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 most recent actuarial valuations, the unfunded actuarial liability for pensions was \$64.9 million as of June 30, 2022 and \$5.5 million for OPEB as of June 30, 2021.

TOTAL TOWN

REVENUE, EXPENDITURE, AND FUND BALANCE TREND INFORMATION

The Town's pension plans over the past several decades, like all other CalPERS participants, have experienced unfavorable investment returns, changes in actuarial assumptions, and unfavorable demographic shifts which have outweighed any positive plan experiences to date. As such, the Town's employer pension contributions are expected to continue to increase. The Town's employer contribution rate will increase from 81.30% in FY 2023/24 to 94.98% in FY 2024/25 for classic sworn employees. For all other employees, the rate will increase from 29.97% in FY 2023/24 to 30.62% in FY 2024/25. The Public Employees' Pension Reform Act (PEPRA), effective January 1, 2013, implemented lower pension tiers for employees who are new to the CalPERS pension system. While this does not provide immediate cost savings, it is anticipated to reduce future benefit expenditures in the next 10 to 15 years. Employer contribution rates will increase from 14.50% in FY 2023/24 to 15.56% in FY 2024/25 for PEPRA sworn employees.

To address the escalation in pension costs, previous Councils have allocated additional discretionary pension funding totaling \$10.4 million. These additional discretionary payments will ultimately yield an approximate additional \$12.7 million in contribution savings. In addition to the management of the Town's pension obligations, prior Councils have worked to curb cost escalation in Other Post-Employment Benefits (OPEB). In 2009, the Town initiated prefunding of the retiree healthcare benefit and has since established approximately \$25.9 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 Town's 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 streetlights, 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

	2020/21	2021/22	2022/23	2023/24	2024/25
	Actuals	Actuals	Actuals	Estimated	Adopted
REVENUES					
Property Tax	\$ 15,826,162	\$ 16,899,618	\$ 18,187,388	\$ 19,032,718	\$ 20,225,761
VLF Backfill	4,052,672	4,229,462	4,555,700	4,906,000	4,978,930
Sales & Use Tax	6,794,218	7,177,597	7,507,068	6,641,326	6,641,144
Measure G - District Sales Tax	1,139,386	1,306,076	1,299,409	1,239,743	1,244,373
Franchise Fees	2,499,463	2,822,515	3,074,624	3,308,703	1,041,330
Transient Occupancy Tax	1,044,820	1,895,064	2,228,190	2,264,484	2,332,419
Other Taxes	1,386,943	1,481,667	2,361,862	2,429,419	2,421,000
Licenses & Permits	2,999,711	4,839,489	3,300,910	3,274,517	5,867,564
Intergovernmental	1,573,697	1,263,352	1,553,397	1,347,999	1,015,439
Town Services	4,835,962	5,435,769	4,779,044	4,997,670	4,665,260
Internal Srvs Reimbursement	-	-	-	-	-
Fines & Forfeitures	103,467	319,170	416,951	367,700	315,200
Interest	96,061	(1,404,526)	605,789	1,567,130	1,764,425
Other Sources	2,217,072	5,649,767	6,147,143	2,274,143	1,700,904
Debt Service Reimbursement	1,908,494	1,899,850	1,893,713	1,894,550	1,902,300
Transfers In	1,833,218	633,352	538,536	564,910	562,411
TOTAL REVENUES	\$ 48,311,346	\$ 54,448,222	\$ 58,449,724	\$ 56,111,012	\$ 56,678,460
EXPENDITURES					
Salaries	\$ 19,330,626	\$ 18,847,234	\$ 20,424,953	\$ 21,920,110	\$ 21,846,952
Overtime	882,421	1,134,177	1,373,672	1,319,592	599,171
Benefits - Pension	6,374,119	6,531,958	7,091,215	7,204,503	8,786,402
Benefits - All Other	3,710,338	3,679,378	3,829,826	4,374,963	5,647,633
Retiree Medical	1,286,285	1,391,296	1,527,074	1,627,706	1,697,706
Operating Expenditures	12,990,317	12,860,383	12,990,242	12,417,968	10,482,558
Grants & Awards	298,303	606,449	625,427	719,081	558,000
Fixed Assets	2,365	-	300,000	121,678	65,000
Interest	52,011	156,034	156,034	156,034	156,034
Internal Service Charges	2,314,305	2,607,506	2,599,074	3,361,712	4,373,988
Capital Projects	-	-	-	-	-
Capital Acquisitions	-	-	-	-	-
Debt Service	1,908,494	1,899,850	1,893,713	1,894,550	1,902,300
Transfers Out	4,582,641	1,751,787	3,006,978	2,045,000	1,110,000
TOTAL EXPENDITURES	\$ 53,732,225	\$ 51,466,052	\$ 55,818,208	\$ 57,162,897	\$ 57,225,744
Net Increase (Decrease)	(5,420,879)	2,982,170	2,631,516	(1,051,885)	(547,284)
Beginning Fund Balance	29,335,497	23,914,618	26,896,788	29,528,304	28,476,419
Ending Fund Balance	\$ 23,914,618	\$ 26,896,788	\$ 29,528,304	\$ 28,476,419	\$ 27,929,135

* Year End Fund Balance represents General Fund 111 (including Long Term Compensated Absences Pension Trust Fund 731).

TOTAL TOWN
REVENUES AND EXPENDITURES

SPECIAL REVENUE FUNDS

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Estimated	2024/25 Adopted
REVENUES					
Property Tax	\$ 28	\$ 29	\$ -	\$ -	\$ -
VLF Backfill	-	-	-	-	-
Sales & Use Tax	-	-	-	-	-
Measure G - District Sales Tax	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	-
Other Taxes	38,566	38,609	38,160	38,220	38,220
Licenses & Permits	231,323	231,323	359,950	359,950	163,690
Intergovernmental	200,911	3,413,961	3,614,872	-	-
Town Services	-	-	-	-	-
Internal Srvc Reimbursement	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-
Interest	9,174	8,067	23,860	7,904	6,910
Other Sources	106,547	134,425	196,324	262,360	128,460
Debt Service Reimbursement	-	-	-	-	-
Transfers In	-	-	-	-	-
TOTAL REVENUES	\$ 586,549	\$ 3,826,414	\$ 4,233,166	\$ 668,434	\$ 337,280
EXPENDITURES					
Salaries	\$ 87,878	\$ 99,269	\$ 104,481	\$ 140,296	\$ 130,019
Overtime	-	696	27	2,031	3,334
Benefits - Pension	25,584	29,131	26,334	34,970	42,391
Benefits - All Other	22,163	25,329	27,761	35,840	37,413
Retiree Medical	-	-	-	-	-
Operating Expenditures	301,302	3,559,501	3,854,131	299,148	299,020
Grants & Awards	-	-	-	-	-
Fixed Assets	-	-	-	-	23,002
Interest	-	-	-	-	-
Internal Service Charges	3,229	3,492	4,091	7,792	6,872
Capital Projects	-	-	-	-	-
Capital Acquisitions	-	-	-	-	-
Debt Service	-	-	-	-	-
Transfers Out	4,920	4,920	4,920	4,920	4,920
TOTAL EXPENDITURES	\$ 445,076	\$ 3,722,338	\$ 4,021,745	\$ 524,997	\$ 546,971
Net Increase (Decrease)	141,473	104,076	211,421	143,437	(209,691)
Beginning Fund Balance	1,121,654	1,263,127	1,367,203	1,578,624	1,722,061
Ending Fund Balance	\$ 1,263,127	\$ 1,367,203	\$ 1,578,624	\$ 1,722,061	\$ 1,512,370

TOTAL TOWN
REVENUES AND EXPENDITURES

INTERNAL SERVICE FUNDS

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Estimated	2024/25 Adopted
REVENUES					
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -
VLF Backfill	-	-	-	-	-
Sales & Use Tax	-	-	-	-	-
Measure G - District Sales Tax	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	-
Other Taxes	67,146	66,382	28,322	40,000	40,000
Licenses & Permits	-	-	-	-	-
Intergovernmental	-	-	2,000	-	-
Town Services	147,121	172,373	125,257	67,000	105,000
Internal Srvc Reimbursement	3,235,094	3,507,735	3,570,184	4,509,245	6,258,322
Fines & Forfeitures	-	-	-	-	-
Interest	5	5	5	-	-
Other Sources	654,601	1,355,582	611,046	517,599	443,587
CIP Proj Reimbursement	-	-	-	-	-
Transfers In	33,000	1,787	-	430,000	-
TOTAL REVENUES	\$ 4,136,967	\$ 5,103,864	\$ 4,336,814	\$ 5,563,844	\$ 6,846,909
EXPENDITURES					
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -
Overtime	-	-	-	-	-
Benefits - Pension	-	-	-	-	-
Benefits - All Other	-	-	-	-	-
Retiree Medical	-	-	-	-	-
Operating Expenditures	3,803,452	4,221,802	4,774,268	5,180,985	5,868,410
Grants & Awards	-	-	-	-	-
Fixed Assets	307,272	157,761	526,960	404,048	1,690,462
Interest	-	-	-	-	-
Internal Service Charges	-	-	-	4,835	8,119
Capital Projects	-	-	-	-	-
Capital Acquisitions	-	-	-	-	-
Debt Service	-	-	-	-	-
Transfers Out	146,520	94,816	733,000	-	-
TOTAL EXPENDITURES	\$ 4,257,244	\$ 4,474,379	\$ 6,034,228	\$ 5,589,868	\$ 7,566,991
Net Increase (Decrease)	(120,277)	629,485	(1,697,414)	(26,024)	(720,082)
Beginning Fund Balance	7,731,079	7,610,802	8,240,287	6,542,873	6,516,849
Ending Fund Balance	\$ 7,610,802	\$ 8,240,287	\$ 6,542,873	\$ 6,516,849	\$ 5,796,767

TOTAL TOWN
REVENUES AND EXPENDITURES

CAPITAL PROJECT FUNDS

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Estimated	2024/25 Adopted
REVENUES					
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -
VLF Backfill	-	-	-	-	-
Sales & Use Tax	-	-	-	-	-
Measure G - District Sales Tax	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	-
Other Taxes	67,146	66,382	29,042	20,806	30,000
Licenses & Permits	1,340,530	1,599,199	1,221,744	1,189,492	1,092,731
Intergovernmental	1,818,494	10,634,858	4,816,497	4,021,963	3,484,309
Town Services	34,417	395,919	84,462	-	120,000
Internal Svc Reimbursement	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-
Interest	122,705	117,483	178,893	29,762	29,542
Other Sources	2,239,342	3,632,197	8,027,524	1,726,059	761,417
CIP Proj Reimbursement	-	-	-	-	-
SCC RPTTF Reimbursement	-	-	-	-	-
Transfers In	3,401,479	1,750,001	3,739,978	1,615,000	1,110,000
TOTAL REVENUES	\$ 9,024,113	\$ 18,196,039	\$ 18,098,140	\$ 8,603,082	\$ 6,627,999
EXPENDITURES					
Salaries	\$ 29,924	\$ -	\$ -	\$ -	\$ -
Overtime	-	-	-	-	-
Benefits - Pension	-	-	-	-	-
Benefits - All Other	1,161	-	-	-	-
Retiree Medical	-	-	-	-	-
Operating Expenditures	496	-	1,467,000	-	-
Grants & Awards	-	8,389,778	-	-	-
Fixed Assets	-	-	-	-	-
Interest	-	-	-	-	-
Internal Service Charges	-	-	-	-	-
Capital Projects	5,833,757	9,334,528	8,617,074	18,208,655	7,071,630
Capital Acquisitions	-	-	-	-	-
Debt Service	-	-	-	-	-
Transfers Out	533,616	533,616	533,616	559,990	557,491
TOTAL EXPENDITURES	\$ 6,398,954	\$ 18,257,922	\$ 10,617,690	\$ 18,768,645	\$ 7,629,121
Net Increase (Decrease)	2,625,159	(61,883)	7,480,450	(10,165,563)	(1,001,122)
Beginning Fund Balance	20,034,855	22,660,014	22,598,131	30,078,581	19,913,018
Ending Fund Balance	\$ 22,660,014	\$ 22,598,131	\$ 30,078,581	\$ 19,913,018	\$ 18,911,896

TOTAL TOWN
REVENUES AND EXPENDITURES

SUCCESSOR AGENCY TO THE TOWN OF LOS GATOS RDA

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Estimated	2024/25 Adopted
REVENUES					
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -
VLF Backfill	-	-	-	-	-
Sales & Use Tax	-	-	-	-	-
Measure G - District Sales Tax	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	-
Other Taxes	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Intergovernmental	1,946,787	1,937,791	1,942,119	1,903,000	1,911,300
Town Services	-	-	-	-	-
Internal Srvc Reimbursement	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-
Interest	4,967	3,897	69,130	3,000	3,000
Other Sources	11,664	11,665	11,664	11,664	11,664
CIP Proj Reimbursement	1,908,494	1,899,850	1,893,713	1,894,000	1,902,300
SCC RPTTF Reimbursement	-	-	-	-	-
Transfers In	-	-	-	-	-
TOTAL REVENUES	\$ 3,871,912	\$ 3,853,203	\$ 3,916,626	\$ 3,811,664	\$ 3,828,264
EXPENDITURES					
Salaries	\$ 1,168	\$ 1,174	\$ 1,290	\$ 1,535	\$ 1,044
Overtime	4	-	-	-	-
Benefits - Pension	337	329	341	390	341
Benefits - All Other	166	172	182	192	62
Retiree Medical	-	-	-	-	-
Operating Expenditures	106,788	105,213	124,413	10,020	10,020
Grants & Awards	-	-	-	-	-
Fixed Assets	-	-	-	-	-
Interest	964,610	1,036,645	1,293,230	1,415,000	1,485,000
Internal Service Charges	5	5	6	18	40
Capital Projects	-	-	-	-	-
Capital Acquisitions	-	-	-	-	-
Debt Service	2,792,688	2,698,566	2,432,426	2,374,100	2,319,601
Transfers Out	-	-	-	-	-
TOTAL EXPENDITURES	\$ 3,865,766	\$ 3,842,104	\$ 3,851,888	\$ 3,801,255	\$ 3,816,108
Net Increase (Decrease)	6,146	11,099	64,738	10,409	12,156
Beginning Fund Balance	3,875,208	3,881,354	3,892,453	3,957,191	3,967,600
Ending Fund Balance	\$ 3,881,354	\$ 3,892,453	\$ 3,957,191	\$ 3,967,600	\$ 3,979,756

TOTAL TOWN
REVENUES AND EXPENDITURES

TOTAL ALL FUNDS

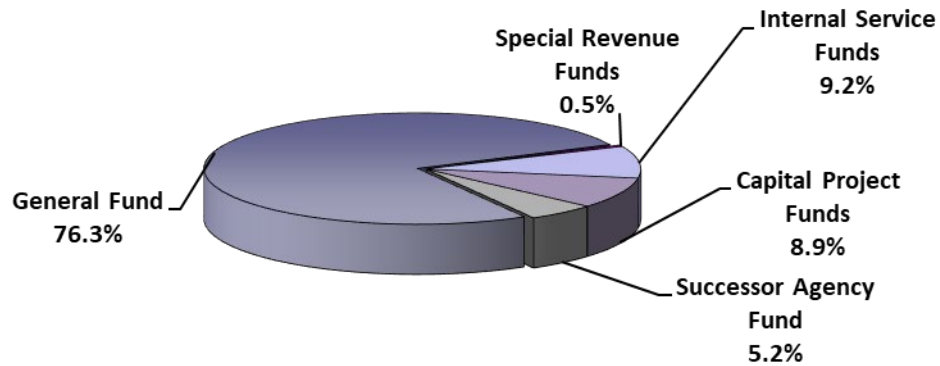
	2020/21	2021/22	2022/23	2023/24	2024/25
	Actuals	Actuals	Actuals	Estimated	Adopted
REVENUES					
Property Tax	\$ 15,826,190	\$ 16,899,647	\$ 18,187,388	\$ 19,032,718	\$ 20,225,761
VLF Backfill	4,052,672	4,229,462	4,555,700	4,906,000	4,978,930
Sales & Use Tax	6,794,218	7,177,597	7,507,068	6,641,326	6,641,144
Measure G - District Sales Tax	1,139,386	1,306,076	1,299,409	1,239,743	1,244,373
Franchise Fees	2,499,463	2,822,515	3,074,624	3,308,703	1,041,330
Transient Occupancy Tax	1,044,820	1,895,064	2,228,190	2,264,484	2,332,419
Other Taxes	1,559,801	1,653,040	2,457,386	2,528,445	2,529,220
Licenses & Permits	4,571,564	6,670,011	4,882,604	4,823,959	7,123,985
Intergovernmental	5,539,889	17,249,962	11,928,885	7,272,962	6,411,048
Town Services	5,017,500	6,004,061	4,988,763	5,064,670	4,890,260
Internal Srvc Reimbursement	3,235,094	3,507,735	3,570,184	4,509,245	6,258,322
Fines & Forfeitures	103,467	319,170	416,951	367,700	315,200
Interest	232,912	(1,275,074)	877,677	1,607,796	1,803,877
Other Sources	5,229,226	10,783,636	14,993,701	4,791,828	3,046,030
CIP Proj Reimbursement	3,816,988	3,799,700	3,787,426	3,788,550	3,804,600
SCC RPTTF Reimbursement	-	-	-	-	-
Transfers In	5,267,697	2,385,140	4,278,514	2,609,910	1,672,411
TOTAL REVENUES	\$ 65,930,887	\$ 85,427,742	\$ 89,034,470	\$ 74,758,039	\$ 74,318,910
EXPENDITURES					
Salaries	\$ 19,449,596	\$ 18,947,677	\$ 20,530,724	\$ 22,061,941	\$ 21,978,015
Overtime	882,425	1,134,873	1,373,699	1,321,623	602,505
Benefits - Pension	6,400,040	6,561,418	7,117,890	7,239,863	8,829,134
Benefits - All Other	3,733,828	3,704,879	3,857,769	4,410,995	5,685,108
Retiree Medical	1,286,285	1,391,296	1,527,074	1,627,706	1,697,706
Operating Expenditures	17,202,355	20,746,899	23,210,054	17,908,121	16,660,008
Grants & Awards	298,303	8,996,227	625,427	719,081	558,000
Fixed Assets	309,637	157,761	826,960	525,726	1,778,464
Interest	1,016,621	1,192,679	1,449,264	1,571,034	1,641,034
Internal Service Charges	2,317,539	2,611,003	2,603,171	3,374,357	4,389,019
Capital Projects	5,833,757	9,334,528	8,617,074	18,208,655	7,071,630
Capital Acquisitions	-	-	-	-	-
Debt Service	4,701,182	4,598,416	4,326,139	4,268,650	4,221,901
Transfers Out	5,267,697	2,385,139	4,278,514	2,609,910	1,672,411
TOTAL EXPENDITURES	\$ 68,699,265	\$ 81,762,795	\$ 80,343,759	\$ 85,847,662	\$ 76,784,935
Net Increase (Decrease)	(2,768,378)	3,664,947	8,690,711	(11,089,623)	(2,466,025)
Beginning Fund Balance	62,098,295	59,329,917	62,994,864	71,685,575	60,595,952
Ending Fund Balance	\$ 59,329,917	\$ 62,994,864	\$ 71,685,575	\$ 60,595,952	\$ 58,129,927

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)

		2020/21	2021/22	2022/23	2023/24	2023/24	2024/25	Change from PY
Fund	Fund Name	Actuals	Actuals	Actuals	Adjusted	Estimated	Adopted	Adjusted
General Fund								
111	General Fund	\$ 48,311,347	\$ 54,448,223	\$ 58,449,721	\$ 55,779,916	\$ 56,111,014	\$ 56,678,459	1.6%
Special Revenue Funds								
211	Housing Conservation Program	-	-	-	-	-	-	0.0%
212	Community Dev Block Grant	-	-	-	-	-	-	0.0%
222	Urban Run-Off Source Fund	299,478	275,290	382,381	359,950	359,950	163,690	-54.5%
231	Blackwell Assessment District	3,336	3,310	3,403	3,210	3,210	3,210	0.0%
232	Kennedy Assessment District	10,768	10,593	10,711	10,605	10,605	10,605	0.0%
233	Gemini Assessment District	5,051	4,991	5,041	4,750	4,750	4,750	0.0%
234	Santa Rosa Assessment District	5,313	5,204	5,235	4,550	4,550	4,550	0.0%
235	Vasona Assessment District	10,205	10,145	10,408	10,075	10,075	10,075	0.0%
236	Hillbrook Assessment District	6,310	6,232	6,421	6,040	6,040	6,040	0.0%
241	ARPA	200,911	3,413,961	3,614,872	-	-	-	0.0%
251	Los Gatos Theatre	-	19,500	108,237	174,000	174,060	57,960	-66.7%
711	Library Trust	39,159	72,076	78,326	88,300	90,009	71,000	-19.6%
713	Ness Bequest Trust	279	239	385	-	385	400	0.0%
714	Betty McClendon Trust	1,128	954	1,518	900	900	1,000	11.1%
716	Barbara J Cassin Trust	4,610	3,919	6,230	3,900	3,900	4,000	2.6%
Internal Service Funds								
611	Liability Self-Insurance	376,963	366,134	397,216	784,024	1,218,357	1,507,435	92.3%
612	Worker's Comp Self-Insurance	1,245,328	1,155,211	1,132,773	1,263,827	1,329,698	1,905,154	50.7%
621	Information Technology	973,254	998,157	755,099	735,656	715,028	914,113	24.3%
622	Office Stores Fund	-	-	-	-	-	-	0.0%
631	Equipment Replacement	327,398	589,441	718,283	1,066,429	1,047,838	1,123,659	5.4%
632	Facilities Maintenance	-	-	-	-	-	-	0.0%
633	Vehicle Maintenance	1,214,024	1,994,920	1,333,444	1,252,523	1,252,923	1,396,548	11.5%
Capital Projects Funds								
411 & 412	GFAR	6,734,293	7,311,731	13,707,707	5,994,335	5,292,000	4,027,670	-32.8%
421	Grant Funded CIP Projects	342,973	8,505,080	1,693,216	15,772,990	1,380,024	663,323	-95.8%
461	Storm Drain #1	43,765	89,739	111,325	49,990	116,798	50,880	1.8%
462	Storm Drain #2	115,127	250,881	102,215	54,790	31,820	54,850	0.1%
463	Storm Drain #3	(868)	(251)	4,060	890	32,069	1,100	23.6%
471	Traffic Mitigation	397,094	552,042	725,597	213,380	-	-	-100.0%
472	Construction Tax-Undergrounding	107,763	101,630	136,482	45,190	35,996	45,590	0.9%
481	Gas Tax	1,283,966	1,385,187	1,617,538	1,714,376	1,714,376	1,784,585	4.1%
Successor Agency to the Los Gatos RDA Fund								
942	SA - Recognized Obligation Retirement	3,871,912	3,853,202	3,916,626	3,811,664	3,811,664	3,828,264	0.4%
TOTAL Fund Rev & Transfers In		\$ 65,930,887	\$ 85,427,742	\$ 89,034,470	\$ 89,206,260	\$ 74,758,039	\$ 74,318,910	-16.7%

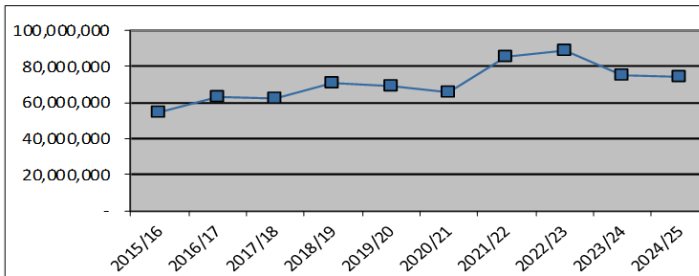
TOTAL TOWN REVENUES BY FUND



	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted	% of Total
General Fund	\$ 48,311,347	\$ 54,448,223	\$ 58,449,721	\$ 55,779,916	\$ 56,111,014	\$ 56,678,459	76.3%
Special Revenue Funds	586,548	3,826,414	4,233,168	666,280	668,434	337,280	0.5%
Internal Service Funds	4,136,967	5,103,863	4,336,815	5,102,459	5,563,844	6,846,909	9.2%
Capital Project Funds	9,024,113	18,196,039	18,098,140	23,845,941	8,603,083	6,627,998	8.9%
Successor Agency Fund	3,871,912	3,853,203	3,916,626	3,811,664	3,811,664	3,828,264	5.2%
Total Rev & Transfers In	\$ 65,930,887	\$ 85,427,742	\$ 89,034,470	\$ 89,206,260	\$ 74,758,039	\$ 74,318,910	100.0%

TOWN REVENUE HISTORICAL TREND (Includes Transfers In)

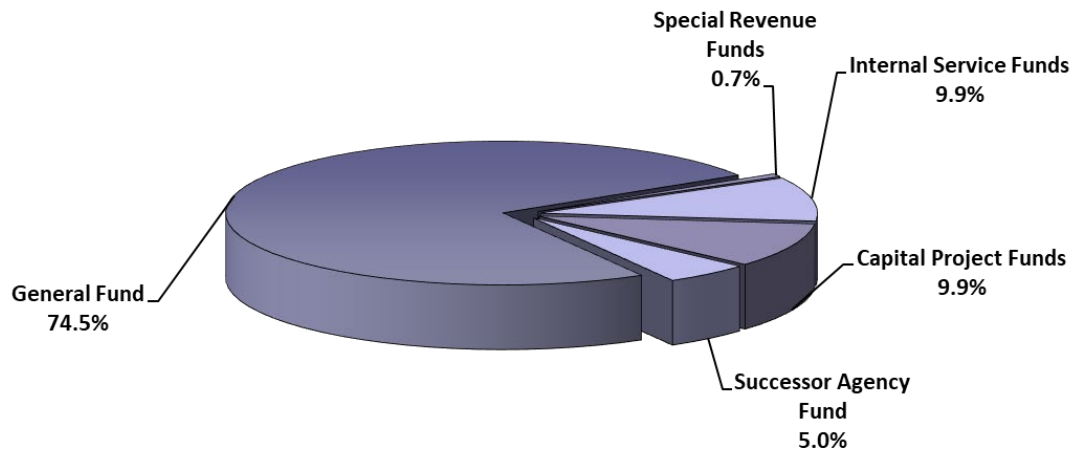
FY	Total	Status
2015/16	54,234,948	Actuals
2016/17	62,873,000	Actuals
2017/18	62,358,798	Actuals
2018/19	70,675,272	Actuals
2019/20	68,958,311	Actuals
2020/21	65,930,887	Actuals
2021/22	85,427,742	Actuals
2022/23	89,034,470	Actuals
2023/24	74,758,039	Estimated
2024/25	74,318,910	Projected



TOTAL TOWN EXPENDITURES
BY FUND
(Includes Transfers Out)

		2020/21	2021/22	2022/23	2023/24	2023/24	2024/25	Change
Fund	Fund Name	Actuals	Actuals	Actuals	Adjusted	Estimated	Adopted	from PY Adjusted
General Fund								
111	General Fund	\$ 53,732,226	\$ 51,466,052	\$ 55,818,206	\$ 57,443,439	\$ 57,162,899	\$ 57,225,743	-0.4%
Special Revenue Funds								
211	Housing Conservation Program	-	-	-	-	-	-	0.0%
212	Community Dev Block Grant	-	-	-	-	-	-	0.0%
222	Urban Run-Off Source Fund	166,173	194,972	204,096	271,103	281,115	278,884	2.9%
231	Blackwell Assessment District	3,027	3,654	2,988	3,444	3,444	3,072	-10.8%
232	Kennedy Assessment District	30,748	9,668	12,113	14,795	14,795	11,875	-19.7%
233	Gemini Assessment District	2,423	2,607	1,880	2,152	1,186	1,742	-19.1%
234	Santa Rosa Assessment District	10,129	10,466	9,573	12,887	12,887	8,156	-36.7%
235	Vasona Assessment District	7,657	7,362	7,653	9,502	9,502	9,019	-5.1%
236	Hillbrook Assessment District	4,894	4,837	4,282	4,904	4,904	6,536	33.3%
241	ARPA	200,911	3,413,961	3,614,872	-	-	-	0.0%
251	Los Gatos Theatre	-	-	52,746	117,364	117,364	119,685	2.0%
711	Library Trust	17,895	71,613	106,041	75,000	75,000	80,000	6.7%
713	Ness Trust Bequest	-	-	-	21,000	-	23,002	9.5%
714	Betty McClendon Trust	609	700	1,000	900	900	1,000	11.1%
716	Barbara J Cassin Trust	611	2,500	4,500	3,900	3,900	4,000	2.6%
Internal Service Funds								
611	Liability Self-Insurance	646,495	583,924	988,486	1,330,795	1,335,694	1,540,481	15.8%
612	Worker's Comp Self-Insurance	1,381,049	1,533,045	1,913,144	1,780,264	1,764,060	1,826,050	2.6%
621	Information Technology	706,634	878,049	1,271,412	1,031,695	695,200	1,105,331	7.1%
622	Office Stores Fund	-	-	-	-	-	-	0.0%
631	Equipment Replacement	362,915	256,582	526,960	1,217,880	404,048	1,690,462	38.8%
632	Facilities Maintenance	-	-	-	-	-	-	0.0%
633	Vehicle Maintenance	1,160,152	1,222,780	1,334,225	1,387,521	1,390,866	1,404,667	1.2%
Capital Projects Funds								
411 & 412	GFAR	5,161,527	7,961,799	6,765,661	24,743,316	6,907,720	4,684,537	-81.1%
421	Grant Funded CIP Projects	698,512	8,754,439	1,151,504	15,561,567	10,134,989	640,000	-95.9%
461	Storm Drain #1	-	-	-	400,000	-	336,667	-15.8%
462	Storm Drain #2	-	13,400	218,081	331,919	-	86,667	-73.9%
463	Storm Drain #3	611	25,848	-	170,300	-	86,667	-49.1%
471	Traffic Mitigation	364,435	527,791	700,088	413,097	155,334	10,000	-97.6%
472	Construction Tax-Undergrounding	24,626	427	-	347,576	-	-	-100.0%
481	Gas Tax	149,241	974,215	1,782,361	3,190,633	1,570,600	1,784,585	-44.1%
Successor Agency to the Los Gatos RDA Fund								
942	SA- Trust Fund	3,865,765	3,842,104	3,851,887	3,800,934	3,801,255	3,816,107	
TOTAL Fund Exp & Transfers Out		\$ 68,699,265	\$ 81,762,795	\$ 80,343,759	\$ 113,687,887	\$ 85,847,662	\$ 76,784,935	-32.5%

TOTAL TOWN EXPENDITURES BY FUND

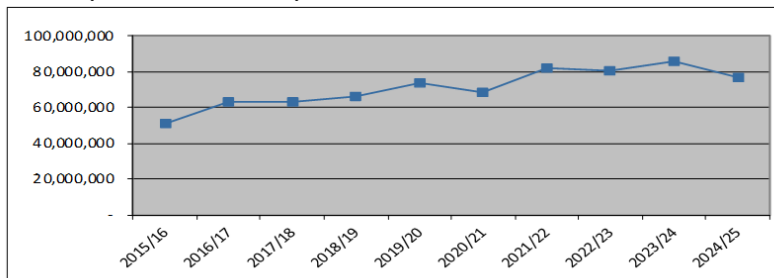


	2020/21	2021/22	2022/23	2023/24	2023/24	2024/25	%
	Actuals	Actuals	Actuals	Adjusted	Estimated	Adopted	of Total
General Fund	\$ 53,732,226	\$ 51,466,052	\$ 55,818,206	\$ 57,443,439	\$ 57,162,899	\$ 57,225,743	74.5%
Special Revenue Funds	445,077	3,722,340	4,021,744	536,951	524,997	546,971	0.7%
Internal Service Funds	4,257,245	4,474,380	6,034,227	6,748,155	5,589,868	7,566,991	9.9%
Capital Project Funds	6,398,952	18,257,919	10,617,695	45,158,408	18,768,643	7,629,123	9.9%
Successor Agency Fund	3,865,765	3,842,104	3,851,887	3,800,934	3,801,255	3,816,107	5.0%
Total Exp & Transfers Out	\$ 68,699,265	\$ 81,762,795	\$ 80,343,759	\$ 113,687,887	\$ 85,847,662	\$ 76,784,935	100.0%

TOWN EXPENDITURE HISTORICAL TREND

(Includes Transfers Out)

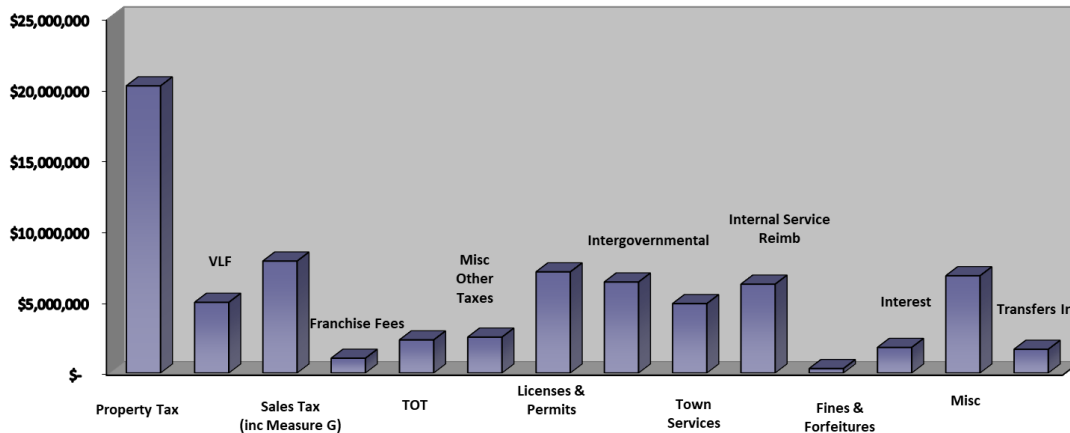
FY	Total	Status
2015/16	\$ 50,881,063	Actuals
2016/17	\$ 62,912,316	Actuals
2017/18	\$ 63,386,198	Actuals
2018/19	\$ 65,949,701	Actuals
2019/20	\$ 73,327,492	Actuals
2020/21	\$ 68,699,265	Actuals
2021/22	\$ 81,762,795	Actuals
2022/23	\$ 80,343,759	Actuals
2023/24	\$ 85,847,662	Estimated
2024/25	\$ 76,784,935	Projected



TOTAL TOWN REVENUES

BY CATEGORY

FY 2024/25 Revenues



Revenues	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted	% of Total
Property Tax	\$ 15,826,190	\$ 16,899,647	\$ 18,187,388	\$ 18,997,898	\$ 19,032,718	\$ 20,225,761	27.2%
VLF Backfill Property Tax	4,052,672	4,229,462	4,555,700	4,906,000	4,906,000	4,978,930	6.7%
Sales & Use Tax	6,794,218	7,177,597	7,507,068	6,960,850	6,636,696	6,597,351	8.9%
Measure G - District Sales Tax	1,139,386	1,306,076	1,299,409	1,239,743	1,244,373	1,288,166	1.7%
Franchise Fees	2,499,463	2,822,515	3,074,624	3,308,703	3,308,703	1,041,330	1.4%
Transient Occupancy Tax	1,044,820	1,895,064	2,228,190	2,262,528	2,264,484	2,332,419	3.1%
Miscellaneous Other Taxes	1,559,800	1,653,041	2,457,385	2,537,639	2,528,445	2,529,220	3.4%
Licenses & Permits	4,571,564	6,670,012	4,882,604	4,724,829	4,823,959	7,123,985	9.6%
Intergovernmental Revenues	5,539,889	17,249,962	11,928,885	21,914,873	7,272,962	6,411,048	8.6%
Town Services	5,017,499	6,004,060	4,988,763	4,780,606	5,064,670	4,890,260	6.6%
Internal Service Reimbursements	3,235,094	3,507,735	3,570,184	4,496,191	4,509,245	6,258,322	8.4%
Fines & Forfeitures	103,467	319,170	416,951	365,950	367,700	315,200	0.4%
Interest	232,912	(1,275,074)	877,677	1,604,956	1,607,796	1,803,877	2.4%
Miscellaneous Other Sources	9,046,216	14,583,336	18,781,128	8,928,083	8,580,378	6,850,631	9.2%
Total Revenues	\$ 60,663,190	\$ 83,042,603	\$ 84,755,956	\$ 87,028,849	\$ 72,148,129	\$ 72,646,500	
Plus Transfers In	5,267,697	2,385,139	4,278,514	2,177,411	2,609,910	1,672,411	2.3%
Total Revenues & Other Sources	\$ 65,930,887	\$ 85,427,742	\$ 89,034,470	\$ 89,206,260	\$ 74,758,039	\$ 74,318,911	100%

Total Budgeted Revenues (exclusive of Transfers In) have increased from the prior year estimated revenues, as the Town is expected to experience revenue growth in some of the key economically sensitive revenue categories of Property Tax, VLF Backfill, TOT, and Business License Tax.

Key revenue highlights include:

Property Tax – Property Tax revenues are projected to increase by 6.3% compared to the FY 2023/24 estimated revenues as property tax collection is based on the January 2024 assessment roll for FY 2024/25.

Sales and Use Tax – The Town receives 1.0 cent of the 9.125 cents of sales tax paid per dollar of taxable sales generated in Town, Sales and Use Tax remains one of the General Fund's largest revenue sources. In addition, the Town collects an additional 0.125 cent in dedicated sales tax as a result of a voter approved ballot initiative in 2018. The FY 2024/25 budget reflects \$6.6 million in sales tax revenue and \$1.3 million in dedicated sales tax revenue. Combined, this represents a 0.1% increase from the FY 2023/24 estimates but a \$0.9 million dollar decrease from FY 2022/23 actual collections.

TOTAL TOWN REVENUES BY CATEGORY

Licenses and Permits – FY 2024/25 Licenses and Permits reflect a 39.2% increase compared to the FY 2023/24 estimated revenues. The increase is primarily due to reclassification of the Garbage Franchise Fees to Licenses and Permits based on the new proposed Waste Hauler Agreement.

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

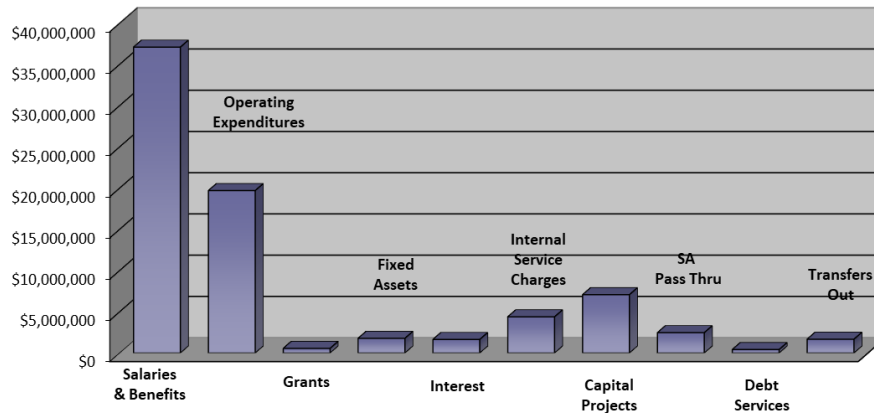
Transient Occupancy Tax – Transient Occupancy Tax (TOT) is expected to increase by 3.0% from FY 2023/24 estimated revenues.

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 2024/25 Expenditures



Expenditures	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted	% of Total
Salaries and Benefits	\$ 30,465,889	\$ 30,348,848	\$ 32,880,081	\$ 35,081,956	\$ 35,034,423	\$ 37,094,761	48.3%
Operating Expenditures	20,517,152	17,703,532	17,289,365	20,262,789	19,492,064	19,695,487	25.7%
Grants	298,303	8,996,228	625,427	957,000	719,081	558,000	0.7%
Fixed Assets	309,637	157,761	826,960	1,360,557	525,726	1,778,464	2.3%
Interest	1,016,621	1,192,679	1,449,264	1,571,034	1,571,034	1,641,034	2.1%
Internal Service Charges	2,317,539	2,611,003	2,603,171	3,372,742	3,374,358	4,389,018	5.7%
Capital Projects	5,833,756	9,334,527	8,617,077	44,600,918	18,208,653	7,071,632	9.2%
Pass Thru	1,788,477	8,234,362	11,235,187	3,823,929	3,832,863	2,466,827	3.2%
Debt Services	884,194	798,716	538,713	479,550	479,550	417,301	0.5%
Total Expenditures	\$ 63,431,568	\$ 79,377,656	\$ 76,065,245	\$ 111,510,475	\$ 83,237,752	\$ 75,112,524	
Transfers Out	5,267,697	2,385,139	4,278,514	2,177,411	2,609,910	1,672,411	2.2%
Total Uses of Funds	\$ 68,699,265	\$ 81,762,795	\$ 80,343,759	\$ 113,687,886	\$ 85,847,662	\$ 76,784,935	100%

Total Budgeted Expenditures (exclusive of Transfers Out) include budgeted Capital Improvements, which can vary significantly from year to year. Net of Capital Projects, CalPERS payments, and pass-through activities, total expenditures reflect a 10.1% decrease for FY 2024/25 compared to the FY 2023/24 estimated budget numbers. Prior year adjusted budget numbers include capital project carryforwards. Expenditures of note include:

Salaries and Benefits – The FY 2024/25 budget, including 4.6% salary savings, reflects an anticipated 5.7% increase in salaries and benefit costs compared to prior year adjusted budget and a 5.9% increase from the FY 2023/24 estimated numbers. The increase is attributed to anticipated increases in CalPERS and medical benefits rates, current bargaining unit agreements, and anticipated merit step increases. The Town and POA agreed to a successor MOU until June 30, 2027. Of note, the MOU includes a 6.5% salary increase effective the pay period including April 1, 2024, a 5% increase for FY 2025/26, and a 4% increase for FY 2026/27. The MOUs for the other two bargaining units expire June 30, 2024 and the Town is in the process of negotiating successor MOUs. The FY 2024/25 Proposed Budget reflects the POA increases, but there is no cost of living or other adjustments included for any other bargaining units or the non-represented groups. Staff will closely monitor salary and benefits costs and will return to Council if anticipated salary savings do not materialize.

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

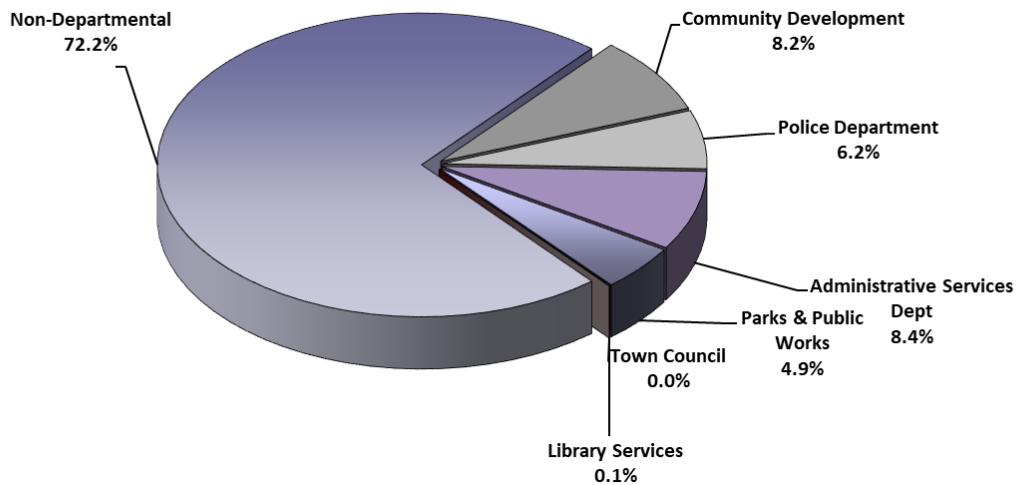
Internal Service Charges – These expenditures represent the service program costs charged back to the operational programs for Liability Insurance, Information Technology, Vehicle Replacement, and Building Maintenance services. The FY 2024/25 budget reflects increases in the Internal Service Charges reflecting scheduled replacements and increased liability premiums.

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.

GENERAL FUND REVENUES BY DEPARTMENT



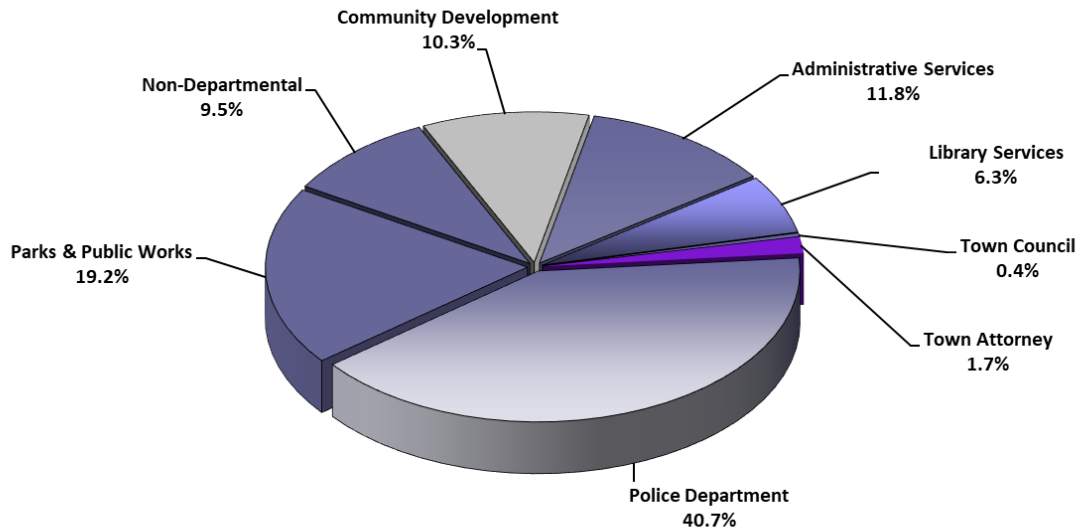
FY 2024/25 Departmental Revenues

Departments	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted	% of Total
Town Offices	\$ 33,646	\$ 1,099	\$ 9,082	\$ 20,989	\$ 20,989	\$ -	0.0%
Non-Departmental	32,989,617	34,400,997	36,926,190	37,698,557	37,436,383	38,879,989	72.2%
Administrative Services*	1,601,417	594,557	3,491,329	4,702,671	4,705,188	4,537,725	8.4%
Community Development	4,020,060	5,678,733	4,734,673	4,117,090	4,009,809	4,403,437	8.2%
Police Department	2,989,902	6,877,241	7,157,445	3,490,576	3,484,613	3,347,199	6.2%
Parks & Public Works	2,881,159	3,627,872	2,887,053	2,799,119	3,205,948	2,619,899	4.9%
Library Services	16,022	44,521	100,085	103,953	98,622	35,500	0.1%
Total General Fund Revenues	\$ 44,531,823	\$ 51,225,020	\$ 55,305,857	\$ 52,932,955	\$ 52,961,552	\$ 53,823,749	100%
Town Debt Payments	\$ 1,908,494	\$ 1,899,850	\$ 1,893,713	\$ 1,894,550	\$ 1,894,550	\$ 1,902,300	
Pension Trust**	37,811	690,000	711,618	390,000	690,000	390,000	
Compensated Absences**	-	-	-	-	-	-	
Transfers In	1,833,218	633,352	538,536	562,411	564,910	562,411	
Net Operating Revenues	\$ 48,311,346	\$ 54,448,222	\$ 58,449,724	\$ 55,779,916	\$ 56,111,012	\$ 56,678,460	

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

** Pension Trust and Compensated Absences are incorporated in the General Fund.

GENERAL FUND EXPENDITURES BY DEPARTMENT



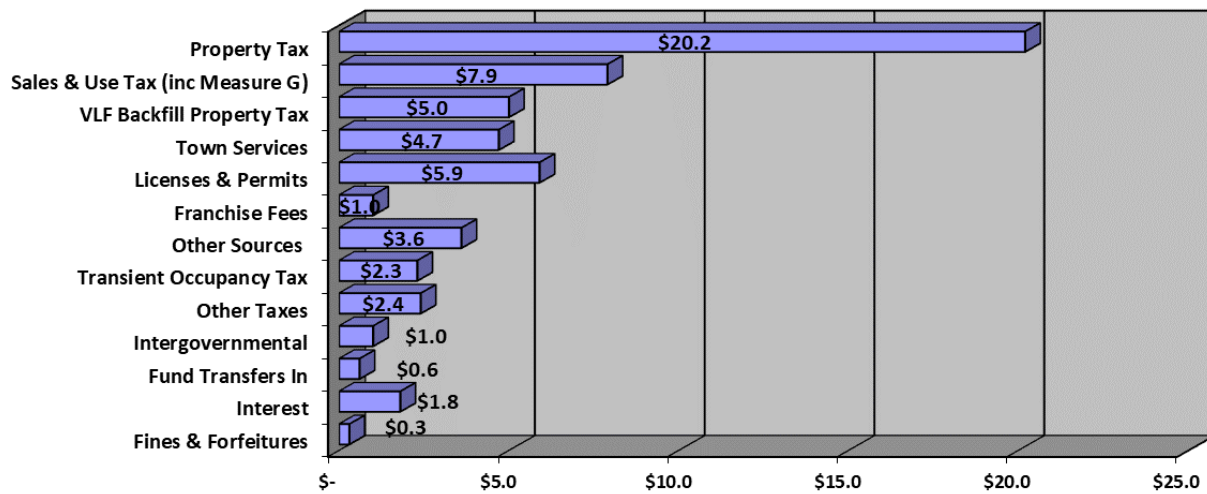
FY 2024/25 Departmental Expenditures

Departments	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted	% of Total
Police Department	\$ 16,570,836	\$ 16,451,189	\$ 18,446,040	\$ 20,547,933	\$ 20,924,555	\$ 22,021,478	40.7%
Parks & Public Works	8,179,757	8,605,455	8,998,082	10,146,589	10,140,403	10,394,394	19.2%
Non-Departmental	8,432,090	7,274,722	8,666,252	6,678,635	6,523,433	5,118,380	9.5%
Community Development	5,009,798	6,313,505	5,365,410	5,501,042	5,409,846	5,577,309	10.3%
Administrative Services*	4,730,360	5,441,605	5,302,277	6,557,982	5,878,639	6,397,312	11.8%
Library Services	2,828,873	2,752,401	3,096,485	3,223,573	3,175,016	3,398,712	6.3%
Town Council	192,280	189,569	186,337	184,395	193,212	206,236	0.4%
Town Attorney	537,296	629,935	699,143	937,706	822,209	943,589	1.7%
Total General Fund Exp	\$ 46,481,290	\$ 47,658,381	\$ 50,760,026	\$ 53,777,855	\$ 53,067,313	\$ 54,057,410	100%
Town Debt Payments	\$ 1,960,505	\$ 2,055,884	\$ 2,049,747	\$ 2,050,584	\$ 2,050,584	\$ 2,058,334	
Pension Trust**	707,789	-	1,455	-	-	-	
Compensated Absences**	-	-	-	-	-	-	
Transfers Out	4,582,641	1,751,787	3,006,978	1,615,000	2,045,000	1,110,000	
Net Operating Expenditures	\$ 53,732,225	\$ 51,466,052	\$ 55,818,206	\$ 57,443,439	\$ 57,162,897	\$ 57,225,744	

* 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	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted	% of Total
Property Tax	\$ 15,826,162	\$ 16,899,618	\$ 18,187,388	\$ 18,997,898	\$ 19,032,718	\$ 20,225,761	35.7%
VLF Backfill Property Tax	4,052,672	4,229,462	4,555,700	4,906,000	4,906,000	4,978,930	8.8%
Sales & Use Tax	6,794,218	7,177,597	7,507,068	6,960,850	6,636,696	6,597,351	11.6%
Measure G - District Sales Tax	1,139,386	1,306,076	1,299,409	1,239,743	1,244,373	1,288,166	2.3%
Franchise Fees	2,499,463	2,822,515	3,074,624	3,308,703	3,308,703	1,041,330	1.8%
Transient Occupancy Tax	1,044,820	1,895,064	2,228,190	2,262,528	2,264,484	2,332,419	4.1%
Other Taxes	1,386,943	1,481,667	2,361,862	2,429,419	2,429,419	2,421,000	4.3%
Licenses & Permits	2,999,711	4,839,489	3,300,910	3,290,579	3,274,517	5,867,564	10.4%
Intergovernmental	1,573,697	1,263,352	1,553,397	1,276,476	1,347,999	1,015,439	1.8%
Town Services	4,835,962	5,435,769	4,779,044	4,580,373	4,997,670	4,665,260	8.2%
Fines & Forfeitures	103,467	319,170	416,951	365,950	367,700	315,200	0.6%
Interest	96,061	(1,404,526)	605,789	1,566,384	1,567,130	1,764,425	3.1%
Other Sources	4,125,566	7,549,617	8,040,856	4,032,602	4,168,693	3,603,204	6.4%
Total Revenues	\$ 46,478,128	\$ 53,814,870	\$ 57,911,188	\$ 55,217,505	\$ 55,546,102	\$ 56,116,049	
Transfers In:	\$ 1,833,218	\$ 633,352	\$ 538,536	\$ 562,411	\$ 564,910	\$ 562,411	1.0%
Total Revenues & Transfers In	\$ 48,311,346	\$ 54,448,222	\$ 58,449,724	\$ 55,779,916	\$ 56,111,012	\$ 56,678,460	100%

FY 2024/25 General Fund revenues (excluding fund transfers in) expected to increase by 0.6% to \$55.9 million from FY 2023/24 estimated revenues. The Town's operations are funded through a variety of revenue sources as depicted above. Revenues were estimated by trend analysis and historical data as explained below:

Sales and Use Tax – The Town receives 1.0 cent of the 9.125 cents of sales tax paid per dollar of taxable sales generated in Town. Sales and Use Tax remains one of the General Fund's largest revenue sources. In addition, the Town collects an additional 0.125 cent in dedicated sales tax as a result of a voter approved ballot initiative in 2018. The FY 2024/25 budget reflects \$6.6 million in sales tax revenue and \$1.3 million in dedicated sales tax revenue. Combined, this represents a 0.1% increase from the FY 2023/24 estimates but a \$0.9 million dollar decrease from FY 2022/23 actual collections.

GENERAL FUND REVENUES BY CATEGORY

Property Tax – Property Tax revenues are still projected to increase by 6.3% compared to the prior year estimated revenues as property tax collection is based on the January 2023 assessment roll for FY 2023/24 projected by the Santa Clara County Assessor’s Office. The Town receives 9.3 cents of each property tax dollar paid by property owners. The remaining 90.7 cents of each dollar is distributed to several other taxing jurisdictions, including local schools, community college districts, the County of Santa Clara, Santa Clara County Central Fire Protection District, and other special districts that serve the community.

Town Services – Charges for Town Services decreased by 6.7% compared to FY 2023/24 estimated revenues, reflecting decreasing land use development and construction activity.

Licenses & Permits – Licenses and Permits increased by 66.7% compared to FY 2023/24 estimated revenues mainly due to reclassification of the Garbage Franchise Fee to Licenses and Permits.

Intergovernmental Revenues – Intergovernmental revenues reflect an increase in anticipated grant proceeds.

Franchise Fees – Compared to the prior fiscal year, Franchise Fees, including cable television, electric utility, and solid waste, have decreased by 68.5% compared to FY 2023/24 estimated revenues due to reclassification of the Garbage Franchise Fee to Encroachment Permit Fee within Licenses and Permits.

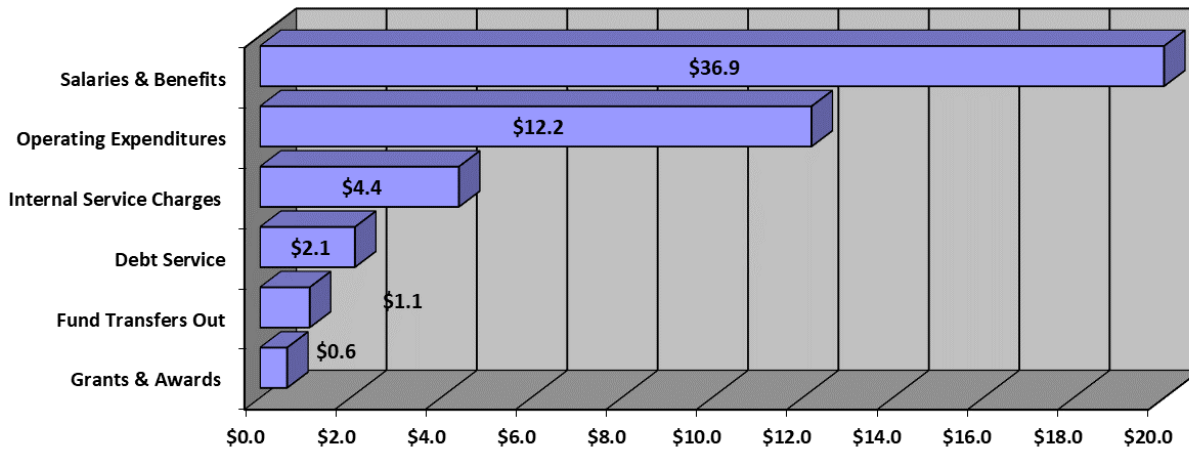
Transient Occupancy Tax – Transient Occupancy Tax (TOT) is expected to increase by 3.0% from FY 2023/24 estimated revenues.

Fines and Forfeitures – Fines and Forfeitures include traffic fines and administrative citations which are expected to decrease by 14.3% compared to FY 2023/24 estimated revenues.

Transfers In – Transfers in are expected to decrease by 0.4% from FY 2023/24 estimates.

Other Sources – Other sources includes the Town “Pass Through” programs and restricted pension trust fund activities, which decreased from FY 2023/24 estimates.

GENERAL FUND EXPENDITURES BY CATEGORY



Expenditure Category	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted	% of Total
Salaries & Benefits	\$ 30,297,504	\$ 30,192,747	\$ 32,719,665	\$ 34,877,039	\$ 34,819,169	\$ 36,880,157	64.3%
Operating Expenditures	14,276,602	14,251,679	14,517,317	14,457,209	14,045,673	12,180,265	21.3%
Fixed Assets	2,365	-	300,000	121,678	121,678	65,000	0.1%
Grants & Awards	298,303	606,449	625,427	957,000	719,081	558,000	1.0%
Debt Service	1,960,505	2,055,884	2,049,747	2,050,584	2,050,584	2,058,334	3.6%
Internal Service Charges	2,314,305	2,607,506	2,599,074	3,364,929	3,361,712	4,373,988	7.6%
Total Expenditures	\$ 49,149,584	\$ 49,714,265	\$ 52,811,230	\$ 55,828,439	\$ 55,117,897	\$ 56,115,744	
Transfers Out	\$ 4,582,641	\$ 1,751,787	\$ 3,006,978	\$ 1,615,000	\$ 2,045,000	\$ 1,110,000	1.9%
Total Exp & Transfers Out	\$ 53,732,225	\$ 51,466,052	\$ 55,818,208	\$ 57,443,439	\$ 57,162,897	\$ 57,225,744	100%

The FY 2024/25 General Fund Operating Budget (net of transfers out) represents a 1.3% increase compared to the net FY 2023/24 estimated operating expenditures (net of transfers out).

Salaries & Benefits – The delivery of Town services is highly dependent on talented staff which comprises 64.7% of budgeted General Fund expenditures for FY 2024/25. The FY 2024/25 budget, including 4.6% salary savings, reflects an anticipated 5.7% increase in salaries and benefit costs compared to prior year adjusted budget and a 5.9% increase from the FY 2023/24 estimated numbers. The increase is attributed to anticipated increases in CalPERS and medical benefits rates, current bargaining unit agreements, and anticipated merit step increases. The Town and POA agreed to a successor MOU until June 30, 2027. Of note, the MOU includes a 6.5% salary increase effective the pay period containing April 1, 2024, a 5% increase for FY 2025/26, and a 4% increase for FY 2026/27. The MOUs for the other two bargaining units expire June 30, 2024 and the Town is in the process of negotiating successor MOUs. The FY 2024/25 Proposed Budget reflects the POA increases, but there is no cost of living or other adjustments included to any other bargaining units or the non-represented groups. Staff will closely monitor salary and benefits cost and will return to Council if anticipated salary savings do not materialize.

Operating Expenditures – The FY 2024/25 operating expenditures decreased by 15.7% when compared to the FY 2023/24 adjusted budget. Prior Year budget included \$1.5 million revenue loss tracking expenditure.

Grants & Awards –The Town provides General Fund grants and awards to local nonprofit organizations for a variety of human, art, special events and educational services. In FY 2024/25 Town Council restored its Community Grant funding to the prior level of \$150,000.

Internal Service Charges – These expenditures represent the service program costs charged back to the operational programs for Liability Insurance, Information Technology, Vehicle Replacement, and Building Maintenance services. These costs increased to reflect higher Workers' Compensation rates and Town liability insurance premiums.

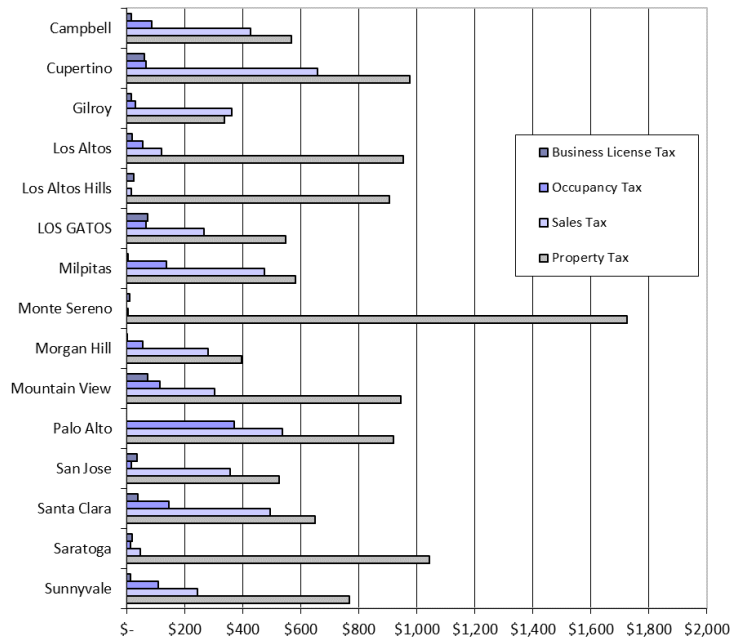
GENERAL FUND EXPENDITURES

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 \$1,110,000 to the Capital Projects Fund.

GENERAL FUND TAX REVENUES
CITIES OF SANTA CLARA COUNTY – TAX REVENUES PER CAPITA
(JUNE 30, 2023 DATA AVAILABLE AT THE TIME OF PUBLICATION)



Actual Tax Revenue Amounts and Per Capita as of June 30, 2023

Cities	Population	Property Tax		Sales Tax		Occupancy Tax		Business License Tax	
		Amount	Per Capita	Amount	Per Capita	Amount	Per Capita	Amount	Per Capita
Campbell	42,713	\$ 24,269,000	568	\$ 18,221,459	\$ 427	\$ 3,650,000	\$ 85	\$ 695,300	\$ 16
Cupertino ¹	66,274	64,722,779	977	43,646,813	659	4,404,958	66	4,141,902	62
Gilroy	58,000	19,538,705	337	21,029,959	363	1,754,615	30	908,165	16
Los Altos ²	31,526	30,086,157	954	3,738,113	119	1,778,966	56	612,218	19
Los Altos Hills ²	8,400	7,611,087	906	122,819	15	-	-	218,387	26
LOS GATOS	33,102	18,187,388	549	8,806,477	266	2,228,190	67	2,361,862	71
Milpitas	81,067	47,210,420	582	38,475,708	475	11,189,211	138	333,988	4
Monte Sereno ^{1,3}	3,500	6,036,696	1,725	22,366	6	-	-	34,034	10
Morgan Hill	45,892	18,143,284	395	12,827,678	280	2,562,041	56	147,660	3
Mountain View	83,601	79,030,456	945	25,394,032	304	9,521,577	114	5,995,843	72
Palo Alto	68,624	63,128,828	920	36,926,100	538	25,485,060	371	-	-
San Jose	959,256	505,293,995	527	343,472,084	358	14,936,816	16	35,468,894	37
Santa Clara	130,127	84,599,469	650	64,497,774	496	18,989,011	146	5,142,133	40
Saratoga ¹	30,163	31,487,793	1,044	1,381,033	46	431,270	14	540,643	18
Sunnyvale	156,317	120,086,118	768	38,358,415	245	16,962,728	109	1,985,280	13
Average	119,904	\$ 74,628,812	\$ 622	\$ 43,794,722	\$ 365	\$ 7,592,963	\$ 63	\$ 3,905,754	\$ 33

¹ Property tax amount includes Santa Clara County Central Fire District FY 2021/22

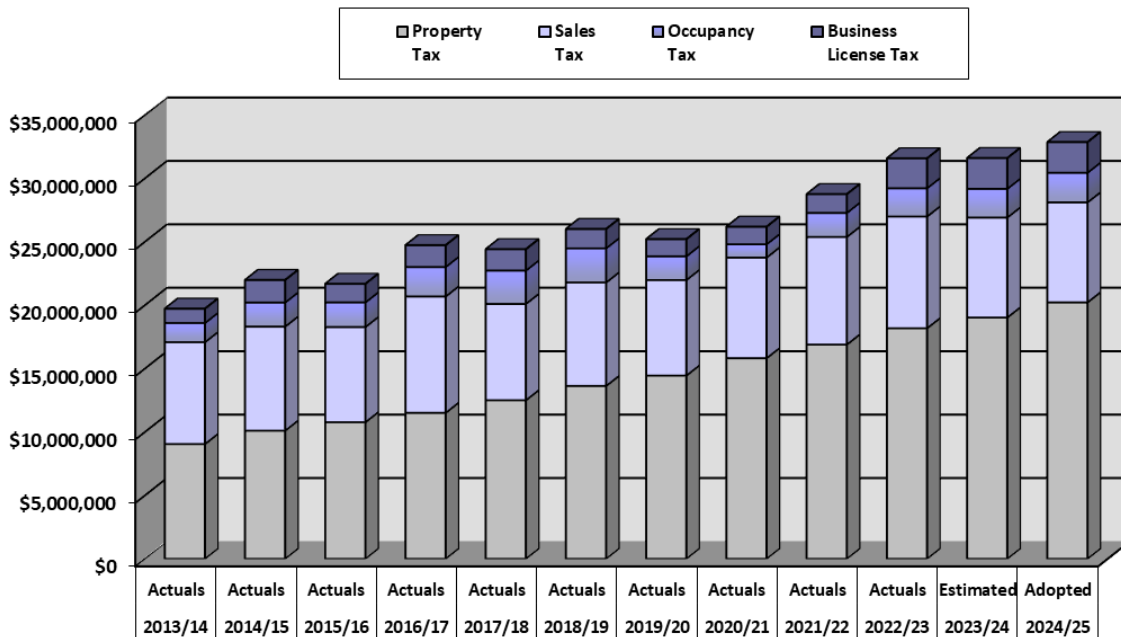
² FY 2021/22 Actuals

³ FY 2020/21 Actuals

Source: City of Morgan Hill 2023 Comprehensive Annual Financial Report

GENERAL FUND TAX REVENUES

BUDGET WITH 10 YEAR HISTORY



Fiscal Year		Property Tax	Sales Tax	Occupancy Tax	Business License Tax	Sum of Key Revenues	Change from Prior Year
2013/14	Actuals	\$ 9,054,908	\$ 8,029,571	\$ 1,512,846	\$ 1,130,020	\$ 19,727,345	(4.6%)
2014/15	Actuals	\$ 10,113,287	\$ 8,202,678	\$ 1,896,721	\$ 1,779,407	\$ 21,992,093	11.5%
2015/16	Actuals	\$ 10,779,434	\$ 7,501,175	\$ 1,943,166	\$ 1,465,546	\$ 21,689,321	(1.4%)
2016/17	Actuals	\$ 11,518,257	\$ 9,171,373	\$ 2,322,910	\$ 1,720,980	\$ 24,733,520	14.0%
2017/18	Actuals	\$ 12,510,822	\$ 7,592,206	\$ 2,628,927	\$ 1,686,251	\$ 24,418,206	(1.3%)
2018/19	Actuals	\$ 13,636,099	\$ 8,158,152	\$ 2,692,043	\$ 1,526,894	\$ 26,013,188	6.5%
2019/20	Actuals	\$ 14,454,513	\$ 7,531,425	\$ 1,869,685	\$ 1,357,080	\$ 25,212,703	(3.1%)
2020/21	Actuals	\$ 15,826,162	\$ 7,933,604	\$ 1,044,820	\$ 1,386,943	\$ 26,191,529	3.9%
2021/22	Actuals	\$ 16,899,618	\$ 8,483,673	\$ 1,895,064	\$ 1,481,667	\$ 28,760,022	9.8%
2022/23	Actuals	\$ 18,187,388	\$ 8,806,477	\$ 2,228,190	\$ 2,361,862	\$ 31,583,917	9.8%
2023/24	Estimated	\$ 19,032,718	\$ 7,881,069	\$ 2,264,484	\$ 2,429,419	\$ 31,607,690	0.1%
2024/25	Adopted	\$ 20,225,761	\$ 7,885,517	\$ 2,332,419	\$ 2,421,000	\$ 32,864,697	4.1%

GENERAL FUND
FY 2024/25 ESTIMATED FUND BALANCE ACTIVITY

Use of / Addition to GF Reserves:	Estimated July 1, 2024 Balance	Revenues & Transfers In	Expenditures and Transfers Out	Fund Balance Sources (Uses)	Estimated June 30, 2025 Balance
<i>Unreserved Fund Balances</i>					
Undesignated Reserves					
Available to be Appropriated	\$ -	\$ 56,678,459	\$ 57,225,743	\$ 1,547,284	\$ 1,000,000
<i>Restricted Fund Balances</i>					
Pension Trust	2,090,163	-	-	390,000	2,480,163
Property Held for Resale	44,338	-	-	-	44,338
<i>Committed to:</i>					
Budget Stabilization Reserve	6,736,781	-	-	-	6,736,781
Catastrophic Reserves	6,736,781	-	-	-	6,736,781
Pension/OPEB Reserve	300,000	-	-	-	300,000
Measure G District Sales Tax - Operating	590,581	-	-	(568,051)	22,530
<i>Assigned to:</i>					
Open Space Reserve	410,000	-	-	-	410,000
Sustainability	140,553	-	-	-	140,553
Capital/Special Projects	8,208,514	-	-	(1,143,000)	7,065,514
Authorized Carryforwards	37,698	-	-	-	37,698
Compensated Absences*	1,580,623	-	-	-	1,580,623
Market Fluctuations	-	-	-	-	-
ERAF Risk	1,430,054	-	-	(214,900)	1,215,154
Rehab Loan (Non - Spendable)	159,000	-	-	-	159,000
Council Priorities - Economic Recovery	11,333	-	-	(11,333)	-
Total Use of and Addition To Reserves	\$ 28,476,419	\$ 56,678,459	\$ 57,225,743	\$ -	\$ 27,929,135

The balances are estimates and will be finalized upon closing FY 2023/24 and FY 2024/25.

FY 2023/24 & FY 2024/25 ESTIMATED FUND BALANCE ACTIVITY

	Restricted for Pension	Land Held for Resale	Budget Stabilization	Catastrophic	Pension/OPEB	Open Space	Sustainability	Capital/Special Projects	Carryforward Encumbrances	Compensated Absences	Measure G District Sales Tax - Operating	Council Priorities - Economic Recovery	ERAF Risk	Rehab Loan (Non-Spendable)	Estimated FY 2023/24 Balance to be Allocated	Total GF Balance	
Estimated FY 2023/24 Actions	Actual General Fund Balance June 30, 2023	\$ 44,338	\$ 6,129,774	\$ 6,129,775	\$ 300,000	\$ 410,000	\$ 140,553	\$ 10,359,577	\$ 37,698	\$ 1,580,623	\$ 590,581	\$ 1,556,614	\$ 689,608	\$ 159,000	\$ -	\$ 29,528,304	
	Additional Capital Projects							(1,615,000)									
	Regular Payment to IRS 115 Pension Trust (CEPPT)	390,000															
	Pension/OPEB Reserve to IRS 115 Pension Trust (CEPPT)	300,000			(300,000)												
	Council Priorities - Economic Recovery (FY 2023/24 Estimated Use)											(1,545,281)					
	FY 2023/24 Estimated Transfer to General Liability							(430,000)									
	FY 2023/24 Estimated Surplus to be Allocated														1,107,950		
	Reserve 25% of FY 2022/23 GF Operating Expenditure (per General Fund Reserve Policy)			571,632	571,631			(1,143,263)									
	To Pension OPEB Reserve (per General Fund Reserve Policy)					300,000											
	30% of ERAF Proceeds to ERAF Risk Reserve													740,446			
Capital/Special Projects Reserve (per General Fund Reserve Policy)								1,107,950							(1,107,950)		
Proposed FY 2024/25 Actions	Estimated General Fund Balance June 30, 2024	\$ 2,090,163	\$ 44,338	\$ 6,701,406	\$ 6,701,406	\$ 300,000	\$ 410,000	\$ 140,553	\$ 8,279,264	\$ 37,698	\$ 1,580,623	\$ 590,581	\$ 11,333	\$ 1,430,054	\$ 159,000	\$ -	\$ 28,476,419
	Additional Capital Projects per Proposed Budget								(1,143,000)								
	Additional to Interim Community Center											(11,333)					
	30% of ERAF Proceeds to ERAF Risk Reserve												785,100				
	Regular Payment to IRS 115 Pension Trust (CEPPT)	390,000															
	One Time Use for one Time Expenditures																
	FY2024/25 Estimated Surplus to be Allocated										(568,051)						
	Estimated General Fund Balance June 30, 2025	\$ 2,480,163	\$ 44,338	\$ 6,701,406	\$ 6,701,406	\$ 300,000	\$ 410,000	\$ 140,553	\$ 7,136,264	\$ 37,698	\$ 1,580,623	\$ 22,530	\$ -	\$ 2,215,154	\$ 159,000	\$ -	\$ 27,929,135

SCHEDULE OF INTERFUND TRANSFERS
FISCAL YEAR 2023/24 & 2024/25

Fund Description	Estimated		Adopted Budget	
	2023/24	2023/24	2024/25	2024/25
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Funds				
General Fund	\$ 564,910	\$ 2,045,000	\$ 562,411	\$ 1,110,000
Special Revenue Funds				
Urban Run-Off Program	-	-	-	-
Landscape & Lighting Districts				
Blackwell District	-	460	-	460
Kennedy Meadows District	-	1,510	-	1,510
Gemini Court District	-	610	-	610
Santa Rosa Heights District	-	660	-	660
Vasona Heights District	-	1,430	-	1,430
Hillbrook District	-	250	-	250
Internal Service Funds				
Liability Self Insurance-Fund	430,000	-	-	-
Worker's Comp Self Insurance	-	-	-	-
Information Technology	-	-	-	-
Equipment Fund	-	-	-	-
Facilities Maintenance Fund	-	-	-	-
Capital Project Funds				
GFAR	1,615,000	441,491	1,110,000	441,491
Grant Funded CIP Projects	-	-	-	-
Storm Drain #1	-	-	-	-
Storm Drain #2	-	-	-	-
Storm Drain #3	-	-	-	-
Traffic Mitigation	-	12,499	-	10,000
Construction Utility Underground	-	-	-	-
Gas Tax - Street & Signal	-	106,000	-	106,000
Total Transfers	\$ 2,609,910	\$ 2,609,910	\$ 1,672,411	\$ 1,672,411

FUND BALANCE ACTIVITY SUMMARY

FISCAL YEAR 2024/25

	7/1/24 Estimated Fund Balance	Fiscal Year 2024/25 Adopted Budget					6/30/25 Estimated Fund Balance	
		Plus		Less				
		Revenues & Carryforwards	Transfers In	Expenditures & Carryforwards	Transfers Out	Use of Reserves		
GENERAL FUND								
Unreserved Fund Balances								
<i>Undesignated Reserves</i>								
Available to be Appropriated	\$ -	\$ 56,116,048	\$ 562,411	\$ 56,115,743	\$ 1,110,000	\$ 547,284	\$ -	
Restricted Fund Balances								
Pension Trust	2,090,163	-	-	-	-	390,000	2,480,163	
Property Held for Resale	44,338	-	-	-	-	-	44,338	
Committed to:								
Budget Stabilization Reserve	6,736,781	-	-	-	-	-	6,736,781	
Catastrophic Reserves	6,736,781	-	-	-	-	-	6,736,781	
Pension/OPEB Reserve	300,000	-	-	-	-	1,000,000	1,300,000	
Measure G District Sales Tax - Operating	590,581	-	-	-	-	(568,051)	22,530	
Assigned to:								
Open Space Reserve	410,000	-	-	-	-	-	410,000	
Sustainability	140,553	-	-	-	-	-	140,553	
Strategy Reserve	-	-	-	-	-	-	-	
Capital/Special Projects	8,208,514	-	-	-	-	(1,143,000)	7,065,514	
Authorized Carryforwards	37,698	-	-	-	-	-	37,698	
Compensated Absences*	1,580,623	-	-	-	-	-	1,580,623	
ERAF Risk	1,430,054	-	-	-	-	(214,900)	1,215,154	
Rehab Loan (Non - Spendable)	159,000	-	-	-	-	-	159,000	
Council Priorities - Economic Recovery	11,333	-	-	-	-	(11,333)	-	
Total General Fund Reserves	\$ 28,476,419	\$ 56,116,048	\$ 562,411	\$ 56,115,743	\$ 1,110,000	\$ -	\$ 27,929,135	

General Fund Undesignated Reserves reflect ongoing revenues, carryforwards, transfers, expenditures, the net effect of the change in Designated Reserves, and the use of Undesignated Reserves.

- **FY 2024/25 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 2024/25 year-end, with funding offset by undesignated reserves.**
- **General Fund Reserve Policy requires a minimum of 25% of General Fund operating expenditures equally divided between the Budget Stabilization Reserve and Catastrophic Reserve.**
- **In FY 2015/16, Council established a General Fund Pension/Other Post-Employment Benefits (OPEB) Reserve Account. At the same time, the Council revised the General Fund Reserve Policy to provide for a maximum of \$300,000 in General Fund Year End Savings upon year-end close to be deposited in the Pension/OPEB Reserve Account and used as authorized by Town Council.**
- **Undesignated Fund Balance is a year-end fund balance not yet identified by the Town Council for a specific purpose. The Town General Fund Reserve Policy requires full funding of the Catastrophic and Budget Stabilization Reserves, distribution to the Pension/OPEB Reserve, and any remaining balance to the Capital/Special Projects Reserve.**

SPECIAL REVENUE FUNDS							
Housing Conservation Program	\$ 177,241	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 177,241
Community Dev Block Grant	(10,587)	-	-	-	-	-	(10,587)
Urban Run-Off Source Fund	708,678	163,690	-	278,884	-	-	593,484
Blackwell Assessment District	13,921	3,210	-	2,612	460	-	14,059
Kennedy Assessment District	15,748	10,605	-	10,365	1,510	-	14,478
Gemini Assessment District	43,525	4,750	-	1,132	610	-	46,533
Santa Rosa Assessment District	28,032	4,550	-	7,496	660	-	24,426
Vasona Assessment District	40,838	10,075	-	7,589	1,430	-	41,894
Hillbrook Assessment District	27,413	6,040	-	6,286	250	-	26,917
ARPA	-	-	-	-	-	-	-
Los Gatos Theatre	131,687	57,960	-	119,685	-	-	69,962
Library Trust	69,356	71,000	-	80,000	-	-	60,356
Ness Trust Bequest	22,949	400	-	23,002	-	-	347
Betty McClendon Trust	88,777	1,000	-	1,000	-	-	88,777
Barbara J Cassin Trust	364,485	4,000	-	4,000	-	-	364,485
Total Special Revenue Funds Reserves	\$ 1,722,063	\$ 337,280	\$ -	\$ 542,051	\$ 4,920	\$ -	\$ 1,512,372

FUND BALANCE ACTIVITY SUMMARY

FISCAL YEAR 2024/25

	Fiscal Year 2024/25 Adopted Budget							
	7/1/24 Estimated Fund Balance	Plus Revenues & Carryforwards	Transfers In	Less Expenditures & Carryforwards	Transfers Out	Use of Reserves	6/30/25 Estimated Fund Balance	
INTERNAL SERVICE FUNDS								
Liability Self-Insurance	\$ 94,685	\$ 1,507,435	\$ -	\$ 1,540,481	\$ -	\$ -	\$ 61,639	
Worker's Comp Self-Insurance	80,451	1,905,154	-	1,826,050	-	-	159,555	
Information Technology	2,494,446	914,113	-	1,105,331	-	-	2,303,228	
Equipment Replacement	3,057,509	1,123,659	-	1,690,462	-	-	2,490,706	
Facilities Maintenance	789,757	1,396,548	-	1,404,667	-	-	781,638	
Total Internal Service Funds Reserves	\$ 6,516,848	\$ 6,846,909	\$ -	\$ 7,566,991	\$ -	\$ -	\$ 5,796,766	
Equipment Replacement Fund Balance is the accumulation of replacement funding-to-date for assets. Revenues are the pro-rated annual charges to Departments for asset replacement, and expenditures reflect the cost of equipment up for replacement in this fiscal year. The Fund will continue to reallocate Fund Balance as a transfer to the General Fund for assets that have accumulated replacement costs and have been identified as no longer being part of the Replacement Schedule.								
CAPITAL PROJECTS FUNDS								
GFAR*	\$ 20,110,100	\$ 2,917,670	\$ 1,110,000	\$ 4,243,046	\$ 441,491	\$ -	\$ 19,453,233	
Grant Funded CIP Projects	(9,161,855)	663,323	-	640,000	-	-	(9,138,532)	
Storm Drain #1	1,396,148	50,880	-	336,667	-	-	1,110,361	
Storm Drain #2	2,121,680	54,850	-	86,667	-	-	2,089,863	
Storm Drain #3	(118,810)	1,100	-	86,667	-	-	(204,377)	
Traffic Mitigation	275,745	-	-	-	10,000	-	265,745	
Construction Tax-Undergrounding	3,474,992	45,590	-	-	-	-	3,520,582	
Gas Tax	1,815,021	1,784,585	-	1,678,585	106,000	-	1,815,021	
Total Capital Projects Funds Reserves	\$ 19,913,021	\$ 5,517,998	\$ 1,110,000	\$ 7,071,632	\$ 557,491	\$ -	\$ 18,911,896	
GFAR, Grant Funds, Storm Drain Funds, and Gas Tax Fund Balances reflect the spending down of available funds in FY 2024/25 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	\$ 3,967,601	\$ 3,828,264	\$ -	\$ 3,816,107	\$ -	\$ -	\$ 3,979,758	
Total SA of the Los Gatos RDA Funds Reserves	\$ 3,967,601	\$ 3,828,264	\$ -	\$ 3,816,107	\$ -	\$ -	\$ 3,979,758	
TOTAL RESERVES	\$ 60,595,952	\$ 72,646,499	\$ 1,672,411	\$ 75,112,524	\$ 1,672,411	\$ -	\$ 58,129,927	

* GFAR includes Funds 411 and 412

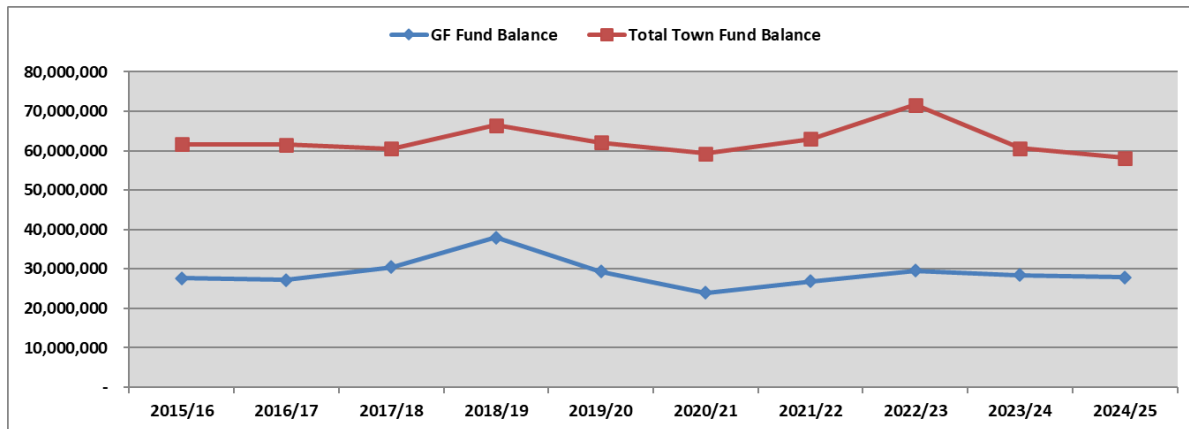
FUND BALANCE RESERVES

5 YEAR COMPARATIVE BALANCES

	6/30/2021 Actual YE Balance	6/30/2022 Actual YE Balance	6/30/2023 Actual YE Balance	6/30/2024 Estimated YE Balance	6/30/2025 Budgeted YE Balance
Fund Balance Reserves					
GENERAL FUND					
Restricted Fund Balances					
Pension	\$ -	\$ 690,000	\$ 1,400,163	\$ 2,090,163	\$ 2,480,163
Land Held for Resale	-	-	44,338	44,338	44,338
Unreserved Fund Balances					
Undesignated Reserves					
Available to be Appropriated	-	-	-	-	-
Committed to:					
Budget Stabilization Reserve	5,460,485	5,991,566	6,129,774	6,736,781	6,736,781
Catastrophic Reserves	5,460,485	5,991,566	6,129,775	6,736,781	6,736,781
Pension/OPEB Reserve	300,000	300,000	300,000	300,000	1,300,000
Measure G District Sales Tax - Operating	-	-	590,581	590,581	22,530
Assigned to:					
Open Space Reserve	410,000	410,000	410,000	410,000	410,000
Sustainability	140,553	140,553	140,553	140,553	140,553
Strategic Planning Reserve	-	-	-	-	-
Capital/Special Projects	6,965,356	11,071,231	10,359,577	8,208,514	7,065,514
Authorized Carryforwards	-	33,145	37,698	37,698	37,698
Compensated Absences*	1,649,917	1,519,147	1,580,623	1,580,623	1,580,623
To Workers Comp	-	-	-	-	-
Market Fluctuations	438,333	-	-	-	-
Measure G District Sales Tax - Op/Cap	1,730,490	590,581	-	-	-
Stores and Vehicle Maintenance	-	-	689,608	1,430,054	1,215,154
Surplus Property Reserve	1,200,000	-	-	-	-
Rehab Loan (Nonspendable)	159,000	159,000	159,000	159,000	159,000
Council Priorities - Economic Recovery	-	-	1,556,614	11,333	-
Total General Fund Reserves*	\$ 23,914,619	\$ 26,896,789	\$ 29,528,304	\$ 28,476,419	\$ 27,929,135
SPECIAL REVENUE FUNDS					
Housing Conservation Program	\$ 177,241	\$ 177,241	\$ 177,241	\$ 177,241	\$ 177,241
Community Dev Block Grant	(10,587)	(10,587)	(10,587)	(10,587)	(10,587)
Urban Run-Off Source Fund	371,240	451,558	629,843	708,678	593,484
Blackwell Assessment District	14,085	13,740	14,155	13,921	14,059
Kennedy Assessment District	20,416	21,340	19,938	15,748	14,478
Gemini Assessment District	34,415	36,800	39,961	43,525	46,533
Santa Rosa Assessment District	45,970	40,708	36,369	28,032	24,426
Vasona Assessment District	34,727	37,510	40,265	40,838	41,894
Hillbrook Assessment District	22,743	24,138	26,277	27,413	26,917
Los Gatos Theatre	-	19,500	74,991	131,687	69,962
Library Trust	81,598	82,062	54,347	69,356	60,356
Ness Trust Bequest	21,939	22,178	22,564	22,949	347
Betty McClendon Trust	88,005	88,260	88,777	88,777	88,777
Barbara J Cassin Trust	361,335	362,754	364,485	364,485	364,485
Total Special Revenue Funds Reserves	\$ 1,263,127	\$ 1,367,202	\$ 1,578,626	\$ 1,722,063	\$ 1,512,372

FUND BALANCE RESERVES 5 YEAR COMPARATIVE BALANCES

Fund Balance Reserves	6/30/2021 Actual YE Balance	6/30/2022 Actual YE Balance	6/30/2023 Actual YE Balance	6/30/2024 Estimated YE Balance	6/30/2025 Budgeted YE Balance
INTERNAL SERVICE FUNDS					
Liability Self-Insurance	\$ 1,021,083	\$ 803,292	\$ 212,022	\$ 94,685	\$ 61,639
Worker's Comp Self-Insurance	1,673,019	1,295,185	514,813	80,451	159,555
Information Technology	2,870,823	2,990,932	2,474,618	2,494,446	2,303,228
Equipment Replacement	1,889,536	2,222,395	2,413,719	3,057,509	2,490,706
Facilities Maintenance	156,340	928,481	927,700	789,757	781,638
Total Internal Service Funds Reserves	\$ 7,610,801	\$ 8,240,285	\$ 6,542,872	\$ 6,516,848	\$ 5,796,766
CAPITAL PROJECTS FUNDS					
GFAR	\$ 13,973,631	\$ 14,783,774	\$ 21,725,820	\$ 20,110,100	\$ 19,453,234
GFAR - Designated for Parking	1,460,210	-	-	-	-
Grant Funded CIP Projects	(699,245)	(948,603)	(406,890)	(9,161,855)	(9,138,532)
Storm Drain #1	1,078,286	1,168,025	1,279,350	1,396,148	1,110,361
Storm Drain #2	1,968,245	2,205,726	2,089,860	2,121,680	2,089,863
Storm Drain #3	(128,840)	(154,940)	(150,879)	(118,810)	(204,377)
Traffic Mitigation	381,319	405,570	431,079	275,745	265,745
Construction Tax-Undergrounding	3,201,311	3,302,514	3,438,996	3,474,992	3,520,582
Gas Tax	1,425,096	1,836,068	1,671,245	1,815,021	1,815,021
Total Capital Projects Funds Reserves	\$ 22,660,013	\$ 22,598,134	\$ 30,078,581	\$ 19,913,021	\$ 18,911,897
Successor Agency Trust of the Los Gatos RDA					
SA - Trust Fund (Budgetary Fund Balance)	\$ 3,881,357	\$ 3,892,454	\$ 3,957,192	\$ 3,967,601	\$ 3,979,758
Total Successor Agency Fund Reserves	\$ 3,881,357	\$ 3,892,454	\$ 3,957,192	\$ 3,967,601	\$ 3,979,758
TOTAL RESERVES	\$ 59,329,917	\$ 62,994,864	\$ 71,685,575	\$ 60,595,952	\$ 58,129,928



DEPARTMENT REVENUES BY PROGRAM

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
Town Offices						
1101 Town Council	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1301 Town Attorney	33,646	1,099	9,082	20,989	20,989	-
1302 Liability Self-Insurance Fund	376,963	366,134	397,216	784,024	788,357	1,507,435
Total Town Offices	\$ 410,609	\$ 367,233	\$ 406,298	\$ 805,013	\$ 809,346	\$ 1,507,435
Administrative Services Department						
1201 Non-Departmental	\$ 35,327,247	\$ 36,711,281	\$ 39,135,519	\$ 39,932,598	\$ 39,670,427	\$ 41,121,779
1231 Pension Trust- PARS	-	-	-	-	-	-
1232 Pension Trust- CEPPT	37,811	690,000	711,618	390,000	690,000	390,000
2101 Town Manager Administration	3,216	72,911	105,963	244,868	246,450	29,300
2102 Community Grants	60,000	344,597	305,403	375,000	375,000	250,000
2201 Human Resources	-	-	-	-	-	-
2202 Workers' Compensation Fund	1,245,328	1,155,211	1,132,773	1,263,827	1,329,698	1,905,154
2301 Finance & Administrative Services	1,538,201	177,048	3,079,953	4,082,803	4,083,549	4,258,425
2401 Clerk Administration	-	-	10	-	189	-
2502 Information Technology Management	-	-	-	-	-	-
2501 Information Technology Systems	973,254	998,157	755,098	735,656	715,028	914,113
Total Administrative Services	\$ 39,385,968	\$ 43,563,166	\$ 48,841,209	\$ 47,024,752	\$ 47,110,341	\$ 48,868,771
Community Development						
3101 Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3201 Developmental Review	677,472	796,811	701,426	729,500	729,500	677,000
3202 Advanced Planning	590,875	725,051	808,758	240,000	240,000	240,000
3301 Inspection Services	2,049,840	2,188,499	2,234,559	2,285,114	2,254,600	2,699,600
3401 Code Compliance	3,300	18,543	10,950	12,500	12,500	10,000
3501 BMP Housing Program	190,741	1,369,864	512,081	275,476	198,709	204,337
3999 Pass Thru Accounts	507,833	579,965	466,899	574,500	574,500	572,500
Total Community Development	\$ 4,020,061	\$ 5,678,733	\$ 4,734,673	\$ 4,117,090	\$ 4,009,809	\$ 4,403,437
Police Department						
4101 Administration	\$ 20,575	\$ 18,005	\$ 73,409	\$ 53,670	\$ 37,670	\$ 55,670
4201 Records & Communication	4,449	5,868	5,688	4,372	5,372	5,372
4202 Personnel & Community Services	485,554	526,481	512,183	520,900	512,200	538,000
4301 Patrol	1,534,407	5,267,978	5,515,529	1,860,763	1,865,961	1,929,847
4302 Traffic	493,610	429,270	369,489	329,943	374,435	154,200
4303 Investigations	188,692	168,360	227,208	168,749	169,261	168,749
4304 Parking Program	147,729	304,786	438,851	343,500	361,200	311,500
4800 Grants Program - Police	1,366	57,139	11,881	113,200	92,926	154,426
4999 Pass Thru Accounts	-	4,538	3,206	95,479	65,588	29,435
Total Police Department	\$ 2,876,382	\$ 6,782,425	\$ 7,157,444	\$ 3,490,576	\$ 3,484,613	\$ 3,347,199

DEPARTMENT REVENUES By PROGRAM

		2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
Parks & Public Works							
5101	Administration	\$ 2,094	\$ 727	\$ 20,306	\$ 209	\$ 209	\$ -
5201	Engineering Program Services	74,835	143,021	124,781	-	-	-
5202	Engineering Development Svcs	1,274,661	1,789,775	1,297,405	1,037,000	1,307,196	1,044,500
5203	Non-Point Source Fund	299,478	275,290	382,381	359,950	359,950	163,690
5301	Park Services	243,074	296,778	344,224	190,379	190,379	194,351
5302	Environmental Services	225,022	348,303	299,835	517,234	519,147	281,241
5401	Street & Signals	261,532	263,663	141,104	194,565	294,285	195,316
5402	Equipment Replacement	327,398	589,441	718,283	1,066,429	1,047,838	1,123,659
5404	Facilities Maintenance	1,181,024	1,993,133	1,333,444	1,252,523	1,252,923	1,396,548
5405	Property Damage	2,345	12,850	22,258	140,241	140,241	-
5408	Los Gatos Theatre	-	19,500	108,237	174,000	174,060	57,960
5501	Lighting & Landscape Districts	40,984	40,476	41,219	39,230	39,230	39,230
5999	Pass Thru Accounts	481,981	457,138	321,525	380,000	415,000	565,000
8011	GFA	3,332,812	5,561,730	9,967,728	4,379,334	3,676,999	2,917,670
8021	Grant Funded CIP Projects	342,973	8,505,080	1,693,216	15,772,990	1,380,024	663,323
8031	Storm Drain #1	43,765	89,739	111,325	49,990	116,798	50,880
8032	Storm Drain #2	115,127	250,881	102,215	54,790	31,820	54,850
8033	Storm Drain #3	(868)	(251)	4,060	890	32,069	1,100
8041	Traffic Mitigation	397,093	552,042	725,597	213,380	-	-
8042	Utility Undergrounding	107,764	101,629	136,482	45,190	35,996	45,590
8051	Gas Tax - Street & Signals	1,283,966	1,385,187	1,617,538	1,714,376	1,714,376	1,784,585
Total Parks & Public Works		\$ 10,037,060	\$ 22,676,132	\$ 19,513,163	\$ 27,582,700	\$ 12,728,540	\$ 10,579,493
Library							
7101	Administration	\$ -	\$ 50	\$ -	\$ -	\$ -	\$ -
7201	Adult Services	-	35,000	35,000	35,000	35,000	35,000
7202	Children's Services	-	-	-	-	-	-
7203	Acquisitions & Cataloging	-	-	-	-	-	-
7204	Circulation Services	-	471	2,039	250	450	500
7801	Operating Grant	16,022	9,000	63,046	68,703	63,172	-
7301	Library Trust	39,159	72,077	78,326	88,300	90,009	71,000
7302	Clelles Ness Bequest Trust	279	239	385	-	385	400
7304	Betty McClendon Trust	1,128	954	1,518	900	900	1,000
7305	Barbara J Cassin Trust	4,610	3,919	6,230	3,900	3,900	4,000
Total Library		\$ 61,198	\$ 121,710	\$ 186,544	\$ 197,053	\$ 193,816	\$ 111,900
Successor Agency to the Los Gatos RDA							
9403	SA- Admin Services	\$ 27,414	\$ 25,999	\$ 33,607	\$ 20,664	\$ 20,664	\$ 20,664
9404	SA- Debt to 2002 COP	1,360,662	1,357,508	1,376,944	1,343,350	1,343,350	1,349,750
9405	SA-Debt to 2010 COP	2,483,836	2,469,695	2,506,074	2,447,650	2,447,650	2,457,850
Total SA to the Los Gatos RDA		\$ 3,871,912	\$ 3,853,203	\$ 3,916,625	\$ 3,811,664	\$ 3,811,664	\$ 3,828,264
Transfers In		5,267,697	2,385,140	4,278,514	2,177,411	2,609,910	1,672,411
Total Revenues by Department:		\$ 65,930,887	\$ 85,427,742	\$ 89,034,470	\$ 89,206,259	\$ 74,758,039	\$ 74,318,910

DEPARTMENTAL EXPENDITURES BY PROGRAM

		2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
Town Offices							
1101	Town Council	\$ 192,280	\$ 189,569	\$ 186,337	\$ 184,395	\$ 193,212	\$ 206,236
1301	Town Attorney	537,296	629,935	699,142	937,706	822,209	943,589
1302	Liability Self-Insurance Fund	646,495	583,924	988,486	1,330,795	1,335,694	1,540,481
Total Town Offices		\$ 1,376,071	\$ 1,403,428	\$ 1,873,965	\$ 2,452,896	\$ 2,351,115	\$ 2,690,306
Administrative Services Department							
1201	Non-Departmental	\$ 10,392,595	\$ 9,330,607	\$ 10,715,999	\$ 8,729,220	\$ 8,574,017	\$ 7,176,712
1231	Pension Trust - PARS	-	-	-	-	-	-
1232	Pension Trust - CEPPT	707,789	-	1,455	-	-	-
1241	ARPA	200,911	3,413,961	3,614,872	-	-	-
2101	Town Manager Administration	1,257,889	1,362,014	1,481,157	1,845,845	1,638,827	1,900,854
2102	Community Grants	207,801	464,610	489,571	626,000	520,002	300,000
2201	Human Resources	782,478	1,008,583	834,201	1,170,156	912,580	1,182,134
2301	Finance & Administrative Services	1,436,560	1,594,731	1,421,711	1,798,571	1,674,905	1,798,184
2401	Clerk Administration	416,204	430,781	474,755	463,689	489,303	531,411
2502	Information Technology Management	629,427	580,887	600,882	653,721	643,022	684,728
2803	Tobacco Prevention Initiatives	-	-	-	-	-	-
2999	Pass Through	-	-	-	-	-	-
2202	Workers' Compensation Fund	1,381,049	1,533,045	1,913,144	1,780,264	1,764,060	1,826,050
2501	Information Technology Systems	668,834	878,049	538,412	1,031,695	695,200	1,105,331
Total Administrative Services		\$ 18,081,537	\$ 20,597,268	\$ 22,086,159	\$ 18,099,161	\$ 16,911,916	\$ 16,505,404
Community Development							
3101	Administration	\$ 275,911	\$ 252,082	\$ 244,096	\$ 292,196	\$ 284,909	\$ 289,844
3201	Developmental Review	1,519,572	1,426,338	1,586,937	1,742,488	1,699,572	1,749,554
3202	Advanced Planning	847,375	871,233	707,228	684,497	694,264	737,063
3301	Inspection Services	1,416,644	1,557,244	1,605,822	1,636,050	1,639,548	1,677,461
3401	Code Compliance	251,723	256,780	286,684	319,196	318,344	346,551
3501	BMP Housing Program	190,740	1,369,863	467,743	252,117	198,709	204,337
3999	Pass Thru Accounts	507,833	579,965	466,899	574,500	574,500	572,500
Total Community Development		\$ 5,009,798	\$ 6,313,505	\$ 5,365,409	\$ 5,501,044	\$ 5,409,846	\$ 5,577,310
Police Department							
4101	Administration	\$ 1,464,151	\$ 1,412,229	\$ 1,604,078	\$ 1,641,435	\$ 1,591,207	\$ 1,811,905
4201	Records & Communication	2,296,959	2,205,889	2,423,195	3,159,468	2,890,640	2,899,854
4202	Personnel & Community Services	993,941	1,058,453	1,210,834	1,328,533	1,457,556	1,379,010
4301	Patrol	7,653,773	7,725,035	9,119,685	9,156,737	10,700,632	10,370,803
4302	Traffic	887,706	937,506	1,140,320	1,218,268	1,038,454	1,226,597
4303	Investigations	2,739,071	2,610,044	2,408,417	3,263,950	2,561,560	3,521,355
4304	Parking Program	524,970	477,441	524,423	581,286	564,710	628,093
4800	Grants Program - Police	10,178	19,962	11,881	113,200	28,774	154,426
4999	Pass Thru Accounts	87	4,631	3,206	85,057	91,023	29,435
Total Police Department		\$ 16,570,836	\$ 16,451,190	\$ 18,446,039	\$ 20,547,934	\$ 20,924,556	\$ 22,021,478

DEPARTMENTAL EXPENDITURES By PROGRAM

		2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
Parks & Public Works							
5101	Administration	\$ 636,015	\$ 628,200	\$ 600,210	\$ 525,565	\$ 545,227	\$ 471,678
5201	Engineering Program Services	1,385,830	1,467,361	1,529,039	1,609,346	1,505,927	1,569,083
5202	Engineering Development Svcs	759,203	832,149	728,696	972,103	996,471	1,213,224
5203	Non-Point Source Fund	166,173	194,972	204,096	271,103	281,115	278,884
5301	Park Services	2,013,263	2,029,309	2,304,310	2,117,792	2,370,829	2,445,226
5302	Environmental Services	362,378	466,658	393,119	656,051	647,489	409,606
5401	Street & Signals	1,950,873	2,090,776	2,308,597	2,946,413	2,731,213	2,927,296
5402	Equipment Replacement	254,194	161,766	526,960	1,217,880	404,048	1,690,462
5404	Facilities Maintenance	1,160,152	1,222,780	1,334,225	1,387,521	1,390,866	1,404,667
5405	Property Damage	5,197	3,543	42,500	190,791	184,575	25,000
5406	Vehicle Maintenance Management	251,390	268,728	337,913	299,338	303,052	316,093
5407	Facilities Maintenance Management	333,628	361,594	432,174	449,190	440,623	452,187
5408	Los Gatos Theatre	-	-	52,746	117,364	117,364	119,685
5501	Lighting & Landscape Districts	53,958	33,674	33,569	42,764	41,798	35,480
5999	Pass Thru Accounts	481,981	457,138	321,525	380,000	415,000	565,000
8011	GFAR	4,743,913	7,544,177	6,348,046	24,301,821	6,466,228	4,243,048
8021	Grant Funded CIP Projects	698,512	8,754,439	1,151,504	15,561,567	10,134,989	640,000
8031	Storm Drain #1	-	-	-	400,000	-	336,667
8032	Storm Drain #2	-	13,400	218,081	331,919	-	86,667
8033	Storm Drain #3	611	25,848	-	170,300	-	86,667
8041	Traffic Mitigation	354,436	517,791	690,088	403,097	142,835	-
8042	Utility Undergrounding	24,626	427	-	347,576	-	-
8051	Gas Tax - Street & Signals	43,241	868,215	1,676,361	3,084,633	1,464,600	1,678,585
Total Parks & Public Works		\$ 15,679,572	\$ 27,942,945	\$ 21,233,759	\$ 57,784,134	\$ 30,584,249	\$ 20,995,205
Library							
7101	Administration	\$ 512,166	\$ 505,444	\$ 544,820	\$ 559,956	\$ 572,120	\$ 596,032
7201	Adult Services	643,929	698,827	839,638	860,016	917,578	946,115
7202	Children's Services	570,048	546,777	603,957	627,071	674,298	679,058
7204	Circulation Services	1,091,598	990,969	1,023,696	1,131,327	971,347	1,177,507
7801	Operating Grant	11,133	10,385	84,374	45,203	39,672	-
7301	Library Trust	17,895	71,613	106,041	75,000	75,000	80,000
7302	Clelles Ness Bequest Trust	-	-	-	21,000	-	23,002
7304	Betty McClendon Trust	609	700	1,000	900	900	1,000
7305	Barbara J Cassin Trust	611	2,500	4,500	3,900	3,900	4,000
Total Library		\$ 2,847,989	\$ 2,827,215	\$ 3,208,026	\$ 3,324,373	\$ 3,254,815	\$ 3,506,714
Successor Agency to the Los Gatos RDA							
9402	SA- Housing Trust Others	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9403	SA- Admin Services	104,747	103,373	122,412	8,114	8,435	7,786
9404	SA- Debt to 2002 COP	1,347,180	1,338,926	1,338,805	1,345,310	1,345,310	1,350,610
9405	SA-Debt to 2010 COP	2,413,838	2,399,805	2,390,671	2,447,510	2,447,510	2,457,711
Total SA to the Los Gatos RDA		\$ 3,865,765	\$ 3,842,104	\$ 3,851,888	\$ 3,800,934	\$ 3,801,255	\$ 3,816,107
Total Operating Expenditures		\$ 63,431,568	\$ 79,377,655	\$ 76,065,245	\$ 111,510,476	\$ 83,237,752	\$ 75,112,524
Transfers Out		5,267,697	2,385,140	4,278,514	2,177,411	2,609,910	1,672,411
Total Expenditures by Department:		\$ 68,699,265	\$ 81,762,795	\$ 80,343,759	\$ 113,687,887	\$ 85,847,662	\$ 76,784,935

AMERICAN RECOVERY PLAN ACT (ARPA) & GENERAL FUND COUNCIL PRIORITIES – ECONOMIC RECOVERY RESERVE TRACKING FY 2024/25 SUMMARY

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

The following table summarizes the Council approved priorities and Proposed Allocation to date:

		FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals	FY 2023/24 Estimated	FY 2024/25 Adopted
General Fund Council Priorities – Economic Recovery Reserve Tracking	\$ 7,229,744					
Less Council Approved Uses						
Parklets (Downtown Economic Recovery Efforts)	\$ 930,000	\$ -	\$ 466,428	\$ 463,572	\$ -	\$ -
Rent Waivers	746,463	121,256	341,452	283,755	-	-
CUP/ADA Fee Waivers	75,000	19,656	27,672	7,018	-	-
Destination Marketing	55,000	-	55,000	-	-	-
K-Rails (Downtown Economic Recovery Efforts)	68,000	-	88,654	-	-	-
Promenades	188,667	-	69,855	118,812	-	-
Direct Grants	110,000	60,000	50,000	-	-	-
Enhanced Senior Services	500,000	-	294,597	205,403	-	-
Capital Improvement Program Support Transfers	2,900,000	-	-	2,900,000	-	-
One-Time Community Grant (Council Action 2-21-2023)	150,000	-	-	-	150,000	-
One-Time to LGS REC 55+ Program (Council Action 2-21-2023)	225,000	-	-	-	225,000	-
One-Time to KCAT Producers (Council Action 2-21-2023)	100,000	-	-	100,000	-	-
One-Time Unhoused Residents Efforts (Council Action 2-21-2023)	25,000	-	-	-	25,000	-
One-Time Rent Forgiveness LGS REC (Council Action 3-21-2023)	200,000	-	-	-	200,000	-
One-Time Rent Forgiveness NUMU (Council Action 3-21-2023)	21,000	-	-	-	21,000	-
One-Time Unhoused Residents Efforts (Council Action 4-4-2023)	25,000	-	-	-	25,000	-
One-Time - Additional Chambers of Commerce (Council Action 5-2-2023)	33,000	-	-	-	33,000	-
One-time - Adult Recreation Center Interim Community Center (Council Action 8-15-2023 & FY 2024/25 Proposed Budget)	877,614	-	-	-	877,614	11,333
Total	\$ 7,229,744	\$ 200,911	\$ 1,393,658	\$ 4,078,561	\$ 1,556,614	\$ 11,333

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

General Fund Council Priorities – Economic Recovery Reserve Tracking	
ARPA Funds Lost Revenue Recognized	\$ 7,229,744
Less Actual and Estimated Spending	
FY 2020/21 Actual Spending	200,911
FY 2021/22 Actual Spending	1,393,658
FY 2022/23 Actual Spending	4,078,561
FY 2023/24 Estimated Spending	1,545,281
FY 2024/25 Adopted Spending	11,333
FY 2024/25 Estimated Council Priorities - Economic Recovery Reserve	\$ -

**AMERICAN RECOVERY PLAN ACT (ARPA) & GENERAL FUND COUNCIL PRIORITIES – ECONOMIC
RECOVERY RESERVE TRACKING
FY 2024/25 SUMMARY**

\$3.8 million Economic Recovery Reserve for capital projects have already approved or recommended with the Proposed Capital Improvement based on Council priorities as listed below:

General Fund Council Priorities – Capital Allocation Tracking			Expended or Encumbered as of 4/1/2024
Project Name	Funding Obligated		
East Main Street Crosswalk Improvements	\$ 300,000	<i>Prior Council Action</i>	\$ 61,700
Downtown Restroom Feasibility Study/Design	25,000	<i>Prior Council Action</i>	23,000
Rehabilitate Automatic Gates - 41 Miles Avenue	25,000	<i>Prior Council Action</i>	24,225
Termite Abatement at Water Tower – 41 Miles Avenue	25,000	<i>Prior Council Action</i>	4,175
Civic Center Plumbing Repair – 110 E. Main Street	40,000	<i>Prior Council Action</i>	22,378
HVAC Improvements – Police Operations Building	25,000	<i>Prior Council Action</i>	24,740
Engineering Counter Modifications – 41 Miles Avenue	40,000	<i>Prior Council Action</i>	-
Unanticipated Repairs	100,000	<i>Prior Council Action</i>	100,000
Pinehurst Community Garden - 30% Design	100,000	<i>Prior Council Action</i>	84,966
Gateway Art Project	112,500	<i>Prior Council Action</i>	155,611
Roadside Fire Fuel Reduction - FEMA Match	750,000	<i>Prior Council Direction 3-21-2023</i>	1,186,449
Shannon Road Repair - Additional Needed	295,720	<i>Adopted with FY 2023/24 - 2027/28 CIP</i>	699,317
Pinehurst Community Garden Project *	200,000	<i>Adopted with FY 2023/24 - 2027/28 CIP</i>	84,966
Lynn Avenue Pedestrian Path Design *	165,000	<i>Adopted with FY 2023/24 - 2027/28 CIP</i>	57,948
Creekside Park Turf Replacement	500,000	<i>Adopted with FY 2023/24 - 2027/28 CIP</i>	-
Emergency Preparedness	96,780	<i>Adopted with FY 2023/24 - 2027/28 CIP</i>	-
Adult Recreation Center Interim Community Center	866,281	<i>Prior Council Action</i>	-
Adult Recreation Center Interim Community Center	11,333	<i>Proposed with FY 2024/25 - 2028/29 CIP</i>	-
Sport Court Resurfacing*	100,000	<i>Proposed with FY 2024/25 - 2028/29 CIP</i>	-
Total Funding	\$ 3,777,614		\$ 2,529,475

* Proposed Transfer to Sport Court Resurfacing in the Amount of \$100,000 from Pinehurst Community Garden Project (\$50,000) and Lynn Ave Pedestrian Path Design (\$50,000)

IN-KIND DONATIONS FY 2024/25 SUMMARY

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

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

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

Location	NUMU (LG Museums) 110 E. Main St 10-Year Lease	Adult Recreation Center 208 E. Main St. 20-Year Lease	Youth Recreation Center 123 E. Main St. Month to Month
Market Price Per Square Foot/Month	\$3.75 *	\$3.69 **	\$3.75 *
Square Footage	10,630	12,000	6,479
Value of Rent- Annual	\$477,757	\$531,454	\$291,193
Utilities - Annual	\$53,386	<i>Paid Directly</i>	<i>Paid Directly</i>
Rent Owed- Annual (Under Current Lease Agreement)	\$25,000	\$248,671	\$29,916
Utilities Paid - Annual	\$0	<i>Paid Directly</i>	<i>Paid Directly</i>
Landscaping Services Paid - Annual	\$0	\$0	\$4,787
Elevator Maintenance Paid - Annual	\$0	\$2,820	\$0
Total value of Annual Town Donation/Subsidy	\$ 506,143	\$ 279,963	\$ 256,490

* Market rate is based on the State of California Department of Industrial Relations, Division of Labor Statistics and Research's

Consumer Price Index, All Urban Consumers, All Items, San Francisco-Oakland - San Jose, California as identified in the lease term.

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

Due to the continued economic impact of the COVID-19 pandemic, the Town Council forgave rent payments for all of its tenants in FY 2020/21 and FY 2021/22. The rent forgiveness continued for NUMU and LGS Recreation in FY 2022/23. The FY 2023/24 Budget included one-time partial rent forgiveness for NUMU and LGS Recreation for the 110 E. Main Street and 208 E Main Street Facilities. There is no rent forgiveness included in the FY 2024/25 Proposed Budget.

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

Events	Event Type	Police Hours	PPW Hours	Total Staff Hours	Total Cost	DART Hours	CERT Hours	Total Volunteer Hours
Spring into Green	Town Event	64	35	99	\$ 20,277	0	0	0
Music in the Park	Special Event	60	50	110	\$ 21,061	0	0	0
4th of July	Town Event	18	50	68	\$ 10,496	15	0	15
Screen on the Green	Town Event	0	5	5	\$ 597	0	0	0
Halloween	Town Event	60	15	75	\$ 16,883	30	0	30
Holiday Light Display	Town Event	0	180	180	\$ 21,485	20	0	20
Holiday Tree Lighting	Town Event	90	24	114	\$ 25,504	0	0	0
Children's Holiday Parade	Special Event	510	400	910	\$ 176,035	191	15	206
Total		802	759	1561	\$ 292,337	256	15	271

The estimated total of all in-kind expenses for FY 2023/24 is \$1,334,933.

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 (2024\$)	BMP Fee Eligible Cost
BMP	Extremely Low Income Housing Projects	\$ 3,000,000	\$ 3,000,000
BMP	Reacquisition of Distressed/Foreclosed Properties	700,000	700,000
BMP	Hello Housing and HouseKeys Program Services	600,000	600,000
Total		\$ 4,300,000	\$ 4,300,000

Construction Impact Activity Project List			
Source	Description	Estimated Project Cost (2024\$)	Construction Impact Fee Eligible Cost
CIP	Street Repair and Resurfacing Projects (5 year-plan)	\$ 12,879,220	\$ 12,879,220
Total		\$ 12,879,220	\$ 12,879,220

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.

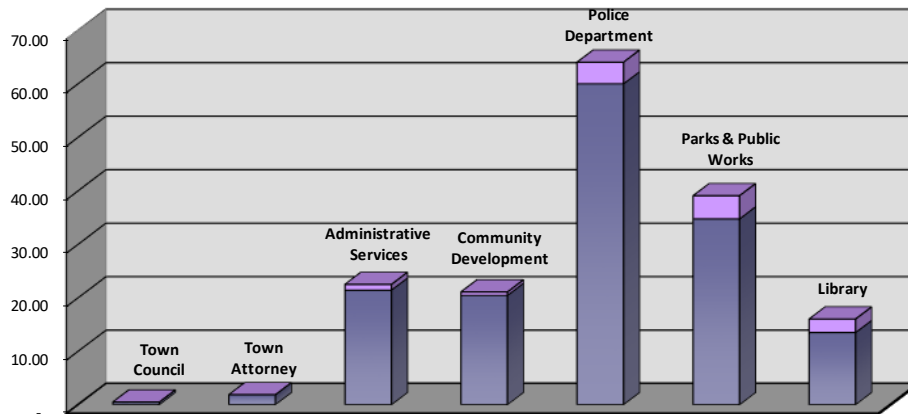
Source: Town of Los Gatos.

SUMMARY OF POSITIONS
DEPARTMENTAL STAFF BY FUND

	2020/21 Funded	2021/22 Funded	2022/23 Funded	2023/24 Funded	2024/25 Adopted
<i>General Fund</i>					
Town Council	0.50	0.50	0.50	0.50	0.50
Town Attorney	1.88	2.13	2.13	1.88	1.88
Administrative Services*	20.17	20.17	20.17	20.42	21.42
Community Development	20.20	20.20	20.20	20.45	20.45
Police Department	60.00	60.00	60.00	60.00	60.00
Parks & Public Works	33.75	33.75	35.75	34.75	33.75
Library	12.50	12.50	13.50	13.50	13.50
<i>Total General Fund Staff</i>	148.98	149.23	152.24	151.49	151.49
<i>Special Revenue Funds</i>					
Parks & Public Works	1.00	1.00	1.00	1.00	1.00
<i>Total Special Revenue Fund Staff</i>	1.00	1.00	1.00	1.00	1.00
<i>Successor Agency to the Los Gatos RDA</i>					
Administrative Services	0.01	0.01	0.01	0.01	0.01
<i>Total Redevelopment Agency Staff</i>	0.01	0.01	0.01	0.01	0.01
Total Town FTEs	150.00	150.25	153.25	152.50	152.50

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

SUMMARY OF POSITIONS BUDGETED FTEs BY DEPARTMENT



Blue Bar – Authorized/Funded Ongoing Positions

Purple Bar – Hourly Employees, including Temporary and Part-Time Employees

FY 2024/25

Budgeted FTEs by Department

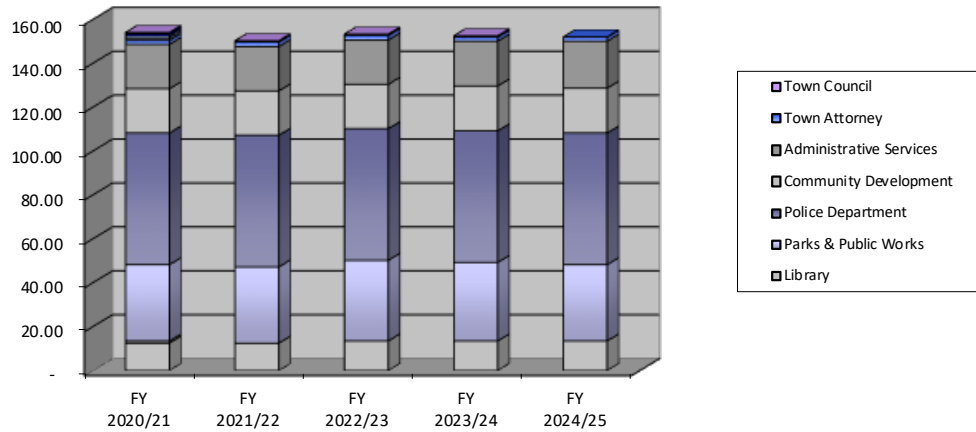
(Includes Converted Hourly Employees)

Departments	Authorized/ Funded Town Staff Positions	Hourly Emp Staff converted to FTEs	Total Budgeted Positions
Town Council	0.50	-	0.50
Town Attorney	1.88	-	1.88
Administrative Services	21.43	1.07	22.50
Community Development	20.45	0.63	21.08
Police Department	60.00	4.02	64.02
Parks & Public Works	34.75	4.31	39.06
Library	13.50	2.52	16.02
Total Positions	152.50	12.56	165.07

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

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

SUMMARY OF POSITIONS FUNDED FTEs BY DEPARTMENT



Five Year Staffing Trend

Departments	2020/21 Funded	2021/22 Funded	2022/23 Funded	2023/24 Funded	2024/25 Adopted
Town Council	0.50	0.50	0.50	0.50	0.50
Town Attorney	1.88	2.13	2.13	1.88	1.88
Administrative Services	20.18	20.18	20.18	20.43	21.43
Community Development	20.20	20.20	20.20	20.45	20.45
Police Department	60.00	60.00	60.00	60.00	60.00
Parks & Public Works	34.75	34.75	36.75	35.75	34.75
Library	12.50	12.50	13.50	13.50	13.50
Total Budgeted FTEs	150.00	150.24	153.26	152.50	152.50

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

SUMMARY OF PERSONNEL CHANGES FY 2024/25

The Town's total budgeted personnel costs for FY 2024/25 increased to \$37.1 million (\$35.1 million in FY 2023/24 adjusted budget) and accounts for 48.5% of the total Town's expenditures. Rising healthcare and pension rates have increased labor costs; however, reduction strategies, structural reorganization, use of temporary hours, and realignments have helped to mitigate growing personnel expenditures. The following discussion describes some of the staffing expenditures, savings, and budget impacts.

Employee Compensation

Personnel costs represent salaries of full-time and part-time personnel (including vacation, holiday, and sick leave compensation) and benefits, 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 (MOUs). The Town's bargaining units are Police Officers Association (POA), American Federation of State, County and Municipal Employees (AFSCME), and Town Employees Association (TEA). Confidential and Management employees are not represented. Salary increases and benefit adjustments for unrepresented positions are determined under the Town Manager's authority and are not subject to bargaining.

Memoranda of Understanding (MOUs)

The Town and POA agreed to a successor MOU until June 30, 2027. Of note, the POA MOU includes a 6.5% salary increase effective the pay period containing April 1, 2024, a 5% increase for FY 2025/26, and a 4% increase for FY 2026/27. The MOUs for the other two bargaining units expire June 30, 2024 and the Town is in the process of negotiating successor MOUs. The FY 2024/25 Proposed Budget reflects the POA increases, but there is no cost of living or other adjustments included for any other bargaining units or the non-represented groups. The Town Manager and Town Attorney are under contract to the Town Council and any COLA or other modification for these positions is considered in the fall of every year.

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's contribution toward all medical plan premiums. In the recent past, Kaiser rates have fluctuated and increased significantly, simultaneously increasing the Town's contribution. In 2024, Kaiser rates increased 11.8% from the prior year. As evidenced by this fluctuation, national health care costs continue to be an area of concern and potential expense volatility. Employees contribute to the cost of medical premiums when enrolled in the majority of CalPERS plans.

Dental, vision, and life insurance rates are expected to remain relatively stable as well as short and long-term disability insurance rates. It is important to note that changes in benefit coverage are generally subject to negotiations with affected employee groups.

Pension Plan

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

In order to help mitigate these negative plan experiences, the Town closed the CalPERS retiree Tier 1 benefit for non-safety employees and created a new Tier 2 for non-safety new employees in 2012, implemented the Public Employees' Pension Reform Act (PEPRA) for all new non-classic employees starting in 2013, and participates in the CalPERS discounted prepayment option.

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.

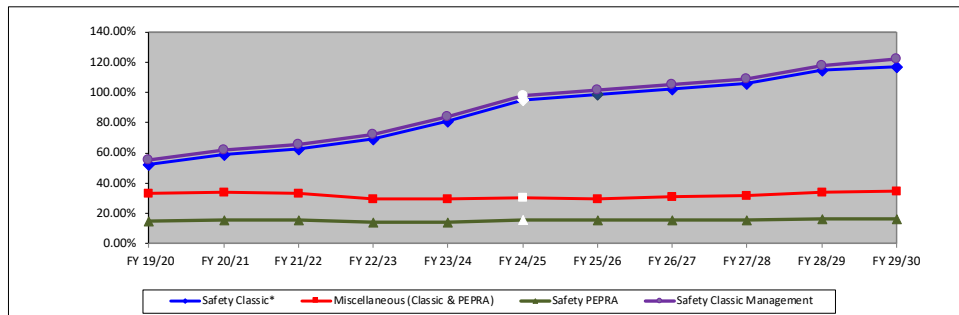
SUMMARY OF PERSONNEL CHANGES FY 2024/25

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 \$10.4 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 \$25.9 million in OPEB assets from zero in 2009.

While these collective measures have helped to slow the growth in salary and benefit expenses, the Five-Year Forecast anticipates continued increases in the safety rates and miscellaneous rates.

The current estimates indicate that these changes would result in the Town increasing from the FY 2024/25 rate of 94.98% to 117.32% in FY 2029/30 of pay rate for safety employees and changing the FY 2024/25 rate of 30.62% to approximately 34.49% in FY 2029/30.

The following schedule reflects the Town's actual CalPERS pension rate for FY 2024/25 and the expected rates for the following fiscal years. The employer contribution rates reflect percentages of covered payroll. Forecasted rates for FY 2024/25 and subsequent years are based on the most recent CalPERS actuarial valuation Reports as adjusted by the impact related to the FY 2022/23 CalPERS 6.1% investment return and forecasted payroll.



PERS Pension Plan	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30
Safety Classic*	52.22%	58.98%	62.94%	69.44%	81.30%	94.98%	98.72%	102.27%	106.14%	115.00%	117.32%
Safety Classic Management	55.22%	61.98%	65.94%	72.44%	84.30%	97.98%	101.72%	105.27%	109.14%	118.00%	122.32%
Safety PEPR	15.02%	15.95%	15.74%	14.62%	14.50%	15.56%	15.56%	15.68%	15.69%	16.32%	16.61%
Miscellaneous (Classic & PEPR)	33.18%	34.23%	33.54%	29.92%	29.97%	30.62%	29.65%	31.01%	32.28%	33.81%	34.49%

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

SUMMARY OF PERSONNEL CHANGES FY 2024/25

Management Strategies

In light of limited available resources and uncertain economic trends, Departments continued programming existing resources by either maintaining current structures or realigning operations to remain effective while staying within prior year budgets. In addition, Departments were provided guidance to enhance capacity where necessary through limit-dated, non-benefited personnel options when possible.

Limited staffing changes and one-time additions have been included in the FY 2024/25 budget. Departments continuously evaluate staffing structures, anticipate succession needs, and modify staffing to improve efficiencies, align with service delivery demands, and meet other Town goals. In this budget, a couple of Departments have included cost neutral restructuring.

Overtime

Overtime expenditures continue to be assessed and adjusted when appropriate. While unpredictable or non-controllable events impact the Town's limited public safety and public works maintenance resources, continued adjustments to schedules and workload have been successful in reducing budgeted overtime. Although some non-critical Town services have experienced moderate service level reductions, scheduling restrictions have not seriously impacted routine operations. Total budgeted overtime cost remains at the same level at approximately \$600,000. Due to vacancies and unforeseen activities, actual overtime is significantly higher. The Departments absorb the additional overtime expenses from the anticipated salary savings.

Staffing Changes

The FY 2024/25 Proposed Budget has 165.07 budgeted FTEs, including temporary staff. This reflects an increase of 2.24 of FTEs compared to the prior year. The recommended FY 2024/25 staffing levels also reflect the following changes from the prior year's Adopted Budget:

- *Administrative Services and Town Offices* - The FY 2024/25 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 and a 1.5-year limited term Human Resources Analyst position. The FY 2024/25 Budget also includes one-time temporary hours to help with special projects in the Information Technology, Human Resources, and Finance Programs.
- *Community Development Department (CDD)* – The 2023/24 budget includes the reclassification of an Executive Assistant to an Administrative Technician to better meet organization needs, and 960 one-time temporary hours for a part-time Code Compliance Officer.
- *Police* – The FY 2024/25 Budget includes the reclassification of a vacant Police and Records Communications Manager to an Administrative Analyst to assist in reporting requirements with State unfunded mandates. In addition, 8,370 temporary hours cover six one-time Police Trainees, a one-time increase to Temporary Police Officer hours for background investigations, and a one-time increase of three Community Services Officer Interns.
- *Parks and Public Works (PPW)* – The FY 2024/25 Budget reflects staffing changes including the addition of a part-time unbenefited temporary Engineering Technician and a hire-ahead one-time flexibly staffed Administrative Analyst position. It also reflects the reallocation of an Associate Engineer to a Senior Civil Engineer and a reallocation of a Transportation and Mobility Manager to a Senior Planner as approved in during FY 223/24 mid-year process.

SUMMARY OF PERSONNEL CHANGES

FY 2024/25

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

Liability Insurance

The Town is a member of the Joint Powers Authority Pooled Liability Assurance Network (PLAN) insurance pool, a self-insurance program established in 1986 to provide general liability, property insurance, and risk management services to 28 cities within the Bay Area. Due to increased premium costs experienced in this insurance pool, the Town's service charge to all Departments increased in FY 2024/25. In addition to the increased charges, staff also estimates that a \$430,000 transfer is needed to ensure a positive fund balance at the FY 2023/24 closure. The Town has a very low fund balance for this Program. To meet the possibility of a future claim, Departmental service charges will likely continue to rise. Staff is evaluating and monitoring the performance of the PLAN.

Workers' Compensation

The Workers' Compensation fund balance is declining as a result of 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 2024/25 Workers' Compensation rates increased compared to the prior year level. Staff is closely monitoring, working to resolve longstanding cases, and if necessary, recommend further budget strategies.

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

	2020/21 Funded	2021/22 Funded	2022/23 Funded	2023/24 Funded	2024/25 Adopted	Comments
TOWN ATTORNEY'S OFFICE						
Town Attorney	1.00	1.00	1.00	1.00	1.00	
Administrative Technician	-	-	-	1.00	1.00	
Deputy Town Attorney	0.75	-	-	-	-	
Legal Administrative Assistant	-	1.00	1.00	-	-	
TOTAL DEPARTMENT FTEs	1.75	2.00	2.00	2.00	2.00	
TOWN MANAGER'S OFFICE						
Town Manager	1.00	1.00	1.00	1.00	1.00	
Assistant Town Manager	1.00	1.00	1.00	1.00	1.00	
Senior Administrative Analyst	-	-	-	1.00	1.00	
Administrative Analyst	1.00	1.00	1.00	-	-	
Executive Asst. to Town Mgr.	1.00	1.00	1.00	1.00	1.00	
Economic Vitality Manager	0.75	0.75	0.75	0.75	0.75	
Events & Marketing Specialist	0.50	0.50	0.50	0.50	0.50	
TOTAL DEPARTMENT FTEs	5.25	5.25	5.25	5.25	5.25	
HUMAN RESOURCES						
Human Resources Director	1.00	1.00	1.00	1.00	1.00	
Administrative Analyst	1.00	1.00	1.00	1.00	2.00	CY add 1.0 FTE
Human Resources Technician	1.00	1.00	1.00	1.00	1.00	
TOTAL DEPARTMENT FTEs	3.00	3.00	3.00	3.00	4.00	
FINANCE SERVICES						
Finance Director	1.00	1.00	1.00	1.00	1.00	
Finance & Accounting Manager	-	-	-	1.00	1.00	
Finance & Budget Manager	1.00	1.00	1.00	-	-	
Accountant/Finance Analyst	2.00	2.00	2.00	2.00	2.00	
Payroll Technician	-	-	-	-	-	
Administrative Analyst	3.00	3.00	3.00	3.00	3.00	
TOTAL DEPARTMENT FTEs	7.00	7.00	7.00	7.00	7.00	
CLERK ADMINISTRATION						
Town Clerk	1.00	1.00	1.00	1.00	1.00	
Deputy Town Clerk	1.00	1.00	1.00	2.00	2.00	
Administrative Assistant	1.00	1.00	1.00	-	-	
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	
IT Systems Administrator	1.00	1.00	1.00	1.00	1.00	
IT Technician	1.00	1.00	1.00	1.00	1.00	
TOTAL DEPARTMENT FTEs	3.00	3.00	3.00	3.00	3.00	

TOWN STAFF

POSITIONS BY HOME DEPARTMENT

	2020/21	2021/22	2022/23	2023/24	2024/25	
	Funded	Funded	Funded	Funded	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	-	CY delete 1.0 FTE
Administrative Technician	-	-	-	-	1.00	CY add 1.0 FTE
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	2.75	2.75	2.75	3.00	3.00	
Assistant Planner	1.00	1.00	1.00	1.00	1.00	
Planning Technician	1.00	1.00	1.00	1.00	1.00	
Senior Building Inspector	1.00	1.00	1.00	1.00	1.00	
Building Inspector	3.00	3.00	3.00	3.00	3.00	
Permit Technician	2.00	2.00	2.00	2.00	2.00	
Code Compliance Officer	1.00	1.00	1.00	1.00	1.00	
TOTAL DEPARTMENT FTEs	19.75	19.75	19.75	20.00	20.00	
POLICE						
Chief of Police	1.00	1.00	1.00	1.00	1.00	
Police Captain	2.00	2.00	2.00	2.00	2.00	
Police Sergeant	7.00	7.00	7.00	7.00	7.00	
Police Corporal	4.00	4.00	4.00	4.00	4.00	
Police Officer	25.00	25.00	25.00	25.00	25.00	
Community Outreach Coordinator	1.00	1.00	1.00	1.00	1.00	
Community Services Officer	1.00	1.00	1.00	1.00	1.00	
Police Records and Communication Mgr	1.00	1.00	1.00	-	-	
Senior Administrative Analyst	1.00	1.00	1.00	2.00	2.00	
Administrative Analyst	1.00	1.00	1.00	1.00	1.00	
Executive Assistant to Chief	1.00	1.00	1.00	1.00	1.00	
Communications Dispatcher Lead	1.00	1.00	1.00	1.00	1.00	
Senior Communications Dispatcher	-	-	-	2.00	2.00	
Communications Dispatcher	7.00	7.00	7.00	5.00	5.00	
Senior Parking Control Officer	1.00	1.00	1.00	1.00	1.00	
Parking Control Officer	1.00	1.00	1.00	1.00	1.00	
Senior Records Specialist Lead	-	-	-	1.00	1.00	
Senior Records Specialist	-	-	-	1.00	1.00	
Police Records Specialist	4.00	4.00	4.00	2.00	2.00	
IT Systems Administrator	1.00	1.00	1.00	1.00	1.00	
TOTAL DEPARTMENT FTEs	60.00	60.00	60.00	60.00	60.00	

TOWN STAFF
POSITIONS BY HOME DEPARTMENT

	2020/21 Funded	2021/22 Funded	2022/23 Funded	2023/24 Funded	2024/25 Adopted	Comments
PARKS and PUBLIC WORKS DEPARTMENT						
Parks & Public Works Director	1.00	1.00	1.00	1.00	1.00	
Asst PPW Dir/Town Engineer	1.00	-	-	-	-	
Town Engineer	-	1.00	1.00	1.00	1.00	
Urban Forest Manager	-	-	1.00	-	-	
Superintendent	1.00	1.00	1.00	1.00	1.00	
Transportation & Mobility Mgr	1.00	1.00	1.00	1.00	-	CY delete 1.0 FTE
Park & Public Works Operations Mgr	2.00	2.00	2.00	2.00	2.00	
Senior Civil Engineer	1.00	2.00	2.00	2.00	3.00	CY add 1.0 FTE
Senior Administrative Analyst	1.00	1.00	1.00	1.00	1.00	
Administrative Technician	-	-	1.00	1.00	1.00	
Executive Assistant	1.00	1.00	-	-	-	
Administrative Assistant	2.75	2.75	2.75	1.75	1.75	
Permit Technician	-	-	-	1.00	1.00	
Environmental Programs Specialist	1.00	1.00	1.00	1.00	1.00	
Associate Engineer	2.00	1.00	1.00	1.00	-	CY delete 1.0 FTE
Assistant Engineer	2.00	2.00	2.00	2.00	2.00	
Construction Project Mgr	1.00	1.00	1.00	1.00	1.00	
Senior Engineering Technician	1.00	1.00	1.00	1.00	1.00	
Sr Public Works Inspector	1.00	1.00	1.00	1.00	1.00	
Senior Planner	-	-	-	-	1.00	CY add 1.0 FTE
Parks Service Officer	1.00	1.00	1.00	1.00	1.00	
Town Arborist	1.00	1.00	1.00	1.00	1.00	
Lead Parks & Maint. Worker	3.00	3.00	4.00	4.00	3.00	CY delete 1.0 FTE
Facility Technician	-	-	-	1.00	1.00	
Parks & Maintenance Worker	9.00	9.00	9.00	8.00	8.00	
Supervising Equipment Mechanic	-	1.00	1.00	1.00	1.00	
Equipment Mechanic	1.00	-	-	-	-	
TOTAL DEPARTMENT FTEs	34.75	34.75	36.75	35.75	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 II	-	-	-	1.00	1.00	
Librarian I	-	-	-	2.00	2.00	
Librarian	3.00	3.00	3.00	-	-	
Library Technology Specialist	2.00	2.00	2.00	2.00	3.00	
Library Assistant	-	-	1.00	1.00	-	
Library Specialist	1.75	1.75	0.75	0.75	0.75	
Customer Service Specialist	1.75	1.75	1.75	1.75	1.75	
Sr Library Page	1.00	1.00	2.00	2.00	2.00	
TOTAL DEPARTMENT FTEs	12.50	12.50	13.50	13.50	13.50	
TOTAL TOWN FTEs	149.99	150.25	153.25	152.50	152.50	

TOWN STAFF
POSITIONS BY HOME DEPARTMENT

	2020/21	2021/22	2022/23	2023/24	2024/25
	<u>Funded</u>	<u>Funded</u>	<u>Funded</u>	<u>Funded</u>	<u>Adopted</u>
Town Council	5.00	5.00	5.00	5.00	5.00
TOTAL ELECTED OFFICIALS	5.00	5.00	5.00	5.00	5.00

HOURLY EMPLOYEES

	2020/21	2021/22	2022/23	2023/24	2024/25
	<u>Funded</u>	<u>Funded</u>	<u>Funded</u>	<u>Funded</u>	<u>Adopted</u>
<i>Temporary Hours by Department</i>					
Town Council	175	-	-	-	-
Administrative Services	2,350	4,030	2,860	2,020	2,230
Community Development	1,955	1,760	1,760	1,260	1,320
Police Department	4,350	2,880	5,920	5,420	8,370
Parks & Public Works	5,661	5,917	7,997	7,493	8,973
Library Department	8,450	8,450	5,290	5,290	5,240
<i>Total Temporary Hours by Department</i>	22,941	23,037	23,827	21,483	26,133
CONVERTED HOURLY EMPLOYEES	11.03	11.08	11.47	10.33	12.56

(1.00 FTE = 2080 hours)



Departmental Budgets

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DEPARTMENTAL BUDGET DIRECTORY

FY 2024/25

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DEPARTMENTAL BUDGET DIRECTORY

FY 2024/25

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Town Offices

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Town Offices

PROGRAM PURPOSE

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

BUDGET OVERVIEW

The FY 2024/25 budget includes increases in salary and benefit costs attributed to anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% salary saving factor. Negotiations with two of the Town's three bargaining units (Town Employees Association and the American Federation of State, County, and Municipal Employees) are currently in process.

TOWN OFFICES

DEPARTMENTAL SUMMARY OF REVENUES AND EXPENDITURES

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
REVENUES						
Service Charge	\$ -	\$ 305	\$ -	\$ 20,989	\$ 20,989	\$ -
Interest	-	-	-	-	-	-
Fines & Forfeitures	3,646	794	1,576	-	-	-
Other Revenues	30,000	-	7,506	-	-	-
TOTAL REVENUES	\$ 33,646	\$ 1,099	\$ 9,082	\$ 20,989	\$ 20,989	\$ -
EXPENDITURES						
Salaries and Benefits*	\$ 675,228	\$ 640,376	\$ 639,671	\$ 646,860	\$ 668,474	\$ 687,782
Operating Expenditures	38,839	163,427	230,657	456,054	327,760	434,206
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	15,509	15,701	15,151	19,187	19,187	27,837
TOTAL EXPENDITURES	\$ 729,576	\$ 819,504	\$ 885,479	\$ 1,122,101	\$ 1,015,421	\$ 1,149,825
	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
PROGRAM						
Town Council	\$ 192,280	\$ 189,569	\$ 186,337	\$ 184,395	\$ 193,212	\$ 206,236
Town Attorney	537,296	629,935	699,142	937,706	822,209	943,589
TOTAL EXPENDITURES	\$ 729,576	\$ 819,504	\$ 885,479	\$ 1,122,101	\$ 1,015,421	\$ 1,149,825

TOWN OFFICES

DEPARTMENT STAFFING

Full Time Equivalents (FTE)

	2020/21	2021/22	2022/23	2023/24	2024/25
<i>General Fund</i>	Funded	Funded	Funded	Funded	Adopted
Town Attorney	1.00	1.00	1.00	1.00	1.00
Deputy Town Attorney	0.75	-	-	-	-
Administrative Technician	-	-	-	0.75	0.75
Deputy Town Clerk	-	-	-	0.13	0.13
Executive Asst to the Town Mgr	0.50	0.50	0.50	0.50	0.50
Administrative Assistant	0.13	0.13	0.13	-	-
Legal Administrative Assistant	-	1.00	1.00	-	-
Total General Fund FTEs	2.38	2.63	2.63	2.38	2.38
<i>Elected Officials</i>					
Councilmembers	5.00	5.00	5.00	5.00	5.00
TOTAL ELECTED OFFICIALS	5.00	5.00	5.00	5.00	5.00
<i>Temporary Staff</i>					
Intern	175	-	-	-	-
TOTAL ANNUAL HOURS	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 (corporate) form of government that combines the policy leadership of elected officials with the managerial responsibility of an appointed Town Manager and appointed Town Attorney reporting to the Council. With the professional support of Town staff, the Mayor and Town Council identify and adopt appropriate policy, program, and budget priorities for the Town.

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

BUDGET OVERVIEW

The FY 2024/25 budget includes increases in salary and benefit costs attributed to anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% salary saving factor. Negotiations with two of the Town's three bargaining units are currently in process (Town Employees Association and the American Federation of State, County, and Municipal Employees). The FY 2024/25 Council budget includes general administrative services, constituent services, elected official support, and official meetings, and events.

TOWN COUNCIL

SUMMARY OF REVENUES AND EXPENDITURES

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
REVENUES						
<i>Service Charge</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Interest</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 179,176	\$ 173,215	\$ 172,155	\$ 163,130	\$ 174,347	\$ 182,928
<i>Operating Expenditures</i>	12,727	15,959	13,759	20,000	17,600	20,100
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	377	395	423	1,265	1,265	3,208
TOTAL EXPENDITURES	\$ 192,280	\$ 189,569	\$ 186,337	\$ 184,395	\$ 193,212	\$ 206,236

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

<i>Full Time Equivalents (FTE)</i>					
	2020/21	2021/22	2022/23	2023/24	2024/25
<i>Town Staff</i>	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
<i>Elected Officials</i>					
Councilmembers	5.00	5.00	5.00	5.00	5.00
TOTAL ELECTED OFFICIALS	5.00	5.00	5.00	5.00	5.00
<i>Temporary Staff Hours</i>					
Intern	175	-	-	-	-
TOTAL ANNUAL HOURS	175	-	-	-	-



Town Attorney

TOWN ATTORNEY ADMINISTRATION PROGRAM 1301

PROGRAM PURPOSE

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

BUDGET OVERVIEW

The FY 2024/25 budget includes increases in salary and benefit costs attributed to anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% salary saving factor. Negotiations with two of the Town's three bargaining units (Town Employees Association and American Federation of State, County, and Municipal Employees) are currently in process. This program includes additional resources to support the broad range of legal services provided by the Town Attorney.

TOWN ATTORNEY

ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Community Character</i> Preserve and enhance the appearance character and environment quality of the community	• Assisted and advise on the review and processing of planning applications. • Updated various ordinances. (ebike ordinance, Accessory Dwelling Unit ordinances, density bonus ordinance, bingo ordinance and sensitive places ordinance). • Updated the Concealed Carry Weapons Ordinance and process.
<i>Good Governance</i> Ensure responsive, accountable and collaborative government	• Responded 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. • Continued to explore and implement measures to reduce the cost of legal services and overall Town liability. • Drafted update for the sworn Police personnel complaint procedure. • Continued to review Public Records Act requests and respond within statutory timeframes.
<i>Fiscal Stability</i> Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community	• Continued to seek improved efficiencies in providing legal services as necessary to meet budget constraints. • Ensured that Joint Powers Authority Pooled Liability Assurance Network (PLAN) risk management grant funds are used. • Utilized the PLAN for initial claims review. • Collected reimbursement for Subpoena response expenses. • Worked with claims examiner to get higher payment for damaged Town property.

TOWN ATTORNEY

SUMMARY OF REVENUES AND EXPENDITURES

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
REVENUES						
Service Charge	\$ -	\$ 305	\$ -	\$ 20,989	\$ 20,989	\$ -
Interest	-	-	-	-	-	-
Fines & Forfeitures	3,646	794	1,576	-	-	-
Other Revenues	30,000	-	7,506	-	-	-
TOTAL REVENUES	\$ 33,646	\$ 1,099	\$ 9,082	\$ 20,989	\$ 20,989	\$ -
EXPENDITURES						
Salaries and Benefits*	\$ 496,052	\$ 467,161	\$ 467,516	\$ 483,730	\$ 494,127	\$ 504,854
Operating Expenditures	26,112	147,468	216,898	436,054	310,160	414,106
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	15,132	15,306	14,728	17,922	17,922	24,629
TOTAL EXPENDITURES	\$ 537,296	\$ 629,935	\$ 699,142	\$ 937,706	\$ 822,209	\$ 943,589

FY 2024/25 KEY PROJECTS

Core Goals	Key Projects
Community Character Preserve and enhance the appearance character and environment quality of the community	Policy Development - Update various ordinances including SB 9, sign ordinance, peddler ordinance, telecommunication ordinance and organic waste ordinance. - Support the Planning Division with Housing Element certification and implementation.
Good Governance Ensure responsive, accountable and collaborative government	Process Improvements Update the Code of Conduct.

TOWN ATTORNEY

FY 2024/25 KEY PROJECTS

Core Goals	Key Projects
<i>Fiscal Stability</i> Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community	<i>Improved Efficiencies</i> • Monitor County ERAF litigation and advise council. • Utilize PLAN JPA for claims review. • Utilize PLAN JPA grant funds for training to reduce liability claims. • Update bail schedule for criminal citations.

KEY PROGRAM SERVICES

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

TOWN ATTORNEY

TOWN ATTORNEY STAFFING

Full Time Equivalents (FTE)

	2020/21	2021/22	2022/23	2023/24	2024/25
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Adopted
Town Attorney	1.00	1.00	1.00	1.00	1.00
Deputy Town Attorney	0.75	-	-	-	-
Administrative Technician	-	-	-	0.75	0.75
Administrative Assistant	0.13	0.13	0.13	-	-
Deputy Town Clerk	-	-	-	0.13	0.13
Legal Administrative Assistant	-	1.00	1.00	-	-
TOTAL PROGRAM FTEs	1.88	2.13	2.13	1.88	1.88

	2020/21	2021/22	2022/23	2023/24	2024/25
Performance Objectives and Measures	Actual	Actual	Actual	Estimated	Estimated
1. <i>To reduce the legal and financial consequences of claims and lawsuits against the Town.</i>					
a. Claims for denial or approval processed within 45 days of filing:	90%	90%	95%	95%	95%
2. <i>To protect the Town from legal exposure through the timely review of contracts, staff reports, and Town policies and practices.</i>					
a. Staff reports reviewed within 24 hours of receipt:	95%	95%	95%	95%	95%
b. Contracts reviewed and signed within 48 hours of receipt:	90%	90%	95%	95%	95%
c. Staff questions and referrals responded to within 3 working days:	95%	95%	95%	95%	95%

	2020/21	2021/22	2022/23	2023/24	2024/25
Activity and Workload Highlights	Actual	Actual	Actual	Estimated	Estimated
1. Number of incident reports processed:	10	10	5	5	5
2. Number of property loss reports processed:	22	16	6	8	8
3. Number of subpoenas handled:	13	8	12	10	10
4. Number of cases closed:	2	1	2	2	2
5. Number of claims closed:	15	16	21	20	20
6. Number of Town Council and Advisory Body meetings attended:	100	24	60	60	60
7. Number of contract signed:*	<i>Data not available</i>	<i>Data not available</i>	350	350	350
8. Number of Public Record Act (PRA) requests received:*	<i>Data not available</i>	<i>Data not available</i>	60	60	60

* New measure effective FY 2022/23



Town Attorney

LIABILITY SELF-INSURANCE FUND PROGRAM 1302

FUND PURPOSE

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

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

BUDGET OVERVIEW

The Self-Insurance Program is funded through departmental charges based on established assessment rates per labor dollar expended. Due to increased premium costs experienced in this insurance pool, the Town's service charge to all Departments increased substantially. The Town has a very low fund balance for this Program. In addition to the increased charges, staff also estimates that a transfer of \$430,000 is needed to ensure a positive fund balance at the close of FY 2023/24. To meet the possibility of a future claim, departmental service charges continue to rise. Staff is evaluating and monitoring the performance of the PLAN.

TOWN ATTORNEY
Liability Self-Insurance Program

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	1,290,615	1,021,083	803,293	212,023	212,023	94,686
Total Beginning Fund Balance	1,290,615	1,021,083	803,293	212,023	212,023	94,686
Revenues						
<i>Service Charge</i>	\$ 376,963	\$ 366,134	\$ 397,216	\$ 779,024	\$ 783,357	\$ 1,507,435
<i>Interest</i>	-	-	-	-	-	-
<i>Intergovernmental Revenues</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	5,000	5,000	-
Total Revenues	\$ 376,963	\$ 366,134	\$ 397,216	\$ 784,024	\$ 788,357	\$ 1,507,435
TRANSFERS IN						
<i>Transfer from General Fund</i>	\$ -	\$ -	\$ -	\$ -	\$ 430,000	\$ -
TOTAL TRANSFERS IN	\$ -	\$ -	\$ -	\$ -	\$ 430,000	\$ -
TOTAL REVENUES & TRANSFERS	376,963	366,134	397,216	784,024	1,218,357	1,507,435
TOTAL SOURCE OF FUNDS	\$ 1,667,578	\$ 1,387,217	\$ 1,200,509	\$ 996,047	\$ 1,430,380	\$ 1,602,121
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	646,495	583,924	988,486	1,330,795	1,330,859	1,540,481
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	4,835	-
Total Expenditures	\$ 646,495	\$ 583,924	\$ 988,486	\$ 1,330,795	\$ 1,335,694	\$ 1,540,481
Transfers Out						
<i>Transfer to Grant Fund</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	\$ 646,495	\$ 583,924	\$ 988,486	\$ 1,330,795	\$ 1,335,694	\$ 1,540,481
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	1,021,083	803,293	212,023	(334,748)	94,686	61,640
Total Ending Fund Balance	1,021,083	803,293	212,023	(334,748)	94,686	61,640
TOTAL USE OF FUNDS	\$ 1,667,578	\$ 1,387,217	\$ 1,200,509	\$ 996,047	\$ 1,430,380	\$ 1,602,121

TOWN ATTORNEY
Liability Self-Insurance Program

FY 2024/25 KEY PROJECTS

Core Goals	Key Projects
<i>Good Governance</i> Ensure responsive, accountable and collaborate government	<i>Premium Management</i> • Handle claims quickly. • Proactively work with defense counsel as needed. • Advise departments on recommended insurance requirements and surety bonds.

KEY PROGRAM SERVICES

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





Administrative Services

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Administrative Services

DEPARTMENT PURPOSE

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

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

BUDGET OVERVIEW

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

ADMINISTRATIVE SERVICES

For FY 2024/25, revenues captured in Administrative Services reflect positive changes in Property Tax and Franchise Fees, and negative changes in Sales Tax and Transient Occupancy Tax (TOT). These revenue modifications are informed by the Town’s sales tax consultant MuniServices, the County Tax Assessor, communications with Los Gatos hoteliers, and other sources.

The FY 2024/25 budget includes increases in salary and benefit costs attributed to anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% salary saving factor. Negotiations with two of the Town’s three bargaining units (Town Employees Association and the American Federation of State, County, and Municipal Employees) are currently in process. The FY 2024/25 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, a 1.5 year limited term Human Resource Analyst position, and one-time temporary Project Manager hours to assist with IT needs as the Town implements a new Enterprise Resource Planning system for financial and human resources functions.

ADMINISTRATIVE SERVICES

SUMMARY OF REVENUES AND EXPENDITURES

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adopted	2023/24 Estimated	2024/25 Adopted
REVENUES						
Other Taxes	\$ 1,386,943	\$ 1,481,667	\$ 2,361,862	\$ 2,429,419	\$ 2,429,419	\$ 2,421,000
Licenses and Permits	851	3,056	6,920	3,000	3,000	4,000
Intergovernmental Revenues	2,365	-	11,560	175,000	183,000	15,300
Service Charges	93,008	-	110	10,450	10,639	10,000
Interest	58,250	99,907	134,171	87,000	87,000	73,000
Other Revenues	60,000	(990,074)	976,708	1,997,802	1,992,130	2,014,425
TOTAL REVENUES	\$ 1,601,417	\$ 594,556	\$ 3,491,331	\$ 4,702,671	\$ 4,705,188	\$ 4,537,725
EXPENDITURES						
Salaries and Benefits	\$ 4,093,118	\$ 4,234,583	\$ 4,075,361	\$ 4,725,520	\$ 4,365,211	\$ 5,031,086
Operating Expenditures	285,911	597,493	597,876	860,601	823,147	815,611
Grants	207,801	464,610	489,571	801,000	520,002	300,000
Pass Through Accounts	-	-	-	-	-	-
Fixed Assets	2,365	-	-	-	-	-
Internal Service Charges	141,164	144,920	139,469	170,861	170,279	250,614
TOTAL EXPENDITURES	\$ 4,730,359	\$ 5,441,606	\$ 5,302,277	\$ 6,557,982	\$ 5,878,639	\$ 6,397,311
	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adopted	2023/24 Estimated	2024/25 Proposed
PROGRAM						
Town Manager's Office	\$ 1,257,889	\$ 1,362,014	\$ 1,481,157	\$ 1,845,845	\$ 1,638,827	\$ 1,900,854
Community Grants	207,801	464,610	489,571	626,000	520,002	300,000
Human Resources	782,478	1,008,583	834,201	1,170,156	912,580	1,182,134
Finance & Admin Services	1,436,560	1,594,731	1,421,711	1,798,571	1,674,905	1,798,184
Clerk Administration	416,204	430,781	474,755	463,689	489,303	531,411
Information Technology Management	629,427	580,887	600,882	653,721	643,022	684,728
Smoking Restriction Implementation	-	-	-	-	-	-
Pass Through	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 4,730,359	\$ 5,441,606	\$ 5,302,277	\$ 6,557,982	\$ 5,878,639	\$ 6,397,311

ADMINISTRATIVE SERVICES

DEPARTMENT STAFFING					
<i>Full Time Equivalents (FTE)</i>					
	2020/21	2021/22	2022/23	2023/24	2024/25
<i>General Fund</i>	Funded	Funded	Funded	Funded	Adopted
Town Manager	1.00	1.00	1.00	1.00	1.00
Assistant Town Manager	1.00	1.00	1.00	1.00	1.00
Senior Administrative Analyst	-	-	-	1.00	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	0.88	0.88	-	-
Human Resources Director	1.00	1.00	1.00	1.00	1.00
Administrative Analyst	4.00	5.00	5.00	4.00	5.00
Administrative Technician	-	-	-	0.25	0.25
Human Resources Technician	1.00	1.00	1.00	1.00	1.00
Finance Director	1.00	1.00	1.00	1.00	1.00
Finance & Accounting Manager	-	-	-	1.00	1.00
Finance & Budget Manager	1.00	1.00	1.00	-	-
Accountant/Finance Analyst	1.99	1.99	1.99	1.99	1.99
Payroll Technician	1.00	-	-	-	-
Town Clerk	1.00	1.00	1.00	1.00	1.00
Deputy Town Clerk	0.88	1.00	1.00	1.88	1.88
Events & Marketing Specialist	0.50	0.50	0.50	0.50	0.50
IT Manager	1.00	1.00	1.00	1.00	1.00
IT Systems Administrator	1.00	1.00	1.00	1.00	1.00
IT Technician	1.00	1.00	1.00	1.00	1.00
Total General Fund FTEs	20.17	20.17	20.17	20.42	21.42
Non-General Fund FTEs (located in Administrative Services programs unless otherwise noted)					
Successor Agency to the Los Gatos RDA					
Accountant/Finance Analyst	0.01	0.01	0.01	0.01	0.01
Total Successor Agency FTEs	0.01	0.01	0.01	0.01	0.01

ADMINISTRATIVE SERVICES

ADMINISTRATIVE SERVICES STAFFING

	2020/21 Funded	2021/22 Funded	2022/23 Funded	2023/24 Funded	2024/25 Adopted
<i>Temporary Staff Hours</i>					
Intern I	1,050	-	-	-	-
Office Assistant	-	1,040	1,040	-	260
Facility Attendant	50	50	50	50	50
Mail Room Clerk (Library Dept Temps)	250	250	250	-	-
Emergency Management	1,000	1,000	1,000	960	960
Human Resources Project Manager					350
Human Resources Technician	-	1,040	-	400	-
Finance Project Manager	-	-	-	350	350
IT Project Manager	-	650	520	260	260
Total Annual Hours	2,350	4,030	2,860	2,020	2,230



Administrative Services

TOWN MANAGER’S OFFICE ADMINISTRATION PROGRAM 2101

PROGRAM PURPOSE

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

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

BUDGET OVERVIEW

The FY 2024/25 budget includes increases in salary and benefit costs attributed to anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% salary saving factor. Negotiations with two of the Town’s three bargaining units (Town Employees Association and the American Federation of State, County, and Municipal Employees) are currently in process. The FY 2024/25 Town Manager’s Office budget is programmed to maintain existing staffing and service levels with the continuation of a part-time, two-year position to assist with the Town’s emergency preparedness activities and regional emergency management engagement.

ADMINISTRATIVE SERVICES
Town Manager's Office

Since FY 2023/24, the Leadership Los Gatos program returned after the pandemic break. While the Chamber of Commerce managed the program in partnership with the Town in the past, in FY 2023/24 the Town began solely managing Leadership Los Gatos. There are revenue and expense lines in the Town Manager's Office budget to reflect both the tuition and costs for the program. The Town will continue to lead the program in FY 2024/25.

In addition, the Town Manager's Office will continue to direct its attention in managing key special projects and policies as reflected in the 2024-2026 Town Council Strategic Priorities.

ADMINISTRATIVE SERVICES

Town Manager's Office

FY 2023/24 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Community Character</i> Preserve and enhance the appearance, character, and environmental quality of the community	• Provided support to the Council Policy Committee as it evaluated a variety of policies and good government practices. • Provided individualized support to current and prospective businesses, including business stakeholders such as commercial property owners/managers, and commercial brokers. • Assisted businesses to locate, expand, or remain 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. • Coordinated with Community Development to bring elements of the Economic Recovery Resolution forward to the Town Council as formal Code Amendments to continue to encourage business attraction and retention through permit streamlining. • Complete the construction and implementation phase of the Town's downtown Semi-Permanent Parklet Program. • Provided strategic guidance for the Town's Housing Element processes. • Led the Town's Diversity, Equity, and Inclusion (DEI) work, including maintaining the "Becoming an Inclusive Community" website, completing the DEI Plan, and supporting the Town's newly formed Diversity, Equity, and Inclusion Commission. • Continued to lead an inter-Departmental staff Equity Team to form a foundation to advance equity within Departments and Town service delivery.
<i>Good Governance</i> Ensure responsive, accountable, and collaborative government	• Supported the Town Council in its decision making. • Led streamlining efforts to improve the efficiency of Town processes. • Provided administrative support to the Pension and OPEB Trusts Oversight Committee to manage the additional discretionary monies deposited into the Town's IRS 115 Pension and healthcare accounts. • Coordinated training for all staff website users to improve website content, accessibility, and stay up to date with best practices. • Represented the Town in County-wide and regional forums.

ADMINISTRATIVE SERVICES

Town Manager's Office

FY 2023/24 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Good Governance</i> Ensure responsive, accountable, and collaborative government	• Supported the Town Council as it took positions on pending legislation and regional/Statewide items affecting Los Gatos. • Continued to enhance community awareness and engagement through increased social media content on the Town's Facebook, Instagram, Nextdoor, LinkedIn, and Twitter accounts. • Promoted community participation in Town matters by through the weekly Town newsletter and other notifications through a dedicated email, by phone, or on the Town's website. • Provided oversight of the Town's new Enterprise Resource Planning System implementation.
<i>Fiscal Stability</i> Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community	• Led the development of a comprehensive, balanced Town-wide budget. • Provided technical and administrative support to the Finance Commission. • Continued to increase transparency and community access to Town financial information through work on dedicated Fiscal Transparency webpages. • Oversaw Federal American Recovery Plan Act (ARPA) COVID-19 recovery assistance.
<i>Quality Public Infrastructure</i> Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	• Supported respective Council Members as they serve on regional boards governing transportation, clean energy, and other topics. • Supported the economic vitality and infrastructure elements of the downtown parklet programs, and other economic recovery efforts.

ADMINISTRATIVE SERVICES
Town Manager's Office

FY 2023/24 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Civic Enrichment</i> Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	• Supported the Arts and Culture Commission in the implementation of the Gateway Art Project, the Utility Art Box Program, and obtaining funding sources for Town art. • Supported the Footbridge Art Project. • Provided four Town Special Events that were free and open to the public including: Spring Into Green; Symphony in the Park; Screen on the Green; and a newly re-designed Winter Celebration. • Provided individualized support to over 30 Special Event Applicants. • Provided increased community event support through Town staffing and Town implemented road closures for Halloween and the Children's Holiday Parade. • Continued to partner with the Chamber of Commerce to provide Destination Marketing and community vitality efforts. • Reinstated the Leadership Los Gatos Program for over twenty people that live and/or work in the Town of Los Gatos. • Oversaw the continuation of the Town's action items in support of its World Health Organizations Age-Friendly Community Designation. • Provided support for the Community Health and Senior Services Commission as it implemented the Senior Services Roadmap. • Provided support to bring a free San Francisco Opera weekend pop-up event to Los Gatos.
<i>Public Safety</i> Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness	• Continued to participate in County-led Emergency Management training programs and exercises. • Continued to implement a comprehensive training plan for all Town staff involved in the activation of the Emergency Operation Center. • Expanded communication and coordination with County Fire and other agencies regarding wildfire prevention and preparedness. • Incorporated the Council Ad Hoc Wildfire Committee's Report into the Hazard Mitigation Plan and the Community Wildfire Protection Plan. • Managed crisis communications including storm and flooding safety, hot and cold weather resources, and general emergency preparedness. • Implemented the Hotel Program to provide shelter for the unhoused community during inclement weather events.

ADMINISTRATIVE SERVICES

Town Manager's Office

SUMMARY OF REVENUES AND EXPENDITURES

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
REVENUES						
<i>Other Taxes</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Licenses and Permits</i>	851	3,056	6,920	3,000	3,000	4,000
<i>Intergovernmental Revenues</i>	2,365	-	11,560	175,000	183,000	15,300
<i>Service Charges</i>	-	-	100	10,450	10,450	10,000
<i>Interest</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	69,855	87,383	56,418	50,000	-
TOTAL REVENUES	\$ 3,216	\$ 72,911	\$ 105,963	\$ 244,868	\$ 246,450	\$ 29,300
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 1,160,885	\$ 1,161,830	\$ 1,194,118	\$ 1,336,266	\$ 1,313,250	\$ 1,523,294
<i>Operating Expenditures</i>	25,699	129,532	218,252	256,818	248,100	278,200
<i>Grants</i>	-	-	-	175,000	-	-
<i>Pass Through Accounts</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	2,365	-	-	-	-	-
<i>Internal Service Charges</i>	68,940	70,652	68,787	77,761	77,477	99,360
TOTAL EXPENDITURES	\$ 1,257,889	\$ 1,362,014	\$ 1,481,157	\$ 1,845,845	\$ 1,638,827	\$ 1,900,854

ADMINISTRATIVE SERVICES
Town Manager's Office

FY 2024/25 KEY PROJECTS

Core Goals	Key Projects
Community Character Preserve and enhance the appearance, character, and environmental quality of the community	<i>Business Attraction and Retention</i>
	Continue to assist businesses to find available locations in Los Gatos, encourage diverse and unique offerings in the downtown, and implement economic recovery initiatives. Implement a tool that allows staff to gain a better understanding of customer visits and habits within Los Gatos to assist business stakeholders. Support the Chamber of Commerce as the Town's Destination Marketing partner. Economic Vitality staff will also continue to identify actions in collaboration with other Town Departments to enhance overall community vitality for Council consideration.
	<i>Music in the Park</i>
	Oversee the management of the Music in the Park summer concert series by a new production team.
	<i>Special Events</i>
	Continue to work with event organizers to provide individualized liaison services throughout the Special Events Permit process, providing guidelines and other information to assist events and processing all Special Event Permit applications. Provide support for road closures and traffic management for Halloween and the Children's Holiday Parade as directed by the Town Council.
	<i>Housing Element Update</i>
	Provide support to the Community Development Department in engaging all Town Departments and the community in the Housing Element Update process.
	<i>Leadership Los Gatos</i>
	Continue to coordinate and facilitate the Leadership Los Gatos program.
	<i>Diversity, Equity, and Inclusion</i>
	Continue implementing the Town's Diversity, Equity, and Inclusion Plan . Continue to lead the inter-Departmental staff Equity Team to discuss how the Town can be more welcoming for all.
	<i>Sustainability</i>
	Continue to work with all Departments to increase sustainability efforts Town-wide.

ADMINISTRATIVE SERVICES
Town Manager's Office

FY 2024/25 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative government	<i>Communication with the Public</i>
	Enhance the usefulness of the Town's website and social media channels to improve accessibility and transparency of information and services for the public. Work with KCAT-TV to maintain the Town-branded YouTube page for viewing live and archived Town Council and other meetings. Continue the weekly digital Town Newsletter distribution.
	<i>Town Council Policies</i>
	Continue to provide support, research, and analysis to the Policy Committee for the review and revision of Town policies. Continue to lead the inter-Departmental Communications Team and address a variety of community engagement and communication topics.
	<i>Town Council Priorities</i>
	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.
	<i>IT</i>
	Oversee implementation of the Town's new Enterprise Resource Planning System and coordinate an ongoing training schedule for website users.
Fiscal Stability Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community	<i>Cost Containment</i>
	Continue to provide oversight on the efforts to identify and implement efficiencies in the delivery of Town services, and employee pension and other post-employment benefit cost containment measures to address long-term fiscal structural issues.
	<i>Fiscal Planning</i>
	Continue to support the Town Pension and OPEB Trusts Oversight Committee and the Finance Commission to develop additional cost-saving strategies and identify increased revenue options in alignment with the Council's Strategic Priorities.
	<i>Financial Information</i>
	Continue enhancing the description of budget assumptions and graphic representation to better explain the Town's budget and other financial documents, including developing alternate budget scenarios to illustrate the effects of differing economic assumptions.

ADMINISTRATIVE SERVICES
Town Manager's Office

FY 2024/25 KEY PROJECTS

Core Goals	Key Projects
<i>Fiscal Stability</i> Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community	<i>Property Asset Management</i> Continue to manage the research, analysis, and negotiations regarding the potential sale and/or lease of remaining Town-owned properties. Manage the operator for the Los Gatos Theatre to ensure success of the revitalized asset.
<i>Quality Public Infrastructure</i> Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	<i>Downtown Parking</i> Support the Parks and Public Works Department and Police Department in the implementation of the Comprehensive Parking Study.
<i>Civic Enrichment</i> Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	<i>Arts and Culture</i> Support the Arts and Culture Commission's Gateway Art Project and the Parks and Public Works' Outside the Box Utility Box Art Program. <i>Cultural and Community Partnerships</i> 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. <i>Senior Initiatives</i> Support the Community Health and Senior Services Commission in the implementation of the Senior Services Roadmap. <i>Los Gatos Theatre</i> Oversee the contract of the operator of the Los Gatos Theatre, a downtown fixture since 1915.

ADMINISTRATIVE SERVICES
Town Manager's Office

FY 2024/25 KEY PROJECTS

Core Goals	Key Projects
<i>Public Safety</i> Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness	<i>Overall Emergency Preparedness</i>
	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.
	<i>PG&E Shutoffs</i>
	Prepare for potential PG&E Public Safety Power Shutoff Events and keep website information current for future events.
	<i>Wildfire Preparedness</i>
	Continue implementation plans for the short-term and long-term goals identified in the Council Ad Hoc Wildfire Committee's plan and tree and vegetation management.

ADMINISTRATIVE SERVICES
Town Manager's Office

KEY PROGRAM SERVICES

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

ADMINISTRATIVE SERVICES
Town Manager's Office

TOWN MANAGER'S OFFICE STAFFING

Full Time Equivalents (FTE)

	2020/21	2021/22	2022/23	2023/24	2024/25
Town Staff	Funded	Funded	Funded	Funded	Adopted
Town Manager	1.00	1.00	1.00	1.00	1.00
Assistant Town Manager	1.00	1.00	1.00	1.00	1.00
Senior Administrative Analyst	-	-	-	1.00	1.00
Administrative Analyst	1.00	1.00	1.00	-	-
Administrative Technician	-	-	-	0.25	0.25
Deputy Town Clerk	0.13	0.13	0.13	0.38	0.38
Executive Asst. to Town Mgr.	0.50	0.50	0.50	0.50	0.50
Administrative Assistant	0.25	0.25	0.25	-	-
Economic Vitality Manager	0.30	0.30	0.30	0.30	0.30
Events & Marketing Specialist	0.50	0.50	0.50	0.50	0.50
Total Manager's Program FTEs	4.68	4.68	4.68	4.93	4.93

	2020/21	2021/22	2022/23	2023/24	2024/25
Temporary Staff Hours	Funded	Funded	Funded	Funded	Adopted
Facility Attendant	50	50	50	50	50
Emergency Management	1,000	1,000	1,000	960	960
Intern I	675	-	-	-	-
Office Assistant	-	520	520	260	260
Total Annual Hours	1,725	1,570	1,570	1,270	1,270

ADMINISTRATIVE SERVICES

Town Manager's Office

Performance Objectives and Measures	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Estimated	2024/25 Estimated
1. <i>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.</i>					
a. The average percentage of a grantee's budget that comes from the Town's grant contributions:*	<i>Not able to determine due to COVID</i>	1%	<i>Measure Discontinued</i>	<i>Measure Discontinued</i>	<i>Measure Discontinued</i>
2. <i>Foster a comprehensive arts environment in Los Gatos through the support, development, and appreciation of the arts.</i>					
a. Percentage of public art pieces in good to excellent condition:	80%	85%	85%	90%	90%
b. Resident satisfaction with Arts and Cultural opportunities in Los Gatos:	70%	74%	75%	72%	80%

ADMINISTRATIVE SERVICES Town Manager's Office

Activity and Workload Highlights	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Estimated	2024/25 Estimated
1. Number of community/customer referrals:	986	1,056	1,120	1,167	1,284
2. Grant agreements administered:					
a. Number of One-Time Grants**	10	8	12	24	8
b. Dollar amount of One-Time Grants**	\$70,000	\$75,013	\$81,000	\$229,000	\$80,000
c. Number of Innovation Grants**	3	0	4	4	3
d. Dollar amount of Innovation Grants**	\$4,500	\$0	\$6,000	\$6,000	\$4,000
e. Number of Sustaining Grants**	5	5	4	4	4
f. Dollar amount of Sustaining Grants**	\$70,000	\$70,000	\$62,000	\$66,000	\$66,000
3. Total dollar amount of General Fund grant agreements administered:	\$144,500	\$145,013	\$149,000	\$301,000	\$150,000
4. Number of Los Gatos residents directly served by Town grant-funded organizations:	<i>Not able to determine due to COVID</i>	3,800	3,500	4,000	4,000
5. Number of Art in the Council Chambers exhibitions installed and curated:	1	0	0	0	4
6. Number of businesses receiving general business liaison assistance:***	175	150	150	150	<i>Measure Discontinued</i>
7. Commercial Brokers/Property Owner Outreach Communications:***	40	45	20	20	<i>Measure Discontinued</i>
8. Approximate number of business stakeholders receiving business lianson assistnace inlcuding current and prospecitve businesses, commecial property owners/managers, and commercial brokerage professionals:****	<i>New Measure</i>	<i>New Measure</i>	<i>New Measure</i>	<i>New Measure</i>	175
9. Number of Town Coordinated Special Events: ****	2 <i>(Cancellations due to COVID)</i>	4	4	4	4
10. Number of Special Event Permits porcessed by the Town: ****	0	17	33	30	30

**Measure discontinued effective FY 22/23.*

***New measure effective FY 20/21.*

****Measure discontinued effective FY 24/25.*

*****New Measure effective FY 24/25.*

ADMINISTRATIVE SERVICES
Town Manager's Office

COMMUNITY GRANT PROGRAM

The FY 2024/25 budget for the Community Grant program represents a sustainable level of contribution from the General Fund as seen in previous fiscal years. The increased funding levels for this program in FY 2023/24 were made possible with a one-time allocation of remaining American Rescue Plan Act (ARPA) funds that are not possible to replace with General Fund dollars for this fiscal year. The Council has allocated an additional \$150,000 from the Downtown Streetscape Revitalization Project to the grant program increasing the total available one-time grant to \$230,000. \$50,000 of the \$150,000 allocation is dedicated to nutrition (\$25,000) and rental assistance (\$25,000) grants specifically.

The FY 2024/25 grant program includes “one-time grants” and “recurring grants” which include the lump sum amounts of all smaller grant funds that will be dispersed to grantees after the application and award process is completed. “Innovation grants” are no longer being offered. When the FY 2024/25 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.

ADMINISTRATIVE SERVICES
Town Manager's Office

GRANTS AND ART FUNDING SUMMARY

	<u>2020/21</u> <u>Awarded</u>	<u>2021/22</u> <u>Awarded</u>	<u>2022/23</u> <u>Awarded</u>	<u>2023/24</u> <u>Awarded</u>	<u>2024/25</u> <u>Adopted</u>
Grants to Award					
Recurring Grants					
CASSY	25,000	10,000	10,000	12,000	
Live Oak Senior Nutrition	37,000	22,000	22,000	22,000	
Next Door Solutions	20,000	5,000	10,000	12,000	
West Valley Community Services	\$ 35,000	\$ 20,000	\$ 20,000	\$ 20,000	
Total Recurring Grants	130,000	70,000	62,000	66,000	\$ 70,000
One-Time Grants					
Arts Docents of Los Gatos	7,000	10,000	-	1,300	
AWO	-	-	7,500	5,998	
Bay Area Housing Corp	-	-	7,500		
Chabad of San Jose				12,000	
Daves Avenue Elementary School				10,500	
Friends of the Library	-	-	600		
Girls on the Run of Silicon Valley				12,000	
History Club of Los Gatos	-	10,000	-		
Homenetmen Santa Clara Ani Chapter				4,320	
JCC Los Gatos	7,500	-	7,500	12,000	
KCAT 55+ Program	-	100,000	-	100,000	
LGS 55+ Programs	-	328,500	-	237,000	
Live Oak Adult Day Services	13,000	13,000	-	12,000	
Los Gatos Chamber	7,500	-	-	12,000	
Los Gatos Community Concert Association				6,000	
Los Gatos Education Foundation				12,000	
Los Gatos Lions	7,500	-	-		
Los Gatos Methodist Church	4,975	5,750	6,000		
Los Gatos Music and Arts	-	-	7,000	12,000	
Los Gatos Public Media, Inc. / KCAT TV	-	-	7,500		
Louise Van Meter Project Cornerstone	-	-	7,500	12,000	
Mariposa Montessori School	7,500	9,263			
NAMI Santa Clara County	-	-	7,500		
New Millennium Foundation	5,000	-	-		
New Museum of Los Gatos (NUMU)	7,500	10,000	7,500	12,000	
Omnivare Networks				2,500	
Parent Helping Parents	7,500	10,000		12,000	
Plant Based Advocates				9,382	
Rebuilding Together Silicon Valley				7,500	
SASCC Community Assesment Survey	-	21,500	-		
SASCC Health Fair	-	15,000	-		
SASCC Outlook Newspaper	-	30,000	-		
SASCC Senior Drive Through	-	5,000	-		
Silicon Valley Jewish Film Festival	5,000	-	-	12,000	
St. Luke's Episcopal Church	7,500	-		6,000	
The Los Gatos Anti-Racism Coalition				12,000	
The Rotary Club of Los Gatos				7,500	
Veterans' Memorial and Support Foundation	-	-	7,500	12,000	
West Valley Community Services	-	10,000	-		
Youth Theater Alliance	-	-	7,500		
Nutrition					25,000
Rental Assitance					25,000
Total One-Time Grants	74,475	565,013	81,100	554,000	\$ 230,000

ADMINISTRATIVE SERVICES
Town Manager's Office

GRANTS AND ART FUNDING SUMMARY

	<u>2020/21</u> <u>Awarded</u>	<u>2021/22</u> <u>Awarded</u>	<u>2022/23</u> <u>Awarded</u>	<u>2023/24</u> <u>Awarded</u>	<u>2024/25</u> <u>Adopted</u>
Grants to Award					
Innovation Grants					
Arjun Seshadri	1,500	-	-	-	
Bruce Preville	326	-	-	-	
Cheryl Hansen	1,500	-	-	-	
Heather Shaw	-	-	1,500	-	
Tom Picraux	-	-	1,500	-	
Lilli Valencia	-	-	1,500	-	
Farah Tavana	-	-	1,500	-	
Alyssa Ackalloor	-	-	-	1,500	
Farah Tavana	-	-	-	1,500	
Mikaela Swanson	-	-	-	1,500	
Roya Tavana	-	-	-	1,500	
Total Innovation Grants	3,326	-	6,000	6,000	
Total Grants to Award	\$ -	\$ 635,013	\$ 149,100	\$ 626,000	\$ 300,000



Administrative Services

HUMAN RESOURCES PROGRAM 2201

PROGRAM PURPOSE

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

BUDGET OVERVIEW

The FY 2024/25 budget includes increases in salary and benefit costs attributed to anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% salary saving factor. Negotiations with two of the Town's three bargaining units (Town Employees Association and American Federation of State, County, and Municipal Employees) are currently in process. The FY 2024/25 budget reflects the proposed continuation of a limited term Human Resource Analyst position through the end of June 2025.

Human Resource staff continue to serve the Town organization with filling critical Town-wide positions through effective recruitment and selection methods that strive to support workforce diversity; assist Departments with succession planning, retention, and training; and update job descriptions for efficiencies as vacancies become available.

ADMINISTRATIVE SERVICES

Human Resources

FY 2023/24 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Good Governance</i> Ensure responsive, accountable and collaborate government	• Successfully recruited and/or onboarded 29 positions. • Conducted an in-person open enrollment and Health and Wellness Fair. • Continued to support the organization with in-person and virtual oral board experiences to ensure continuation of the recruitment processes for vacancies. • Improved Personnel Action Form processing to increase efficiency. • Transitioned from virtual to in-person new employee onboarding and offboarding of departing employees. • Ensured the Town was adhering to the current Cal/OSHA, County, State, and Federal Government COVID guidelines. • Launched a pilot Health and Wellness Reimbursement Program. • Supported three staff in the County-wide Leadership Academy. • Cross trained HR staff in workers' compensation. • Initiated labor negotiations with all groups and closed with the Police Officers Association. • Procured and began implementation of performance evaluation tool.
<i>Fiscal Stability</i> Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community	• Continued the revision and creation of job classifications to meet the changing needs of the Departments including the creation flexibly staffed job series. • Conducted cost-benefit analysis to strategically reduce contract costs.

ADMINISTRATIVE SERVICES

Human Resources

SUMMARY OF REVENUES AND EXPENDITURES

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
REVENUES						
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	-	-	-	-
Service Charges	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES						
Salaries and Benefits	\$ 647,813	\$ 681,260	\$ 611,582	\$ 813,779	\$ 533,487	\$ 886,744
Operating Expenditures	115,436	307,810	204,550	333,733	356,535	252,711
Grants	-	-	-	-	-	-
Pass Through Accounts	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	19,229	19,513	18,069	22,644	22,558	42,679
TOTAL EXPENDITURES	\$ 782,478	\$ 1,008,583	\$ 834,201	\$ 1,170,156	\$ 912,580	\$ 1,182,134

ADMINISTRATIVE SERVICES
Human Resources

FY 2024/25 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable and collaborate government	<i>Personnel Rules and Regulations</i>
	• Complete the process to review and update the Town’s Personnel Rules and Regulations, which includes: meeting and conferring with employee groups regarding the proposed changes and bringing a recommendation to the Town Council to formally adopt a resolution accepting the revisions. • Develop a retired annuitant procedure. • Revise and update current administrative procedures related to workplace violence, harassment and bullying in the workplace. • Revitalize the Town’s employee recognition program. • Continue developing new recruiting and outreach strategies and techniques.
	<i>Training and Development</i>
	• Provide opportunities for staff to participate in the annual Santa Clara County Leadership Academy. • Continue to identify and make available other training opportunities for employees. • Continue to cross train within the HR Department for critical recruitment, workers’ compensation, and other functions.
	<i>Records Management</i>
	• Work with Finance and IT to implement the Enterprise Resource Planning (ERP) software program. • Continue to create and implement electronic HR related forms.
	<i>Safety/Health</i>
	• Ensure the Town is adhering to the current Cal/OSHA, County, State and Federal Government COVID and other workplace guidelines. • Continue to lead the Town’s Safety Committee.
Fiscal Stability Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community	<i>Recruitment/Onboarding</i>
	• Support all Town Departments to quickly fill vacancies while using recruitment efforts that encourage diversity within the Town’s workforce. • Improve efficiency in recruitment process through digital tools and reducing paper processes. <i>Succession Planning</i> 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.

ADMINISTRATIVE SERVICES

Human Resources

KEY PROGRAM SERVICES

- Provides effective administration and ensures legal compliance of employee relations program.
- Conducts employee training and organizational development assessments.
- Administers, evaluates, and selects competitive employee benefits.
- Works collaboratively with Department managers to facilitate the Town's recruitment and selection programs.
- Administers and refreshes classification and compensation plans.
- Provides information and interpretation regarding Town personnel rules, regulations and procedures, Memoranda of Understanding, administrative policies, and ordinances.
- Partners with the Town Manager's Office and Town Attorney's Office to resolve personnel issues.
- Maintains employee personnel files, records, and documentation.
- Ensures all legislative changes related to the Human Resources program areas (i.e., employment, benefits, training, workers' compensation, and recruitment) are communicated and implemented in a timely manner.
- Manages the workers' compensation program.
- Collaborates with the Parks and Public Works Department to administer the safety and ergonomics programs, including supporting the Town's employee Health and Safety Committee.
- Develops, implements, revises, and maintains administrative policies and procedures to ensure incorporation of legislative and Town-wide changes.
- Serves as advisor to employee recognition program.
- Provides support for Personnel Board activities.
- Participates in the development of multi-agency training programs, such as the Leadership Academy.

ADMINISTRATIVE SERVICES
Human Resources

HUMAN RESOURCES PROGRAM STAFFING

Full Time Equivalents (FTE)

	2020/21	2021/22	2022/23	2023/24	2024/25
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Adopted
Human Resources Director	1.00	1.00	1.00	1.00	1.00
Administrative Analyst	1.00	1.00	1.00	1.00	2.00
Human Resources Technician	1.00	1.00	1.00	1.00	1.00
Total Human Resources FTEs	3.00	3.00	3.00	3.00	4.00

	2020/21	2021/22	2022/23	2023/24	2024/25
<i>Temporary Staff Hours</i>	Funded	Funded	Funded	Funded	Adopted
Project Manager	-	-	-	-	350
Human Resources Technician	-	1,040	-	400	-
Total Annual Hours	-	1,040	-	400	350

ADMINISTRATIVE SERVICES

Human Resources

Performance Objectives and Measures	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Estimated	2024/25 Estimated
1. <i>To provide a competitive employee benefit package that contributes to the recruitment and retention of employees.*</i>					
a. Percentage of employees rating benefit program material, products, and services as neutral to excellent:	96%	96%	94%	92%	95%
b. Percentage of employees rating communication of the benefit program as neutral to excellent:*	94%	94%	96%	96%	96%
2. <i>To provide effective and efficient professional development, training, and organizational development.</i>					
a. Percentage of employees who have received a formal evaluation in the last 12 months:**	22%	Implementing software solution to track this data	Implementing software solution to track this data	Implementing software solution to track this data	Implementing software solution to track this data
3. <i>To provide effective and efficient employee recruitment services to departments.*</i>					
a. Percentage of hiring managers rating recruitment process timeline as good to excellent:	89%	89%	94%	94%	95%
4. <i>To provide effective and efficient employee relations support.</i>					
a. Percentage of labor agreements ratified prior to expiration of existing contracts:	100%	100%	100%	100%	100%
b. Percentage of employees rating the availability and timeliness of HR staff response to inquiries as neutral to excellent:*	94%	94%	90%	85%	95%

Activity and Workload Highlights	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Estimated	2024/25 Estimated
1. Number of recruitments conducted:	17	35	35	24	30
2. Number of employment applications reviewed:	2,244	2,033	1,974	1,104	1,539
3. Number of Workers' Compensation claims filed:	16	17	28	24	20
4. Percentage of eligible employees participating in deferred compensation:	60%	68%	53%	44%	50%
5. Number of Personnel Action Forms processed:	198	231	241	250	250
6. Number of employee promotions:*	8	19	10	8	8
7. Number of ergonomic evaluations conducted:*	10	14	7	35	15
8. Number of new employee onboarding sessions conducted (full-time, part-time, and temporary):*	25	22	38	30	25
9. Number of job classifications revised or created:*	3	5	2	3	6
10. Vacancy rate:*	11%	12%	9%	7%	7%
11. Turnover rate: ***	New Measure effective FY23/24	New Measure effective FY23/24	10%	8%	8%

*New measure effective FY 20/21.

**Due to the implementation of a new online performance evaluation system, this data is unavailable.

*** New measure effective FY 23/24.



Administrative Services

FINANCE PROGRAM 2301

PROGRAM PURPOSE

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

BUDGET OVERVIEW

The FY 2024/25 budget includes increases in salary and benefit costs attributed to anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% salary saving factor. Negotiations with two of the Town's three bargaining units (Town Employee Association and American Federation of State, County, and Municipal Employees) are currently in process.

ADMINISTRATIVE SERVICES

Finance

FY 2023/24 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Good Governance</i> Ensure responsive, accountable and collaborate government	• Coordinated the successful development of the FY 2022/23 Annual Comprehensive Financial Report (ACFR) and corresponding financial and compliance audit of the Town of Los Gatos. • Achieved the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the ACFR for the FY 2021/22 • Achieved the GFOA's Distinguished Budget Presentation Award for the FY 2023/24 Operating Budget. • Completed State Controller's "Cities Annual Report" and "Streets Report."
<i>Fiscal Stability</i> 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 2024/25 Operating Budget and FY 2024/25-2028/29 Capital Improvement Program for Council consideration. • Supported and actively participated in the ongoing implementation of the Town's new Enterprise Resource Planning System upgrade. • Managed the Town's investments and prepared financial and investment reports. • Supported the Successor Agency and its required filings. • Supported the Finance Commission and Pension/OPEB Oversight Committee. • Provided ongoing fiscal controls for contracts and other Town expenditures.

ADMINISTRATIVE SERVICES

Finance

SUMMARY OF REVENUES AND EXPENDITURES

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
REVENUES						
<i>Other Taxes</i>	\$ 1,386,943	\$ 1,481,667	\$ 2,361,862	\$ 2,429,419	\$ 2,429,419	\$ 2,421,000
<i>Licenses and Permits</i>	-	-	-	-	-	-
<i>Intergovernmental Revenues</i>	-	-	-	-	-	-
<i>Service Charges</i>	93,008	99,907	134,171	87,000	87,000	73,000
<i>Interest</i>	58,250	(1,404,526)	583,922	1,566,384	1,567,130	1,764,425
<i>Other Revenues</i>	-	-	(2)	-	-	-
TOTAL REVENUES	\$ 1,538,201	\$ 177,048	\$ 3,079,953	\$ 4,082,803	\$ 4,083,549	\$ 4,258,425
EXPENDITURES						
<i>Salaries and Benefits*</i>	\$ 1,271,722	\$ 1,412,811	\$ 1,226,536	\$ 1,506,477	\$ 1,430,946	\$ 1,473,012
<i>Operating Expenditures</i>	132,332	148,291	162,496	247,800	199,812	261,300
<i>Grants</i>	-	-	-	-	-	-
<i>Pass Through Accounts</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	32,506	33,629	32,679	44,294	44,147	63,872
TOTAL EXPENDITURES	\$ 1,436,560	\$ 1,594,731	\$ 1,421,711	\$ 1,798,571	\$ 1,674,905	\$ 1,798,184

ADMINISTRATIVE SERVICES
Finance

FY 2024/25 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative government	Enterprise Resource Planning (ERP) System Upgrade
	Continue to implement the Town’s new enterprise resource planning (ERP) system in a phased approach.
	Electronic Filing
	Maintain electronic filing across all functions.
Fiscal Stability Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community	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.
	Long-Term Budget Development
	Provide support, analysis, and recommendations to restructure and reduce long-term projected increases in employee salary and benefit costs. Explore ways to generate one-time or ongoing funds.
	Finance Commission
	Support the Town Finance Commission as governed by its enabling resolution.

ADMINISTRATIVE SERVICES

Finance

KEY PROGRAM SERVICES

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

ADMINISTRATIVE SERVICES

Finance

FINANCE PROGRAM STAFFING

Full Time Equivalents (FTE)

	2020/21	2021/22	2022/23	2023/24	2024/25
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Adopted
Finance Director	1.00	1.00	1.00	1.00	1.00
Finance & Accounting Manager	-	-	-	1.00	1.00
Finance & Budget Manager	1.00	1.00	1.00	-	-
Accountant/Fin Analyst	1.99	1.99	1.99	1.99	1.99
Administrative Analyst	3.00	3.00	3.00	3.00	3.00
Total Finance Services FTEs	6.99	6.99	6.99	6.99	6.99

	2020/21	2021/22	2022/23	2023/24	2024/25
<i>Temporary Staff</i>	Funded	Funded	Funded	Funded	Adopted
Project Manager	-	-	-	350	350
Mail Room Clerk (Library Dept Temps)	250	250	250	-	-
Total Annual Hours	250	250	250	350	350

ADMINISTRATIVE SERVICES

Finance

Performance Objectives and Measures	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Estimated	2024/25 Estimated
1. <i>Provide oversight of Town investment activities to obtain highest available portfolio earnings in accordance with State and Town Codes.</i>					
a. Average rate of return on investments:	1.37%	1.37%	3.19%	4.23%	3.77%
2. <i>Assure legal and fiscal accountability to the public, in compliance with established accounting standards.</i>					
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. <i>Prepare accurate budget forecasts and workplans in compliance with standard budgeting practices.</i>					
a. Governmental Finance Officer Association (GFOA) 'Certificate of Achievement of Excellence in Budgeting' awarded to the Town:	Yes	Yes	Yes	Yes	Yes
4. <i>Provide timely and accurate financial reports within specified deadlines.</i>					
a. Percent of State Controller's annual financial reports completed and filed by deadlines:	100%	100%	100%	100%	100%
b. Percent of County annual financial reports completed and filed by deadlines:	100%	100%	100%	100%	100%
c. Percent of time bank statements reconciled to general ledger within 30 days of month-end:	100%	100%	100%	100%	100%
5. <i>Provide financial oversight and administer accounting functions for all Town funds and accounts.</i>					
a. Percentage of Payroll checks paid accurately and on-time:	99%	99%	99%	99%	99%

Activity and Workload Highlights	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Estimated	2024/25 Estimated
1. Quarterly investment reports to Finance Commission and Town Council:**	4	4	N/A	N/A	N/A
2. Monthly investment reports to Finance Commission and Town Council:***	N/A	N/A	12	12	12
3. Number of general ledger corrections needed during audit due to processing error:	0	0	0	0	0
4. Annual number of invoices entered into the Accounts Payable system:	6,388	7,826	8,041	8,100	8,000
5. Average number of Accounts Payable checks issued weekly:	58	64	64	65	65
6. Average number of regular and temporary employee payroll checks issued bi-weekly:	189	182	185	186	186
7. Number of Business Licenses issued annually :*	4,144	4,237	N/A	N/A	N/A
8. Number of Business Licenses approved by Town annually (Third Party License Processor):***	N/A	N/A	3,469	3,500	3,500

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

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

***New Measure effective January of FY2022/23



Administrative Services

CLERK ADMINISTRATION PROGRAM 2401

PROGRAM PURPOSE

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

BUDGET OVERVIEW

The FY 2024/25 budget includes increases in salary and benefit costs attributed to anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% salary saving factor. Negotiations with two of the Town's three bargaining units (Town Employees Association and American Federation of State, County, and Municipal Employees) are currently in process.

ADMINISTRATIVE SERVICES
Clerk Administration

FY 2023/24 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Good Governance</i> Ensure responsive, accountable and collaborative government	• Provided administrative support to the Council Policy Committee, Finance Commission, Arts and Culture Commission, Community Health and Senior Services Commission, and Diversity, Equity, and Inclusion Commission. • Provided professional support for communications on various social media platforms and drafting and distributing the Town's newsletter. • Improved accessibility and transparency by centralizing all Boards, Commissions, and Committee agendas to a single webpage. • Improved the records request process in JustFOIA by developing an additional submission form specifically for Police Department records to streamline the request process and facilitate the retrieval of information in a more efficient and effective manner.
<i>Civic Enrichment</i> Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	• Managed the annual and mid-year Commission recruitments and appointment processes for 15 Boards, Commissions, and Committees. • Provided administrative assistance for the Hotel Program, to help unhoused community members gain access to shelter. • Enhanced the transparency of addenda and desk items by ensuring they are easily accessible.

ADMINISTRATIVE SERVICES

Clerk Administration

SUMMARY OF REVENUES AND EXPENDITURES

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
REVENUES						
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	-	-	-	-
Service Charges	-	-	10	-	189	-
Interest	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ 10	\$ -	\$ 189	\$ -
EXPENDITURES						
Salaries and Benefits	\$ 383,616	\$ 398,338	\$ 443,198	\$ 419,388	\$ 448,575	\$ 479,783
Operating Expenditures	12,444	11,860	12,578	22,250	18,700	23,400
Grants	-	-	-	-	-	-
Pass Through Accounts	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	20,144	20,583	18,979	22,051	22,028	28,228
TOTAL EXPENDITURES	\$ 416,204	\$ 430,781	\$ 474,755	\$ 463,689	\$ 489,303	\$ 531,411

ADMINISTRATIVE SERVICES
Clerk Administration

FY 2024/25 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable and collaborate government	<i>Records Retention</i> - Continued to conduct a comprehensive review and update of the Town's Retention Schedule, Policy, and procedures. - Continue to utilize an electronic archiving process to improved records accessibility for the public. - Continue to enhance the records request process in the JustFOIA software system. - Continue to review and update as necessary the Administrative Procedures and Council Policies. <i>Public Engagement</i> - Continue to participate in Town events and other opportunities to increase the public's awareness of the vital role of the Clerk Department. - Implement a new electronic Board, Commission, and Committee application and recruitment process to improve efficacy. - Oversee the November 5, 2024, election process for two Town Council Member seats and a possible ballot measure for a referendum, ensuring the process adherence with legal requirements.
	<i>Public Document Accessibility</i> - Continue to provide various public documents to the public through the Town's website. - Continue adding all resolutions, ordinances, minutes, and historical recordings to the document repository, increasing access to information. - Continue to utilize NetFile to facilitate e-filing for the required Fair Political Practices Commission (FPPC) Form 700 and Campaign Statements, ensuring the public has direct access to the documents.

ADMINISTRATIVE SERVICES

Clerk Administration

KEY PROGRAM SERVICES

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

CLERK ADMINISTRATION STAFFING

Full Time Equivalents (FTE)

	2020/21	2021/22	2022/23	2023/24	2024/25
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Adopted
Town Clerk	1.00	1.00	1.00	1.00	1.00
Deputy Town Clerk	0.88	0.88	0.88	1.50	1.50
Administrative Assistant	0.63	0.63	0.63	-	-
Total Clerk Admin FTEs	2.50	2.50	2.50	2.50	2.50

	2020/21	2021/22	2022/23	2023/24	2024/25
<i>Temporary Staff</i>	Funded	Funded	Funded	Funded	Adopted
Intern 1	375	-	-	-	-
Office Assistant	-	520	520	-	-
Total Annual Hours	375	520	520	-	-

ADMINISTRATIVE SERVICES

Clerk Administration

Performance Objectives and Measures	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Estimated	2024/25 Estimated
1. <i>Provide efficient and effective indexing of key documents to ensure adequate tracking of and accessibility to the Town's legislative history.</i>					
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. <i>Oversee the Town Council Agenda process to ensure comprehensive information and analysis is provided to the Town Council in a timely manner.</i>					
a. Percentage of Town Council reports available 120 hours prior to Town Council meetings:	100%	100%	99%	100%	100%
3. <i>Number of Public Records Act requests processed</i>					
a. Percentage of Public Records requests received by the Town Clerk's Office that are completed within 10 days:	90%	90%	90%	90%	90%
4. <i>Percentage of vacancies filled on an annual basis to maximize community participation within the Town's advisory bodies.</i>	90%	90%	90%	90%	100%

Activity and Workload Highlights	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Estimated	2024/25 Estimated
1. <i>Number of Legislative Records indexed:</i>					
a. Number of resolutions indexed:	49	80	72	55	64
b. Number of agreements indexed:	206	330	307	310	315
c. Number of documents recorded:	28	56	30	28	35
d. Number of ordinances indexed:	9	14	8	15	12
2. Number of commission and board applications and appointments processed:	91	60	53	58	65
3. Number of commission and board seats available:*	30	36	40	44	42
4. Number of Legal Notices published within established timelines:	131	139	115	120	126
5. Number of Fair Political Practices Commission (FPPC) Form 700:	177	149	178	159	165
6. Number of bids processed and project files monitored for final action:**	50	7	5	0	0
7. Number of required insurance certificates verified:	184	279	254	255	260
8. Number of Town Council agenda reports processed:	241	299	300	318	305
9. Number of Public Records Act requests processed:	223	252	272	222	242

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

**This measure moved to Public Works during FY 2022/23.

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 2024/25 budget includes increases in salary and benefit costs attributed to anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% salary saving factor. Negotiations with two of the Town's three bargaining units (Town Employee Association and American Federation of State, County, and Municipal Employees) are currently in process.

ADMINISTRATIVE SERVICES
Information Technology Staffing

FY 2023/24 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Good Governance</i> Ensure responsive, accountable, and collaborative government	• Provided ongoing project management of the new enterprise resource planning (ERP) systems implementation. • Provided ongoing security awareness training for staff. • Implemented a new waste tracking system with integration into the Town's online permitting system. • Implemented a new solar panel permitting system with integration into the Town's online permitting system. • Supported the Parks and Public Works team on the implementation of a new cloud hosted procurement system for managing contracts and bids.
<i>Quality Public Infrastructure</i> Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	• Provided ongoing support and maintenance of the Town's IT infrastructure and services. • Completed the upgrade of all network switches to new next generation cloud managed network switches for increased security and more efficient network administration. • Implemented a new identity threat management system to better protect against cyber-attacks. • Implemented a new cybersecurity solution to secure the Town's data and services from ransomware attacks through continuously backup and monitoring along with rapid systems recovery. • Incorporated a new vulnerability scanning service to check the security and vulnerabilities of our public facing websites. • Upgraded Windows Server systems reaching end-of-life support along with their associated applications and services. • Implemented a full disk encryption solution to better protect data stored on computer systems. • Migrated the legacy phone system to a new cloud hosted voice over IP phone system for increased functionality and more effective management. • Performed upgrades of aging staff computer systems.

ADMINISTRATIVE SERVICES

Information Technology Staffing

SUMMARY OF REVENUES AND EXPENDITURES

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
REVENUES						
<i>Other Taxes</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenues</i>	-	-	-	-	-	-
<i>Service Charges</i>	-	-	-	-	-	-
<i>Interest</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 629,082	\$ 580,344	\$ 599,927	\$ 649,610	\$ 638,953	\$ 668,253
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Grants</i>	-	-	-	-	-	-
<i>Pass Through Accounts</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	345	543	955	4,111	4,069	16,475
TOTAL EXPENDITURES	\$ 629,427	\$ 580,887	\$ 600,882	\$ 653,721	\$ 643,022	\$ 684,728

ADMINISTRATIVE SERVICES
Information Technology Staffing

KEY PROGRAM SERVICES

- Performs maintenance and upgrades of administrative IT systems (servers, networks, 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 2024/25 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative government	ERP Systems Migration Support Finance and HR Departments in migrating to the new cloud hosted ERP system with increased efficiencies and improved process workflows.
	Collaboration Systems Provide ongoing staff training on available collaboration tools.
Fiscal Stability Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community	Continuous Improvement Provide ongoing direction to the Town's strategic investments in technology to improve Town service delivery, transparency, efficiency, and government access.
Quality Public Infrastructure Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	IT Infrastructure - Provide ongoing support and maintenance of the Town's IT infrastructure and services. - Implement an IT Infrastructure monitoring tool for increased visibility and alerting of the network, server, and application stack.
	Cyber Security - Perform ongoing assessment and review of overall security posture and preparedness to protect against evolving threat landscape. - Provide ongoing security awareness training to staff.

ADMINISTRATIVE SERVICES
Information Technology Staffing

FY 2024/25 KEY PROJECTS

Core Goals	Key Projects
<i>Quality Public Infrastructure</i> Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	<i>Virtual Storage Infrastructure</i> • Upgrade backend storage hardware hosting the virtual server infrastructure. <i>Network Resiliency</i> • Build out the network at the Police Operations Building to ensure ongoing operations in case of fiber outage to Police headquarters. <i>Equipment Replacement</i> • Replace and upgrade computer systems and peripherals as part of the replacement program.
<i>Public Safety</i> Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness	<i>Police Support Technology</i> • Assist with maintenance of Police IT systems and upgrades. • Enhance the audio-visual systems in the Emergency Operations Center. • Support the implementation of the new next-generation 911 system. • Support the implementation of the new electronic citation system.

ADMINISTRATIVE SERVICES
Information Technology Staffing

INFORMATION TECHNOLOGY STAFFING

Full Time Equivalent (FTE)

	2020/21	2021/22	2022/23	2023/24	2024/25
Town Staff	Funded	Funded	Funded	Funded	Adopted
IT Manager	1.00	1.00	1.00	1.00	1.00
IT Systems Administrator	1.00	1.00	1.00	1.00	1.00
IT Technician	1.00	1.00	1.00	1.00	1.00
Total IT FTEs	3.00	3.00	3.00	3.00	3.00

	2020/21	2021/22	2022/23	2023/24	2024/25
Temporary Staff	Funded	Funded	Funded	Funded	Adopted
IT Program Manager Temp/Hrly	-	650	520	260	260
Total Annual Hours	-	650	520	260	260

ADMINISTRATIVE SERVICES

Information Technology Staffing

Performance Objectives and Measures	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Estimated	2024/25 Estimated
1. <i>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).</i>					
a. Percentage of network availability during normal business hours:	99%	99%	99%	99%	99%
b. Percentage of customers rating support as "good" or "excellent" based on timeliness:	98%	94%	96%	96%	96%
c. Percentage of customers rating support as "good" or "excellent" based on quality of service:	94%	94%	96%	96%	96%

Activity and Workload Highlights	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Estimated	2024/25 Estimated
1. Number of PCs/Notebooks maintained:	263	267	261	261	261
2. Number of network servers maintained:	59	56	53	53	53
3. Number of network printers maintained:	45	45	40	40	40
4. Number of service requests received:	1034	1287	1450	1673	1700



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 2024/25, revenues captured in Non-Departmental reflect positive changes in Property Tax and Transient Occupancy Tax (TOT) and negative Sales Tax revenues. These revenue modifications are informed by the Town's sales tax consultant, MuniServices, the County Tax Assessor, communications with Los Gatos hoteliers, and other sources.

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

ADMINISTRATIVE SERVICES

Non-Departmental

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

The Town's pension plans over the past several decades, like all other CalPERS participants, have experience unfavorable investment returns, changes in actuarial assumptions, and unfavorable demographic shifts which have outweighed any positive plan experiences, resulting in increasing employer contributions to date. The CalPERS rates for FY 2024/25 are either 94.98% or 15.56% for public safety employees, depending on date of entrance into CalPERS, and 30.62% 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.

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 Non-Departmental Program pays for copy paper for use on the printers and copiers.

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

- \$1,697,706 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.
- \$1,227,925 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.
- \$674,375 for the lease payment on the Town's Corporation Yard property as pledged under the 2002 Certificates of Participation. This payment is offset by a reimbursement from the Successor Agency to the Los Gatos Redevelopment Agency, with a result of no net impact on the Town's General Fund budget.

ADMINISTRATIVE SERVICES

Non-Departmental

- \$390,000 payment toward unfunded pension liability.
- \$272,850 for animal control services
- \$262,425 for Administration fee for collecting and processing of the Town's property and sales tax receipts.
- \$180,000 for special studies as needed.
- \$100,000 for the Town Manager's Contingency and Productivity Funds to address unforeseen situations or opportunities that may arise during the fiscal year.
- \$100,000 for independent investigations of complaints regarding sworn personnel.
- \$100,000 for the NUMU History Collection.
- \$88,000 for the Los Gatos Chamber of Commerce contract to provide support for the Town's visitor information center.
- \$60,000 for the KCAT public meetings' broadcasting and video streaming services.

The Non-Departmental program budget also reflects a transfer of \$1.1 million from the General Fund Capital/Special Projects Reserve and \$0.6 million (50%) of the estimated Measure G proceeds to the General Fund Appropriated Reserves (GFAR) to support the Capital Improvement Program (CIP).

ADMINISTRATIVE SERVICES

Non-Departmental

SUMMARY OF REVENUES AND EXPENDITURES

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
REVENUES						
Property Tax	\$ 15,826,162	\$ 16,899,618	\$ 18,187,388	\$ 18,997,898	\$ 19,032,718	\$ 20,225,761
VLF Backfill Property Tax	4,052,672	4,229,462	4,555,700	4,906,000	4,906,000	4,978,930
Sales & Use Tax	7,933,604	8,483,673	8,806,477	8,200,593	7,881,069	7,885,517
Franchise Fees	2,499,463	2,822,515	3,074,624	3,308,703	3,308,703	1,041,330
Transient Occupancy Tax	1,044,820	1,895,064	2,228,190	2,262,528	2,264,484	2,332,419
Intergovernmental Revenues	419,786	42,794	39,277	8,550	48,870	8,550
Lease Payments	1,908,494	1,899,850	1,893,713	1,894,550	1,894,550	1,902,300
Charges for Services	194,575	131,066	157,240	127,172	117,940	118,140
Other Sources	1,447,671	307,239	192,910	226,604	216,093	262,202
TOTAL REVENUES	\$ 35,327,247	\$ 36,711,281	\$ 39,135,519	\$ 39,932,598	\$ 39,670,427	\$ 41,121,779
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	10,000	10,000	10,000	12,499	10,000
Transfer to Measure G Subfund	1,181,162	-	-	-	-	-
Transfer from Gas Tax	106,000	106,000	106,000	106,000	106,000	106,000
TOTAL TRANSFERS IN	\$ 1,404,082	\$ 222,920	\$ 222,920	\$ 222,920	\$ 225,419	\$ 222,920
TOTAL REVENUES & TRANSFERS	\$ 36,731,329	\$ 36,934,201	\$ 39,358,439	\$ 40,155,518	\$ 39,895,846	\$ 41,344,699
EXPENDITURES						
Salaries and Benefits	\$ 60,660	\$ 131,808	\$ 495	\$ -	\$ -	\$ -
Operating Expenditures	7,744,600	3,215,049	3,239,500	3,777,362	3,603,386	3,597,172
Grants	72,002	125,002	70,002	103,000	103,000	203,000
Pass Throughs	549,328	3,791,864	5,336,689	2,770,881	2,789,654	1,288,166
Interest	52,011	156,034	156,034	156,034	156,034	156,034
Charges for Services	5,500	11,000	19,566	27,393	27,393	30,040
Debt Service	1,908,494	1,899,850	1,893,713	1,894,550	1,894,550	1,902,300
TOTAL EXPENDITURES	\$ 10,392,595	\$ 9,330,607	\$ 10,715,999	\$ 8,729,220	\$ 8,574,017	\$ 7,176,712
TRANSFERS OUT						
Transfers to GFAR	\$ 3,401,479	\$ 1,750,001	\$ 3,006,978	\$ 1,615,000	\$ 1,615,000	\$ 1,110,000
Transfers to Liability Program	-	-	-	-	430,000	-
Transfer to Measure G Subfund	1,181,162	-	-	-	-	-
TOTAL TRANSFERS OUT	\$ 4,582,641	\$ 1,751,788	\$ 3,006,978	\$ 1,615,000	\$ 2,045,000	\$ 1,110,000
TOTAL EXPEND'S & TRANSFERS	\$ 14,975,236	\$ 11,082,395	\$ 13,722,977	\$ 10,344,220	\$ 10,619,017	\$ 8,286,712

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 2024/25 budget for IT recognizes the continued need to identify and invest in information technology opportunities. Continued investment is a cost-effective approach to maintain and improve the security and service delivery levels in a fiscally prudent manner. IT has assisted behind-the-scenes in implementing new systems to improve the overall business processes and related back-office work. Cybersecurity continues to be a focus for IT and will make prudent investments to combat the ever-evolving threat landscape. Improvements in the reliability of its network and data continues to be an ongoing initiative. These efforts result in increased costs of licensing, maintenance and support fees.

ADMINISTRATIVE SERVICES
Information Technology Fund

Photocopy and printer equipment are now centrally funded through the Information Technology Program, and subsequently charged back to the appropriate Department for services and materials utilized on a monthly basis. The Town maintains approximately 40 printers and copiers. The maintenance service includes toner and repairs for all copiers and printers.

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

IT program expenses are budgeted to increase for FY 2024/25 as a result of the increased software licensing costs associated with the new Enterprise Resource Planning (ERP) system.

ADMINISTRATIVE SERVICES

Information Technology Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	2,604,203	2,870,823	2,990,931	2,474,617	2,474,617	2,494,445
Total Beginning Fund Balance	2,604,203	2,870,823	2,990,931	2,474,617	2,474,617	2,494,445
Revenues						
<i>Service Charge</i>	825,655	825,784	628,096	650,656	648,028	809,113
<i>Other Revenues</i>	147,599	172,373	127,002	85,000	67,000	105,000
Total Revenues	973,254	998,157	755,098	735,656	715,028	914,113
TRANSFERS IN						
<i>From General Fund</i>	-	-	-	-	-	-
TOTAL TRANSFERS IN	-	-	-	-	-	-
TOTAL REVENUES & TRANSFERS	973,254	998,157	755,098	735,656	715,028	914,113
TOTAL SOURCE OF FUNDS	\$ 3,577,457	\$ 3,868,980	\$ 3,746,029	\$ 3,210,273	\$ 3,189,645	\$ 3,408,558
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	668,834	878,049	538,412	1,031,695	695,200	1,105,331
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
Total Expenditures	668,834	878,049	538,412	1,031,695	695,200	1,105,331
Transfers Out						
<i>Transfer to General</i>	37,800	-	-	-	-	-
<i>Transfer to Equipment Replacement</i>	-	-	-	-	-	-
<i>Transfer to GFAR</i>	-	-	733,000	-	-	-
Total Transfers Out	37,800	-	733,000	-	-	-
Total Expenditures & Transfers Out	706,634	878,049	1,271,412	1,031,695	695,200	\$ 1,105,331
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	2,870,823	2,990,931	2,474,617	2,178,578	2,494,445	2,303,227
Total Ending Fund Balance	2,870,823	2,990,931	2,474,617	2,178,578	2,494,445	2,303,227
TOTAL USE OF FUNDS	\$ 3,539,657	\$ 3,868,980	\$ 3,013,029	\$ 3,210,273	\$ 3,189,645	\$ 3,408,558



Administrative Services

WORKERS' COMPENSATION FUND FUND 612

FUND PURPOSE

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

BUDGET OVERVIEW

Revenues to fund this program are derived as a percentage of salary each payroll period. Each Department pays a portion of the program's cost based on gross wages and level of risk for the various job classifications within the Department. The annual appropriation to this fund represents the self-insurance premiums paid by the operating Departments. The Town has a very low fund balance for this Program. To meet the possibility of a future claim, departmental service charges are raised in FY 2024/25. Staff continues to evaluate and monitor the performance of this Program.

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

ADMINISTRATIVE SERVICES

Workers' Compensation Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	1,808,739	1,673,018	1,295,184	514,813	514,813	80,451
Total Beginning Fund Balance	1,808,739	1,673,018	1,295,184	514,813	514,813	80,451
Revenues						
<i>Service Charge</i>	917,555	896,732	967,013	1,123,448	1,134,888	1,765,154
<i>Intergovernmental</i>	-	-	2,000	-	-	-
<i>Interest</i>	5	5	5	-	-	-
<i>Other Revenues</i>	327,768	258,474	163,755	140,379	194,810	140,000
Total Revenues	1,245,328	1,155,211	1,132,773	1,263,827	1,329,698	1,905,154
TRANSFERS IN						
<i>From General Fund</i>	-	-	-	-	-	-
TOTAL TRANSFERS IN	-	-	-	-	-	-
TOTAL REVENUES & TRANSFERS	1,245,328	1,155,211	1,132,773	1,263,827	1,329,698	\$ 1,905,154
TOTAL SOURCE OF FUNDS	\$ 3,054,067	\$ 2,828,229	\$ 2,427,957	\$ 1,778,640	\$ 1,844,511	\$ 1,985,605
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	1,381,049	1,533,045	1,913,144	1,780,264	1,764,060	1,826,050
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
Total Expenditures	1,381,049	1,533,045	1,913,144	1,780,264	1,764,060	1,826,050
Transfers Out						
<i>Transfer to Grant Funds</i>	-	-	-	-	-	-
<i>Transfer to General Fund</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	1,381,049	1,533,045	1,913,144	1,780,264	1,764,060	1,826,050
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	1,673,018	1,295,184	514,813	(1,624)	80,451	159,555
Total Ending Fund Balance	1,673,018	1,295,184	514,813	(1,624)	80,451	159,555
TOTAL USE OF FUNDS	\$ 3,054,067	\$ 2,828,229	\$ 2,427,957	\$ 1,778,640	\$ 1,844,511	\$ 1,985,605

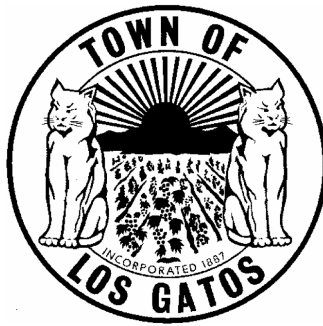
ADMINISTRATIVE SERVICES
Workers' Compensation Fund

FY 2024/25 KEY PROJECTS

Core Goals	Key Projects
<i>Good Governance</i> Ensure responsive, accountable, and collaborative government	<i>Accident Reviews</i> Continue coordinating 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.
	<i>Cal-OSHA Safety Compliance Programs</i> 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.





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, 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 2024/25. The complexity and scope of these projects are significant and require that the Town Council set priorities annually through review of the Council's Strategic Priorities as new issues arise.

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

COMMUNITY DEVELOPMENT DEPARTMENT

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

For FY 2024/25, total Department budgeted revenues are projected to remain relatively flat due to an expected consistency of permit activity. The FY 2024/25 expenditures are trending in line with the FY 2023/24 adjusted budget. Budgeted salary and benefit expenditures include the part-time Code Compliance Officer position being continued for another year in FY 2024/25 with one-time funding.

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

COMMUNITY DEVELOPMENT DEPARTMENT

FY 2023/24 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Community Character</i> Preserve and enhance the appearance, character, and environmental quality of the community	• Evaluated all Building and Planning applications to ensure compliance with adopted policy documents, Town Code, and Building Code. • Completed environmental review for applicable projects. • Participated in the West Valley Clean Water Program. • Continued the Housing Element update process. • Facilitated Town Council adoption of an Accessory Dwelling Unit Ordinance to implement changes required for consistency with State law. • Facilitated Town Council adoption of the Housing Element Overlay Zone Ordinance. • Creating an Analytics Dashboard. • Completion of a solar app to facilitate the permitting of solar installations.
<i>Good Governance</i> Ensure responsive, accountable, and collaborative government	• Completed Building and Planning application reviews within published timelines. • Scheduled building inspections within one business day to meet construction timelines. • Contacted reporting parties for Code Compliance cases within published timelines. • Updated Building and Planning information forms and handouts. • Updated the online permitting and electronic plan review system. • Review of North 40 Phase I building permits.

COMMUNITY DEVELOPMENT DEPARTMENT

DEPARTMENTAL SUMMARY OF REVENUES AND EXPENDITURES

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
REVENUES						
<i>Licenses and Permits</i>	\$ 1,990,477	\$ 3,278,650	\$ 2,171,036	\$ 2,207,350	\$ 2,176,000	\$ 2,636,000
<i>Intergovernmental Revenue</i>	14,869	26,749	379,229	40,000	40,000	-
<i>Service Charge</i>	1,988,724	2,321,709	1,816,862	1,762,240	1,771,309	1,747,437
<i>Fines & Forfeitures</i>	3,300	18,543	10,950	12,500	12,500	10,000
<i>Other Revenues</i>	22,691	33,082	356,596	95,000	10,000	10,000
TOTAL REVENUES	\$ 4,020,061	\$ 5,678,733	\$ 4,734,673	\$ 4,117,090	\$ 4,009,809	\$ 4,403,437
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 3,595,189	\$ 3,432,404	\$ 3,870,650	\$ 4,075,689	\$ 3,996,980	\$ 4,166,017
<i>Operating Expenditures</i>	1,241,171	2,702,378	1,028,924	1,229,195	1,217,005	1,134,179
<i>Grants</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	300,000	-	-	-
<i>Internal Service Charges</i>	173,438	178,723	165,835	196,160	195,861	277,114
TOTAL EXPENDITURES	\$ 5,009,798	\$ 6,313,505	\$ 5,365,409	\$ 5,501,044	\$ 5,409,846	\$ 5,577,310

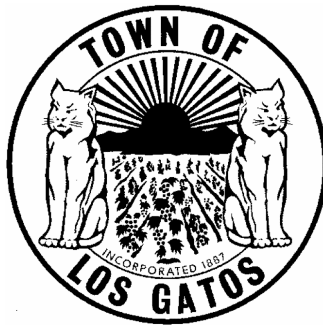
	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adopted	2023/24 Estimated	2024/25 Proposed
PROGRAM						
<i>Administration</i>	\$ 275,911	\$ 252,082	\$ 244,096	\$ 292,196	\$ 284,909	\$ 289,844
<i>Development Review</i>	1,519,572	1,426,338	1,586,937	1,742,488	1,699,572	1,749,554
<i>Advanced Planning</i>	847,375	871,233	707,228	684,497	694,264	737,063
<i>Inspection Services</i>	1,416,644	1,557,244	1,605,822	1,636,050	1,639,548	1,677,461
<i>Code Compliance</i>	251,723	256,780	286,684	319,196	318,344	346,551
<i>BMP Housing Program</i>	190,740	1,369,863	467,743	252,117	198,709	204,337
<i>Pass Thru Accounts</i>	507,833	579,965	466,899	574,500	574,500	572,500
TOTAL EXPENDITURES	\$ 5,009,798	\$ 6,313,505	\$ 5,365,409	\$ 5,501,044	\$ 5,409,846	\$ 5,577,310

COMMUNITY DEVELOPMENT DEPARTMENT

COMMUNITY DEVELOPMENT DEPARTMENT STAFFING

Full Time Equivalent (FTE)

	2020/21	2021/22	2022/23	2023/24	2024/25
	Funded	Funded	Funded	Funded	Adopted
<i>Town Staff</i>					
Community Development Dir.	1.00	1.00	1.00	1.00	1.00
Planning Manager	1.00	1.00	1.00	1.00	1.00
Chief Building Official	1.00	1.00	1.00	1.00	1.00
Economic Vitality Manager	0.45	0.45	0.45	0.45	0.45
Administrative Analyst	1.00	1.00	1.00	1.00	1.00
Executive Assistant	1.00	1.00	1.00	1.00	-
Administrative Technician	-	-	-	-	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	2.75	2.75	2.75	3.00	3.00
Assistant Planner	1.00	1.00	1.00	1.00	1.00
Planning Technician	1.00	1.00	1.00	1.00	1.00
Senior Building Inspector	1.00	1.00	1.00	1.00	1.00
Building Inspector	3.00	3.00	3.00	3.00	3.00
Permit Technician	2.00	2.00	2.00	2.00	2.00
Code Compliance Officer	1.00	1.00	1.00	1.00	1.00
Total Community Development FTEs	20.20	20.20	20.20	20.45	20.45
	2020/21	2021/22	2022/23	2023/24	2024/25
	Funded	Funded	Funded	Funded	Adopted
<i>Temporary Staff Hours</i>					
Associate Planner Temp/Hrly	915	720	720	360	360
Code Compliance Officer Temp/ Hrly	1,040	1,040	1,040	900	960
Total Annual Hours	1,955	1,760	1,760	1,260	1,320



Community Development Department

ADMINISTRATION PROGRAM 3101

PROGRAM PURPOSE

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

BUDGET OVERVIEW

The Administration Program continues to keep the Community Development Department focused on management of the Department, including budget preparation and monitoring. The FY 2024/25 budget includes increases in salary and benefit costs attributed to anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% salary saving factor. Negotiations with two of the Town's three bargaining units (Town Employee Association and American Federation of State, County, and Municipal Employees) are currently in process.

**COMMUNITY DEVELOPMENT DEPARTMENT
Administration**

SUMMARY OF REVENUES AND EXPENDITURES

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenue</i>	-	-	-	-	-	-
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 203,936	\$ 180,401	\$ 187,972	\$ 231,042	\$ 223,873	\$ 224,408
<i>Operating Expenditures</i>	3,675	3,336	3,471	5,550	5,450	4,350
<i>Grants</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	68,300	68,345	52,653	55,604	55,586	61,086
TOTAL EXPENDITURES	\$ 275,911	\$ 252,082	\$ 244,096	\$ 292,196	\$ 284,909	\$ 289,844

**COMMUNITY DEVELOPMENT DEPARTMENT
Administration**

FY 2024/25 KEY PROJECTS

Core Goals	Key Projects
<i>Good Governance</i> Ensure responsive, accountable, and collaborative government	<i>Staff Training</i> 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.
<i>Civic Enrichment</i> Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	<i>Planning Commission Training</i> 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.
<i>Community Character</i> Preserve and enhance the appearance, character, and environmental quality of the community	<i>Housing Element Update</i> Complete the Housing Element update process. <i>General Plan and Housing Element Implementation Programs</i> Work on implementing Programs from various Elements of the 2040 General Plan and 2023-2031 Housing Element. <i>Short Term Rental</i> Assist with implementation of the Short-Term Rental ordinance.

**COMMUNITY DEVELOPMENT DEPARTMENT
Administration**

KEY PROGRAM SERVICES

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

ADMINISTRATION PROGRAM STAFFING

Full Time Equivalent (FTE)

	2020/21	2021/22	2022/23	2023/24	2024/25
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Adopted
Community Development Dir.	0.25	0.25	0.25	0.25	0.25
Planning Manager	0.10	0.10	0.10	0.10	0.10
Administrative Analyst	0.30	0.30	0.30	0.30	0.30
Administrative Technician	-	-	-	-	0.30
Executive Assistant	0.30	0.30	0.30	0.30	-
Administrative Assistant	0.15	0.15	0.15	0.15	0.15
Total Administration FTEs	1.10	1.10	1.10	1.10	1.10

	2020/21	2021/22	2022/23	2023/24	2024/25
<i>Temporary Staff Hours</i>	Funded	Funded	Funded	Funded	Adopted
Associate Planner Temp/Hrly	915	-	-	-	-
Total Annual Hours	915	-	-	-	-

Community Development Department

DEVELOPMENT REVIEW PROGRAM 3201

PROGRAM PURPOSE

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

BUDGET OVERVIEW

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

For FY 2024/25, budgeted revenues are projected to remain relatively flat due to an expected consistency of permit activity.

The FY 2024/25 budget includes increases in salary and benefit costs attributed to anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% salary saving factor. Negotiations with two of the Town's three bargaining units (Town Employee Association and American Federation of State, County, and Municipal Employees) are currently in process.

COMMUNITY DEVELOPMENT DEPARTMENT

Development Review

SUMMARY OF REVENUES AND EXPENDITURES

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ 448,490	\$ 537,721	\$ 522,837	\$ 550,000	\$ 550,000	\$ 500,000
<i>Service Charges</i>	214,770	231,418	171,458	179,500	179,500	177,000
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	14,212	27,672	7,131	-	-	-
TOTAL REVENUES	\$ 677,472	\$ 796,811	\$ 701,426	\$ 729,500	\$ 729,500	\$ 677,000
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 1,410,394	\$ 1,310,593	\$ 1,511,364	\$ 1,617,527	\$ 1,572,778	\$ 1,611,046
<i>Operating Expenditures</i>	79,528	85,995	47,850	86,050	88,050	73,000
<i>Grants</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	29,650	29,750	27,723	38,911	38,744	65,508
TOTAL EXPENDITURES	\$ 1,519,572	\$ 1,426,338	\$ 1,586,937	\$ 1,742,488	\$ 1,699,572	\$ 1,749,554

COMMUNITY DEVELOPMENT DEPARTMENT
Development Review

FY 2024/25 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative government	<i>Development Team Continuous Improvement</i> The Development Team (Community Development, Parks and Public Works, and Police Departments, and County Fire) will continue: focusing 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.
	<i>Process Improvements</i> 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	<i>Major Development Applications Pending</i> Includes the following known properties: • 110 Wood Road Planned Development. • North 40 Phase II. • 50 Los Gatos-Saratoga Road. • 101 N. Santa Cruz. • 151 E. Main Street.
	<i>Preliminary SB 330 Development Applications Pending</i> Includes the following known properties: • 14849 Los Gatos Boulevard. • 14288 Capri Drive. • 15300 Los Gatos Boulevard. • Twin Oaks Drive. • 15861-15881 Winchester Boulevard. • 15495 Los Gatos Boulevard.

COMMUNITY DEVELOPMENT DEPARTMENT
Development Review

FY 2024/25 KEY PROJECTS

Core Goals	Key Projects
<i>Fiscal Stability</i> Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community	<i>Cost Recovery</i> • Ensure ongoing Department-wide cost recovery.

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 applications; Variances; Conditional Use Permits; Minor Residential Development; Subdivisions; Agricultural Preserve Contracts; Home Occupation Permits; Certificates of Use and Occupancy; Sign and Banner Permits; Accessory Dwelling Units; Two-Unit Housing Developments; Urban Lot Splits; Mobile Home Park Conversions; and Environmental Review.

COMMUNITY DEVELOPMENT DEPARTMENT
Development Review

KEY PROGRAM SERVICES

Major Projects

- 110 Wood Road Planned Development.
- 405 Alberto Way.
- North 40 Phase II.
- 50 Los Gatos-Saratoga Road.
- 101 N. Santa Cruz.

DEVELOPMENT REVIEW PROGRAM STAFFING

Full Time Equivalent (FTE)

	2020/21	2021/22	2022/23	2023/24	2024/25
	Funded	Funded	Funded	Funded	Adopted
Town Staff					
Community Development Dir.	0.30	0.30	0.30	0.30	0.30
Planning Manager	0.55	0.55	0.55	0.55	0.55
Chief Building Official	0.10	0.10	0.10	0.10	0.10
Economic Vitality Manager	0.45	0.45	0.45	0.45	0.45
Administrative Analyst	0.15	0.15	0.15	0.15	0.15
Administrative Technician	-	-	-	-	0.65
Executive Assistant	0.65	0.65	0.65	0.65	-
Administrative Assistant	0.70	0.70	0.70	0.70	0.70
Senior Planner	1.30	1.30	1.30	1.50	1.50
Senior Building Inspector	0.10	0.10	0.10	0.10	0.10
Associate Planner	2.05	2.05	2.05	2.10	2.10
Assistant Planner	0.80	0.80	0.80	0.90	0.90
Planning Technician	0.90	0.90	0.90	0.90	0.90
Permit Technician	0.10	0.10	0.10	0.10	0.10
Total Development Review FTEs	8.15	8.15	8.15	8.50	8.50
	2020/21	2021/22	2022/23	2023/24	2024/25
	Funded	Funded	Funded	Funded	Adopted
Temporary Staff Hours					
Associate Planner Temp/Hrly	-	720	720	360	360
Total Annual Hours	-	720	720	360	360

COMMUNITY DEVELOPMENT DEPARTMENT
Development Review

Performance Objectives and Measures	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Estimated	2024/25 Estimated
1. <i>Facilitate the development of land and structures consistent with Town codes, plans, and policies.</i>	100%	100%	100%	100%	100%
2. <i>Analyze and process development applications efficiently and effectively.</i>					
a. Percentage of applications continued by Planning Commission:	36%	11%	15%	10%	10%
b. Percentage of Planning Commission decisions upheld by Town Council:	100%	100%	50%	75%	100%

Activity and Workload Highlights	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Estimated	2024/25 Estimated
1. Number of applications processed:	384	426	408	400	400
2. Number of Planning Commission Meetings:	19	23	18	22	22
3. Number of Public Notices:	12,433	6,584	6,895	12,879	9,000
4. Number of referrals to consulting architect:	15	21	11	22	18

Community Development Department

ADVANCED PLANNING PROGRAM 3202

PROGRAM PURPOSE

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

BUDGET OVERVIEW

Budgeted operating expenditures for FY 2024/25 will be similar to FY 2023/24. The Housing Element update is funded through General Plan Fees already collected and grant funds.

The FY 2024/25 budget includes increases in salary and benefit costs attributed to anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% salary saving factor. Negotiations with two of the Town's three bargaining units (Town Employee Association and American Federation of State, County, and Municipal Employees) are currently in process.

COMMUNITY DEVELOPMENT DEPARTMENT Advanced Planning

SUMMARY OF REVENUES AND EXPENDITURES

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenue</i>	14,869	26,749	379,229	-	-	-
<i>Service Charges</i>	574,810	698,302	429,529	240,000	240,000	240,000
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	1,196	-	-	-	-	-
TOTAL REVENUES	\$ 590,875	\$ 725,051	\$ 808,758	\$ 240,000	\$ 240,000	\$ 240,000
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 408,605	\$ 368,308	\$ 444,620	\$ 415,773	\$ 426,577	\$ 459,512
<i>Operating Expenditures</i>	432,849	496,991	256,390	259,946	258,924	260,850
<i>Grants</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	5,921	5,934	6,218	8,778	8,763	16,701
TOTAL EXPENDITURES	\$ 847,375	\$ 871,233	\$ 707,228	\$ 684,497	\$ 694,264	\$ 737,063

FY 2024/25 KEY PROJECTS

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

COMMUNITY DEVELOPMENT DEPARTMENT
Advanced Planning

KEY PROGRAM SERVICES

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

ADVANCED PLANNING PROGRAM STAFFING

Full Time Equivalent (FTE)

	2020/21	2021/22	2022/23	2023/24	2024/25
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Adopted
Community Development Dir.	0.40	0.40	0.40	0.40	0.40
Planning Manager	0.25	0.25	0.25	0.25	0.25
Administrative Technician	-	-	-	-	0.05
Executive Assistant	0.05	0.05	0.05	0.05	-
Administrative Assistant	0.10	0.10	0.10	0.10	0.10
Senior Planner	0.50	0.50	0.50	0.30	0.30
Associate Planner	0.40	0.40	0.40	0.60	0.60
Assistant Planner	0.10	0.10	0.10	-	-
Total Advanced Planning FTEs	1.80	1.80	1.80	1.70	1.70

COMMUNITY DEVELOPMENT DEPARTMENT
Advanced Planning

Performance Objectives and Measures	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Estimated	2024/25 Estimated
1. <i>Guide the physical development of the community consistent with the General Plan, Hillside Specific Plan, and Town Codes.</i>					
a. Percentage of General Plan implementation measures completed within cycle time:	100%	100%	100%	100%	100%
2. <i>Meet the evolving needs of the community and provide staff support to advisory committees.</i>					
a. Percentage of special studies adopted:	100%	100%	100%	100%	100%

Activity and Workload Highlights	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Estimated	2024/25 Estimated
1. Number of special studies completed:	4	4	4	4	4
2. Number of General Plan implementation measures completed:	2	2	2	3	4
3. Number of General Plan amendments requested:	1	1	2	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 Building and Fire Codes, disabled access regulations, and other state and local ordinances; and coordinate the duties of the Plan Check Consultants, which provide complex structural and engineering plan check services.

BUDGET OVERVIEW

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

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

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

The FY 2024/25 budget includes increases in salary and benefit costs attributed to anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% salary saving factor. Negotiations with two of the Town's three bargaining units (Town Employee Association and American Federation of State, County, and Municipal Employees) are currently in process.

COMMUNITY DEVELOPMENT DEPARTMENT
Building and Inspection Services

SUMMARY OF REVENUES AND EXPENDITURES

	2020/21	2021/22	2022/23	2023/24	2023/24	2024/25
	Actuals	Actuals	Actuals	Adjusted	Estimated	Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ 1,541,987	\$ 1,540,929	\$ 1,648,199	\$ 1,657,350	\$ 1,626,000	\$ 2,136,000
<i>Service Charges</i>	500,570	642,160	581,233	577,764	578,600	553,600
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	40,000	40,000	-
<i>Other Revenues</i>	7,283	5,410	5,127	10,000	10,000	10,000
TOTAL REVENUES	\$ 2,049,840	\$ 2,188,499	\$ 2,234,559	\$ 2,285,114	\$ 2,254,600	\$ 2,699,600
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 1,238,465	\$ 1,256,364	\$ 1,376,196	\$ 1,414,977	\$ 1,364,953	\$ 1,436,108
<i>Operating Expenditures</i>	113,242	230,920	155,530	136,006	189,606	122,804
<i>Grants</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	64,937	69,960	74,096	85,067	84,989	118,549
TOTAL EXPENDITURES	\$ 1,416,644	\$ 1,557,244	\$ 1,605,822	\$ 1,636,050	\$ 1,639,548	\$ 1,677,461

COMMUNITY DEVELOPMENT DEPARTMENT
Building and Inspection Services

FY 2024/25 KEY PROJECTS

Core Goals	Key Projects
Community Character Preserve and enhance the appearance, character, and environmental quality of the community	<i>Public Information on Building Codes</i> Continue to provide updated forms and information through the Town’s website as well as assisting customers with online permitting, processing, and information. Staff will continue to update and clarify the Town’s official street address file and assign new addresses.
	<i>Inspection Services on Larger Projects</i> Continue several significant projects into FY 2024/25 including: several new large custom homes, ADUs, and tenant improvements. Continue to provide next day inspection services even with the increased inspection workload as the Town has done in years past.
	<i>Major Building Projects Pending</i> Pending projects include the following: • North 40 Junction (4 Commercial Buildings and Gianandrea House TI). • 400-420 Blossom Hill Road (Senior Living). • Sporleder Court (4 Single Family Homes). • 15500 Los Gatos Blvd. (Tesla TI). • 15600 Los Gatos Blvd. (Whole Foods). • 16151 Los Gatos Blvd. (Porsche TI) • 620 Blossom Hill Rd. (LG Luxury Cars)
Good Governance Ensure responsive, accountable, and collaborative government	<i>Improvements to Plan Checking Services</i> • 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.

COMMUNITY DEVELOPMENT DEPARTMENT
Building and Inspection Services

KEY PROGRAM SERVICES

Overall Services

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

Inspection Services

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

Building Counter Services

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

Plan Check Services

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

COMMUNITY DEVELOPMENT DEPARTMENT
Building and Inspection Services

BUILDING & INSPECTION SERVICES PROGRAM STAFFING

Full Time Equivalent (FTE)

	2020/21	2021/22	2022/23	2023/24	2024/25
	Funded	Funded	Funded	Funded	Adopted
Town Staff					
Chief Building Official	0.75	0.75	0.75	0.75	0.75
Administrative Analyst	0.30	0.30	0.30	0.30	0.30
Administrative Assistant	0.05	0.05	0.05	0.05	0.05
Senior Planner	0.20	0.20	0.20	0.20	0.20
Associate Planner	0.30	0.30	0.30	0.30	0.30
Assistant Planner	0.10	0.10	0.10	0.10	0.10
Senior Building Inspector	0.75	0.75	0.75	0.75	0.75
Building Inspector	3.00	3.00	3.00	3.00	3.00
Permit Technician	1.90	1.90	1.90	1.90	1.90
Planning Technician	0.10	0.10	0.10	0.10	0.10
Total Building and Inspection FTEs	7.45	7.45	7.45	7.45	7.45

	2020/21	2021/22	2022/23	2023/24	2024/25
Performance Objectives and Measures	Actual	Actual	Actual	Estimated	Estimated
1. <i>Ensure safe, healthy, and attractive property improvements.</i>					
a. Percentage of inspections delivered within cycle times:	100%	100%	100%	100%	100%
b. Percentage of plan checks completed within cycle times:	95%	95%	95%	95%	95%

	2020/21	2021/22	2022/23	2023/24	2024/25
Activity and Workload Highlights	Actual	Actual	Actual	Estimated	Estimated
1. Number of inspections conducted:	12,803	14,799	14,782	14,409	14,000
2. Number of building plan checks completed:	655	898	924	870	850
3. Number of Building Division permit applications received:	1,902	1,806	1,861	1,785	1,650
4. Number of Building Division permits issued:	1,548	1,720	1,753	1,689	1,650



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 2024/25 budget includes the part-time Code Compliance Officer position which will be continued for another year in FY 2024/25 with one-time funding.

The FY 2024/25 budget includes increases in salary and benefit costs attributed to anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% salary saving factor. Negotiations with two of the Town's three bargaining units (Town Employee Association and American Federation of State, County, and Municipal Employees) are currently in process.

COMMUNITY DEVELOPMENT DEPARTMENT
Code Compliance Program

SUMMARY OF REVENUES AND EXPENDITURES

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	3,300	18,543	10,950	12,500	12,500	10,000
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ 3,300	\$ 18,543	\$ 10,950	\$ 12,500	\$ 12,500	\$ 10,000
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 245,475	\$ 249,852	\$ 279,733	\$ 307,686	\$ 307,611	\$ 329,318
<i>Operating Expenditures</i>	1,886	2,394	2,034	4,575	3,825	4,525
<i>Grants</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	4,362	4,534	4,917	6,935	6,908	12,708
TOTAL EXPENDITURES	\$ 251,723	\$ 256,780	\$ 286,684	\$ 319,196	\$ 318,344	\$ 346,551

FY 2024/25 KEY PROJECTS

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

COMMUNITY DEVELOPMENT DEPARTMENT
Code Compliance Program

KEY PROGRAM SERVICES

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

CODE COMPLIANCE PROGRAM STAFFING

Full Time Equivalent (FTE)

	2020/21	2021/22	2022/23	2023/24	2024/25
Town Staff	Funded	Funded	Funded	Funded	Adopted
Chief Building Official	0.15	0.15	0.15	0.15	0.15
Senior Building Inspector	0.15	0.15	0.15	0.15	0.15
Code Compliance Officer	1.00	1.00	1.00	1.00	1.00
Total Code Compliance FTEs	1.30	1.30	1.30	1.30	1.30

	2020/21	2021/22	2022/23	2023/24	2024/25
Temporary Staff Hours	Funded	Funded	Funded	Funded	Adopted
Code Compliance Officer Temp/Hrly	1,040	1,040	1,040	900	960
Total Annual Hours	1,040	1,040	1,040	900	960

COMMUNITY DEVELOPMENT DEPARTMENT
Code Compliance Program

	2020/21	2021/22	2022/23	2023/24	2024/25
Performance Objectives and Measures	Actual	Actual	Actual	Estimated	Estimated

	2020/21	2021/22	2022/23	2023/24	2024/25
Activity and Workload Highlights	Actual	Actual	Actual	Estimated	Estimated
1. Number of complaints reported:	447	715	820	854	800
2. Number of complaints abated:	391	622	720	760	730
3. Total number of Administrative Citations:	55	152	100	98	100

Community Development Department

BMP HOUSING PROGRAM PROGRAM 3501

PROGRAM PURPOSE

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

BUDGET OVERVIEW

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

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

The FY 2024/25 budget includes increases in salary and benefit costs attributed to anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% salary saving factor. Negotiations with two of the Town's three bargaining units (Town Employee Association and American Federation of State, County, and Municipal Employees) are currently in process.

COMMUNITY DEVELOPMENT DEPARTMENT BMP Housing Program

SUMMARY OF REVENUES AND EXPENDITURES

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ 1,200,000	\$ -	\$ -	\$ -	\$ -
<i>Service Charges</i>	190,741	169,864	167,743	190,476	198,709	204,337
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	344,338	85,000	-	-
TOTAL REVENUES	\$ 190,741	\$ 1,369,864	\$ 512,081	\$ 275,476	\$ 198,709	\$ 204,337
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 88,314	\$ 66,886	\$ 70,765	\$ 88,684	\$ 101,188	\$ 105,625
<i>Operating Expenditures</i>	102,158	1,302,777	96,750	162,568	96,650	96,150
<i>Grants</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	300,000	-	-	-
<i>Internal Service Charges</i>	268	200	228	865	871	2,562
TOTAL EXPENDITURES	\$ 190,740	\$ 1,369,863	\$ 467,743	\$ 252,117	\$ 198,709	\$ 204,337

FY 2024/25 KEY PROJECTS

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

KEY PROGRAM SERVICES

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

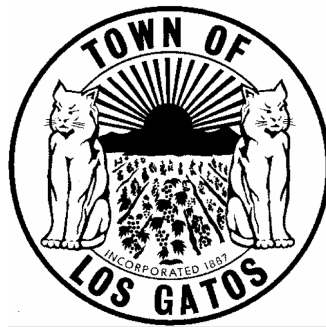
COMMUNITY DEVELOPMENT DEPARTMENT
BMP Housing Program

BMP HOUSING PROGRAM STAFFING

Full Time Equivalent (FTE)

	2020/21	2021/22	2022/23	2023/24	2024/25
Town Staff	Funded	Funded	Funded	Funded	Adopted
Community Development Dir.	0.05	0.05	0.05	0.05	0.05
Planning Manager	0.10	0.10	0.10	0.10	0.10
Administrative Analyst	0.25	0.25	0.25	0.25	0.25
Total BMP Housing FTEs	0.40	0.40	0.40	0.40	0.40

Activity and Workload Highlights	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Estimated	2024/25 Estimated
1. Number of owner-occupied housing units registered in the Below Market Price Housing Program:	55	55	55	55	55
2. Number of rental housing units registered in the Below Market Price Housing Program:	119	120	120	176	176



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

	2020/21	2021/22	2022/23	2023/24	2023/24	2024/25
	Actuals	Actuals	Actuals	Adjusted	Estimated	Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Service Charges</i>	507,833	579,965	466,899	574,500	574,500	572,500
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ 507,833	\$ 579,965	\$ 466,899	\$ 574,500	\$ 574,500	\$ 572,500
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	507,833	579,965	466,899	574,500	574,500	572,500
<i>Grants</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 507,833	\$ 579,965	\$ 466,899	\$ 574,500	\$ 574,500	\$ 572,500



Police Department

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Police Department

DEPARTMENT PURPOSE

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

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

The Police Department continues to build upon a strong police-community partnership through innovative Department and community programs including: School Resource Officer funding partnership; Safe Routes to School; Youth Commission; homeless outreach; behavioral health response; and traffic management. Volunteer programs such as Reserve Police Officers, Community Emergency Response Team (CERT), Volunteers in Policing (VIP), Disaster Aid Response Team (DART), the Police Chaplaincy program, Parking Citation Hearing Officers, Victim Services Unit (VSU), and the Police Explorer program extend these partnerships to the community. For the past 17 years, volunteers and staff have personally welcomed new homeowners to the Town through the Department's New Resident Outreach Program, documented and removed graffiti, and conducted numerous vacation checks.

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

POLICE DEPARTMENT

BUDGET OVERVIEW

The FY 2024/25 budget includes increases in salary and benefit costs attributed to anticipated merit step increases, higher benefit and CalPERS pension rates, a 4.6% salary saving factor, and the increases associated with the recently approved Memorandum of Understanding with the Police Officers Association. Negotiations with two of the Town's three bargaining units (Town Employee Association and American Federation of State, County, and Municipal Employees) are currently in process.

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

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

Since FY 2009/10, funding for the School Resource Officer (SRO) position has been offset by an agreement with the high school and elementary school districts with each sharing the cost of the SRO's salary and benefits. In FY 2022/23 a revised two-year service agreement was executed, returning to one full-time SRO position. Given the positive and collaborative working relationship between the Town and the elementary and high school districts, contract renewal is anticipated for FY 2024/25.

Staff Resource Modifications

Temporary staff funding in the FY 2024/25 budget is from one-time funding for the following purposes:

- Three Community Service Officer Interns (CSO) (3,120 hours): This non-sworn position responds to non-emergency calls for service, non-injury traffic collisions, assisting patrol in non-enforcement administrative situations. The CSO Intern positions allow for operational flexibility and training opportunities, with previous Intern's successful application and transition to a Sworn Officer position within the Police Department. This level of staffing is consistent with prior years.

POLICE DEPARTMENT

- Six Police Trainee recruit positions (4,500 hours): This is an increase from prior years when approximately two to three trainees have been budgeted. As the Police Department plans for staff transitions due to attrition in FY 2024/25, this one-time increase in requested funding allows the Department to hire and train Officers ahead of upcoming vacancies.
- Background Investigations (750 hours): Backgrounds are critical to the hiring process for civilian and sworn employees, and in the processing of applications for Concealed Carry Weapons (CCW) Permits. This is an increase from the 500 hours typically budgeted in prior years.

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

POLICE DEPARTMENT

FY 2023/24 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Community Character</i> Preserve and enhance the appearance character and environment quality of the community	• In FY 2023/24, the Police Department Vulnerable Communities Liaison Officer expanded liaison services and outreach for unhoused community members. Officers involved in this program coordinated with unhoused community members during maintenance projects along Los Gatos Creek Trail, partnered with faith-based service providers with distribution of services and supplies for unhoused individuals, and promoted local shelter programs. • During FY 2023/24, the Town experienced an increase in special events, including new events which required significant safety and security assessments and operational planning by the Police Department. The Police Department was instrumental in the safety coordination, Incident Action Planning, and operational deployment of Officers for significant special events, such as Cat's Hill Bike Race, Music in the Park, Jazz in the Plazz, the Winter Celebration, and the Holiday Parade.
<i>Good Governance</i> Ensure responsive, accountable, and collaborative government	• Made significant efforts to recruit and hire for vacant staff positions. Five Police Trainees were hired and attended the Police Academy, and several lateral Police Officers and two Dispatcher Trainees were hired. • Conducted an extensive audit of a backlog of property and evidence items in inventory. Items were individually evaluated in accordance with legislative statutes associated to evidentiary and case disposition requirements, and over several thousand items of evidence were reclassified or determined to be eligible for proper disposition. • Renewed an agreement with Axon Enterprise Inc. for the replacement and upgrade to its existing Body Worn Camera (BWC) technology, digital evidence storage system, and Taser less lethal devices. The upgraded technology equipment and systems enhances digital evidence storage platforms and promotes increased transparency and de-escalation capabilities. • In FY 2023/24, Department staff referred five new employees to the Police Department as part of the Officer Hiring Bonus Referral Program, resulting the existing staff receiving bonuses once the qualified sworn Officer and/or Dispatcher candidates successfully completed the hiring process and training.

POLICE DEPARTMENT

FY 2023/24 ACCOMPLISHMENTS

Core Goals	Accomplishments
Good Governance Ensure responsive, accountable, and collaborative government	• Developed and implemented an online application system for Concealed Carry Weapons (CCW) permits. Dedicated staff continue to process applications related to CCW permits and conduct mandatory background checks in accordance with Department of Justice (DOJ) mandates. • Collaborated with local, State, and Federal agencies to ensure the safety and security of personnel, event site locations, and the community during several dignitary visits to the Town. • Over the past two years, the Police Department and Parks and Public Works Department renovated the Corporation Yard storage facility, which partially served as an overflow evidence and property storage facility. In FY 2023/24, the building was fully constructed and outfitted with a new well-organized evidence and property storage system. • In FY 2023/24, four newly hired Dispatchers attended a three-week California Peace Officers Standards and Training Dispatcher Academy. In addition, two Dispatchers successfully completed a 16-week Communications Training Program. Three Police Department Dispatchers achieved Emergency Number Professionals certifications, nationally recognized and issued by the National Emergency Numbers Association. • Implemented a new strategic approach for the recruitment of sworn staff. The Department contracted the services of Find a Force, which combines next generation Police recruitment methods through effective branding, messaging and digital marketing platforms. In FY 2023/24, five oral board hiring processes for Officers were conducted. • Reinvigorated existing specialty and collateral duty teams, such as Crisis Response Unit, De-Escalation and Defensive Tactics Team, Field Training Officer Program, Traffic Investigation Team, and Peer Support Team. Newly appointed staff members were assigned to fill vacant collateral assignments and were provided enhanced specialized training.

POLICE DEPARTMENT

FY 2023/24 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Good Governance</i> Ensure responsive, accountable, and collaborative government	- Utilized Office of Traffic Safety awarded grant funds to upgrade traffic collision report writing and analytic software, and to transition from paper to an electronic citation platform to increase operational efficiencies through streamlined data reporting and records processing with a built-in interface to the records management system and local court systems. - Conducted over fifty tobacco decoy operations and retailer inspections throughout Town as a part of the County of Santa Clara Public Health grant funded program. The program assisted with retailer education and awareness, compliance with local and state laws, and promotion of local healthy communities. - In FY 2023/24, members of the Department Leadership Team (Sergeants, Civilian Supervisors, and Command staff) attended a team building workshop to discuss operational and strategic priorities of the Department. - Held an all staff meeting to present Department strategic plan and upcoming priorities. This was the first all Department staff meeting occurred since 2018, providing a good opportunity for team building with a strategic focus on the mission of the organization.
<i>Civic Enrichment</i> Foster opportunities for citizen involvement, and cultural, recreational and individual enrichment	- Led its second annual Community Police Academy for 25 community participants. The 8-week program provided excellent opportunities for community engagement and education, and an in-depth experience of the roles and responsibilities of Police Department personnel. - Collaborated with the Youth Commission in its efforts to promote e-bike safety and education within the community after the adoption of a revised local ordinance regulating e-bikes. - Partnered Los Gatos-Monte Sereno Police Foundation for the funding and deployment of a new campus safety cart utilized by the School Resource Officer for routine school campus patrols and community outreach. - Continued the services of two new, volunteer Police Chaplains who provide support to Department personnel and community members before, during, and after a critical incident. The chaplains are important to the Department's Peer Support Team and wellness program functions.

POLICE DEPARTMENT

FY 2023/24 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Civic Enrichment</i> Foster opportunities for citizen involvement, and cultural, recreational and individual enrichment	• Conducted formal community policing and outreach presentations at several local service clubs, schools, and community faith-based gatherings. • Actively supported the Northern California Special Olympics, participating in the Law Enforcement Special Olympics community events: “Polar Plunge,” “Law Enforcement Torch Run,” and “Nor Cal Special Olympics Bocce Ball.” • The Department’s Assistive Therapy Canine program participated in numerous community outreach events, attended local schools and senior living facilities, and were deployed as a County-wide resource to several traumatic incidents. Both therapy canines and their respective handlers received full Therapy Canine certification upon completion of over 300 hours of training. • The Volunteers in Policing Program (VIP) assist with Community Outreach and Crime Prevention Programs, conducting over 1,000 residential vacation home checks, distributing new resident welcome packets, and participating in National Night Out and the Graffiti Removal Program. • Collaborated with the Youth Commission in several community wellness events and developed community and youth preventative outreach initiatives to promote the risks of Fentanyl through awareness and education. • Implemented a formalized Wellness Program for staff which included a holistic approach to providing an individual employee platform through which staff can pursue available programs and services, maintain work-life balance, and seek accessible resources to address the different dimensions of individual well-being. • Partnered with Sigma Tactical Wellness to provide specialized cardiac screening assessments to reduce the risks of cardiovascular disease and strokes.

POLICE DEPARTMENT

FY 2023/24 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Public Safety</i> Ensure public safety through proactive community policing, affective emergency response, and community-wide emergency preparedness	• Over ten Neighborhood Watch meetings were held, and four new Neighborhood Watch groups were established. The Community Emergency Response Team (CERT) was actively involved hosting CERT activation drills and recruitment events throughout Town. In addition, the Department's CERT liaisons worked with the neighborhood CERT leaders in upgrading existing Neighborhood Incident Command Post (NICP) structures and supplies and establishing two new NICPs in Town. • Continued to experience crime reduction, apprehension of criminals, and investigative success with the integrated Flock Automated License Plate Reader (ALPR) technology, including solving multiple high-profile investigations. • Continued implementation of drone technology to locate missing persons and criminal suspects; assist with Officer safety, operational deployment, and other tasks during major incidents; and assess situations in the event of an emergency or disaster. • Increased collaborative efforts with Federal and local law enforcement partners in burglary suppression and investigative information sharing related to high-profile and regionalized criminal activity. The collaboration has increased the Department's ability to solve outstanding cases, prevent local victimization, and seek joint prosecutorial efforts for organized crime across jurisdictional lines. • Continued to collaborate with San Jose Police Department's Internet Crimes Against Children (ICAC) Division in specialized training and investigations specific to internet crimes and child pornography. The School Resource Officer also leverages these partnerships and specialized training to promote internet safety education to parents and students throughout the community.

POLICE DEPARTMENT

FY 2023/24 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Public Safety</i> Ensure public safety through proactive community policing, affective emergency response, and community-wide emergency preparedness	• The Community Service Officer (CSO) Intern Program assisted patrol with fielding low level calls for service, conducting traffic control for major events, and documenting incidents of crime without any investigative leads. In FY 23/24 CSO Interns assigned to patrol documented over 150 police reports and assisted on over 1,300 incidents. • Collaborated with the Town of Los Gatos and City of Monte Sereno Community Emergency Response Teams (CERT) in emergency preparedness and management. In FY 2023/24, CERT personnel hosted a Neighborhood Incident Command Post open house event for community residents. Coordinated efforts with volunteers from CERT personnel provided community members information and operational capabilities of a Neighborhood Incident Command Post in the event of a large-scale disaster. • The DART Program continued to be an asset on major incident callouts, extended incidents requiring traffic control measures, and a valuable resource for special event services, volunteering over 900 hours during FY 2023/24. • The Patrol and Communications Division training programs integrated a new web-based training software program, “Power FTO,” which will increase the efficiencies and organization of their current training curricula. In addition, the program provides routine audit features which measure trainee deficiencies and core competencies so trainers can provide focused training when necessary.

POLICE DEPARTMENT

DEPARTMENTAL SUMMARY OF REVENUES AND EXPENDITURES

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
REVENUES						
<i>Licenses and Permits</i>	\$ 83,137	\$ 112,288	\$ 77,260	\$ 31,170	\$ 47,382	\$ 44,170
<i>Intergovernmental Revenues</i>	1,073,970	1,138,703	1,002,316	941,179	967,856	946,426
<i>Service Charge</i>	1,017,884	1,180,189	1,322,842	1,415,982	1,427,107	1,317,513
<i>Fines & Forfeitures</i>	96,422	280,802	398,775	353,200	355,200	305,200
<i>Other Revenues</i>	604,969	4,070,443	4,356,002	749,045	687,068	733,890
TOTAL REVENUES	\$ 2,876,382	\$ 6,782,425	\$ 7,157,195	\$ 3,490,576	\$ 3,484,613	\$ 3,347,199
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 14,302,956	\$ 13,913,968	\$ 15,799,541	\$ 16,714,308	\$ 17,243,421	\$ 17,947,528
<i>Operating Expenditures</i>	1,112,241	1,229,720	1,289,401	2,006,599	1,855,391	1,675,373
<i>Grants</i>	18,500	16,838	65,854	53,000	53,000	55,000
<i>Fixed Assets</i>	-	-	-	-	-	65,000
<i>Internal Service Charges</i>	1,137,139	1,290,664	1,291,243	1,774,027	1,772,744	2,278,577
TOTAL EXPENDITURES	\$ 16,570,836	\$ 16,451,190	\$18,446,039	\$ 20,547,934	\$ 20,924,556	\$ 22,021,478
TOTALEXPENDITUES & TRANSFERS OUT	\$ 16,570,836	\$ 16,451,190	\$18,446,039	\$ 20,547,934	\$ 20,924,556	\$ 22,021,478

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adopted	2023/24 Estimated	2024/25 Adopted
PROGRAM						
<i>Administration</i>	\$ 1,464,151	\$ 1,412,229	\$ 1,604,078	\$ 1,641,435	\$ 1,591,207	\$ 1,811,905
<i>Records & Communications</i>	2,296,959	2,205,889	2,423,195	3,159,468	2,890,640	2,899,854
<i>Patrol</i>	7,653,773	7,725,035	9,119,685	9,156,737	10,700,632	10,370,803
<i>Traffic</i>	887,706	937,506	1,140,320	1,218,268	1,038,454	1,226,597
<i>Investigations</i>	2,739,071	2,610,044	2,408,417	3,263,950	2,561,560	3,521,355
<i>Personnel & Community Services</i>	993,941	1,058,453	1,210,834	1,328,533	1,457,556	1,379,010
<i>Parking</i>	524,970	477,441	524,423	581,286	564,710	628,093
<i>Operating Grants</i>	10,178	19,962	11,881	113,200	28,774	154,426
<i>Pass -Through Accounts</i>	87	4,631	3,206	85,057	91,023	29,435
TOTAL EXPENDITURES	\$ 16,570,836	\$ 16,451,190	\$18,446,039	\$ 20,547,934	\$ 20,924,556	\$ 22,021,478

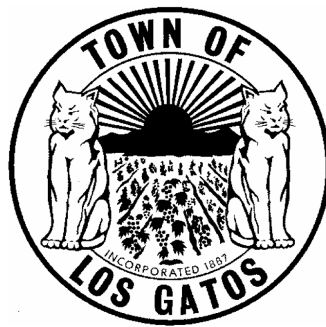
POLICE DEPARTMENT

DEPARTMENT STAFFING

Full Time Equivalents (FTE)

General Fund	2020/21 Funded	2021/22 Funded	2022/23 Funded	2023/24 Funded	2024/25 Adopted
Chief of Police	1.00	1.00	1.00	1.00	1.00
Police Captain	2.00	2.00	2.00	2.00	2.00
Police Sergeant	7.00	7.00	7.00	7.00	7.00
Police Corporal	4.00	4.00	4.00	4.00	4.00
Police Officer	25.00	25.00	25.00	25.00	25.00
Community Services Officer	1.00	1.00	1.00	1.00	1.00
Police Records & Com Manager	1.00	1.00	1.00	-	-
Senior Administrative Analyst	1.00	1.00	1.00	2.00	2.00
Administrative Analyst	1.00	1.00	1.00	1.00	1.00
Executive Assistant to Chief	1.00	1.00	1.00	1.00	1.00
Communication Dispatcher Lead	1.00	1.00	1.00	1.00	1.00
Senior Communications Dispatcher	-	-	-	2.00	2.00
Communications Dispatcher	7.00	7.00	7.00	5.00	5.00
Senior Parking Control Officer	1.00	1.00	1.00	1.00	1.00
Parking Control Officer	1.00	1.00	1.00	1.00	1.00
Senior Records Specialist Lead	-	-	-	1.00	1.00
Senior Records Specialist	-	-	-	1.00	1.00
Police Records Specialist	4.00	4.00	4.00	2.00	2.00
Community Outreach Coordinator	1.00	1.00	1.00	1.00	1.00
IT Systems Administrator	1.00	1.00	1.00	1.00	1.00
Total General Fund FTEs	60.00	60.00	60.00	60.00	60.00

Temporary Staff Hours	2020/21 Funded	2021/22 Funded	2022/23 Funded	2023/24 Funded	2024/25 Adopted
Community Service Officer Intern	2,080	2,080	3,120	3,120	3,120
Police Officer	300	300	500	500	750
Parking Control Manager	1,000	500	500	-	-
Parking Control Officer	300	-	-	-	-
Police Records Specialist	330	-	-	-	-
Project Manager	340	-	-	-	-
Police Trainee	-	-	1,800	1,800	4,500
Total Annual Hours	4,350	2,880	5,920	5,420	8,370



Police Department

POLICE ADMINISTRATION PROGRAM 4101

PROGRAM PURPOSE

The Police Administration Program is responsible for the organization and management of the Department. This Program oversees all the Department's programs and is responsible for developing and providing oversight for the Department's total budget, hiring and promotion of sworn and non-sworn staff, career development, succession planning, and review and implementation of policies and procedures. The Administration Program supports responsive, effective, and efficient Police services and promotes a strong Police/community partnership through community engagement and problem-solving.

Departmental operations are consistent with Town policies, core values, and community safety needs. Police Administration staff emphasize transparency, police legitimacy, responsive crime suppression and prevention programs, directed traffic enforcement to promote safe and orderly traffic flow on Town streets, and emergency preparedness. The Police Administration Program continually collaborates with other Town Departments to increase effectiveness and enhance quality of life for the community of Los Gatos. This program also provides the primary support for the Town's Youth Commission activities.

The FY 2024/25 budget includes increases in salary and benefit costs attributed to anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% salary saving factor. Negotiations with two of the Town's three bargaining units (Town Employee Association and American Federation of State, County, and Municipal Employees) are currently in process.

POLICE DEPARTMENT

Police Administration

SUMMARY OF REVENUES AND EXPENDITURES

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ 2,075	\$ 830	\$ 3,214	\$ 670	\$ 670	\$ 670
<i>Intergovernmental Revenue</i>	-	-	-	-	-	-
<i>Service Charges</i>	-	-	-	-	-	-
<i>Grants</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	18,500	17,175	70,195	53,000	37,000	55,000
TOTAL REVENUES	\$ 20,575	\$ 18,005	\$ 73,409	\$ 53,670	\$ 37,670	\$ 55,670
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 1,227,190	\$ 1,157,644	\$ 1,340,911	\$ 1,288,092	\$ 1,317,908	\$ 1,440,514
<i>Operating Expenditures</i>	14,910	30,192	19,341	106,300	26,300	84,363
<i>Grants</i>	18,500	16,838	65,854	53,000	53,000	55,000
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	203,551	207,555	177,972	194,043	193,999	232,028
TOTAL EXPENDITURES	\$ 1,464,151	\$ 1,412,229	\$ 1,604,078	\$ 1,641,435	\$ 1,591,207	\$ 1,811,905
TRANSFERS OUT						
<i>Transfer to Equipment Replacement</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL TRANSFERS OUT	-	-	-	-	-	-
TOTAL EXPENDITURES & TRANSFERS OUT	1,464,151	1,412,229	1,604,078	1,641,435	1,591,207	\$ 1,811,905

POLICE DEPARTMENT
Police Administration

FY 2024/25 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative government	<i>Career Development Plan</i> In preparation for staff attrition in future years, the Department is focusing on individual staff growth opportunities, cross-training of assignments, and innovative techniques and methods to provide career development opportunities.
	<i>Leadership Development Plan</i> Continue the Leadership Development Plan program for future leaders of the organization, emphasizing depth of knowledge, problem solving, leading and managing personnel, measuring performance, and fostering a team environment.
	<i>Budget Oversight</i> Continue to track and monitor program budgets (including overtime, salaries and benefits, and operational capabilities), evaluate potential efficiencies to reduce costs, and seek grant opportunities to maximize potential revenue sources and procure operational needs.
	<i>Grant Award Management</i> Oversee management of financial grants related to Mental Health and Wellness, State Homeland Security Government Procurement, Opioid Awareness and Education, Office of Traffic Safety, Santa Clara County Public Health, and Bureau of Justice Administration.
	<i>Legislative & Policy Updates</i> Continue to monitor Federal, State, and local legislative updates, identify the operational impacts to the Department, and modify Department policy, operational procedures, and mandated reporting requirements as needed.
	<i>Officer and Professional Staff Wellness</i> Continue to promote staff wellness by exploring external wellness and health services to enhance staff physical and emotional well-being.

POLICE DEPARTMENT
Police Administration

FY 2024/25 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative government	Organizational Assessment Complete an assessment of the entire Department and provide a comprehensive review with potential alternative action items to improve operational efficiencies, evaluate workloads and assignments, and develop innovative improvements.
Community Character Preserve and enhance the appearance, character, and environment quality of the community	Youth Commission – Fentanyl Awareness & Education Continue to guide the Youth Commission in the development and promotion of its projects, including promoting safety and awareness campaigns targeting Fentanyl use.

POLICE DEPARTMENT
Police Administration

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.
- Manages and oversees Police service contractual obligations with the City of Monte Sereno.
- Develops succession planning goals and opportunities for staff.
- Oversees Police Department's media and mass notification communications.
- Provides project management for special projects.
- Manages division programs and personnel.

POLICE ADMINISTRATION PROGRAM STAFFING

Full Time Equivalents (FTE)

	2020/21	2021/22	2022/23	2023/24	2024/25
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Adopted
Chief of Police	1.00	1.00	1.00	1.00	1.00
Police Captain	1.00	1.00	1.00	1.00	1.00
Senior Administrative Analyst	1.00	1.00	1.00	1.00	1.00
Executive Assistant to Chief	1.00	1.00	1.00	1.00	1.00
Total Administration FTEs	4.00	4.00	4.00	4.00	4.00



Police Department

RECORDS AND COMMUNICATIONS PROGRAM 4201

PROGRAM PURPOSE

The Records and Communications Program is staffed by professional civilian personnel and is comprised of both Police Records Division and the Communication Center (Dispatch) Division.

The Los Gatos-Monte Sereno Police Department Records Division serves as the repository for all Police records, responsible for the collection, classification, monitoring and reporting of all Departmental criminal and statistical data in all systems, including in-house records management systems as well as county, State, and Federal database systems. Records Division staff responds to Public Records Act requests, processes criminal and traffic warrants, handles custodial and non-custodial bookings, and prepares criminal case filings to be forwarded to the District Attorney's Office for prosecution within mandated time restrictions. As the primary point of contact for the public at Police Headquarters, Records personnel fulfill report requests and handle a wide number of other administrative duties in support of the Police Department.

The Communication Center is staffed twenty-four hours a day, seven days a week. The Communications Dispatchers handle the prompt and effective coordination of emergency and non-emergency response by receiving emergency and non-emergency calls, assigning resources, monitoring call and personnel status, and providing support to law enforcement personnel (i.e., fulfilling requests for dispatch recordings, completing data entry, and releasing property during non-business hours). Dispatchers also provide frontline customer service, directing residents to appropriate Town Departments for non-public safety inquiries, and informing PPW staff of hazardous infrastructure conditions that need immediate attention.

BUDGET OVERVIEW

The FY 2024/25 budget includes increases in salary and benefit costs attributed to anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% salary saving factor.

POLICE DEPARTMENT
Records and Communications

Negotiations with two of the Town's three bargaining units (Town Employee Association and American Federation of State, County, and Municipal Employees) are currently in process.

SUMMARY OF REVENUES AND EXPENDITURES

	2020/21	2021/22	2022/23	2023/24	2023/24	2024/25
	Actuals	Actuals	Actuals	Adjusted	Estimated	Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenue</i>	-	-	-	-	-	-
<i>Service Charges</i>	1,077	2,491	2,316	1,000	2,000	2,000
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	3,372	3,377	3,372	3,372	3,372	3,372
TOTAL REVENUES	\$ 4,449	\$ 5,868	\$ 5,688	\$ 4,372	\$ 5,372	\$ 5,372
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 1,933,935	\$ 1,800,782	\$ 1,991,438	\$ 2,543,499	\$ 2,265,458	\$ 2,345,048
<i>Operating Expenditures</i>	256,360	273,096	283,521	357,368	367,168	311,485
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	106,664	132,011	148,236	258,601	258,014	243,321
TOTAL EXPENDITURES	\$ 2,296,959	\$ 2,205,889	\$ 2,423,195	\$ 3,159,468	\$ 2,890,640	\$ 2,899,854

POLICE DEPARTMENT
Records and Communications

FY 2024/25 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative government	<i>Public Records Act Requests - Training</i> Provide formal Public Records Act (PRA) requests training for additional Records Division staff members due to an increase in PRA requests.
	<i>Communications Training Program Re-Development</i> The Communications Division continues to enhance its training program to include current training skillsets and learning styles for overall success based on California Peace Officer Standards and Training mandates and other best practices.
	<i>RIPA Data Reporting</i> Continue to report stop data to the Department of Justice per Assembly Bill 953 (Racial Identity Profiling Act). In FY 24/25, the Department of Justice is required to incorporate modifications, impacting reporting metrics by local agencies. The Department continues to analyze the data as it relates to operational deployments and capabilities, incorporating any new legislative changes.
	<i>Collision Reporting Software & Database Integration</i> The Records Division will implement a new Traffic Collision Software application that integrates with the current Records Management System to streamline case processing, data entry, and records release processes for traffic collision.
	<i>NextGen 911 Telecommunications System Upgrade</i> In FY 2024/25, the Communications Division will install a new Next Generation 911 Communications System funded by the State Office of Emergency Services.
	<i>P25 Radio Equipment Replacement</i> During FY 2024/25, Department staff will begin evaluating potential options to replace existing digital radio system equipment in future years.

POLICE DEPARTMENT
Records and Communications

KEY PROGRAM SERVICES

Records

- Responds to customer inquiries.
- Processes Police reports and citations.
- Processes criminal and traffic warrants.
- Completes required statistical reporting to state and federal government.
- Processes subpoena and Public Records Requests.
- Distributes statistical information to Patrol and Investigations as needed.

Communications

- Responds to 911 calls and other emergency/non-emergency calls.
- Provides dispatch service to patrol.
- Dispatches emergency personnel.
- Handles customer inquiries.
- Maintains audio recordings of radio and phone traffic; provides copies for court and Department use.

POLICE DEPARTMENT
Records and Communications

RECORDS & COMMUNICATION PROGRAM STAFFING

Full Time Equivalents (FTE)

	2020/21	2021/22	2022/23	2023/24	2024/25
	Funded	Funded	Funded	Funded	Adopted
Town Staff					
Police Records & Com Manager	1.00	1.00	1.00	-	-
Administrative Analyst	-	-	-	1.00	1.00
Communications Dispatcher Lead	1.00	1.00	1.00	1.00	1.00
Senior Communications Dispatcher	-	-	-	2.00	2.00
Communications Dispatcher	7.00	7.00	7.00	5.00	5.00
Police Records Specialist Lead	-	-	-	1.00	1.00
Police Records Specialist	3.00	3.00	3.00	2.00	2.00
Total Records & Comm. FTEs	12.00	12.00	12.00	12.00	12.00

	2020/21	2021/22	2022/23	2023/24	2024/25
	Funded	Funded	Funded	Funded	Adopted
Temporary Staff Hours					
Project Manager	340	-	-	-	-
Police Records Specialist	330	-	-	-	-
Total Annual Hours	670	-	-	-	-

	2020/21	2021/22	2022/23	2023/24	2024/25
Performance Objectives and Measures	Actual	Actual	Actual	Estimated	Estimated
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%

	2020/21	2021/22	2022/23	2023/24	2024/25
Activity and Workload Highlights	Actual	Actual	Actual	Estimated	Estimated
1. Total number of CAD events created:*	26,108	35,440	43,605	45,688	41,577
2. Total landline and wireless calls received by dispatch (does not include 911 calls):	34,788	33,904	33,012	32,230	33,048
3. Number of 911 calls received:	9,239	10,772	10,353	10,285	10,470
4. Number of stored and/or impounded vehicles processed:	105	174	236	250	220
5. Number of police reports processed:	2,082	2,299	2,158	2,292	2,249
6. Number of citations processed:	1,401	1,423	1,433	1,884	1,580

*A computer-aided dispatch (CAD) event documents all Police-related activity by sworn and civilian personnel.



Police Department

PERSONNEL AND COMMUNITY SERVICES PROGRAM 4202

PROGRAM PURPOSE

The Personnel and Community Services (PCS) Program provides an essential level of support by overseeing the Department's adherence to state and federal mandates and community values for a transparent law enforcement agency. The PCS Program supports the personnel growth and recruitment of the Police Department through hiring of new personnel, continued education, in-service training, and professional growth of employees as required by the California Peace Officer Standards and Training. This Program identifies succession planning; promotes organizational development; maintains personnel adherence to professional standards; and administers crime prevention activities and community event programs. Staff in the PCS program also manage and oversee numerous volunteer programs that support various functions of the Department. This program facilitates the administrative management of the tow truck permit program, residential parking, commercial alarm permits, and Alcohol Beverage Control licensing permits.

Working in conjunction with the Town Manager's Office and the Santa Clara County Fire Department, the Police Department participates in emergency management and preparedness. Staff in this program work in collaboration with state and regional emergency management entities, such as Santa Clara County Office of Emergency Management, in preparation and planning for the possibility of earthquakes, fires, floods, and other natural and man-made disasters. In addition, staff in this program oversee management of Police Department volunteer programs such as Volunteers in Policing, Community Emergency Response Team (CERT), Disaster Aid Response Team (DART), and Victim Services Unit (VSU).

POLICE DEPARTMENT
Personnel and Community Services

BUDGET OVERVIEW

The FY 2024/25 budget includes increases in salary and benefit costs attributed to anticipated merit step increases, higher benefit and CalPERS pension rates, a 4.6% salary saving factor, and the increases associated with the recently approved Memorandum of Understanding with the Police Officers Association. Negotiations with two of the Town's three bargaining units (Town Employee Association and American Federation of State, County, and Municipal Employees) are currently in process.

Additional temporary staff hours (750 hours) are proposed for Background Investigation Staff related to the hiring process for civilian and sworn employees, and the necessary background checks for applicants of Concealed Carry Weapons (CCW) Permits. This is an increase from the 500 hours typically budgeted in prior years.

SUMMARY OF REVENUES AND EXPENDITURES

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenue</i>	485,554	526,481	510,783	519,900	511,200	537,000
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	1,400	1,000	1,000	1,000
TOTAL REVENUES	\$ 485,554	\$ 526,481	\$ 512,183	\$ 520,900	\$ 512,200	\$ 538,000
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 855,141	\$ 907,431	\$ 1,058,153	\$ 1,079,614	\$ 1,207,067	\$ 1,162,298
<i>Operating Expenditures</i>	24,206	32,800	50,268	133,493	134,993	69,413
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	114,594	118,222	102,413	115,426	115,496	147,299
TOTAL EXPENDITURES	\$ 993,941	\$ 1,058,453	\$ 1,210,834	\$ 1,328,533	\$ 1,457,556	\$ 1,379,010

POLICE DEPARTMENT
Personnel and Community Services

FY 2024/25 KEY PROJECTS

Core Goals	Key Projects
Civic Enrichment Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	Community Police Academy
	Lead an annual Community Police Academy for community members and business leaders of the Town of Los Gatos and the City of Monte Sereno, fostering communication and relationship building between the community and the Police Department.
	Neighborhood Watch Program
	Continue to expand the Neighborhood Watch program, targeting crime prevention, awareness, and education.
	Community Engagement
	Continue to participate in community events and engage with the community to promote partnerships, such as Coffee with a Cop, National Night Out, Police Department tours, local school classroom visits, faith-based organization outreach, and partnering with other Town Departments in community engagement.
	Senior Community Outreach and Education
	Therapy Canine handlers will conduct periodic visits at senior residential housing facilities and senior events. In addition, the Operation Care telephone program of checking in with vulnerable seniors daily will include periodic in-person visits.
	Police Department Volunteer Opportunities
	The Personnel and Community Services Program will focus on expanding the role of volunteers to support public safety programs, including the Police Reserves Program, Police Explorers, Volunteers in Policing (VIP), Community Emergency Response Team (CERT), and the Disaster Aid and Response Team (DART). In addition, the Department will focus on cross-training between some of these volunteer teams to increase their effectiveness when responding to critical incidents within Town limits.

POLICE DEPARTMENT
Personnel and Community Services

FY 2024/25 KEY PROJECTS

Core Goals	Key Projects
<i>Good Governance</i> Ensure responsive, accountable, and collaborative government	<i>Recruitment & Hiring Events</i> Attend regional job fairs and recruitment events to promote employment opportunities within the Department; continue ongoing recruitments; and conduct testing processes for Police Officer and Dispatcher vacant positions.
	<i>Patrol & Professional Staff Training Development</i> Due to the attrition of staff, specialized training will continue to increase and annual in-service training will focus on topics which include perishable skills, going beyond the minimal California POST annual requirements.
<i>Public Safety</i> Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness	<i>Community Emergency Response Team (CERT)</i> Community Emergency Response Team (CERT) leads continue to identify areas of priorities to strengthen community resilience and preparation of the Neighborhood Incident Command Posts (NICPs), focusing on skills which provide emergency preparedness information in virtual settings. Additionally, a continuing goal is neighborhood and individual emergency preparedness education and recruitment of additional CERT members along with partnership between CERT and the Neighborhood Watch participants in the event of an emergency.

KEY PROGRAM SERVICES

- Manages personnel hiring.
- Manages community outreach through social media and community databases.
- Manages the Department training program.
- Coordinates the Department's community outreach, crime prevention, and neighborhood organization efforts.
- Manages the Department's volunteer program.
- Collaborates emergency management response, training of personnel, and maintenance of the Emergency Operations Center (EOC).
- Develops, coordinates, and manages the Community Emergency Response Team (CERT) and the Disaster Aide Response Team (DART).

POLICE DEPARTMENT
Personnel and Community Services

PERSONNEL & COMMUNITY SERVICE PROGRAM STAFFING

Full Time Equivalents (FTE)

	2020/21	2021/22	2022/23	2023/24	2024/25
	Funded	Funded	Funded	Funded	Adopted
<i>Town Staff</i>					
Police Sergeant	1.00	1.00	1.00	1.00	1.00
Community Outreach Coordinator	1.00	1.00	1.00	1.00	1.00
IT Systems Administrator	1.00	1.00	1.00	1.00	1.00
Senior Administrative Analyst	-	-	-	1.00	1.00
Administrative Analyst	1.00	1.00	1.00	-	-
Total Personnel & CS FTEs	4.00	4.00	4.00	4.00	4.00

	2020/21	2021/22	2022/23	2023/24	2024/25
	Funded	Funded	Funded	Funded	Adopted
<i>Temporary Staff Hours</i>					
Police Officer	300	300	500	500	750
Total Annual Hours	300	300	500	500	750

POLICE DEPARTMENT
Personnel and Community Services

Performance Objectives and Measures	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Estimated	2024/25 Estimated
1. <i>Preparing resident volunteers to assist in an emergency.*</i>					
a. Number of Town sponsored trainings offered for emergency preparedness volunteers:	8	8	7	7	7
2. <i>Training community members in neighborhood emergency preparedness.**</i>					
b. Number of citizens trained in neighborhood emergency preparedness:	220	105	134	140	140

Activity and Workload Highlights	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Estimated	2024/25 Estimated
1. Average hours of training for per sworn officer:	100	87	109	100	100
2. Average hours of training for non-sworn personnel:	8	34	19	25	25
3. Total number of hours volunteered Town-wide (not including VIP):***	9,489	10,359	<i>Measure Discontinued</i>	<i>Measure Discontinued</i>	<i>Measure Discontinued</i>
4. Total value of volunteer hours (not including VIP):***	\$213,503	\$248,823	<i>Measure Discontinued</i>	<i>Measure Discontinued</i>	<i>Measure Discontinued</i>
5. Number of hours of volunteer (VIP) service:	0	962	1,753	1,800	1,800
6. Dollar value of total annual volunteer (VIP) hours of service:	\$0	\$23,107	\$55,342	\$56,826	\$56,826
7. Number of CERT personnel trained this year:	0	20	19	20	20
8. Total number of active trained CERT personnel:	224	244	263	265	265

*New measure effective FY 20/21 .

**New measure effective FY 21/22 .

***Measure discontinued effective FY 22/23.

Police Department

PATROL PROGRAM 4301

PROGRAM PURPOSE

The Patrol Program has the responsibility of providing responsive police services to the community of Los Gatos twenty-four hours a day, seven days a week. The Patrol Program deploys uniformed Police Officers across four shifts in a continuous effort to keep the Town safe. Officers provide both proactive and reactive service to residents, respond to emergency and non-emergency calls, engage in directed and self-initiated enforcement actions, and utilize problem solving techniques designed to increase community safety.

Within the Patrol function, Officers with specialized training are deployed as Field Training Officers (FTO), K-9 Officer, and Bicycle Officers. Collateral specialized teams provide support to the Patrol Program, including the Crisis Response Unit (CRU), Hostage Negotiation Team (HNT), Traffic Collision Investigation/Crime Scene Team, Peer Support Team, Firearms/Range Team, Defensive Tactics Team, Drone Team, and the Bicycle Team.

The Reserve Police Officer Program is a subdivision of the Patrol Program and consists of voluntary part-time, sworn volunteers who are trained to assist in regular patrol activities. Reserve Officers serve as secondary officers in a patrol capacity or are assigned specific duty functions during special events. Reserve Officers are certified and maintain standards as required by California Peace Officers Standards and Training. During FY 2023/24, Reserve Officers were utilized to supplement patrol staffing vacancies, perform directed patrol in crime targeted areas, assist with traffic control, and work special events.

POLICE DEPARTMENT
Patrol Program

BUDGET OVERVIEW

The Police Department and the other Departments of the Town of Los Gatos enjoy a collaborative relationship with the City of Monte Sereno. In FY 2015/16, the Town entered a restructured, ten-year agreement effective July 1, 2015 to provide Law Enforcement Services to the City of Monte Sereno through June 30, 2025. This agreement allows for consideration of ongoing updates in law enforcement practices and more closely reflects the workload and modernized service delivery models for both the Town and the City of Monte Sereno. The annual contract rate based on the Average Annual Consumer Price Index for benefits increased the FY 2024/25 City of Monte Sereno Police Services contract to \$1,135,514.

The FY 2024/25 budget includes increases in salary and benefit costs attributed to anticipated merit step increases, higher benefit and CalPERS pension rates, a 4.6% salary saving factor, and the increases associated with the recently approved Memorandum of Understanding with the Police Officers Association. Negotiations with two of the Town's three bargaining units (Town Employee Association and American Federation of State, County, and Municipal Employees) are currently in process.

Additional temporary staff hours (3,120 hours) are included for three Community Service Officer Interns (CSO). This non-sworn position responds to non-emergency calls for service, non-injury traffic collisions, assisting patrol in non-enforcement administrative situations. The CSO Intern positions allow for operational flexibility and training opportunities, allowing Officers to focus on high priority calls. The benefit of the CSO Intern program has been demonstrated with previous Interns successfully applying and transitioning to Sworn Officer positions within the Police Department. This level of staffing is consistent with prior years.

Additional temporary staff hours (4,500 hours) are included for six Police Trainee recruit positions. This is an increase from prior years where approximately two to three trainees have been budgeted. As the Police Department plans for staff transition due to attrition in FY 2024/25, this one-time increase in requested hours allows the Department to hire and train officers ahead of upcoming vacancies.

**POLICE DEPARTMENT
Patrol Program**

SUMMARY OF REVENUES AND EXPENDITURES

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ 27,523	\$ 37,855	\$ 17,591	\$ 15,000	\$ 15,000	\$ 12,000
<i>Intergovernmental Revenue</i>	18,136	174,568	179,747	110,000	121,159	110,000
<i>Service Charges</i>	927,495	984,201	1,039,905	1,082,490	1,092,615	1,148,764
<i>Fines & Forfeitures</i>	11,925	28,245	21,270	15,000	15,000	15,000
<i>Other Revenues</i>	549,328	4,043,109	4,257,016	638,273	622,187	644,083
TOTAL REVENUES	\$ 1,534,407	\$ 5,267,978	\$ 5,515,529	\$ 1,860,763	\$ 1,865,961	\$ 1,929,847
Transfers In						
<i>Transfer from GFAR</i>	\$ 113,520	\$ 94,816	\$ -	\$ -	\$ -	\$ -
Total Transfers In	113,520	94,816	-	-	-	-
TOTAL REVENUES & TRANSFERS IN	\$ 1,647,927	\$ 5,362,794	\$ 5,515,529	\$ 1,860,763	\$ 1,865,961	\$ 1,929,847
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 6,822,490	\$ 6,760,531	\$ 8,129,094	\$ 7,726,304	\$ 9,265,201	\$ 8,607,449
<i>Operating Expenditures</i>	366,624	418,385	418,585	628,106	633,106	658,806
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	464,659	546,119	572,006	802,327	802,325	1,104,548
TOTAL EXPENDITURES	\$ 7,653,773	\$ 7,725,035	\$ 9,119,685	\$ 9,156,737	\$10,700,632	\$10,370,803

FY 2024/25 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative government	Patrol Staffing & Schedules Continue to track and monitor the program budget, including overtime salaries and operational components and current and prospective patrol schedules and beat structures to ensure best patrol deployment models for enhanced police responsiveness and crime fighting strategies, while factoring in unexpected staffing vacancies and workload pressures.

POLICE DEPARTMENT
Patrol Program

FY 2024/25 KEY PROJECTS

Core Goals	Key Projects
Public Safety Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness	<i>Automated License Plate Reader Technology</i>
	Continue to evaluate the Automate License Plate Reader (ALPR) technology program, implemented in FY 2021/22.
	<i>Emergency Operations</i>
	Continue the use of drone technology to enhance emergency tactical and disaster deployment and assessment capabilities.
	<i>Training for New Officers & Dispatchers</i>
	Continue toward achieving a goal of Crisis Intervention Training certification (40-hour POST certified course) for all sworn Officers and Dispatchers.
Community Character Preserve and enhance the appearance, character, and environment quality of the community	<i>Accessibility & Policing Open Space Areas</i>
	Purchase and deploy an Utility Terrain Vehicle to access to rough terrain, hillside, trail, and open space areas.
	<i>Specialized & Collateral Duty Assignments</i>
	Focus on rebuilding collateral duty programs and specialty assignments for sworn staff, including specific training plans, equipment assessments, and personnel management and selection for these assignments.
	<i>DUI Enforcement</i>
	Continue to focus on proactive enforcement of driving under the influence of alcohol or drugs.
	<i>Directed Community Engagement Patrol</i>
	Continue to identify elevated crime areas and neighborhoods with community concerns related to public safety by increasing foot and bicycle patrols, and patrol checks in residential and commercial areas to provide enhance visibility, deterrence, and crime suppression.

POLICE DEPARTMENT
Patrol Program

KEY PROGRAM SERVICES

- Responds to emergency and non-emergency calls for service.
- Performs directed patrol and self-initiated activity during non-committed time.
- Investigates crimes and traffic accidents.
- Utilizes innovative crime suppression techniques and directed patrol plans to reduce crime.
- Supports the Department's traffic enforcement control program, including issuance of traffic and parking citations.
- Builds relationships within the community to enhance public safety and increase community policing.
- Oversees the training and deployment of collateral and specialty teams such as, Crisis Response Unit (CRU), Bicycle Team, Field Training Officer Program, Major Incident/Traffic Reconstruction Team, Therapy 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)

	2020/21	2021/22	2022/23	2023/24	2024/25
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Adopted
Police Captain	0.50	0.50	0.50	0.50	0.50
Police Lieutenant	-	-	-	-	-
Police Sergeant	4.00	4.00	4.00	4.00	4.00
Police Corporal	4.00	4.00	4.00	4.00	4.00
Police Officer	17.00	17.00	17.00	17.00	17.00
Total Patrol Program FTEs	25.50	25.50	25.50	25.50	25.50

	2020/21	2021/22	2022/23	2023/24	2024/25
<i>Temporary Staff Hours</i>	Funded	Funded	Funded	Funded	Adopted
Community Service Officer Intern	2,080	2,080	3,120	3,120	3,120
Police Trainee	-	-	1,800	1,800	4,500
Total Annual Hours	2,080	2,080	4,920	4,920	7,620

POLICE DEPARTMENT Patrol Program

Performance Objectives and Measures	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Estimated	2024/25 Estimated
1. Provide safe environment through timely response and police assistance.					
a. Average response time - Priority I calls: (Goal: 5 or fewer minutes)	4:29	4:39	4:38	5:00	5:00
b. Average response time - Priority II calls: (Goal: 10 or fewer minutes)	6:22	6:21	6:44	10:00	10:00
c. Average response time - Priority III calls: (Goal: 15 or fewer minutes)	7:24	7:07	7:14	15:00	15:00

Activity and Workload Highlights	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Estimated	2024/25 Estimated
1. Number of Priority I incidents (immediate emergency with threat of life and public safety hazard):*	146	143	162	192	165
2. Number of Priority II incidents (urgent emergency that requires immediate response):*	4,668	6,129	6,505	6,312	6,315
3. Number of Priority III incidents (non-emergency):*	8,482	10,428	10,999	10,446	10,624
4. Total number of Incidents:*	25,965	35,440	43,605	45,688	41,577
5. Hours of Volunteer Reserve Officer hours used:	516	405	418	400	400
6. Dollar value of total Reserve Officer hours used:	\$32,286	\$27,204	\$28,077	\$26,868	\$26,868
7. Hours of Disaster Aid Response Team service used:	1671	1269	1671	1400	1535
8. Dollar value of total Disaster Aid Response Team service used:	\$47,440	\$38,895	\$52,753	\$44,198	\$48,459
9. Number of hours patrolling Monte Sereno: (Per agreement - 4160 hrs. patrol + 416 traffic/annually)	4,780	4,821	4,912	4,576	4,576
10. Total number of arrests by Los Gatos/ Monte Sereno Police Department:	334	497	522	596	509
11. Total number of reports written by Community Service Officer intern:	98	135	143	150	137

Please note: During FY 20/21, the department transitioned from its existing software to a new CAD/RMS platform after 17 years, providing enhanced functions for performance measures and improved capabilities to capture ongoing statistical data. This resulted in many operational and administrative progressions that had been limited in years prior based on the limitations of the previous system. There are now three priority types. Additionally, there were several incident types used in the previous system that have been converted to "status" types to better reflect the officer's activity.

Please note: In July 2020, the Santa Clara County District Attorney announced a series of social justice reforms that included ceasing filing criminal charges for driving on a suspended license. The department averaged 261 arrests annually for this violation prior to this decision. Additionally, officer discretion applied to arrest decisions (whether to book, cite, or request a warrant) has been influenced by COVID internally, by operational changes, and externally, by jail policies.

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, pedestrians, and other users. The Program collaborates with Parks and Public Works and utilizes national and regional traffic safety programs to manage and coordinate community education activities designed to address traffic complaints; increase motorist, bicyclist and pedestrian safety; and reduce property damage, injury and fatal traffic collisions. The Traffic Program works in conjunction with the Los Gatos-Monte Sereno Safe Routes to School Program and coordinates traffic safety campaigns, bike rodeos, and other bicycle and pedestrian programs. The Traffic Program also manages and assists with special events that may impact the flow of traffic upon the roadway or create hazards.

Officers assigned to the Traffic Program are responsible for utilizing the California Vehicle Code to educate, encourage, and enforce safe behaviors of motorists, bicyclists, and pedestrians on public roadways. Officers are also responsible for the investigation and documentation of traffic collisions.

Traffic Officers strive to reduce property damage, injury, and death related to traffic collisions. For more than a decade, the Traffic Program has managed the School Crossing Guard program in partnership with the Los Gatos Union School District and the Union School District to provide contractual crossing guard services. Operational assessment and management of these services and the crossing guard agreement is ongoing. The current crossing guard contract expires June 30, 2024.

POLICE DEPARTMENT
Traffic

BUDGET OVERVIEW

The Traffic Program has a largely status quo budget, incorporating increases in salary and benefit costs attributed to anticipated merit step increases, higher benefit and CalPERS pension rates, a 4.6% salary saving factor, and the increases associated with the recently approved Memorandum of Understanding with the Police Officers Association.

SUMMARY OF REVENUES AND EXPENDITURES

	2020/21	2021/22	2022/23	2023/24	2023/24	2024/25
	Actuals	Actuals	Actuals	Adjusted	Estimated	Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ 11,015	\$ 11,015	\$ 5,770	\$ 7,000	\$ 7,000	\$ 7,000
<i>Intergovernmental Revenue</i>	447,561	258,904	206,106	155,000	199,492	145,000
<i>Service Charges</i>	29,308	155,672	153,093	165,743	165,743	-
<i>Fines & Forfeitures</i>	5,726	3,679	4,520	2,200	2,200	2,200
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ 493,610	\$ 429,270	\$ 369,489	\$ 329,943	\$ 374,435	\$ 154,200
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 657,883	\$ 676,435	\$ 843,499	\$ 877,343	\$ 697,331	\$ 1,002,116
<i>Operating Expenditures</i>	170,397	189,928	217,787	240,999	240,999	80,353
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	59,426	71,143	79,034	99,926	100,124	144,128
TOTAL EXPENDITURES	\$ 887,706	\$ 937,506	\$ 1,140,320	\$ 1,218,268	\$ 1,038,454	\$ 1,226,597

POLICE DEPARTMENT
Traffic

FY 2024/25 KEY PROJECTS

Core Goals	Key Projects
<i>Civic Enrichment</i> Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	<i>Safe Routes to Schools</i> Continue to participate in the Safe Routes to School Program to promote traffic safety and reducing injury collisions.
<i>Good Governance</i> Ensure responsive, accountable, and collaborative government	<i>Dignitary Protection & Mutual Aid Collaboration</i> Continue to partner with local, State, and Federal law enforcement agencies in the coordinated efforts for dignitary visits and mutual aid resource allocation. <i>Patrol Fleet Buildout</i> Continue to work in coordination with the Parks and Public Works Department to assess, manage, and repair the existing patrol vehicle fleet.
<i>Public Safety</i> Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness	<i>Directed Traffic Enforcement</i> Work in conjunction with the Patrol Program to coordinate efforts of traffic enforcement, traffic calming, and promote pedestrian and bicycle safety in Town; continue to work with the Town Engineering Division to analyze hazardous traffic collision data to prioritize locations throughout Town requiring focused enforcement; and continue to participate in regional traffic enforcement campaigns and local community programs to promote and foster safe driving behaviors. <i>Traffic Collision Reconstruction Software</i> The Traffic Program and Patrol Program will work collaboratively to identify new traffic reconstruction investigative software program that integrates with current drone technology to assist in crime scene investigations and the preparation of reports and court presentations. <i>Lidar/Radar Speed Trailer Replacement</i> Conduct a review of new radar trailer technology and will seek to replace one radar speed trailer which was damaged in FY 2023/24. Speed trailers will also be deployed within the directed traffic enforcement areas to increase traffic calming and improve traffic safety.

POLICE DEPARTMENT
Traffic

KEY PROGRAM SERVICES

- Responds to and investigates traffic accidents.
- Educates the public on traffic safety.
- Provides traffic enforcement.
- Participates in community traffic safety committees and programs.
- Collaborates with the Traffic and Parking Commission.
- Reviews traffic safety plans for special events.
- Participates in regional efforts to maintain traffic safety.

TRAFFIC PROGRAM STAFFING

Full Time Equivalents (FTE)

	2020/21	2021/22	2022/23	2023/24	2024/25
<i>Town Staff</i>	Funded	Funded	Funded	Funded	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	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Estimated	2024/25 Estimated
1. <i>Reduction of DUI-involved collisions through specialized enforcement and educational programs.</i>					
a. Percentage of reported traffic collisions involving drugs or alcohol:	8.57%	13.3%	8.6%	12.0%	10.5%
2. <i>Through directed enforcement, the program seeks to minimize the loss of life and reduce personal injuries due to traffic collisions.</i>					
a. Traffic Index:	10.1	7.1	12.3	12.9	13.0
<i>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.</i>					

Activity and Workload Highlights	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Estimated	2024/25 Estimated
1. Total number of traffic citations issued (excludes courtesy citations):*	782	744	826	868	785
2. Number of hazardous citations:	518	494	481	474	487
3. Number of courtesy citations issued:	619	243	607	752	679
4. Number of DUI arrests:*	30	49	40	56	45
5. Number of traffic collision reports:*	105	198	205	230	201
6. Number of injury collisions:	51	71	88	95	88

**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 a full-time School Resource Officer (SRO). The SRO is responsible for assisting in the investigation of crimes involving juveniles as victims or offenders, managing youth-related problems and trends, and being a liaison to local schools. The SRO works collaboratively with school staff, administration, and students in both the Los Gatos-Saratoga Union High School District and Los Gatos Union School District to promote school campus and community safety and to be a presence on campus. Since FY 2009/10, funding for the SRO position has been offset by an agreement with the high school and elementary school districts. In FY 2022/23, school districts and Town of Los Gatos entered into an agreement which consisted of a 50% cost-sharing of the Officer's salary and benefits. The current SRO agreement expires June 30, 2024, at which time the Department and Town anticipate continued partnership through a revised agreement for FY 2024/25.

POLICE DEPARTMENT
Investigations

BUDGET OVERVIEW

The Investigations Program is comprised of 0.5 FTE Police Captain, 1.0 FTE Police Sergeant, 6.0 FTE sworn Officers, 1.0 FTE Community Service Officer and 1.0 FTE Police Records Specialist. The FY 2024/25 budget includes increases in salary and benefit costs attributed to anticipated merit step increases, higher benefit and CalPERS pension rates, a 4.6% salary saving factor, and the increases associated with the recently approved Memorandum of Understanding with the Police Officers Association.

SUMMARY OF REVENUES AND EXPENDITURES

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ 5,966	\$ 6,680	\$ 3,719	\$ 1,000	\$ 1,512	\$ 1,000
<i>Intergovernmental Revenue</i>	121,410	121,611	93,799	-	-	-
<i>Service Charges</i>	59,947	37,918	127,528	166,749	166,749	166,749
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	1,369	2,151	2,162	1,000	1,000	1,000
TOTAL REVENUES	\$ 188,692	\$ 168,360	\$ 227,208	\$ 168,749	\$ 169,261	\$ 168,749
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 2,455,805	\$ 2,309,448	\$ 2,118,890	\$ 2,841,014	\$ 2,148,552	\$ 3,010,196
<i>Operating Expenditures</i>	141,854	139,100	136,801	190,748	181,700	186,065
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	141,412	161,496	152,726	232,188	231,308	325,094
TOTAL EXPENDITURES	\$ 2,739,071	\$ 2,610,044	\$ 2,408,417	\$ 3,263,950	\$ 2,561,560	\$ 3,521,355

POLICE DEPARTMENT
Investigations

FY 2024/25 KEY PROJECTS

Core Goals	Key Projects
<i>Good Governance</i> Ensure responsive, accountable, and collaborative government	<i>Evidence & Property Room Audit</i> Implement best practices and procedures for audits related to evidence and property room storage facility management, evidence and property accountability, and dispositions in accordance with State laws and Peace Officer Standards and Training guidelines. <i>Investigative Technology Equipment</i> Explore the most updated investigative technology, software programs, and equipment which may assist with the investigation of cyber-crimes and the preservation of digital media evidence. <i>Crime Scene Equipment</i> Oversee the implementation and deployment of specially trained Patrol Officers and equipment for crime scene evidence processing, such as portable lighting, rapid deployment evidence kits, and other advanced crime scene equipment to assist with the processing of crime scenes in remote areas and when handling of biological evidence. <i>Axon Evidence.com System</i> Upgrade to an updated Axon digital evidence storage system to enhance capabilities and capacity of storing digital evidence with options for digital evidence redaction in accordance with legislative mandates.
<i>Public Safety</i> Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness	<i>Terrorism Liaison Officer (TLO) Training</i> Oversee and act as a liaison to local, State and Federal partners with crimes related to domestic terrorism intelligence, hate crimes, and suspicious activity reporting. Staff assigned as Terrorism Liaison Officers (TLO) attends specialized training, serves as the primary point of contact for LGMSPD, and receives and reports intelligence information. <i>Regional Crime Information Sharing</i> Collaborate with local, State, and Federal law enforcement agencies in criminal information sharing meetings related to Organized Retail Thefts (ORT) and burglaries. Staff in this program will attend and host regional law enforcement intelligence meetings and develop collaborative investigative strategies with partnering agencies.

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)

	2020/21	2021/22	2022/23	2023/24	2024/25
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Adopted
Police Captain	0.50	0.50	0.50	0.50	0.50
Poice Sergeant	1.00	1.00	1.00	1.00	1.00
Police Officer	6.00	6.00	6.00	6.00	6.00
Community Services Officer	1.00	1.00	1.00	1.00	1.00
Senior Records Specialist	-	-	-	1.00	1.00
Police Records Specialist	1.00	1.00	1.00	-	-
Total Investigation FTEs	9.50	9.50	9.50	9.50	9.50

POLICE DEPARTMENT Investigations

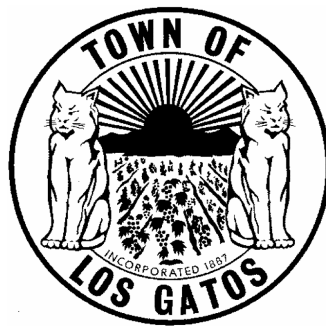
Performance Objectives and Measures	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Estimated	2024/25 Estimated
1. To provide thorough and objective analysis of crime to achieve resolution of criminal matters.					
a. Number of Part I and Part II crimes cleared:*	636	Measure Discontinued	Measure Discontinued	Measure Discontinued	Measure Discontinued
2. To divert local youth from the criminal justice system.					
a. Percentage of youthful offenders diverted from the criminal justice system:	0%	0%	0%	0%	0%

Activity and Workload Highlights	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Estimated	2024/25 Estimated
1. Number of cases investigated:	1,226	1,429	1,607	1,400	1,500
2. Number of criminal complaints requested for review at District Attorney's Office:	290	388	369	320	344
3. Annual number of public school visits by the School Resource Officer:	115	202	305	312	308

Juvenile justice reforms and changes to legislation have rendered the youth diversion program obsolete.

Annual school visits by the School Resource Officer was impacted by COVID. At the time of this writing, all educational institutions have been completely shut down and conducting school in a virtual environment. The school resource officer remains involved with the schools and adapting to new challenges presented in the virtual environment.

**Measure discontinued effective FY 21/22 Uniform Crime Report (UCR) is no longer a static measure the Department is transitioning to NIBRS per State and Federal mandates.*



Police Department

PARKING MANAGEMENT PROGRAM 4304

PROGRAM PURPOSE

The Parking Management Program coordinates, manages, and enforces vehicular parking on roadways and highways and in municipal lots. The Parking Management Program uses the California Vehicle Code and Town Municipal Code to enforce residential/employee/commercial zone permit-only parking, time-restricted parking, disabled parking, and loading zones. The enforcement of parking violations assists traffic flow and increases parking space availability. This Program works in conjunction with the Patrol Division on vehicle tows, traffic control, special events, and the deployment and management of the mobile speed radar trailers. In addition, the Program currently manages the issuance of residential and business preferential parking permits, as well as the Abandoned Vehicle Abatement Service Authority (AVASA) program in Town to ensure roadways and highways are free of abandoned vehicles.

The Parking Management Program collaborates with the Town's Parks and Public Works Department and the Community Development Department to address permit parking, special event parking, municipal lot parking management, and parking issues around schools. Parking Control Officers utilize automated parking enforcement technology to assist in the efficiency and accuracy of parking violation documentation and issuance of citations. They support Patrol Officers with traffic control during high impact roadway events and assist with crossing guard duties as necessary.

**POLICE DEPARTMENT
Parking Management**

BUDGET OVERVIEW

The Parking Management Program is budgeted for 0.30 FTE Police Sergeant and 2.0 FTE Parking Control Officers. The Sergeant oversees and manages the deployment and allocation of Parking Control resources. The Sergeant works collaboratively with the Town's Parks and Public Works Department, the Community Development Department, and the Complete Streets and Transportation Commission to coordinate the monitoring and enforcement of parking related concerns on Town streets and municipal lots.

The FY 2024/25 budget for this program includes increases in salary and benefit costs attributed to anticipated merit step increases, higher benefit and CalPERS pension rates, a 4.6% salary saving factor, and the increases associated with the recently approved Memorandum of Understanding with the Police Officers Association. Negotiations with two of the Town's three bargaining units (Town Employee Association and American Federation of State, County, and Municipal Employees) are currently in process.

SUMMARY OF REVENUES AND EXPENDITURES

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ 36,558	\$ 55,908	\$ 46,966	\$ 7,500	\$ 23,200	\$ 23,500
<i>Intergovernmental Revenue</i>	-	-	-	-	-	-
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	78,771	248,878	372,985	336,000	338,000	288,000
<i>Other Revenues</i>	32,400	-	18,900	-	-	-
TOTAL REVENUES	\$ 147,729	\$ 304,786	\$ 438,851	\$ 343,500	\$ 361,200	\$ 311,500
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 350,512	\$ 301,697	\$ 317,556	\$ 358,442	\$ 341,904	\$ 379,907
<i>Operating Expenditures</i>	127,625	121,626	148,011	151,328	151,328	166,027
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	46,833	54,118	58,856	71,516	71,478	82,159
TOTAL EXPENDITURES	\$ 524,970	\$ 477,441	\$ 524,423	\$ 581,286	\$ 564,710	\$ 628,093

POLICE DEPARTMENT
Parking Management

FY 2024/25 KEY PROJECTS

Core Goals	Key Projects
<i>Good Governance</i> Ensure responsive, accountable, and collaborative government	<i>Parking Program & Project Management Transition</i> Work closely with Parks and Public Works and its contractor on the Parking Management Program updates and current projects, including the transition of parking permitting functions, parking project management, and parking-related outreach. The Police Department maintains parking enforcement duties and responsibilities. <i>Parking Control Vehicle with Automated License Plate Reader</i> Implement a second dedicated parking control vehicle equipped with automated license plate reader technology for parking enforcement to improve overall efficiencies and parking control staff capabilities.
<i>Community Character</i> Preserve and enhance the appearance, character, and environment quality of the community	<i>Abandoned Vehicle Abatement Service Authority - Oversight</i> The Parking Program in collaboration with the Community Service Officer Interns will continue to maintain community quality of life through abandoned vehicle markings and enforcement consistent with State law.

KEY PROGRAM SERVICES

- Collaborates proactively with Park and Public Works Department in the management of the Town’s available parking project management.
- Monitors and enforces parking and abandoned vehicle laws.
- Communicates with and educates residents, businesses, and visitors on parking issues and regulations.
- Coordinates the special event parking control.
- Manages and oversees the parking citation appeal process.
- Participates with the Complete Streets and Transportation Commission and Parks and Public Works Department.

**POLICE DEPARTMENT
Parking Management**

PARKING MANAGEMENT FUND STAFFING

Full Time Equivalent (FTE)

	2020/21	2021/22	2022/23	2023/24	2024/25
	Funded	Funded	Funded	Funded	Adopted
Town Staff					
Police Sergeant	0.30	0.30	0.30	0.30	0.30
Senior Parking Control Officer	-	1.00	1.00	1.00	1.00
Parking Control Officer	2.00	1.00	1.00	1.00	1.00
Total Parking Mgmt. FTEs	2.30	2.30	2.30	2.30	2.30

	2020/21	2021/22	2022/23	2023/24	2024/25
	Funded	Funded	Funded	Funded	Adopted
Temporary Staff Hours					
Parking Control Manager	1,000	500	500	-	-
Parking Control Officer	300	-	-	-	-
Total Annual Hours	1,300	500	500	-	-

	2020/21	2021/22	2022/23	2023/24	2024/25
Performance Objectives and Measures	Actual	Actual	Actual	Estimated	Estimated
1. <i>Promote pedestrian and vehicular safety while providing improved traffic flow and increased parking availability on residential streets.</i>					
a. Percentage of parking citations paid with initial notices:	92%	92%	93%	93%	93%
2. <i>Enforce timed limit, residential and employee zoned permit parking.</i>					
a. During enforcement hours respond to community reported parking problems within 20 minutes:	Yes	Yes	Yes	Yes	Yes

	2020/21	2021/22	2022/23	2023/24	2024/25
Activity and Workload Highlights	Actual	Actual	Actual	Estimated	Estimated
1. Number of parking citations issued:	1,584	4,958	8,569	8,268	8,100
2. Number of residential and employee parking permits issued:	786	2,047	3,588	3,650	3,650
3. Number of stored and abandoned vehicles marked:*	163	122	78	75	75
4. Number of stored and abandoned vehicles removed from public streets:*	11	17	22	20	20
5. Re Revenue received on parking permits issued	\$36,558	\$55,908	\$46,965	\$37,000	\$35,000
6. Re Revenue received on parking citations issued	\$49,795	\$204,713	\$328,246	\$346,605	\$300,000

**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.

In FY 2022/23, the Town of Los Gatos participated in a national opioid lawsuit settlement program and received opioid settlement distribution funds from Janssen and participating settlement subdivisions. The settlement agreement required funds to be used primarily for opioid abatement and youth preventative programs. The Police Department identified utilizing the funding for specific advanced officer training in enhanced recognition, response, treatment, and management of an opioid overdose crisis and first-responder training. In addition, identified funding to be used to supplement youth opioid preventative and awareness education training through the School Resource Officer outreach programs.

In FY 2023/24, revenues and expenditures reflected a pass-through of Community Emergency Response Team (CERT) funds. Funds were fully expensed from this pass-through in FY 2023/24. This program includes no staff activity, it does not have Key Projects or Performance Measures, and will not be reflected in FY 2024/25.

POLICE DEPARTMENT
Pass-Through Accounts

In FY 2024/25, revenue and expenditures reflect a pass-through of Citizens Office of Public Safety (COPS) California Supplemental Law Enforcement Service Fund (SLESF). State General Fund distribution to local law enforcement agencies are specifically intended for “front-line municipal police services,” to be expensed on personnel, equipment, or supplies and are not approved for public safety capital improvement or construction projects. COPS funds shall be deposited into a separate fund and not intermingled with other monies.

The Police Department receives two allocated payments of COPS SLESF funding for the Town of Los Gatos and City of Monte Sereno. The Los Gatos portion (\$100,000) of SLESF funds in FY 2024/25 will be used for frontline Police operational equipment and services, as approved by Town Council. In addition, the (\$100,000) of SLESF funds from the City of Monte Sereno will be directed toward the contractually required traffic enforcement within the city limits of Monte Sereno. Any additional fiscal year growth SLESF funds will reside in a pass-through account within this program.

SUMMARY OF REVENUES AND EXPENDITURES

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenue</i>	-	-	-	43,079	43,079	-
<i>Interest</i>	-	-	249	-	-	-
<i>Service Charges</i>	-	(93)	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	4,631	2,957	52,400	22,509	29,435
TOTAL REVENUES	\$ -	\$ 4,538	\$ 3,206	\$ 95,479	\$ 65,588	\$ 29,435
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	87	4,631	3,206	85,057	91,023	29,435
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 87	\$ 4,631	\$ 3,206	\$ 85,057	\$ 91,023	\$ 29,435

Police Department

OPERATING GRANTS 4803-4812

PROGRAM PURPOSE

This fund accounts for revenues and expenditures attributed to grants for operating budget projects that fall outside of the Capital Improvement Program (CIP) Grant Projects. The Town's CIP project guidelines state a CIP project must have a value of \$25,000 or more with a minimum useful life of 5 years at a fixed location.

Grant revenues and expenditures are structured to net out to zero. If overages or non-reimbursable expenses occur for grant activities, the additional charges are absorbed within the Department's operating budget. Some grants require a Town matching or other contribution as part of the award, which is reflected either as funding transferred into the grant, or expenditures reallocated to the appropriate program budget.

BUDGET OVERVIEW

The Officer Wellness and Mental Health Grant Program, established in the 2022 Budget Act (Assembly Bill 178, Chapter 45, Statutes of 2022), provided \$50 million for city and county law enforcement agencies for the purpose of improving officer wellness and expanding mental health sources. The Police Department received \$28,000 in FY 2022/23 with estimated expenditures to conclude in December 2025.

Grant funding will be used for the following purposes in compliance with grant regulations:

- Establishing or expanding wellness options to individual Officers as well as creating Officer Wellness Units,
- Establishing or expanding peer support units, and

POLICE DEPARTMENT Operating Grants

- Expanding multiagency mutual aid programs focused on officer wellness and mental health

The Police Department was awarded the Bulletproof Vest Partnership (BVP) grant, created by the Bulletproof Vest Partnership Grant Act of 1998. This is a unique U.S. Department of Justice initiative designed to provide a critical resource of supplemental funding to state and local law enforcement. The BVP Grant will continue into FY 2024/25 and provide 50% matching cost reimbursement for bulletproof vest expenses for field personnel.

The California Department of Justice Proposition 56 Tobacco Grant Program expired in March 2024. Grant funds from this program reimburse operational expenses of tobacco decoy operations, outreach and education, and training related to underage tobacco compliance. This grant was brought to successful conclusion in FY 2023/24.

In FY 2018/19 the Police Department was awarded a grant for the Innovations Grant Program (IGP) from Peace Officer Standards and Training (POST). The focus of this POST grant was on fostering innovations in training and procedures for law enforcement officers, with the goal of reducing the number of officer-involved shootings statewide. This Grant concluded in FY 2021/22.

In FY 2023/24 the Police Department was awarded a grant from the California Office of Traffic Safety (OTS) through the National Highway Traffic Safety Administration for the purchase of an updated traffic collision software program and electronic citation hardware equipment. The enhanced technology provides accurate data statistics of collisions, mandated cross-reporting to the California Highway Patrol, and allows for increased operational efficiencies for collision documentation and investigation, citation issuance, data entry and analysis, and court processing. This grant program is expected to continue through FY 2024/25 for full allocation and deployment of all software, hardware, and training.

In FY 2022/23, the Los Gatos-Monte Sereno Police Department (LGMSPD) applied for State Homeland Security Grant Program (SHSGP) grant funding to purchase an off-road side by side Utility Terrain Vehicle (UTV), gas masks, and ballistic riot protection helmets for sworn officers. In January 2024, the Police Department was awarded \$65,000 for the SHSGP reimbursement grant to purchase a law enforcement equipped off-road side by side UTV, and partial funding to supplement the costs and allocation of new gas masks and ballistic riot helmets for sworn officers. The reimbursement grant period is expected to continue through FY 2024/25 to allow for full allocation, deployment, and training of new equipment items.

**POLICE DEPARTMENT
Operating Grants**

BSCC OFFICER WELLNESS

SUMMARY OF REVENUES AND EXPENDITURES

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenue</i>	-	-	-	28,000	7,726	7,726
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ 28,000	\$ 7,726	\$ 7,726
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	28,000	20,274	7,726
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ 28,000	\$ 20,274	\$ 7,726

DEPARTMENT OF JUSTICE TOBACCO ENFORCEMENT GRANT

SUMMARY OF REVENUES AND EXPENDITURES

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenue</i>	-	7,000	6,500	3,500	3,500	-
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ 7,000	\$ 6,500	\$ 3,500	\$ 3,500	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ 7,000	\$ 6,500	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	3,500	3,500	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ 7,000	\$ 6,500	\$ 3,500	\$ 3,500	\$ -

**POLICE DEPARTMENT
Operating Grants**

OFFICE OF TRAFFIC SAFETY GRANT

SUMMARY OF REVENUES AND EXPENDITURES

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenue</i>	-	-	-	76,700	76,700	76,700
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ 76,700	\$ 76,700	\$ 76,700
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	76,700	-	76,700
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ 76,700	\$ -	\$ 76,700

PEACE OFFICER STANDARDS AND TRAINING (POST) GRANT

SUMMARY OF REVENUES AND EXPENDITURES

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenue</i>	-	44,079	-	-	-	-
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ 44,079	\$ -	\$ -	\$ -	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	8,869	6,902	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 8,869	\$ 6,902	\$ -	\$ -	\$ -	\$ -

**POLICE DEPARTMENT
Operating Grants**

BVP GRANT

SUMMARY OF REVENUES AND EXPENDITURES

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenue</i>	1,309	6,060	5,381	5,000	5,000	5,000
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ 1,309	\$ 6,060	\$ 5,381	\$ 5,000	\$ 5,000	\$ 5,000
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	1,309	6,060	5,381	5,000	5,000	5,000
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 1,309	\$ 6,060	\$ 5,381	\$ 5,000	\$ 5,000	\$ 5,000

HOMELAND SECURITY GRANT

SUMMARY OF REVENUES AND EXPENDITURES

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenue</i>	-	-	-	-	-	65,000
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,000
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	65,000
<i>Internal Service Charges</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,000





Parks & Public Works

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Parks & Public Works Department

DEPARTMENT PURPOSE

The Parks and Public Works Department (PPW) maintains Town-owned assets including 17 park and open space areas that total 223 acres, nine miles of trail, 113 miles of roadways (236 lane miles), 576,000 linear feet of sidewalks, 31 traffic signals, 2,100 street lights, 12 public buildings totaling approximately 139,000 square feet, 23 surface parking lots (including lots in parks), and one underground parking structure. These major assets are supported by ancillary assets like restroom buildings (five total), sidewalks, storm drainage systems, retaining walls, traffic and roadway signs, and street lighting. The Department's overarching goal is to ensure the Town's facilities are safe, functional, and attractive.

PPW operates the following Programs: Administration, Engineering Program Services (i.e., Capital Projects), Engineering Development Services, Park Services, Environmental Services, and Street and Signals. Additional Departmental services include Facilities Maintenance, Vehicle Maintenance, and Non-Point Source Program. In addition to providing ongoing maintenance activities, the Parks and Public Works Department staff provides information and outreach to Town residents, businesses, and the public concerning the Department's programs, activities, and projects.

BUDGET OVERVIEW

The FY 2024/25 Budget is a status quo budget. Modest increases are proposed for contractual services (e.g., landscape services, Heating Ventilation and Air Conditioning (HVAC) services, janitorial services, elevator maintenance, etc.) and for increases in water, gas, and electric rates, training needs, and software license subscriptions.

The FY 2024/25 budget includes increases in salary and benefit costs attributed to anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% salary saving factor. Negotiations with two of the Town's three bargaining units (Town Employee Association and American Federation of State, County, and Municipal Employees) are currently in process.

The budget reflects staffing changes including the addition of a part-time unbenefited temporary

PARKS & PUBLIC WORKS DEPARTMENT

Engineering Technician and a hire-ahead one-time flexibly staffed Administrative Analyst position.

It also includes the approved mid-year adjustments for the reallocation of an Associate Engineer to a Senior Civil Engineer and a reallocation of a Transportation and Mobility Manager to a Senior Planner.

The Engineering staff support both Town Capital Improvements (called Engineering Program Services) and Development Services (i.e., private development applications). The Capital Improvements design work is discussed in the Town's Capital Improvement Program Budget. The Development Services Program reviews, coordinates, and inspects infrastructure improvements for private development projects, and provides technical support to residents and private developers through the development process. The Development Services Division manages permits for grading, encroachments to Town rights-of-way, placement of storage and debris boxes in the right-of-way, and various mapping exercise related to lot splits and lot line adjustments.

The Town is continuing to work with the West Valley Solid Waste Management Authority to incorporate SB 1383 required organic recycling for residential and commercial customers. This effort includes significant unfunded mandates that will have impacts on solid waste collection in Town and will lead to substantial rate increases for residents.

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 2023/24, four utility boxes were added to the program which brings the total to 36, and moving forward funds from this program will be used for maintenance as needed.

PARKS & PUBLIC WORKS DEPARTMENT

FY 2023/24 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Community Character</i> Preserve and enhance the appearance character and environmental quality of the community	• Collaborated with an inter-Department team to review applications for significant development such as Los Gatos Lodge and Phase 2 of the North 40 development. • Continued to receive and review applications, plans, and documents electronically for grading application, architecture and site plan applications and mapping exercises. • Reviewed and issued 662 encroachment permit applications for work in the public right of way. • Supported the Community Development Department in the review and processing of 33 architectural and site applications, and 366 building permit applications. • Issued 214 tree removal permits. • Completed an evaluation of the Town's street tree program and identified inefficiencies to correct. • Added three new recycling receptacles at various Town parks with the purpose of diverting items that would otherwise end up in landfill, discouraging litter, and helping keep local creeks clean and pollution free. • Increased buffer zones in Landscape & Lighting Districts and other open spaces to reduce fire danger throughout the Town. • Maintained the Downtown holiday lights program along N. Santa Cruz Ave., Main Street, Plaza Park, and at downtown business locations throughout the Town. • Implemented and enhanced Los Gatos trail maintenance to increase visibility and improve safety. • Awarded construction contract and commenced oversight of construction of the Los Gatos Creek Trail Connector at Highway 9.
<i>Good Governance</i> Ensure responsive, accountable and collaborate government	• Completed evaluation of Town fleet and vehicle maintenance operations and recommended changes, including compliance with California Clean Air Board unfunded mandate to convert medium and heavy-duty vehicles to all electric. • Collaborated in inter-Departmental effort to update the Town's Purchasing Policy and develop procedures to ensure bidding for construction related services complies with requirements of state and federal funding sources. • Collaborated in an inter-Departmental effort to improve the public-facing portal for the Accela (development permit management) application.

PARKS & PUBLIC WORKS DEPARTMENT

FY 2023/24 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Good Governance</i> Ensure responsive, accountable and collaborate government	• Executed a contract for consultant services to operate the Town’s Parking Program for Downtown and the Olive Zone. • Continued ongoing coordination with the West Valley Solid Waste Management Authority to ensure waste removal services for residents and businesses is conducting a timely manner and in accordance with applicable State laws. • Completed ongoing coordination with the West Valley Clean Water Authority to assure compliance with the Town’s Municipal Stormwater Permit. This work included the installation of 17 new trash capture devices in catch basins throughout Town.
<i>Quality Public Infrastructure</i> Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	• Replaced the playground at Howe’s Playlot that was destroyed by March 2023 storms. • Completed construction of the Annual FY 2022/23 Street Repair & Resurfacing and Curb, Gutter and Sidewalk Maintenance projects. • Completed temporary repairs on Shannon Road between Diduca Way and Santa Rosa to allow access and installed a temporary traffic signal to allow for alternating one-way traffic prior to the temporary repair. • Completed installation of back up battery power system at the Town Library. • Upgraded HVAC systems at the Library, Police Operations Building and Civic Center. • Secured construction bids for the Downtown Wayfinding Master Plan which will update vehicular and pedestrian wayfinding and destination signage in the downtown area. • Replaced nine Town vehicles and provided various build up enhancements to properly service the community. • Completed community engagement and final design documents for the Shannon Road Pedestrian and Bikeway Improvements, a federal-aid project. Construction is anticipated to start in summer 2024. • Continued environmental coordination efforts and final design phase of the Highway 17 Bicycle and Pedestrian Overcrossing Project.

PARKS & PUBLIC WORKS DEPARTMENT

FY 2023/24 ACCOMPLISHMENTS

Core Goals	Accomplishments
Quality Public Infrastructure Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	• Completed the irrigation repair of the Lot 4 parking structure and preparing for planting in Spring 2024. • Completed the construction for Phase 2 of the Corporation Yard Building Replacement Project, which added a storage building for PPW maintenance equipment and materials and Police Department evidence storage. • Construction is in progress for an ADA compliant public restroom in the Adult Recreation Center and should be completed in June 2024.
Civic Enrichment Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	• Continued to promote Connect Los Gatos projects through project websites, social media posts, community survey, and virtual meetings. • Continued to engage the local schools and Los Gatos – Monte Sereno Safe Route to School to promote safe and active transportation among students. • Facilitated and tracked volunteer hours over various efforts including Adopt-A-Highway, creek trail cleanups, and park stewardship.

PARKS & PUBLIC WORKS DEPARTMENT

DEPARTMENTAL SUMMARY OF REVENUES AND EXPENDITURES

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Proposed
REVENUES						
<i>Other Taxes</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Licenses and Permits</i>	925,247	1,445,495	1,045,694	1,049,059	1,048,135	816,764
<i>Intergovernmental</i>	46,685	46,106	57,969	43,044	45,101	45,163
<i>Service Charges</i>	1,541,771	1,702,080	1,345,780	1,156,540	1,562,236	1,398,670
<i>Fines & Forfeitures</i>	100	19,024	5,650	-	-	-
<i>Other Revenues</i>	51,741	99,550	116,345	210,985	210,985	19,811
TOTAL REVENUES	\$ 2,565,544	\$ 3,312,255	\$ 2,571,438	\$ 2,459,628	\$ 2,866,457	\$ 2,280,408
Transfers In						
<i>Transfer from GFAR</i>	315,616	315,616	315,616	339,491	339,491	339,491
Total Transfers In	315,616	315,616	315,616	339,491	339,491	339,491
TOTAL REVENUES & TRANSFERS IN	\$ 2,881,160	\$ 3,627,871	\$ 2,887,054	\$ 2,799,119	\$ 3,205,948	\$ 2,619,899
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 5,642,781	\$ 5,966,735	\$ 6,230,686	\$ 6,496,510	\$ 6,266,135	\$ 6,743,070
<i>Operating Expenditures</i>	1,707,046	1,777,173	2,006,827	2,510,415	2,700,538	2,225,457
<i>Fixed Assets</i>	-	-	-	121,678	121,678	-
<i>Pass Thru Account</i>	529,848	448,573	321,525	380,000	415,000	565,000
<i>Internal Service Charges</i>	300,083	412,975	439,045	637,986	637,055	860,866
TOTAL EXPENDITURES	\$ 8,179,758	\$ 8,605,456	\$ 8,998,083	\$10,146,589	\$10,140,406	\$10,394,393

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Proposed
PROGRAM						
<i>Administration</i>	\$ 636,015	\$ 628,200	\$ 600,210	\$ 525,565	\$ 545,227	\$ 471,678
<i>Engineering Prog Svcs</i>	1,385,830	1,467,361	1,529,039	1,609,346	1,505,927	1,569,083
<i>Engineering Dev Svcs</i>	759,203	832,149	728,696	972,103	996,471	1,213,224
<i>Park Services</i>	2,013,263	2,029,309	2,304,310	2,117,792	2,370,829	2,445,226
<i>Environmental Services</i>	362,378	466,658	393,119	656,051	647,489	409,606
<i>Streets Signals & Sidewalks</i>	1,950,873	2,090,776	2,308,597	2,946,413	2,731,213	2,927,296
<i>Property Damage</i>	5,197	3,543	42,500	190,791	184,575	25,000
<i>Vehicle Maintenance Management</i>	251,390	268,728	337,913	299,338	303,052	316,093
<i>Facilities Maintenance Management</i>	333,628	361,594	432,174	449,190	440,623	452,187
<i>Pass Through</i>	481,981	457,138	321,525	380,000	415,000	565,000
TOTAL EXPENDITURES	\$ 8,179,758	\$ 8,605,456	\$ 8,998,083	\$10,146,589	\$10,140,406	\$10,394,393

The above totals reflect General Fund Programs. Additional Parks and Public Works Programs are reflected in separate Special Revenue and Internal Service Funds following the General Fund portion of this section.

PARKS & PUBLIC WORKS DEPARTMENT

DEPARTMENT STAFFING

Full Time Equivalent (FTE)

	2020/21	2021/22	2022/23	2023/24	2024/25
<i>General Fund</i>	Funded	Funded	Funded	Funded	Adopted
Parks & Public Works Director	1.00	1.00	1.00	1.00	1.00
Asst PPW Dir/Town Engineer	1.00	-	-	-	-
Town Engineer	-	1.00	1.00	1.00	1.00
Urban Forest Manager	-	-	1.00	-	-
Superintendent	1.00	1.00	1.00	1.00	1.00
Parks & Public Works Operations Mgr	2.00	2.00	2.00	2.00	2.00
Transportation & Mobility Mgr	1.00	1.00	1.00	1.00	-
Senior Civil Engineer	1.00	2.00	2.00	2.00	3.00
Senior Administrative Analyst	0.75	0.75	0.75	0.75	0.75
Administrative Technician	-	-	1.00	1.00	1.00
Executive Assistant	1.00	1.00	-	-	-
Administrative Assistant	2.75	2.75	2.75	1.75	1.75
Permit Technician	-	-	-	1.00	1.00
Environmental Programs Specialist	1.00	1.00	1.00	1.00	1.00
Associate Engineer	2.00	1.00	1.00	1.00	-
Assistant Engineer	2.00	2.00	2.00	2.00	2.00
Construction Project Mgr	1.00	1.00	1.00	1.00	1.00
Senior Engineering Technician	1.00	1.00	1.00	1.00	1.00
Senior Public Works Inspector	0.50	0.50	0.50	0.50	0.50
Senior Planner	-	-	-	-	1.00
Parks Service Officer	1.00	1.00	1.00	1.00	1.00
Town Arborist	1.00	1.00	1.00	1.00	1.00
Lead Parks & Maintenance Worker	3.00	3.00	4.00	4.00	3.00
Facility Technician	-	-	-	1.00	1.00
Parks & Maintenance Worker	8.75	8.75	8.75	7.75	7.75
Supervising Equipment Mechanic	-	1.00	1.00	1.00	1.00
Equipment Mechanic	1.00	-	-	-	-
Total General Fund FTEs	33.75	33.75	35.75	34.75	33.75

Non-General Fund FTEs (in Parks & Public Works Department programs unless otherwise noted)

<i>Non-Point Source</i>	2020/21	2021/22	2022/23	2023/24	2024/25
	Funded	Funded	Funded	Funded	Adopted
Parks & Maint Worker	0.25	0.25	0.25	0.25	0.25
Senior Administrative Analyst	0.25	0.25	0.25	0.25	0.25
Senior Public Works Inspector	0.50	0.50	0.50	0.50	0.50
Total Non-Point Source FTEs	1.00	1.00	1.00	1.00	1.00

Total PPW Department FTE's	34.75	34.75	36.75	35.75	34.75

<i>Temporary Staff Hours</i>	2020/21	2021/22	2022/23	2023/24	2024/25
	Funded	Funded	Funded	Funded	Adopted
Senior Administrative Analyst	-	-	-	-	520
Senior Civil Engineer	-	-	2,080	-	-
Associate Civil Engineer	-	256	256	-	-
Grant Administrator	-	-	-	960	960
Intern 1	-	-	-	960	960
Equipment Mechanic	-	-	-	960	960
Engineering Technician	-	-	-	-	960
Maintenance Assistant	5,661	5,661	5,661	4,613	4,613
Total Annual Hours	5,661	5,917	7,997	7,493	8,973



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 are oversight of the Department's Programs; preparing and developing budget documents; coordinating wildfire related vegetation management projects; supporting engineering staff in the processing and managing grants; providing executive oversight and support for Department staff and for contracted services; and preparing reports to the Town Council, Commissions, and Town Manager.

BUDGET OVERVIEW

Staff continues to manage complex federal and state grant fund documentation and reimbursement processes while pursuing new grant opportunities.

Staff in 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 continues to work on improving systems and processes to increase efficiency of the work performed. This includes implementing grant management processes, contract management and bidding software and evaluating systems to streamline park reservations. Staff also continues to move forward wildfire mitigation projects throughout the Town.

The FY 2024/25 budget includes increases in salary and benefit costs attributed to anticipated merit step increases, higher benefit and CalPERS pension rates, and decreases reflecting the 4.6%

PARKS & PUBLIC WORKS DEPARTMENT
Administration

salary saving factor. Negotiations with two of the Town's three bargaining units (Town Employee Association and American Federation of State, County, and Municipal Employees) are currently in process.

SUMMARY OF REVENUES AND EXPENDITURES

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
REVENUES						
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Service Charges	-	-	20,306	-	-	-
Fines & Forfeitures	-	-	-	-	-	-
Other Revenues	2,094	727	-	209	209	-
TOTAL REVENUES	\$ 2,094	\$ 727	\$ 20,306	\$ 209	\$ 209	\$ -
Transfers In						
Transfer from GFAR	\$ 217,808	\$ 217,808	\$ 217,808	\$ 217,808	\$ 217,808	\$ 217,808
Total Transfers In	\$ 217,808	\$ 217,808	\$ 217,808	\$ 217,808	\$ 217,808	\$ 217,808
TOTAL REVENUES & TRANSFERS IN	\$ 219,902	\$ 218,535	\$ 238,114	\$ 218,017	\$ 218,017	\$ 217,808
EXPENDITURES						
Salaries and Benefits	\$ 577,105	\$ 564,197	\$ 530,089	\$ 413,715	\$ 433,480	\$ 355,045
Operating Expenditures	20,660	24,895	32,992	71,670	71,670	68,058
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	38,250	39,108	37,129	40,180	40,077	48,575
TOTAL EXPENDITURES	\$ 636,015	\$ 628,200	\$ 600,210	\$ 525,565	\$ 545,227	\$ 471,678

PARKS & PUBLIC WORKS DEPARTMENT
Administration

FY 2024/25 KEY PROJECTS

Core Goals	Key Projects
<i>Community Character</i> Preserve and enhance the appearance character and environment quality of the community	
	<i>Implement Systems and Processes for Efficiency</i> Continue to implement new contract management software and develop processes for more efficient management of grants.
	<i>Implement Wildfire Programs</i> Continue to implement the ongoing roadway and open space vegetation management programs for which the Town has received federal funding.

KEY PROGRAM SERVICES

- Provides walk-in and telephone customer service for departmental programs and services.
- Provides internal clerical and program support for departmental services.
- Oversees regulatory and project operations.
- Manages the Department's budget.
- Pursues grant funding to enable the Town to implement key projects.
- Prepares and tracks engineering, construction and maintenance contracts.
- Facilitates neighborhood meetings to discuss concerns related to traffic calming, street improvements, and other parks and public works-related issues.
- Provides staff support to the Complete Streets and Transportation Commission, and Parks and Sustainability Commission; and assists in coordination of Commission-sponsored projects.
- Implements wildfire mitigation projects.
- Supports the recruitment and hiring of part-time staff.
- 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.
- Maintains Geographic Information System (GIS) data for Town infrastructure, right-of-way, and property boundary issues, asset management, and workload tracking.

PARKS & PUBLIC WORKS DEPARTMENT
Administration

PPW ADMINISTRATION PROGRAM STAFFING

Full Time Equivalent (FTE)

	2020/21	2021/22	2022/23	2023/24	2024/25
	Funded	Funded	Funded	Funded	Adopted
<i>Town Staff</i>					
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	-
Senior Administrative Analyst	0.30	0.30	0.30	0.30	0.30
Administrative Technician	-	-	0.10	0.25	0.25
Permit Technician	-	-	-	0.10	0.10
Executive Assistant	0.25	0.25	-	-	-
Administrative Assistant	0.60	0.60	0.60	0.40	0.40
TOTAL PROGRAM FTE's	2.55	2.55	2.40	2.45	1.45
	2020/21	2021/22	2022/23	2023/24	2024/25
	Funded	Funded	Funded	Funded	Adopted
<i>Temporary Staff Hours</i>					
Senior Administrative Analyst					156
Grant Administrator	-	-	-	960	960
TOTAL PROGRAM FTE's	-	-	-	960	1,116

Parks & Public Works Department

ENGINEERING PROGRAM SERVICES PROGRAM 5201

PROGRAM PURPOSE

Engineering Program Services provides Town engineering services for the design, construction management, and administration of the Capital Improvement Program (CIP) to improve the Town's public infrastructure (such as streets, sidewalks, storm drains, parks, retaining walls, and traffic signals) with an emphasis on delivering capital projects within planned schedules and approved budgets. Specific operations of the Program include effective management of the planning and delivery of Capital Improvement Projects; Town-wide and neighborhood traffic issues (such as implementing the Town's Traffic Calming Policy to address cut-through traffic); traffic signal operations; and engineering inspection services to ensure that the Town's project contractors are meeting contract requirements and performance standards.

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, Engineering Program Services supports development of grant fund applications and reimbursements, facilitates public information and community engagement meetings and notifications, and responds to public inquiries. This Program houses traffic engineering management for traffic control, signalization, daily operations, and inter-agency coordination of shared intersections and roadways.

PARKS & PUBLIC WORKS DEPARTMENT
Engineering Program Services

For FY 2024/25, staff is expected to manage the design and/or construction of several key projects including the Annual Street Repair and Resurfacing Project, Annual Curb, Gutter, and Sidewalk Maintenance Project; Highway 17 Bicycle and Pedestrian Overcrossing Project; Los Gatos Creek Trail to Highway 9 Trailhead Connector Project; Shannon Road Repair Project; and Shannon Road Pedestrian and Bikeway Improvements Project. The Town's Connect Los Gatos Program enhances community outreach and engagement for several of these key Town multi-modal projects, allowing residents to better understand the projects' interconnectedness as they move forward.

Traffic Engineering staff is continuing to manage the operations of the advanced adaptive Smart Signals systems from the newly renovated Traffic Management Center and to support the routine operations and maintenance of the traffic signal equipment.

To support the work in this Program, the Department often relies on project delivery models, including the use of temporary part-time staff in addition to budgeted staff. Costs for these alternative delivery models are outside the Department's allocated operating budget and are recaptured through transfers from specific capital projects. FY 2024/25 Proposed Budget also includes an annual fee for an online procurement platform.

The FY 2024/25 budget includes increases in salary and benefit costs attributed to anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% salary saving factor. Negotiations with two of the Town's three bargaining units (Town Employee Association and American Federation of State, County, and Municipal Employees) are currently in process.

PARKS & PUBLIC WORKS DEPARTMENT
Engineering Program Services

SUMMARY OF REVENUES AND EXPENDITURES

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
REVENUES						
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Service Charges	74,835	143,021	124,781	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	\$ 74,835	\$ 143,021	\$ 124,781	\$ -	\$ -	\$ -
Transfers In						
Transfer from GFAR	97,808	97,808	97,808	121,683	121,683	121,683
Total Transfers In	<u>97,808</u>	<u>97,808</u>	<u>97,808</u>	<u>121,683</u>	<u>121,683</u>	<u>121,683</u>
TOTAL REVENUES & TRANSFERS IN	\$ 172,643	\$ 240,829	\$ 222,589	\$ 121,683	\$ 121,683	\$ 121,683
EXPENDITURES						
Salaries and Benefits	\$ 1,255,605	\$ 1,400,017	\$ 1,461,390	\$ 1,531,575	\$ 1,418,073	\$ 1,456,353
Operating Expenditures	49,039	32,793	31,966	32,774	42,884	42,306
Fixed Assets	-	-	-	-	-	-
Pass Throughs	47,867	-	-	-	-	-
Internal Service Charges	<u>33,319</u>	<u>34,551</u>	<u>35,683</u>	<u>44,997</u>	<u>44,970</u>	<u>70,424</u>
TOTAL EXPENDITURES	\$ 1,385,830	\$ 1,467,361	\$ 1,529,039	\$ 1,609,346	\$ 1,505,927	\$ 1,569,083

PARKS & PUBLIC WORKS DEPARTMENT
Engineering Program Services

FY 2024/25 KEY PROJECTS

Core Values	Key Projects
<i>Community Character</i> Preserve and enhance the appearance character and environment quality of the community	<i>Ongoing Annual Projects</i> Continue the annual Street Repair and Resurfacing and Curb, Gutter and Sidewalk Maintenance projects. Construction of these projects allows the Town to keep the pavement condition in the good condition category and allows residents better accessibility to Town destinations. Construction for both projects will be completed by fall 2024. <i>Highway 17 Overcrossing Project Design and Environmental</i> Finalize the design and environmental review for this project in the 2024/25 fiscal year. Staff is actively working to identify grant funds that might be used to support the construction phase work.
<i>Community Character</i> Preserve and enhance the appearance character and environment quality of the community	<i>Transportation Impact Fee</i> Finalize and implement an updated Transportation Impact Fee.
<i>Quality Public Infrastructure</i> Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	<i>Additional Capital Improvement Program Projects</i> Continue to work on the delivery of currently programmed capital projects and plan for future capital projects based on Council priorities. 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/RFOs); 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 the Smart Signals System.
- 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.
- Continues to provide project information and update the public via Town's websites and NotifyMe notifications, mailings, door hangers, and social media postings.
- Engages the community through various staff outreach efforts, project webpages, social media, community meetings, and individual meetings with community members.

PARKS & PUBLIC WORKS DEPARTMENT
Engineering Program Services

ENGINEERING PROGRAM SERVICES STAFFING

Full Time Equivalent (FTE)

	2020/21	2021/22	2022/23	2023/24	2024/25
Town Staff	Funded	Funded	Funded	Funded	Adopted
Asst PPW Dir/Town Engineer	0.80	-	-	-	-
Town Engineer	-	0.80	0.80	0.80	0.80
Construction Project Mgr	0.60	0.60	0.60	0.60	0.60
Senior Civil Engineer	0.20	1.00	1.00	0.80	1.00
Senior Administrative Analyst	0.15	0.15	0.15	0.15	0.15
Administrative Technician			0.20	0.20	0.20
Executive Assistant	0.20	0.20	-	-	-
Administrative Assistant	0.50	0.50	0.50	0.20	0.20
Permit Technician	-	-	-	0.20	0.20
Associate Engineer	0.80	-	-	0.20	-
Assistant Engineer	1.80	1.80	1.80	1.80	1.00
Senior Engineering Technician	1.00	1.00	1.00	1.00	1.00
Senior Planner	-	-	-	-	1.00
Senior Public Works Inspector	0.15	0.15	0.15	0.15	0.15
TOTAL PROGRAM FTEs	6.20	6.20	6.20	6.10	6.30

	2020/21	2021/22	2022/23	2023/24	2024/25
Temporary Staff Hours	Funded	Funded	Funded	Funded	Adopted
Senior Administrative Analyst					78
Intern 1	-	-	-	960	960
Senior Civil Engineer	-	-	2,080.00	-	-
Associate Civil Engineer	-	204.75	204.75	-	-
TOTAL ANNUAL HOURS	-	204.75	2,284.75	960.00	1,038.00

PARKS & PUBLIC WORKS DEPARTMENT
Engineering Program Services

Performance Objectives and Measures	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Estimated	2024/25 Estimated
1. <i>To effectively manage Capital Projects</i>					
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	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Estimated	2024/25 Estimated
1. Number of traffic calming requests received:	3	4	1	5	4
2. Number of traffic calming projects in progress:	2	3	1	3	3
3. Number of traffic calming projects closed:	2	1	1	2	2
4. Number of CIP projects completed:	6	8	16	12	8



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 continues to review, coordinate, and inspect infrastructure improvements for several key private development projects as required.

The Engineering Development Services public counter hours for in-person services are from 8:00 a.m. to 1:00 p.m. Monday through Friday. Services continue to be provided in the afternoon by phone and appointment. These hours mirror the public counter hours offered by the Finance and Community Development Departments which allow for back-office work to be completed after the counter hours.

The FY 2024/25 budget includes increases in salary and benefit costs attributed to anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% salary saving factor. Negotiations with two of the Town's three bargaining units (Town Employee Association and American Federation of State, County, and Municipal Employees) are currently in process.

PARKS & PUBLIC WORKS DEPARTMENT
Engineering Development Services

SUMMARY OF REVENUES AND EXPENDITURES

	<u>2020/21</u> <u>Actuals</u>	<u>2021/22</u> <u>Actuals</u>	<u>2022/23</u> <u>Actuals</u>	<u>2023/24</u> <u>Adjusted</u>	<u>2023/24</u> <u>Estimated</u>	<u>2024/25</u> <u>Adopted</u>
REVENUES						
<i>Other Taxes</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Licenses and Permits</i>	419,986	701,619	464,398	329,000	328,500	329,000
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Service Charges</i>	846,863	1,064,314	831,682	708,000	978,696	715,500
<i>Fines & Forfeitures</i>	-	18,624	-	-	-	-
<i>Other Revenues</i>	<u>7,812</u>	<u>5,218</u>	<u>1,325</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	\$ 1,274,661	\$ 1,789,775	\$ 1,297,405	\$ 1,037,000	\$ 1,307,196	\$ 1,044,500
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 639,748	\$ 718,385	\$ 620,843	\$ 824,248	\$ 850,253	\$ 1,062,267
<i>Operating Expenditures</i>	78,206	71,739	61,960	82,258	80,662	72,850
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Pass Thru Account</i>	-	(8,565)	-	-	-	-
<i>Internal Service Charges</i>	<u>41,249</u>	<u>50,590</u>	<u>45,893</u>	<u>65,597</u>	<u>65,556</u>	<u>78,107</u>
TOTAL EXPENDITURES	\$ 759,203	\$ 832,149	\$ 728,696	\$ 972,103	\$ 996,471	\$ 1,213,224

PARKS & PUBLIC WORKS DEPARTMENT
Engineering Development Services

FY 2024/25 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable and collaborate government	<i>Development Projects</i>
	The Development Team (Community Development, Parks and Public Works, County Fire, and the Police Departments) continues to work on several key private development projects. The North 40 Phase 1 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. Projects submitted under SB 330 require meeting specific timelines and are larger projects, including the North 40 Phase 2, the Los Gatos Lodge Project, and the downtown Post Office project to name a few. Key projects moving into design and/or construction include Greenridge Terrace, retail development at Los Gatos Boulevard and Los Gatos-Almaden Road, and the older adult care facilities on Blossom Hill Road, and Winchester Boulevard. Staff continue to navigate the challenges of Senate Bill 9 compliance by adhering to State guidelines while being mindful of the standards and charm that makes the Town the special place it is today. Staff continue to streamline the development process, establishing clearer triggers for grading permits, peer reviews, and other development elements as well as updating procedures for mapping services provided by the Town (lot line adjustments, certificates of compliance, parcel maps, etc.). Staff continue to prepare “Project Information Sheets” on engineering aspects of key development proposals.
	<i>Standard Plans and Details Update</i>
	Update the Town’s Standard Plans and Details for development projects and other improvements. Updates incorporate best practices and recent industry standards catering to accessibility, quality of life, and needs of the Town.

KEY PROGRAM SERVICES

Development Projects

- Reviews development applications for compliance with Town grading and engineering standards and develops project conditions of approval.
- Reviews plans and approves final tract maps and parcel maps as required by State law.
- Conducts inspections of work within public right-of-way through the encroachment permit process and on-site for compliance with the Town’s Municipal Regional Permit as cross program support of the National Pollutant Discharge Elimination System program.

PARKS & PUBLIC WORKS DEPARTMENT
Engineering Development Services

KEY PROGRAM SERVICES

Traffic Engineering

- Performs and reviews traffic engineering analysis for proposed development projects and develops project conditions of approval.
- Responds to citizen traffic concerns regarding development projects.

Community Information

- Provides assistance to the public regarding right-of-way issues.
- Develops “Project Information Sheets” to provide summary information on development projects to the public.
- Provides technical guidance and information at Council and Commission meetings.

ENGINEERING DEVELOPMENT SERVICES STAFFING

Full Time Equivalent (FTE)

	2020/21	2021/22	2022/23	2023/24	2024/25
	Funded	Funded	Funded	Funded	Adopted
Town Staff					
Parks & Public Works Director	0.20	0.20	0.20	0.20	0.20
Asst PPW Dir/Town Engineer	0.20	0.20	-	-	-
Town Engineer	-	-	0.20	0.20	0.20
Construction Project Mgr	0.14	0.14	0.14	0.14	0.14
Senior Civil Engineer	0.80	0.80	1.00	1.20	2.00
Executive Assistant	0.05	0.05	0.05	-	-
Administrative Technician	-	-	-	0.05	0.05
Administrative Assistant	0.10	0.10	0.10	-	-
Permit Technician	-	-	-	0.50	0.50
Associate Engineer	1.20	1.20	1.00	0.80	-
Assistant Engineer	0.20	0.20	0.20	0.20	1.00
Senior Public Works Inspector	0.35	0.35	0.35	0.35	0.35
TOTAL PROGRAM FTEs	3.24	3.24	3.24	3.64	4.44

	2020/21	2021/22	2022/23	2023/24	2024/25
	Funded	Funded	Funded	Funded	Adopted
Temporary Staff Hours					
Associate Civil Engineer	-	-	51.25	-	-
TOTAL ANNUAL HOURS	-	-	51.25	-	-

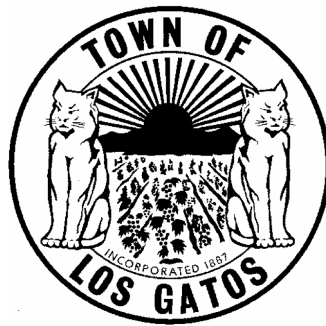
PARKS & PUBLIC WORKS DEPARTMENT
Engineering Development Services

Performance Objectives and Measures	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Estimated	2024/25 Estimated
1. <i>To provide an effective and efficient encroachment and grading/improvement permit approval process:</i>					
a. Percentage of conventional encroachment permits that are processed by Engineering staff within 5 business days:	90%	70%	90%	<i>Measure Discontinued</i>	<i>Measure Discontinued</i>
a1. Percentage of over-the-counter encroachment permits that are processed by Engineering staff within 10 business days:**	<i>New Measure effective FY24/25</i>	<i>New Measure effective FY24/25</i>	80%	80%	80%
b. Percentage of conventional grading/improvement permits that are reviewed by Engineering staff within 10 business days:*	90%	80%	85%	<i>Measure Discontinued</i>	<i>Measure Discontinued</i>
b1. Percentage of initial Architectural & Site plan submittals reviewed by Engineering staff within 15 business days:**	<i>New Measure effective FY24/25</i>	<i>New Measure effective FY24/25</i>	<i>New Measure effective FY24/25</i>	90%	90%
b2. Percentage of initial Building Permit plan submittals reviewed by Engineering staff within 20 business days:**	<i>New Measure effective FY24/25</i>	<i>New Measure effective FY24/25</i>	<i>New Measure effective FY24/25</i>	90%	90%

Activity and Workload Highlights	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Estimated	2024/25 Estimated
1. Number of encroachment permits processed:	450	450	586	613	681
2. Number of grading permits processed:	10	15	18	21	25
3. Total encroachment permit revenue:	\$ 381,386	\$ 665,852	\$ 425,482	\$ 300,000	\$ 300,000
4. Total grading permit revenue:	\$ 104,584	\$ 154,889	\$ 130,985	\$ 120,000	\$ 120,000

* Due to multiple variables, the review process can vary.

** Performance measures added in FY24/25 to better represent actual working thresholds.



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 Town's street trees (urban forest). In addition, Park Services staff maintains recreational areas for residents and visitors, beautifies the Town's landscape, and takes care of functional public areas throughout the community. Additional services include overseeing park use fees and reservations, implementing Town regulations in the Town's parks and open space areas, managing vegetation and pest control, and ensuring the safety of the parks' playground equipment.

BUDGET OVERVIEW

In FY 2024/25, the use of outside vendors for certain parks maintenance services continues, including turf mowing, tree trimming, downtown tree lighting, median island maintenance, and weed abatement. The use of external vendors allows the Town's internal resources to focus on higher priority projects and allows for the most effective management of maintenance operations.

The FY 2024/25 Budget includes an increase in revenue for park annual use fees in executed Parks Use Agreements. Also included are expenditure increases for water and electricity costs, the annual Creek Trail Lease with the Department of Transportation, and the mandated training to obtain Class A licenses.

The FY 2024/25 budget includes increases in salary and benefit costs attributed to anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% salary saving

PARKS & PUBLIC WORKS DEPARTMENT

Park Services

factor. Negotiations with two of the Town’s three bargaining units (Town Employee Association and American Federation of State, County, and Municipal Employees) are currently in process.

The Department continues to enhance irrigation systems in parks, median islands, and downtown planter boxes to reduce the use of potable water.

The Park Services Program attempts to limit the use of Program staff overtime. In recent years, the decrease in overtime required the reduction of the after-hours “Stand-by Program.” Stand-by is only utilized during the months of November through March when there is the greatest need due to potential winter storms, instead of year-round. This does result in slower response times to after-hours requests for service during the months of April through October since no staff is required to be available.

Park Services Program staff continue to combine resources with Streets Program staff to complete several large in-house maintenance projects. In FY 2024/25, staff will complete minor park improvements projects at Oak Meadow Park, La Rinconada Park, Oak Hill Play Lot, and Belgatos Park. These projects will repair picnic areas and landscape/hardscape areas. Aging drinking fountains throughout the Town are being replaced with new hydration stations equipped with filtered water.

Additionally, staff continues to be involved with the implementation of the Long-Term Trash Plan, which is a requirement of the storm water permit. This involves inspection three times per year 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

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
REVENUES						
<i>Other Taxes</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Licenses and Permits</i>	111,076	208,128	192,093	110,000	110,000	110,000
<i>Intergovernmental</i>	-	-	14,733	-	-	-
<i>Service Charges</i>	92,408	7,495	38,986	64,540	64,540	64,540
<i>Fines & Forfeitures</i>	100	400	5,650	-	-	-
<i>Other Revenues</i>	39,490	80,755	92,762	15,839	15,839	19,811
TOTAL REVENUES	\$ 243,074	\$ 296,778	\$ 344,224	\$ 190,379	\$ 190,379	\$ 194,351
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 1,362,153	\$ 1,353,709	\$ 1,511,509	\$ 1,135,772	\$ 1,278,038	\$ 1,393,467
<i>Operating Expenditures</i>	576,801	583,155	682,594	870,243	981,156	882,184
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	74,309	92,445	110,207	111,777	111,635	169,575
TOTAL EXPENDITURES	\$ 2,013,263	\$ 2,029,309	\$ 2,304,310	\$ 2,117,792	\$ 2,370,829	\$ 2,445,226

FY 2024/25 KEY PROJECTS

Core Goals	Key Projects
Quality Public Infrastructure Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	Park Upgrades and Improvements The Park Services program has several park improvement projects to be completed as proposed in the Capital Improvement Program budget. These proposed projects include improvements at Oak Meadow Park, Creekside Sports Park, Belgatos Park, and Oak Hill Play Lot.
	Landscape and Lighting Districts Improvement projects continue at several locations to rehabilitate irrigation, lighting, and plantings to continue to raise the level of service, aesthetics, and safety in these areas.
	Open Space Trail Upgrades Park Services staff continues to rehabilitate the Town's Heintz, St. Joseph's, and Santa Rosa Open Space areas to improve the trail infrastructure.

PARKS & PUBLIC WORKS DEPARTMENT

Park Services

KEY PROGRAM SERVICES

Maintenance Services

- Maintains 62 public sites, including 75.3 acres of landscaped space located in 17 Town parks and open spaces areas; 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 (in support of the Adopt a Planter Program) ; 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.

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 various Town events including 4th of July, Screen on the Green, the holiday tree lighting ceremony in Town Plaza Park, Spring into Green, and the Children's Holiday Parade.
- Provides services for other special events on a cost-recovery basis, if requested.

PARKS & PUBLIC WORKS DEPARTMENT
Park Services

PARK SERVICES PROGRAM STAFFING

Full Time Equivalent (FTE)

	2020/21	2021/22	2022/23	2023/24	2024/25
	Funded	Funded	Funded	Funded	Adopted
Town Staff					
Parks & Public Works Director	0.20	0.20	0.20	0.20	0.20
Superintendent	0.40	0.40	0.40	0.40	0.40
Construction Project Mgr	0.13	0.13	0.13	0.13	0.13
Park & Public Works Operation Mgr	0.60	0.60	0.60	0.60	0.60
Senior Administrative Analyst	0.15	0.15	0.15	0.15	0.15
Administrative Technician	-	-	0.40	0.25	0.25
Executive Assistant	0.25	0.25	-	-	-
Administrative Assistant	0.55	0.55	0.55	0.65	0.65
Parks Service Officer	1.00	1.00	1.00	1.00	1.00
Lead Parks & Maint Worker	1.00	1.00	1.00	1.00	1.00
Parks & Maint Worker	4.00	4.00	4.00	3.00	4.00
TOTAL PROGRAM FTE's	8.28	8.28	8.43	7.38	8.38

	2020/21	2021/22	2022/23	2023/24	2024/25
	Funded	Funded	Funded	Funded	Adopted
Temporary Staff Hours					
Senior Administrative Analyst	-	-	-	-	78
Engineering Technician	-	-	-	-	-
Maintenance Assistant	5,033	5,033	5,033	4,613	4,613
TOTAL ANNUAL HOURS	5,033	5,033	5,033	4,613	4,691

PARKS & PUBLIC WORKS DEPARTMENT
Park Services

Performance Objectives and Measures	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Estimated	2024/25 Estimated
1. <i>To ensure the park's playground equipment is functional and in safe operating condition.</i>					
a. Percentage of parks with playground equipment receiving weekly safety inspections:	95%	95%	95%	95%	95%

Activity and Workload Highlights	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Estimated	2024/25 Estimated
1. Total number of acres of Town parks, open space, and median islands maintained:	250	250	228	228	228
2. Total miles of parks and open space trails maintained:	9	9	9	9	9
3. Total number of park reservations issued annually:	510	847	811	820	815
4. Total number of special use permits for parks issued annually:	66	76	51	60	55
5. Total number of parks service requests within Town parks received and completed:	82	99	119	65	65

Parks & Public Works Department

ENVIRONMENTAL SERVICES PROGRAM 5302

PROGRAM PURPOSE

The purpose of the Environmental Services Program is to implement initiatives that protect public health, safety, and the environment, and promote programs to encourage a sustainable future. Staff works to encourage:

- 1) Sustainability initiatives / Water conservation
- 2) Stormwater Permit Compliance
- 3) Energy reduction
- 4) Recycling and organics waste diversion

The Environmental Services Program staff works with West Valley Joint Powers Authorities (JPAs) to ensure the Town is in compliance with environmental regulations, including water quality, sanitation, solid waste disposal, and recycling. Staff also provides management oversight with compliance reports, such as the annual report for the National Pollutant Discharge Elimination System (NPDES) storm water permit. On May 11, 2022, the Regional Water Board adopted the third iteration of the Municipal Regional NPDES Permit (known as MRP 3.0). The reissued MRP requires 79 cities, towns, counties, and flood control districts surrounding San Francisco Bay, including the Town of Los Gatos, to implement specific measures to reduce the impacts of stormwater runoff on local creeks and the San Francisco Bay. This includes significant changes to previous requirements for new development and redevelopment of private properties, water quality monitoring, trash load reduction, mercury controls, and Polychlorinated Biphenyls (PCBs) Controls. The MRP also had minor changes to municipal operations, and other topics while adding new requirements for discharges associated with unsheltered residents, cost reporting, and asset management.

PARKS & PUBLIC WORKS DEPARTMENT
Environmental Services

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 JPA, the West Valley Solid Waste Management Authority JPA, Silicon Valley Clean Energy, Pacific Gas & Electric, and West Valley Collection & Recycling, to raise community awareness about environmental sustainability, waste prevention, and resource conservation.

As required by the California Integrated Waste Management Act of 1989 (AB 939), the Town must divert a minimum of 50% of its waste from the landfill. In 2011, the California Integrated Waste Management Act (AB 341) was approved that establishes a statewide diversion goal of 75%, and also requires several solid waste disposal policies. In September 2016, Governor Brown signed into law SB 1383 (Lara, Chapter 395, Statutes of 2016), establishing methane emissions reduction targets in a Statewide effort to reduce emissions of short-lived climate pollutants in various sectors of California's economy. SB 1383 establishes targets to achieve a 50% reduction in the level of Statewide disposal of organic waste from the 2014 level by 2020, and 75% reduction by 2025. It establishes an additional target that not less than 20% of edible food that is currently targeted for disposal be recovered for human consumption by 2025. As of January 1, 2022, SB 1383 requires cities and counties to procure annually a quantity of recovered organic waste products and requires organic recycling for both residential and commercial with enforcement and tracking. Staff, working with the West Valley Solid Waste Management Authority, manages compliance with AB 939, AB 341, and SB 1383 requirements, monitors and evaluates existing waste collection and recycling programs, and recommends new programs to meet diversion objectives.

BUDGET OVERVIEW

Program staff continues to explore opportunities for energy conservation, organics diversion, and water quality and conservation projects in support of Town goals.

Town staff continues to represent the Town with the West Valley Solid Waste Management Authority (WVSWMA) and Household Hazardous Waste Program with a goal of increasing waste diversion and minimization. The Town continues to work closely with WVSWMA on SB 1383 implementation, record keeping, and enforcement requirements. In addition, the Solid Waste contract with WVC&R expires on February 28, 2024. In 2022, WVSWMA conducted the RFP process for solid waste services and identified that continuing with West Valley Collection & Recycling as our hauler is the best option for the West Valley Communities. Selection was based on cost of service, flexibility, continuity of service, early implementation, adherence to

PARKS & PUBLIC WORKS DEPARTMENT
Environmental Services

specifications, and mitigation of historic issues. The new contract will go into effect on July 1, 2024.

The FY 2024/25 budget includes an increase in costs payable to the West Valley Solid Waste Management Authority. The increase in costs is attributed to ongoing requirements for SB 1383 compliance (the cost of which were previously grant funded).

The FY 2024/25 budget includes increases in salary and benefit costs attributed to anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% salary saving factor. Negotiations with two of the Town's three bargaining units (Town Employee Association and American Federation of State, County, and Municipal Employees) are currently in process.

On February 1, 2024, the West Valley Solid Waste Management Authority Board of Directors adopted a Resolution to revise its FY 2023/24 budget. Budget revisions included an increase of \$10,000 for customer service, \$5,000 for collection and disposal, \$45,000 for education and outreach, \$32,000 for contract implementation, and \$5,000 for grant administration. There was an increase of liquidated damages of \$27,861. Lastly, a reduction of the \$2,172,636 of reserves was recognized. These funds were held during a Franchise Fee Valuation Study and will now be distributed to member agencies. In summary, there was a \$100,000 increase in expenditures and a reduction of revenues of \$2,144,775. The projected ending fund balance was decreased from \$2,372,636 to \$127,861. There is no financial impact to member agencies.

The WWSWMA approves new solid waste related fees annually. The revenues collected from solid waste contract are used to offset Department expenditures related to the management of the Household Hazardous Waste Program, street sweeping, and contract administration.

In FY 2023/2024, staff installed three additional recycling receptacles in various Town parks with the intent of an additional two receptacles in FY 202024/25. This Program was created to comply with AB 939 and AB 341 to reduce litter throughout the community and assist with reaching the Statewide diversion goal. The Town continues to submit grant applications each year to the Department of Resources Recycling and Recovery (CalRecycle) for funding opportunities for beverage container recycling and \$8,634 has been granted for FY 2024/25.

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

PARKS & PUBLIC WORKS DEPARTMENT
Environmental Services

integrate diversity, equity, and inclusion while communicating environmental sustainability messages that include active transportation, clean energy, clean creeks, community sustainability, and healthy lifestyles. In FY 2023/2024, the Town installed five utility box vinyl wraps that display the selected artwork. At this time, most downtown utility boxes have received a wrap and the program will revert to maintenance of the installed wraps rather than installing new ones. The installation of the wraps is funded through the capital program.

In FY 2024/25, PPW staff continues to work with Silicon Valley Clean Energy (SVCE) and the California Clean Air Board to comply with the unfunded mandates associated with the Advanced Clean Fleet (ACF) regulations. The ACF requires that starting in 2024, 50% of new medium and heavy duty vehicles purchased by the Town be zero emission vehicles. By 2027, 100% of medium and heavy duty vehicles must be zero emission. SVCE is assisting to identify the location of future charging stations and other infrastructure that is required to support this new mandate.

PARKS & PUBLIC WORKS DEPARTMENT

Environmental Services

SUMMARY OF REVENUES AND EXPENDITURES

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
REVENUES						
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	178,337	302,197	256,599	474,190	474,046	236,078
Intergovernmental	46,685	46,106	43,236	43,044	45,101	45,163
Service Charges	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	\$ 225,022	\$ 348,303	\$ 299,835	\$ 517,234	\$ 519,147	\$ 281,241
Transfers In						
Transfer from General Fund	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
TOTAL REVENUES & TRANSFERS IN	\$ 225,022	\$ 348,303	\$ 299,835	\$ 517,234	\$ 519,147	\$ 281,241
EXPENDITURES						
Salaries and Benefits	\$ 188,511	\$ 206,117	\$ 234,503	\$ 230,664	\$ 241,211	\$ 233,337
Operating Expenditures	173,257	259,882	157,836	423,043	403,940	170,326
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	610	659	780	2,344	2,338	5,943
TOTAL EXPENDITURES	\$ 362,378	\$ 466,658	\$ 393,119	\$ 656,051	\$ 647,489	\$ 409,606
Transfers Out						
Transfer to General Fund	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
TOTAL EXPENDITURES & TRANSFERS OUT	\$ 362,378	\$ 466,658	\$ 393,119	\$ 656,051	\$ 647,489	\$ 409,606

PARKS & PUBLIC WORKS DEPARTMENT
Environmental Services

FY 2024/25 KEY PROJECTS

Core Goals	Key Projects
Community Character Preserve and enhance the appearance, character, and environmental quality of the community	<i>Collection Services</i>
	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 2024/25, staff will continue to work actively with the JPA and West Valley Collection and Recycling with an emphasis on SB 1383 implementation and recordkeeping.
	<i>Keep Los Gatos Beautiful</i>
	April is “Keep Los Gatos Beautiful” month, and multiple major events are planned during this month. “Spring into Green” is a sustainability focused event that combines National Earth Day, National Arbor Day, and “Keep Los Gatos Beautiful” month into one community celebration.
	<i>Community Outreach and Awareness</i>
	Coordinate a variety of waste prevention and resource conservation community outreach activities, to promote recycling, waste diversion, environmental sustainability, and environmental protection. Staff continues to work with partners, such as the West Valley Clean Water Program, Pacific Gas & Electric, and West Valley Collection & Recycling, to raise community awareness of these issues.
	<i>Green Business Certification</i>
	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 coordinates green business education programs including the award-winning “Los Gatos: Growing Greener Together” campaign.
	<i>Household Hazardous Waste</i>
	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 monitors the work performed under this contract, which allows residents to dispose of potentially hazardous waste such as paint, used motor oil and filters, pesticides, herbicides, corrosives, flammables, and household medical waste.

PARKS & PUBLIC WORKS DEPARTMENT
Environmental Services

KEY PROGRAM SERVICES

- Maintains Town’s compliance with California Integrated Waste Management Act of 1989 (AB 939) solid waste diversion requirements, including initiating and implementing programs to increase diversion.
- Works with West Valley Solid Waste Management Authority to achieve SB 1383 implementation, record keeping, and enforcement compliance.
- Participates in West Valley Solid Waste Management Authority JPA activities, including rate and service reviews.
- Provides safe household hazardous waste disposal options.
- Implements the Town’s Sustainability Plan, including strategies to reduce the Town’s carbon footprint.
- Promotes sustainability initiatives and educational awareness through partnerships and activities, such as the “Spring into Green” event and the Green Business Certification Program.
- Supports compliance with California’s Advanced Clean Fleets requirements.

PARKS & PUBLIC WORKS DEPARTMENT
Environmental Services

ENVIRONMENTAL SERVICES PROGRAM STAFFING

Full Time Equivalent (FTE)

	2020/21	2021/22	2022/23	2023/24	2024/25
	Funded	Funded	Funded	Funded	Adopted
Town Staff					
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

	2020/21	2021/22	2022/23	2023/24	2024/25
Performance Objectives and Measures	Actual	Actual	Actual	Estimated	Estimated
1. Maximize diversion from landfills in order to protect public health and safety, and the					
a. Disposal per capita by calendar year (target is ≤ 5.2 lbs./person/day): *	3.09	3.3	3.2	3.2	3.2
2. Monitor and evaluate existing waste collection and recycling programs.					
a. Percentage of solid waste collection calls received and resolved within 2 days:	99.9%	99%	97%	99%	99%
b. Diversion Rate**:	44.5%	42%	46%	46%	46%

	2020/21	2021/22	2022/23	2023/24	2024/25
Activity and Workload Highlights	Actual	Actual	Actual	Estimated	Estimated
1. Number of Los Gatos households participating in the Household Hazardous Waste Disposal Program:	1,597	1,099	1,138	1,200	1,320
2. Town solar usage (Megawatts generated):	222	222	222	222	222
3. Number of Electric Vehicle Charging Stations:	16	16	16	16	16
4. Total kWh used by Electric Vehicle Chargers:	52,243	82,994	114,675	125,000	130,000

* 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 minor pavement reconstruction, minor street repairs, the filling of potholes, maintenance of roadway signs, traffic pavement markings, signals, streetlights, storm drain maintenance, and debris removal. Program staff collaborates with other Department Programs, such as the Park Services Program, and neighboring agencies to perform roadside cleanup projects. Additional project coordination is conducted with the Engineering Program Services for traffic calming device installation and roadway improvements in the Capital Improvement Program.

BUDGET OVERVIEW

In FY 2024/25, the Streets and Signals Program continues to provide tree maintenance as a contractual service. This is done as a cost savings measure, and it allows staff to focus on other day-to-day operational responsibilities.

The FY 2024/25 budget includes increases in salary and benefit costs attributed to anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% salary saving factor. Negotiations with two of the Town's three bargaining units (Town Employee Association and American Federation of State, County, and Municipal Employees) are currently in process.

Downtown trash can removal service is performed through contractual services.

PARKS & PUBLIC WORKS DEPARTMENT
Streets & Signals Program

Additionally, overtime costs are contained by continuing to only operate the “Stand-By” program during November through March, instead of year-round. Starting in July 2024, street sweeping services are outsourced through coordination with the West Valley Solid Waste Management Authority JPA and their vendors. The 0.5 FTE staff that was allocated to street sweeping will be reallocated to traditional streets work. Cost savings is expected from retiring the street sweeping equipment, which has been costly to maintain as it comes to its end of useful life.

Streets and Parks staff continues 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 that must be completed three times each year.

In 2024, PPW transitioned the management of the Downtown Parking Program to contract services. Prior to this transition, the Police Department issued employee and residential zone permits. The PPW contractor is taking over this assignment moving forward.

PARKS & PUBLIC WORKS DEPARTMENT
Streets & Signals Program

SUMMARY OF REVENUES AND EXPENDITURES

	2020/21	2021/22	2022/23	2023/24	2023/24	2024/25
	Actuals	Actuals	Actuals	Adjusted	Estimated	Adopted
REVENUES						
<i>Other Taxes</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Licenses and Permits</i>	215,848	233,551	132,604	135,869	135,589	141,686
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Service Charges</i>	45,684	30,112	8,500	4,000	104,000	53,630
<i>Other Revenues</i>	-	-	-	54,696	54,696	-
TOTAL REVENUES	\$ 261,532	\$ 263,663	\$ 141,104	\$ 194,565	\$ 294,285	\$ 195,316
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 1,038,970	\$ 1,068,397	\$ 1,118,506	\$ 1,650,304	\$ 1,334,010	\$ 1,529,731
<i>Operating Expenditures</i>	803,886	833,687	996,979	961,314	1,062,829	959,970
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	108,017	188,692	193,112	334,795	334,374	437,595
TOTAL EXPENDITURES	\$ 1,950,873	\$ 2,090,776	\$ 2,308,597	\$ 2,946,413	\$ 2,731,213	\$ 2,927,296

PARKS & PUBLIC WORKS DEPARTMENT
Streets & Signals Program

FY 2024/25 KEY PROJECTS

Core Goals	Key Projects
<i>Good Governance</i> Ensure responsive, accountable and collaborate government	<i>Ongoing Maintenance</i>
	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.
	<i>Inter-Program Work Projects</i>
	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.
	<i>Partnership with Other Municipalities</i>
	Continue to pursue opportunities with local agencies that have similar service needs to reduce Program expenditures. Successful ongoing coordinated efforts include graffiti removal, paving operations, brush removal activities, and the storm drain catch basin cleaning program.
<i>Quality Public Infrastructure</i> Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	<i>Capital Improvement Program Projects</i>
	Perform minor pavement repairs in advance of contractor work to enhance efficiency and management of Capital Improvement Program projects. Parking lots will continue to be recoated and striped as needed with a focus on ADA improvements raised through the ADA transition plan.

PARKS & PUBLIC WORKS DEPARTMENT
Streets & Signals Program

KEY PROGRAM SERVICES

Street Maintenance Program

- Maintains traffic signs and street signs along public streets.
- Maintains visibility of pavement markings, including crosswalks, red curbs, and roadway striping.
- Maintains 1,797 streetlights in the public right-of-way.
- Maintains LED Streetlights.

Tree Maintenance

- Oversees the tree trimming contract.
- Manages private tree removal application process and implementation of mitigation measures.

Street Maintenance/Pavement

- Maintains and repairs over 236 lane miles of public streets and 23 parking lots.
- Maintains storm drain basins, ditches, and culverts.

Sidewalk Maintenance Program

- Coordinates concrete sidewalk, curb, and gutter replacements with the CIP.
- Maintains the cleanliness of sidewalks, benches, and waste receptacles in the business districts using pressure washing equipment.

Special Events

- Provides support services to Town events.
- Installs banners and flags, as requested by local organizations and approved by the Town.

PARKS & PUBLIC WORKS DEPARTMENT
Streets & Signals Program

STREETS & SIGNALS PROGRAM STAFFING

Full Time Equivalent (FTE)

	2020/21	2021/22	2022/23	2023/24	2024/25
	Funded	Funded	Funded	Funded	Adopted
Town Staff					
Park & Public Works Director	0.20	0.20	0.20	0.20	0.20
Urban Forest Manager			1.00	-	-
Superintendent	0.40	0.40	0.40	0.40	0.40
Construction Project Manager	0.13	0.13	0.13	0.13	0.13
Parks & Public Works Operation Mgr	0.50	0.50	0.50	0.50	0.50
Senior Administrative Analyst	0.15	0.15	0.15	0.15	0.15
Administrative Technician	-	-	0.30	0.25	0.25
Executive Assistant	0.25	0.25	-	-	-
Administrative Assistant	0.60	0.60	0.60	0.40	0.40
Permit Technician	-	-	-	0.20	0.20
Town Arborist	1.00	1.00	1.00	1.00	1.00
Lead Parks & Maint Worker	1.00	1.00	2.00	2.00	1.00
Parks & Maint Worker	3.75	3.75	3.75	4.75	3.75
TOTAL PROGRAM FTEs	7.98	7.98	10.03	9.98	7.98

Temporary Staff Hours

	2020/21	2021/22	2022/23	2023/24	2024/25
	Funded	Funded	Funded	Funded	Adopted
Senior Administrative Analyst	-	-	-	-	78
Engineering Technician	-	-	-	-	960
TOTAL ANNUAL HOURS	-	-	-	-	1,038

PARKS & PUBLIC WORKS DEPARTMENT
Streets & Signals Program

Performance Objectives and Measures	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Estimated	2024/25 Estimated
1. <i>To ensure streetlights and traffic signals are working in effective operating order.</i>					
a. Percentage of streetlight malfunctions repaired within 5 days of notification:	100%	100%	100%	100%	100%
2. <i>To provide safe and functional roadway systems throughout Town.</i>					
a. Pavement Condition Index (PCI):	70	68	73	75	75

Activity and Workload Highlights	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Estimated	2024/25 Estimated
1. Number of Town street lights:	1,797	1,797	1,797	1,798	1,798
2. Number of street light malfunctions reported:	51	35	52	67	70
3. Annual number of Town street lights repaired:	101	79	95	118	110
4. Number of signalized intersections maintained:	30	31	31	31	31
5. Miles of street maintained:	113	113	113	113	113
6. Number of traffic signs repaired/replaced:	186	99	275	550	300
7. Total number of traffic related work orders received and completed:	101	88	142	150	130
8. Total number of tree-related maintenance requests received, requiring inspection by staff:	279	319	360	270	280
9. Total number of staff hours for tree-related work, including, but not limited to, inspections or pruning:	850	630	725	720	550
10. Number of public trees pruned or maintained at industry standard:	1662	418	510	800	775
11. Square feet of sidewalks removed and replaced:	992	340	628	400	400
12. Miles of street resurfaced:*	9	19.5	20	8	10
13. Number of new ADA curb ramps/upgraded ADA curb ramps constructed:*	92	59	51	44	45
14. Linear feet of bike lanes:	161,312	166,538	166,538	166,538	166,538

* 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 2024/25 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, are 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

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
REVENUES						
<i>Other Taxes</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Licenses and Permits</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Service Charges</i>	-	-	-	-	-	-
<i>Other Revenues</i>	2,345	12,850	22,258	140,241	140,241	-
TOTAL REVENUES	\$ 2,345	\$ 12,850	\$ 22,258	\$ 140,241	\$ 140,241	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	5,197	3,543	42,500	69,113	62,897	25,000
<i>Fixed Assets</i>	-	-	-	121,678	121,678	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 5,197	\$ 3,543	\$ 42,500	\$ 190,791	\$ 184,575	\$ 25,000

Parks & Public Works Department

VEHICLE MAINTENANCE MANAGEMENT PROGRAM 5406

PROGRAM PURPOSE

The Vehicle Maintenance Management Program maintains the Town's more than 100 vehicles and equipment to ensure each item is safe and functional. Program staff provide preventive maintenance and repair for the Town's fleet and light to heavy duty construction equipment. A combination of in-house personnel and outside contractors provide maintenance and repair services for the Town's vehicles and equipment.

BUDGET OVERVIEW

This Program continues to evaluate vehicle maintenance costs and repairs to determine cost saving strategies. This Program continues to evaluate the purchase of hybrid and electric vehicles, as the budget permits, to reduce fuel consumption and greenhouse gas emissions over the short and long terms. The purchase of diesel-powered equipment has been limited to large equipment and heavy trucks with no diesel purchases in the last 5 years. Starting in 2024, 50% of new medium and heavy-duty vehicles purchased must be zero emission vehicles. In 2027, it is required to increase to 100% of new purchases. Zero emission vehicles carry higher upfront and maintenance cost than gas powered vehicles.

Operating expenditures that were previously funded in the Vehicle Maintenance Internal Service Fund were programmed beginning in FY 2019/20 in the General Fund Vehicle Maintenance Management Program.

Fuel prices can fluctuate dramatically, making forecasting fuel prices for the fiscal year difficult. Due to market variations, cost projections remain conservative; however, any fuel expenditures over and above the established budget would be brought forth for Council consideration with the Mid-Year Budget report.

PARKS & PUBLIC WORKS DEPARTMENT
Vehicle Maintenance Management

The FY 2024/25 budget includes increases in salary and benefit costs attributed to anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% salary saving factor. Negotiations with two of the Town's three bargaining units (Town Employee Association and American Federation of State, County, and Municipal Employees) are currently in process.

SUMMARY OF REVENUES AND EXPENDITURES

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
REVENUES						
<i>Other Taxes</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Licenses and Permits</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Service Charges</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 251,108	\$ 298,835	\$ 333,168	\$ 286,193	\$ 295,420	\$ 294,061
<i>Operating Expenditures</i>	-	(32,521)	-	-	(5,500)	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	282	2,414	4,745	13,145	13,132	22,032
TOTAL EXPENDITURES	\$ 251,390	\$ 268,728	\$ 337,913	\$ 299,338	\$ 303,052	\$ 316,093

PARKS & PUBLIC WORKS DEPARTMENT
Vehicle Maintenance Management

FY 2024/25 KEY PROJECTS

Core Goals	Key Projects
Community Character Preserve and enhance the appearance character and environment quality of the community	Alternate Fuel Vehicles Continue to pursue light duty alternate fuel vehicles as the replacement schedule, Town budget, and functionality requirements allow. The Program is also pursuing electric vehicles where feasible, except in the case of medium and heavy-duty vehicles, where all new purchases are required to be zero emission by 2027.
	Repair Schedules Continue to actively manage maintenance schedules to maximize vehicle and equipment life cycles. Ongoing efforts continue for selective in-sourcing and out-sourcing of work ensure the Program provides quality and cost-efficient service. Fleet Management The Program's asset management system tracks a vehicle's total repair, maintenance schedule, and fuel costs. This system provides reliable quantitative information to assist with replacement decisions and conduct operational efficiencies. The Program will continue to analyze fleet usage and repair cost information and adjust the fleet size as appropriate. Inter-Departmental Projects Continue to participate in inter-Departmental projects on an as needed basis, which provides additional Departmental flexibility for major projects. Winter storms require action Department-wide with all Program staff participating.
Good Governance Ensure responsive, accountable and collaborate government	

KEY PROGRAM SERVICES

- Provides preventive maintenance and repairs for all Town-owned vehicles and equipment.
- Maintains the Town's fueling system infrastructure for gasoline, and diesel fuel.

PARKS & PUBLIC WORKS DEPARTMENT
Vehicle Maintenance Management

VEHICLE MAINTENANCE PROGRAM STAFFING

Full Time Equivalent (FTE)

	2020/21	2021/22	2022/23	2023/24	2024/25
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Adopted
Superintendent	0.20	0.20	0.20	0.20	0.20
Administrative Assistant	0.40	0.40	0.40	0.10	0.10
Administrative Technician	-	-	0.20	-	-
Equipment Mechanic	1.00	-	-	-	-
Supervising Equipment Mechanic	-	1.00	1.00	1.00	1.00
Total Vehicle Maint. FTEs	1.60	1.60	1.80	1.30	1.30

Temporary Staff Hours

	2020/21	2021/22	2022/23	2023/24	2024/25
	Funded	Funded	Funded	Funded	Adopted
Equipment Mechanic	-	-	-	960	960
TOTAL PROGRAM FTE's		-	-	960	960

PARKS & PUBLIC WORKS DEPARTMENT
Vehicle Maintenance Management

Performance Objectives and Measures	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Estimated	2024/25 Estimated
1. <i>To provide safe and functional vehicles and</i>					
a. Percentage of fleet in compliance with maintenance schedule:	100%	100%	100%	100%	100%
b. Cost per mile, by class of equipment (<i>Life, cost/replacement cost=annual cost per mile</i>)					
Police:	\$0.56	\$0.75	\$0.78	\$0.80	\$0.82
General Fleet - light:	\$1.10	\$1.31	\$0.72	\$0.75	\$0.75
General Fleet - heavy:	\$3.33	\$3.18	\$3.64	\$4.00	\$4.00
c. Percentage of fleet that is alternate fuel vehicles:	20%	17%	25%	25%	28%

Activity and Workload Highlights	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Estimated	2024/25 Estimated
1. Number of police vehicles maintained:	38	36	36	36	36
2. Number of heavy-duty vehicles maintained:	4	4	4	4	4
3. Number of light-duty (non-police) vehicles maintained:	39	40	40	40	40
4. Pieces of equipment maintained (light and heavy duty):	45	45	45	45	45
5. Hybrid vehicles:	12	12	18	20	21
6. Electric vehicles:	3	2	2	2	3



Parks & Public Works Department

FACILITIES MAINTENANCE STAFFING PROGRAM 5407

PROGRAM PURPOSE

The Facilities Maintenance staffing Program reflects all salaries and benefits related to facilities maintenance staffing. Please see the related Facilities Maintenance Fund for descriptions of the services provided by the Facilities Maintenance staff.

BUDGET OVERVIEW

The FY 2024/25 budget includes increases in salary and benefit costs attributed to anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% salary saving factor. Negotiations with two of the Town's three bargaining units (Town Employee Association and American Federation of State, County, and Municipal Employees) are currently in process.

PARKS & PUBLIC WORKS DEPARTMENT
Facilities Maintenance Staffing

SUMMARY OF REVENUES AND EXPENDITURES

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
REVENUES						
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Service Charges	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES						
Salaries and Benefits	\$ 329,581	\$ 357,078	\$ 420,678	\$ 424,039	\$ 415,650	\$ 418,809
Operating Expenditures	-	-	-	-	-	4,763
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	4,047	4,516	11,496	25,151	24,973	28,615
TOTAL EXPENDITURES	\$ 333,628	\$ 361,594	\$ 432,174	\$ 449,190	\$ 440,623	\$ 452,187

FACILITIES MAINTENANCE PROGRAM STAFFING

Full Time Equivalent (FTE)

	2020/21 Funded	2021/22 Funded	2022/23 Funded	2023/24 Funded	2024/25 Adopted
Town Staff					
Park & Public Works Operations Manager	0.50	0.50	0.50	0.50	0.50
Lead Parks & Maint Worker	1.00	1.00	1.00	1.00	1.00
Facility Technician	-	-	-	1.00	1.00
Parks & Maint Worker	1.00	1.00	1.00	-	-
Total Building Maint. FTEs	2.50	2.50	2.50	2.50	2.50

	2020/21 Funded	2021/22 Funded	2022/23 Funded	2023/24 Funded	2024/25 Adopted
Temporary Staff Hours					
Maintenance Assistant	628	628	628	-	-
TOTAL ANNUAL HOURS	628	628	628	-	-

Parks & Public Works Department

LOS GATOS THEATRE PROGRAM 5408

PROGRAM PURPOSE

The Los Gatos Theatre Program is an operating program designed to monitor financial activity related to the Los Theatre that the Town acquired on December 31, 2021.

BUDGET OVERVIEW

Revenues for this fund are obtained through rent from tenants who occupy two retail spaces adjacent to the Theatre (41 and 45 N. Santa Cruz Avenue). The Los Gatos Theatre Program pays for building maintenance, repairs, and elevator maintenance, and the rent revenue in turn fund the Program's expenditures.

PARKS & PUBLIC WORKS DEPARTMENT
Los Gatos Theatre

STATEMENT OF SOURCE AND USE OF FUNDS

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	-	-	19,500	-	74,991	131,687
Total Beginning Fund Balance	-	-	19,500	-	74,991	131,687
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Service Charge</i>	-	-	-	-	-	-
<i>Service Charges</i>	-	-	-	-	-	-
<i>Interest</i>	-	-	10,960	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	19,500	97,277	174,000	174,060	57,960
Total Revenues	-	19,500	108,237	174,000	174,060	57,960
Transfers In						
<i>Transfer from General Fund</i>	-	-	-	-	-	-
<i>Transfer from Equipment Replacemer</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
Total Revenues & Transfers In	-	19,500	108,237	174,000	174,060	57,960
TOTAL SOURCE OF FUNDS	\$ -	\$ 19,500	\$ 127,737	\$ 174,000	\$ 249,051	\$ 189,647
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	52,746	117,364	117,364	119,685
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
Total Expenditures	-	-	52,746	117,364	117,364	119,685
Transfers Out						
<i>Transfer to General Fund</i>	-	-	-	-	-	-
<i>Transfer to Capital Projects</i>	-	-	-	-	-	-
<i>Transfer to Office Stores</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	-	-	52,746	117,364	117,364	119,685
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	-	19,500	74,991	56,636	131,687	69,962
Total Ending Fund Balance	-	19,500	74,991	56,636	131,687	69,962
TOTAL USE OF FUNDS	\$ -	\$ 19,500	\$ 127,737	\$ 174,000	\$ 249,051	\$ 189,647

Parks & Public Works Department

PASS-THROUGH ACCOUNTS PROGRAM 5999

PROGRAM PURPOSE

The Pass-Through Accounts Program provides an accounting structure to separate ongoing Parks and Public Works Department activities from applicant funding utilized for external engineering services consultants, such as traffic study engineering and geotechnical reviews. Fees for these external development related services are paid for in advance by the applicant, with the funds then applied to a purchase order. All invoices from the consultants are subsequently paid out of the applicant's account until they zero out. Any remaining balance is returned to the applicant. Accounting for these activities in a separate accounting structure allows the true cost of operations to remain intact within a Program, eliminating unrelated funding fluctuations from year to year. This pass-through approach is also used in the Community Development Department for similar projects.

BUDGET OVERVIEW

There is no budgetary impact to this Program as revenues should equal expenditures. The revenues and expenditures reflect estimates based on prior year trends and known departmental operations. At fiscal year-end, actuals may differ substantially from original budgeted numbers as the quantity and size of engineering fees in any given year is not known or determinable in advance. This budget reflects a reasonable estimate only. As this Program includes no staff activity, it does not have Key Projects or Performance Measures.

PARKS & PUBLIC WORKS DEPARTMENT
Pass-Through Accounts

SUMMARY OF REVENUES AND EXPENDITURES

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
REVENUES						
<i>Other Taxes</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Licenses and Permits</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Service Charges</i>	481,981	457,138	321,525	380,000	415,000	565,000
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ 481,981	\$ 457,138	\$ 321,525	\$ 380,000	\$ 415,000	\$ 565,000
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Pass Thru Account</i>	481,981	457,138	321,525	380,000	415,000	565,000
<i>Internal Service Charges</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 481,981	\$ 457,138	\$ 321,525	\$ 380,000	\$ 415,000	\$ 565,000

Parks & Public Works Department

VEHICLE & EQUIPMENT REPLACEMENT FUND FUND 631

PROGRAM PURPOSE

The Vehicle & Equipment Replacement Fund provides a tracking mechanism for the cost and schedule for asset replacement for assets over \$10,000 in value. The fund does not track fixed assets within facilities, such as chillers or boilers. The goal of the fund is to plan for ongoing replacement needs, allowing for the Town to avoid single year spikes in funding or years where funding is not available to meet the needs. Vehicles dominate the list as the asset that has a most defined replacement cycle, per the Vehicle Replacement Policy. The list is an ongoing living document, with assets added and removed as needed.

The list of assets is maintained in spreadsheet format and includes the following elements:

- Asset identifier information (descriptions, identification number, model year, etc.).
- Anticipated life cycle in years.
- Cost of asset at last purchase point.
- Columns for each year, with calculations that demonstrate an inflation adjusted replacement need in the year calculated by the anticipated life cycle.
- Status of the Replacement Fund for each year, identifying funding needs, fund balance, and surplus or deficit funds for each year.

BUDGET OVERVIEW

This Program's budget includes funding for replacement vehicles and equipment. Program expenditures change significantly each year due to the timing of major purchases of assets. A combination of deferred replacement, upgrades, replacements, and the refurbishment of vehicles and equipment is proposed, based on the condition of each vehicle or piece of

PARKS & PUBLIC WORKS DEPARTMENT
Vehicle and Equipment Replacement Fund

equipment and its cost effectiveness. The FY 2024/25 replacement schedule identifies eight pieces of equipment and ten vehicles for replacement as determined by the Town's Equipment Replacement Policy, which is based on the condition, mileage, and/or maintenance history of the asset.

The cost for vehicle replacement continues to escalate 3% to 5% annually based on supply chain issues, computer chip shortages, and other typical market increases. Fleet electrification requirements such as through the Advanced Clean Fleet regulation adds program costs as the industry adjusts to demand. New vehicle purchases include the installation of safety equipment and components specific to Department needs, thus increasing the overall cost of replacement.

Additionally, public safety vehicles differ from the general fleet based on emergency response requirements. As a result, special equipment such as warning lights, sirens, and computers continue to increase the overall cost of new vehicles.

Program staff continues 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.

On an ongoing basis, staff also explores replacement costs versus rental of equipment to reduce ongoing Program operating expenditures. Assessments between internal and external diagnostic and repair facility costs will be conducted to determine the most cost-effective approach. As this Program includes minimal staff activity, it does not have Performance Measures.

Contributions to the Equipment Replacement Fund happen through internal service charges and are determined by the anticipated need for the current fiscal year.

PARKS & PUBLIC WORKS DEPARTMENT

Equipment Replacement Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated - Non-Point Assets</i>	\$ 207,831	\$ 207,831	\$ 207,831	\$ 207,831	\$ 207,831	\$ 207,831
<i>Designated - General Fund Assets</i>	1,717,222	1,681,706	2,014,565	2,205,888	2,205,888	2,849,678
Total Beginning Fund Balance	1,925,053	1,889,537	2,222,396	2,413,719	2,413,719	3,057,509
Revenues						
<i>Service Charge</i>	267,546	540,957	639,367	1,026,738	1,026,738	1,123,659
<i>Interest</i>	-	-	-	-	-	-
<i>Other Revenues</i>	59,852	48,484	78,916	39,691	21,100	-
Total Revenues	327,398	589,441	718,283	1,066,429	1,047,838	1,123,659
Transfers In						
<i>Transfer from Capital Projects</i>	-	-	-	-	-	-
<i>Transfer from General Fund</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
Total Revenues & Transfers In	327,398	589,441	718,283	1,066,429	1,047,838	1,123,659
TOTAL SOURCE OF FUNDS	\$ 2,252,451	\$ 2,478,978	\$ 2,940,679	\$ 3,480,148	\$ 3,461,557	\$ 4,181,168
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	5,892	4,005	-	-	-	-
<i>Fixed Assets</i>	248,302	157,761	526,960	1,217,880	404,048	1,690,462
<i>Internal Service Charges</i>	-	-	-	-	-	-
Total Expenditures	254,194	161,766	526,960	1,217,880	404,048	1,690,462
Transfers Out						
<i>Transfer to General Fund</i>	75,720	94,816	-	-	-	-
<i>Transfer to Capital Projects</i>	-	-	-	-	-	-
<i>Transfer to Building Maintenance</i>	33,000	-	-	-	-	-
Total Transfers Out	108,720.00	94,816.00	-	-	-	-
Total Expenditures & Transfers Out	362,914	256,582	526,960	1,217,880	404,048	1,690,462
Ending Fund Balance						
<i>Designated - Gas Tax Assets</i>	-	-	-	-	-	-
<i>Designated - Non-Point Assets</i>	207,831	207,831	207,831	207,831	207,831	207,831
<i>Designated - General Fund Assets</i>	1,681,706	2,014,565	2,205,888	2,054,437	2,849,678	2,282,875
Total Ending Fund Balance	1,889,537	2,222,396	2,413,719	2,262,268	3,057,509	2,490,706
TOTAL USE OF FUNDS	\$ 2,252,451	\$ 2,478,978	\$ 2,940,679	\$ 3,480,148	\$ 3,461,557	\$ 4,181,168

PARKS & PUBLIC WORKS DEPARTMENT
Equipment Replacement Fund

FY 2024/25 KEY PROJECTS

Core Goals	Key Projects
<i>Quality Public Infrastructure</i> Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	<i>Vehicle Replacements</i> 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.
- Prioritizes opportunities for fleet electrification.

Parks & Public Works Department

FACILITIES MAINTENANCE FUND FUND 633

PROGRAM PURPOSE

The Facilities Maintenance Fund provides funding to ensure Town facilities are safe and functional for public and employee use. Services include general maintenance and building supplies and repairs, roof and door maintenance, fire suppression systems, maintenance uniform supplies and laundry services, custodial services, elevator maintenance, heating and ventilation systems, building improvements, facility security, lighting systems, solar energy, and electric vehicle charging stations. Facilities staff also plan, schedule, and manage small and large building facility projects, such as building remodeling, public access infrastructure improvements, floor covering, workspace reconfigurations, roof repairs, heating and air conditioning system improvements, electrical services, and all other aspects required to keep the Town's facilities functional and safe.

Information regarding Facilities Maintenance staff can be found with the Facilities Maintenance Staffing Program.

BUDGET OVERVIEW

Revenues for this fund are obtained through assessment chargebacks to Town Departments, based upon a percentage of square footage assigned to each Department. The Facilities Maintenance Program pays for all operating expenditures, including utilities, repairs, and maintenance and the Departments in turn fund the Program's expenditures through these chargebacks.

Funds from this source are used to support CIP projects related to energy efficiency and other facility upgrades.

PARKS & PUBLIC WORKS DEPARTMENT
Facilities Maintenance Fund

During FY 2021/22, the Town implemented GASB Statement No. 87 Leases. As a result, a long-term lease receivable and deferred inflow of resources was created. On 06/30/2023, the balance in long-term lease receivable was \$1,348,155 with a net deferred inflows of resources of \$717,495, which adds approximately \$0.6 million to the net position of the Facilities Maintenance Fund. Estimated cash balance in this fund is \$0.4 million.

STATEMENT OF SOURCE AND USE OF FUNDS

	2020/21	2021/22	2022/23	2023/24	2023/24	2024/25
	Actuals	Actuals	Actuals	Adjusted	Estimated	Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	102,470	156,342	928,482	981,784	927,701	789,758
Total Beginning Fund Balance	102,470	156,342	928,482	981,784	927,701	789,758
Revenues						
<i>Other Taxes</i>	67,146	66,382	28,322	40,000	40,000	40,000
<i>Service Charge</i>	847,375	878,128	938,492	916,324	916,234	1,052,961
<i>Service Charges</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Other Revenues</i>	266,503	1,048,623	366,630	296,199	296,689	303,587
Total Revenues	1,181,024	1,993,133	1,333,444	1,252,523	1,252,923	1,396,548
Transfers In						
<i>Transfer from General Fund</i>	-	1,787	-	-	-	-
<i>Transfer from Equipment Replacemer</i>	33,000	-	-	-	-	-
Total Transfers In	33,000	1,787	-	-	-	-
Total Revenues & Transfers In	1,214,024	1,994,920	1,333,444	1,252,523	1,252,923	1,396,548
TOTAL SOURCE OF FUNDS	\$ 1,316,494	\$ 2,151,262	\$ 2,261,926	\$ 2,234,307	\$ 2,180,624	\$ 2,186,306
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	1,101,182	1,222,780	1,334,225	1,387,521	1,390,866	1,396,548
<i>Fixed Assets</i>	58,970	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	8,119
Total Expenditures	1,160,152	1,222,780	1,334,225	1,387,521	1,390,866	1,404,667
Transfers Out						
<i>Transfer to General Fund</i>	-	-	-	-	-	-
<i>Transfer to Capital Projects</i>	-	-	-	-	-	-
<i>Transfer to Office Stores</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	1,160,152	1,222,780	1,334,225	1,387,521	1,390,866	1,404,667
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	156,342	928,482	927,701	846,786	789,758	781,639
Total Ending Fund Balance	156,342	928,482	927,701	846,786	789,758	781,639
TOTAL USE OF FUNDS	\$ 1,316,494	\$ 2,151,262	\$ 2,261,926	\$ 2,234,307	\$ 2,180,624	\$ 2,186,306

PARKS & PUBLIC WORKS DEPARTMENT
Facilities Maintenance Fund

FY 2024/25 KEY PROJECTS

Core Goals	Key Projects
Quality Public Infrastructure Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	<i>Oversight of Capital Improvement Projects</i>
	Assist in the oversight of all facility improvement projects planned during FY 2024/25, including numerous building improvement projects at the Civic Center and other Town facilities.
	<i>ADA Improvements</i>
	Manage the construction of a single use restroom at the Adult Recreation Center to meet current ADA compliance. In addition, staff will manage the design and construction of one set of downstairs restrooms at the Civic Center to meet current ADA compliance.
	<i>Police Operations Building Space Evaluation</i>
	This capital project will be executed in the Fiscal Year 24/25 to assess the existing space. The result of the evaluation will be recommendations to modify or expand the space to accommodate all current and future Police Department staff in one location.

KEY PROGRAM SERVICES

- Administers maintenance agreements for custodial, telephone, plumbing, electrical, heating, ventilation and air conditioning systems.
- Manages preventive maintenance contracts for elevator, fire suppression systems, intrusion and fire alarms.
- Administers facilities capital improvement contracts.
- Administers repairs and improvements to The New Museum of Los Gatos and the Friends of the Library, Los Gatos Theatre as well as the vacant buildings on Tait and at Forbes Mill.
- Manages inter-Departmental service requests.
- Manages lighting for public parking garages and public parking lots.
- Maintains downtown tree lights along North Santa Cruz Avenue and Main Street.
- Monitors and maintains Forbes Mill Footbridge lights.
- Manages essential preventative maintenance for the Los Gatos Theatre (new to Town-owned building inventory).

PARKS & PUBLIC WORKS DEPARTMENT
Facilities Maintenance Fund

Performance Objectives and Measures	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Estimated	2024/25 Estimated
1. <i>To ensure Town facilities are safe and functional for public and employee use.</i>					
a. Percentage of facilities requests completed within 14 days:	69%	79%	74%	74%	74%

Activity and Workload Highlights	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Estimated	2024/25 Estimated
1. Total square footage of facilities maintained:	132,654	197,949	197,949	197,949	197,949
2. Total square footage of facilities maintained per FTE:	53,062	98,975	98,975	98,975	98,975
3. Cost per square foot:	\$3.00	\$3.50	\$4.00	\$4.00	\$4.50
4. Total number of facility requests received and completed:	253	333	360	320	320

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 maintaining trash capture devices inside storm drains, monitoring construction projects on town property and inspecting private development projects to ensure compliance with storm water requirements. To meet the National Pollutant Discharge Elimination System (NPDES) Permit requirements, Engineering Development Program staff, in coordination with Community Development Department staff, will continue to review the regulations to evaluate the staff and budget impacts associated with implementation of this permit.

BUDGET OVERVIEW

Funding in this Program supports work required under the Federal Clean Water Act, Environmental Protection Agency regulations, and respective NPDES permits. The West Valley cities of Saratoga, Monte Sereno, Campbell, and Los Gatos are participants in the West Valley Clean Water Program (WVCWP), which represents these cities at the County and regional level on policy permit issues. Additionally, the WVCWP manages permit and fee administration, collects revenue through tax assessments, compiles data, and does reporting for the West Valley cities.

The FY 2024/25 budget includes increases in salary and benefit costs attributed to anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% salary saving factor. Negotiations with two of the Town's three bargaining units (Town Employee Association and American Federation of State, County, and Municipal Employees) are currently in process.

PARKS & PUBLIC WORKS DEPARTMENT
Non-Point Source Program

The NPDES permit is issued by the San Francisco Regional Water Quality Control Board (RWQCB). An initial permit went into effect in the 1990s. A next generation of the NPDES storm water permit, called the Municipal Regional Storm Water Permit (MRP), was adopted by the California Regional Water Quality Control Board in October 2009. The MRP 2.0 permit mandated increased requirements in several key areas, including development projects. Increased inspection mandates require additional staff time both for the inspection and the associated reporting.

Effective July 1, 2022, MRP 2.0 was replaced with MRP 3.0. MRP 3.0 requires owners and operators of municipal separate storm sewer systems (MS4s) to meet an expanded series of requirements related to stormwater management measures. This includes implementing control measures that prevent litter and waste from entering MS4 systems and discharging to surface waters. Trash load reduction requirements are 100% by 2025. Staff began moving toward compliance with the installation of full capture devices and/or source control measures. In FY 2023/24, the Town worked closely with WVCWP and SCVURPP to identify 17 new locations for installation of new stormwater capture devices to further prevent stormwater pollution. With these 17 capture devices the Town has over 50 devices that require inspection and cleaning three times per year. At this time, there are no additional trash capture devices anticipated to be installed in FY 2024/25.

As a result of the MRP 3.0 regulations, staff are required to perform more construction inspections for new development projects to ensure permit requirements, such as Low Impact Development (LID) features, are met. The unfunded mandates required in MRP 3.0 are extensive. Each of these unfunded mandates has associated costs and workloads, and as the requirements increase, incremental gains become more difficult and more expensive with no direct cost recovery option. Staff from the Parks and Public Works Department continues to implement requirements within the Long-Term Trash Plan, as part of the NPDES permit requirements.

Town staff continues to clear storm drains, ditches, and culverts; and dispose of collected material in a safe manner. Routine parking lot and street sweeping are contracted out. 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

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	237,934	371,239	451,557	629,842	629,842	708,677
Total Beginning Fund Balance	237,934	371,239	451,557	629,842	629,842	708,677
Revenues						
<i>Licenses and Permits</i>	231,323	231,323	359,950	359,950	359,950	163,690
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Service Charge</i>	-	-	-	-	-	-
<i>Other Revenues</i>	68,155	43,967	22,431	-	-	-
Total Revenues	299,478	275,290	382,381	359,950	359,950	163,690
Transfers In						
<i>Transfer from General Fund</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
Total Revenues & Transfers In	299,478	275,290	382,381	359,950	359,950	163,690
TOTAL SOURCE OF FUNDS	\$ 537,412	\$ 646,529	\$ 833,938	\$ 989,792	\$ 989,792	\$ 872,367
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ 135,625	\$ 154,426	\$ 158,603	\$ 203,122	\$ 213,137	\$ 213,157
<i>Operating Expenditures</i>	27,319	37,054	41,402	60,186	60,186	58,855
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	3,229	3,492	4,091	7,795	7,792	6,872
Total Expenditures	166,173	194,972	204,096	271,103	281,115	278,884
Transfers Out						
<i>Transfer to General Fund</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	166,173	194,972	204,096	271,103	281,115	278,884
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	371,239	451,557	629,842	718,689	708,677	593,483
Total Ending Fund Balance	371,239	451,557	629,842	718,689	708,677	593,483
TOTAL USE OF FUNDS	\$ 537,412	\$ 646,529	\$ 833,938	\$ 989,792	\$ 989,792	\$ 872,367

PARKS & PUBLIC WORKS DEPARTMENT
Non-Point Source Program

FY 2024/25 KEY PROJECTS

Core Goals	Key Projects
<i>Community Character</i> Preserve and enhance the appearance, character, and environmental quality of the community	<i>Expanded Trail Volunteer Opportunities</i> Continue to increase volunteer opportunities to reduce debris from entering the waterways alongside trails and walkways in Los Gatos. In addition, Program staff continue to partner with the West Valley Clean Water Program to raise awareness about stormwater and pollution prevention to residents in the community.
<i>Good Governance</i> Ensure responsive, accountable, and collaborative government	<i>Municipal Regional Permit</i> Continue to take on an increased role in implementing regulations related to the San Francisco Bay Area Stormwater Municipal Regional Permit. Staff continues to monitor and implement strategies with other Town Departments to ensure permit compliance.

KEY PROGRAM SERVICES

- 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)

	2020/21	2021/22	2022/23	2023/24	2024/25
	Funded	Funded	Funded	Funded	Adopted
Town Staff					
Parks & Maint Worker	0.25	0.25	0.25	0.25	0.25
Senior Administrative Analyst	0.25	0.25	0.25	0.25	0.25
Senior Public Works Inspector	0.50	0.50	0.50	0.50	0.50
Total Non-Point Source FTEs	1.00	1.00	1.00	1.00	1.00

Temporary Staff Hours

	2020/21	2021/22	2022/23	2023/24	2024/25
	Funded	Funded	Funded	Funded	Adopted
Senior Administrative Analyst	-	-	-	-	130
TOTAL ANNUAL HOURS	-	-	-	-	130

	2020/21	2021/22	2022/23	2023/24	2024/25
Performance Objectives and Measures	Actual	Actual	Actual	Estimated	Estimated
1. Prevent street debris from entering the storm drain system.					
a. Number of cubic yards of debris removed annually:	1,570	1,330	981	600	600

	2020/21	2021/22	2022/23	2023/24	2024/25
Activity and Workload Highlights	Actual	Actual	Actual	Estimated	Estimated
1. Number of Los Gatos curb and parking lot miles swept annually:	3,430	3,150	2,493	1,300	1,300
2. Number of stormwater inspections:	622	1,163	679	910	910



Parks & Public Works Department

ASSESSMENT DISTRICTS FUNDS 231 – 236

ASSESSMENT DISTRICT PURPOSE

In the early 1990s, with the written consent of all property owners within the boundaries of the Districts, the Town established two Landscape and Lighting Districts comprised of six zones, five of which are in District No. 1, and one in District No. 2. Property owners in each District pay an annual assessment on their property tax bill for the maintenance of common area landscaping and/or lighting which includes District improvements and upgrades, regular maintenance of trees, landscaping, trails, irrigation systems, and lighting.

Provisions of SB 919 (the Proposition 218 Omnibus Implementation Act) adopted by the California State Legislature in 1997 (Chapter 38, Stats. 1997) are implemented during the annual assessment process. Proposition 218 becomes applicable only when increases in the current assessment rates are contemplated, due primarily to rising maintenance costs and increases in the costs of water and power. If that were to take place, a mail-in balloting procedure for each zone would take place requiring a 2/3 majority approval.

The table on the next page provides an overview of the annual assessments.

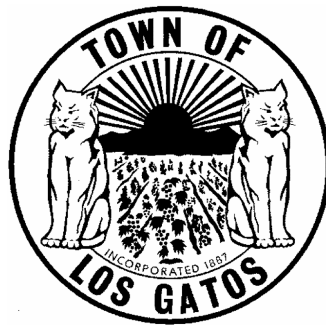
PARKS & PUBLIC WORKS DEPARTMENT
Landscape & Lighting Districts

Fiscal Year 2024/25					
Annual Special District Assessments					
<u>Fund #</u>	<u>Assessment Districts</u>	<u>Number of Parcels</u>	<u>Parcel Assessment</u>	<u>Total Assessment</u>	<u>Rate in effect prior to Prop 218</u>
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	Sant aRosa	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

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	184,257	166,363	168,245	170,975	170,975	163,487
Total Beginning Fund Balance	184,257	166,363	168,245	170,975	170,975	163,487
REVENUES						
Property Tax Assessments	38,567	38,611	38,161	38,220	38,220	38,220
Interest	2,389	1,836	3,058	1,010	1,010	1,010
Other Revenues	28	29	-	-	-	-
Total Revenues	40,984	40,476	41,219	39,230	39,230	39,230
TOTAL SOURCE OF FUNDS	\$ 225,241	\$ 206,839	\$ 209,464	\$ 210,205	\$ 210,205	\$ 202,717
EXPENDITURES						
Salaries and Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenditures	53,958	33,674	33,569	42,764	41,798	35,480
Fixed Assets	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 53,958	\$ 33,674	\$ 33,569	\$ 42,764	\$ 41,798	\$ 35,480
Transfers Out						
<i>Transfer to General Fund</i>	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	58,878	38,594	38,489	47,684	46,718	40,400
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	166,363	168,245	170,975	162,521	163,487	162,317
Total Ending Fund Balance	166,363	168,245	170,975	162,521	163,487	162,317
TOTAL USE OF FUNDS	\$ 225,241	\$ 206,839	\$ 209,464	\$ 210,205	\$ 210,205	\$ 202,717



Parks & Public Works Department

BLACKWELL DRIVE ASSESSMENT DISTRICT FUND 231

FUND PURPOSE

This Assessment District incorporates five homes and a median island along Blackwell Drive at National Avenue constructed as part of Tract 8306, Blackwell Development. Assessments to maintain the landscaping and irrigation in the median island and for street light maintenance on National Avenue remain constant for the five parcels at \$632 each annually.

The median island landscaping and irrigation are maintained by contract. The street trees and lighting are also part of the district. The contractor clears trash and weeds from the median island biweekly. Landscaping plants and irrigation are replaced and repaired as necessary.

BUDGET OVERVIEW

A portion of the fund balance surplus will be recommended for use for improvements such as drought tolerant plants, pruning, and renovation of the irrigation system. The FY 2024/25 budget includes increases for advertisements for publishing public hearing notices and a decrease for landscape maintenance service costs.

PARKS & PUBLIC WORKS DEPARTMENT
Blackwell Drive Assessment District

STATEMENT OF SOURCE AND USE OF FUNDS

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	13,776	14,085	13,741	14,156	14,156	13,922
Total Beginning Fund Balance	13,776	14,085	13,741	14,156	14,156	13,922
Revenues						
<i>Property Tax Assessments</i>	3,160	3,160	3,160	3,160	3,160	3,160
<i>Interest</i>	176	150	243	50	50	50
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	3,336	3,310	3,403	3,210	3,210	3,210
TOTAL SOURCE OF FUNDS	\$ 17,112	\$ 17,395	\$ 17,144	\$ 17,366	\$ 17,366	\$ 17,132
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	2,567	3,194	2,528	2,984	2,984	2,612
<i>Fixed Asset</i>	-	-	-	-	-	-
Total Expenditures	2,567	3,194	2,528	2,984	2,984	2,612
Transfers Out						
<i>Transfer to General Fund</i>	460	460	460	460	460	460
Total Transfers Out	460	460	460	460	460	460
Total Expenditures & Transfers Out	3,027	3,654	2,988	3,444	3,444	3,072
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	14,085	13,741	14,156	13,922	13,922	14,060
Total Ending Fund Balance	14,085	13,741	14,156	13,922	13,922	14,060
TOTAL USE OF FUNDS	\$ 16,652	\$ 16,935	\$ 16,684	\$ 16,906	\$ 16,906	\$ 16,672

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 2024/25, maintenance expenditures are anticipated to remain constant. The fund balance surplus is held for current or future repair/replacement costs related to the asphalt pathway, tree trimming, and streetlights. The FY 2024/25 budget includes an increase for water and also advertisements for publishing public hearing notices and a decrease for landscape maintenance service costs.

PARKS & PUBLIC WORKS DEPARTMENT
Kennedy Meadows Assessment District

STATEMENT OF SOURCE AND USE OF FUNDS

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	40,395	20,415	21,340	19,938	19,938	15,748
Total Beginning Fund Balance	40,395	20,415	21,340	19,938	19,938	15,748
Revenues						
<i>Property Tax Assessments</i>	10,275	10,378	10,344	10,275	10,275	10,275
<i>Interest</i>	493	215	367	330	330	330
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	10,768	10,593	10,711	10,605	10,605	10,605
TOTAL SOURCE OF FUNDS	\$ 51,163	\$ 31,008	\$ 32,051	\$ 30,543	\$ 30,543	\$ 26,353
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	29,238	8,158	10,603	13,285	13,285	10,365
<i>Fixed Assets</i>	-	-	-	-	-	-
Total Expenditures	29,238	8,158	10,603	13,285	13,285	10,365
Transfers Out						
<i>Transfer to General Fund</i>	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	30,748	9,668	12,113	14,795	14,795	11,875
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	20,415	21,340	19,938	15,748	15,748	14,478
Total Ending Fund Balance	20,415	21,340	19,938	15,748	15,748	14,478
TOTAL USE OF FUNDS	\$ 49,653	\$ 29,498	\$ 30,541	\$ 29,033	\$ 29,033	\$ 24,843

Parks & Public Works Department

GEMINI COURT ASSESSMENT DISTRICT FUND 233

FUND PURPOSE

This Assessment District, located on Blossom Hill Road and Gemini Court, is made up of 18 residences with a public right-of-way within the boundaries of the Gemini subdivision, Tract No. 8439. The Assessment District provides for the maintenance of trees, landscaping, irrigation systems, lighting, sound wall, and fences along the walkway.

Landscaping and irrigation are maintained by contract. The contractor clears trash and weeds in the median island biweekly. Landscaping plants and irrigation are replaced and repaired as necessary. Annual assessments remain constant for the 18 parcels at \$230 each.

BUDGET OVERVIEW

A portion of the fund balance surplus will be recommended for improvements such as irrigation, tree work, lighting repair, landscaping, and repainting the sound wall. The FY 2024/25 budget includes an increase for advertisements for publishing public hearing notices and a decrease for landscape maintenance services.

PARKS & PUBLIC WORKS DEPARTMENT
Gemini Court Assessment District

STATEMENT OF SOURCE AND USE OF FUNDS

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	31,786	34,415	36,800	39,961	39,961	43,525
Total Beginning Fund Balance	31,786	34,415	36,800	39,961	39,961	43,525
Revenues						
<i>Property Tax Assessments</i>	4,635	4,612	4,382	4,600	4,600	4,600
<i>Interest</i>	417	380	659	150	150	150
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	5,052	4,992	5,041	4,750	4,750	4,750
TOTAL SOURCE OF FUNDS	\$ 36,838	\$ 39,407	\$ 41,841	\$ 44,711	\$ 44,711	\$ 48,275
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	1,813	1,997	1,270	1,542	576	1,132
<i>Fixed Assets</i>	-	-	-	-	-	-
Total Expenditures	1,813	1,997	1,270	1,542	576	1,132
Transfers Out						
<i>Transfer to General Fund</i>	610	610	610	610	610	610
Total Transfers Out	610	610	610	610	610	610
Total Expenditures & Transfers Out	2,423	2,607	1,880	2,152	1,186	1,742
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	34,415	36,800	39,961	42,559	43,525	46,533
Total Ending Fund Balance	34,415	36,800	39,961	42,559	43,525	46,533
TOTAL USE OF FUNDS	\$ 36,228	\$ 38,797	\$ 41,231	\$ 44,101	\$ 44,101	\$ 47,665

Parks & Public Works Department

SANTA ROSA HEIGHTS ASSESSMENT DISTRICT FUND 234

FUND PURPOSE

This Assessment District provides maintenance and upkeep within designated Open Space Areas A, B, C, and D of Tract No. 8400, Santa Rosa Heights Subdivision. There are 15 residences in this District. The open space area to be maintained by the Town lies north of Shannon Road up to the ridgeline of Blossom Hill Road, adjacent to the subdivision. This area includes a pedestrian/equestrian trail through the subdivision from Shannon Road to Belgatos Park, street trees, and lighting. The trail is pruned and cleared of trash biweekly by the contractor. Annual assessments for the fifteen parcels were decreased from \$540 each, to \$300 each, effective FY 2006/07.

BUDGET OVERVIEW

A portion of the fund balance surplus will be recommended for improvements such as brushing, tree work, and repairs to the various trails and retaining walls in the District. The FY 2024/25 budget includes an increase for advertisements for publishing public hearing notices and a decrease for landscape maintenance service costs.

PARKS & PUBLIC WORKS DEPARTMENT
Santa Rosa Heights Assessment District

STATEMENT OF SOURCE AND USE OF FUNDS

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	50,786	45,970	40,708	36,370	36,370	28,033
Total Beginning Fund Balance	50,786	45,970	40,708	36,370	36,370	28,033
Revenues						
<i>Property Tax Assessments</i>	4,665	4,710	4,545	4,500	4,500	4,500
<i>Interest</i>	621	465	690	50	50	50
<i>Other Revenues</i>	27	29	-	-	-	-
Total Revenues	5,313	5,204	5,235	4,550	4,550	4,550
TOTAL SOURCE OF FUNDS	\$ 56,099	\$ 51,174	\$ 45,943	\$ 40,920	\$ 40,920	\$ 32,583
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	9,469	9,806	8,913	12,227	12,227	7,496
<i>Fixed Assets</i>	-	-	-	-	-	-
Total Expenditures	9,469	9,806	8,913	12,227	12,227	7,496
Transfers Out						
<i>Transfer to General Fund</i>	660	660	660	660	660	660
Total Transfers Out	660	660	660	660	660	660
Total Expenditures & Transfers Out	10,129	10,466	9,573	12,887	12,887	8,156
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	45,970	40,708	36,370	28,033	28,033	24,427
Total Ending Fund Balance	45,970	40,708	36,370	28,033	28,033	24,427
TOTAL USE OF FUNDS	\$ 55,439	\$ 50,514	\$ 45,283	\$ 40,260	\$ 40,260	\$ 31,923

Parks & Public Works Department

VASONA HEIGHTS ASSESSMENT DISTRICT FUND 235

FUND PURPOSE

This assessment district is adjacent to Blossom Hill and Roberts Roads, with open space running between the subdivision and the Los Gatos Creek Trail. The District was created to provide maintenance and upkeep within the designated Open Space Areas A, B, and C of Tract No. 8280, of the Vasona Heights Subdivision. All 32 residences are assessed an annual charge of \$295 per parcel, continuing the decrease in original property assessments as agreed to by the property owners and the Town Council in FY 2001/02.

The District upkeep includes, trees, landscaping, irrigation systems, trail, emergency access, and a retaining wall along Blossom Hill Road. The open space areas are maintained by contract, with cleanup, trash control, irrigation maintenance, and landscape maintenance completed biweekly.

BUDGET OVERVIEW

A portion of the fund balance surplus will be recommended for improvements such as landscaping and irrigation. The FY 2024/25 budget includes an increase for advertisements for publishing public hearing notices and a decrease for landscape maintenance service costs.

PARKS & PUBLIC WORKS DEPARTMENT
Vasona Heights Assessment District

STATEMENT OF SOURCE AND USE OF FUNDS

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	32,180	34,728	37,511	40,266	40,266	40,839
Total Beginning Fund Balance	32,180	34,728	37,511	40,266	40,266	40,839
Revenues						
<i>Property Tax Assessments</i>	9,794	9,765	9,735	9,735	9,735	9,735
<i>Interest</i>	411	380	673	340	340	340
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	10,205	10,145	10,408	10,075	10,075	10,075
TOTAL SOURCE OF FUNDS	\$ 42,385	\$ 44,873	\$ 47,919	\$ 50,341	\$ 50,341	\$ 50,914
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	6,227	5,932	6,223	8,072	8,072	7,589
<i>Fixed Assets</i>	-	-	-	-	-	-
Total Expenditures	6,227	5,932	6,223	8,072	8,072	7,589
Transfers Out						
<i>Transfer to General Fund</i>	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	7,657	7,362	7,653	9,502	9,502	9,019
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	34,728	37,511	40,266	40,839	40,839	41,895
Total Ending Fund Balance	34,728	37,511	40,266	40,839	40,839	41,895
TOTAL USE OF FUNDS	\$ 40,955	\$ 43,443	\$ 46,489	\$ 48,911	\$ 48,911	\$ 49,484

Parks & Public Works Department

HILLBROOK DRIVE ASSESSMENT DISTRICT FUND 236

FUND PURPOSE

This Assessment District, encompassing the designated open space area within Tract No. 3026 at the corner of Blossom Hill Road and Hillbrook Drive, provides maintenance services for the trees, landscaping, irrigation system, and hardscape for the improved area in parcel #523-11-28 of the Hillbrook Benefit Zone. Annual assessments for the thirty-four parcels were increased from \$50 to \$175 each, effective FY 2010/11.

The District comprises 34 residences and a small park of approximately 0.26 acres. The landscape contract for this assessment district includes maintenance of the lawn, trees, shrubs, and irrigation system. The park is cleared of trash, mowed, and cleaned weekly.

BUDGET OVERVIEW

A portion of the fund balance surplus will be recommended for improvements such as benches, turf replacement, and drought-resistant landscaping. The FY 2024/25 budget includes an increase for advertisements for publishing public hearing notices and a decrease landscape maintenance service costs.

PARKS & PUBLIC WORKS DEPARTMENT
Hillbrook Drive Assessment District

STATEMENT OF SOURCE AND USE OF FUNDS

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	21,328	22,744	24,139	26,278	26,278	27,414
Total Beginning Fund Balance	21,328	22,744	24,139	26,278	26,278	27,414
Revenues						
<i>Property Tax Assessments</i>	6,038	5,986	5,995	5,950	5,950	5,950
<i>Interest</i>	271	246	426	90	90	90
<i>Other Revenues</i>	1	-	-	-	-	-
Total Revenues	6,310	6,232	6,421	6,040	6,040	6,040
TOTAL SOURCE OF FUNDS	\$ 27,638	\$ 28,976	\$ 30,560	\$ 32,318	\$ 32,318	\$ 33,454
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	4,644	4,587	4,032	4,654	4,654	6,286
<i>Fixed Assets</i>	-	-	-	-	-	-
Total Expenditures	4,644	4,587	4,032	4,654	4,654	6,286
Transfers Out						
<i>Transfer to General Fund</i>	250	250	250	250	250	250
Total Transfers Out	250	250	250	250	250	250
Total Expenditures & Transfers Out	4,894	4,837	4,282	4,904	4,904	6,536
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	22,744	24,139	26,278	27,414	27,414	26,918
Total Ending Fund Balance	22,744	24,139	26,278	27,414	27,414	26,918
TOTAL USE OF FUNDS	\$ 27,388	\$ 28,726	\$ 30,310	\$ 32,068	\$ 32,068	\$ 33,204



Library Department

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Library Department

DEPARTMENT PURPOSE

The Los Gatos Library fosters curiosity and community connection, and strives to be at the heart of an engaged and vibrant community. The Library accomplishes these outcomes through:

- **Creating Community Connections** by providing a welcoming space, access to library services beyond the building, forming partnerships with local organizations, providing programming for all ages, and providing ample access to library resources.
- **Building the Next Generation Library User** by focusing on early literacy as well as programs, collections, and services for babies, school-age children, teens, and their parents/caregivers.
- **Embracing Local History** by providing ample access to historical materials, providing quality volunteer programs and trainings, and partnering with local schools and NUMU.
- **Enhancing Collections and Technology** by continually assessing library use, trends, and new technologies.
- **Engaging the Library Staff Team** by focusing on staff development, training opportunities, sharing ideas at every level, and collaborating with our local consortiums, state organizations and national organizations.

BUDGET OVERVIEW

The Library Department budget consists of the Library Administration, Adult Services, Youth Services, and Circulation/System Administrative Programs, as well as five Trust Funds: the Library Trust Fund (primarily funded by contributions from the Friends of the Library), History Project Trust Fund (included in the Library Trust Fund), the Clelles Ness Trust Fund, the Susan McClendon Trust Fund, and the Barbara Jones Cassin Trust Fund.

The FY 2024/25 budget is built as closely as possible to a status quo level of service and expenditure. Inflationary costs for books, materials, events, and software licenses have risen over the past year and are anticipated to slightly higher in this budget year as well. Small expenditure increases are required to maintain status quo service levels.

LIBRARY DEPARTMENT

Scheduled cuts within the State's budget will impact financial support for the public-facing broadband network. As a result, the percentage of the cost needed to be provided by the Town will likely increase. The budget also contains a one-time expenditure for the installation of equipment to enhance communications with Police Dispatch in the event of an emergency.

The FY 2024/25 budget includes increases in salary and benefit costs attributed to anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% salary saving factor. Negotiations with two of the Town's three bargaining units (Town Employee Association and American Federation of State, County, and Municipal Employees) are currently in process.

The Library has routine technology replacements this year, including scheduled replacement of the security camera system and integrated Audio/Video equipment. Capital Improvement Program projects funded in part through one of the Library Trusts include the completion of sound dampening in the lobby of the building. The Library building has passed the ten-year mark with some larger maintenance items being planned over the next few years to avoid the greater costs of problems associated with deferred maintenance.

LIBRARY DEPARTMENT

FY 2023/24 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Good Governance</i> Ensure responsive, accountable and collaborate government	• Provided staff opportunities for workshops and training programs provided by the State Library, California Library Association, and the Pacific Library Partnership. • Further developed the Library of Things for public use including more Wi-Fi hotspots, community science kits, State Parks kits, and more. • Received and administered grant funds to improve the children's garden, provide spaces and activities for children with a wide range of differential abilities, and providing more services for the unhoused. • Partnered with County Behavioral Health Navigators to offer assistance navigating County programs.
<i>Civic Enrichment</i> Foster opportunities for citizen involvement, and cultural, recreational and individual enrichment	• Continued to provide access to computers and broadband internet, expanded the lending of laptops, and increased the availability of lendable Wi-Fi hotspots for the public. • Continued to provide reference and readers advisory service to the public which included personalized and curated reading materials selections, as well as specialized reference assistance from a combined service point in the building and via phone, email, and instant messaging. • Continued to offer Zipbooks through a grant from the State Library to obtain titles by patron request that were not in the Town's collection. • Maintained the Storywalk in Oak Meadow Park in cooperation with the Friends of Los Gatos Library. • Provided outreach and support to local schools including tours, school visits, and curation of resources for teachers and partnered with LGHS staff to ensure students success in the Library during after school hours.

LIBRARY DEPARTMENT

FY 2023/24 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Civic Enrichment</i> Foster opportunities for citizen involvement, and cultural, recreational and individual enrichment	• Continued offering check out of State Parks Passes for community members to have access to State recreational opportunities. • Produced a full calendar of programs each week for patrons of all age groups, including storytimes, author talks, book clubs, writing workshops, cooking classes, music programs, and specialty programs for a variety of hobbies and interests. Began offering quarterly Sensory Storytimes for children with different abilities. • Continued the “Retro Tech” program to allow the community to digitize old media formats free of charge and began checking out equipment to the public to maximize use and efficiency. • Offered creative services to the public including 3D printing and laser cutting. • Added additional new partnerships with local organizations such as Q Corner, Parents Helping Parents, Cancer Care Point, Asian Art Museum, Master Gardeners, West Valley Clean Water, and San Jose State University. • Continued monthly Tech Chats, allowing community members to come in and learn about new tech trends and tips for mobile and tablet devices. • Continued to provide resources and seeds in the Seed Library in cooperation with community donations and the Friends of Los Gatos Library. • Continued offering online author talks with prominent authors as part of a consortium of Silicon Valley Libraries.

LIBRARY DEPARTMENT

FY 2023/24 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Civic Enrichment</i> Foster opportunities for citizen involvement, and cultural, recreational and individual enrichment	<i>Diversity, Equity and Inclusion (DEI) Efforts</i>
	• Implemented the Aspen Discovery Layer and app to our patron-facing library catalog to make searching easier across multiple platforms and item types. • Refined the Library’s approach to celebration of cultural holidays and recognition months. • Supported events in partnership with United Against Hate Week events and Banned Book Week events with American Library Association promotional support. • Continued adding books in Russian, Farsi, and Hindi to meet demand from the community. Maintained and expanded collections in Spanish, Chinese, Korean, and Japanese. • Continued evaluating the historical archives through an equity and inclusion lens. • Applied DEI assessment software to continue evaluating our collections, social media content, and programs through an equity and inclusion lens. • Produced curated reading lists and sought out books and materials to assist with engaging the public in dialog regarding equity and inclusivity. • Hosted weekly English as a Second Language (ESL) classes.
<i>Public Safety</i> Ensure public safety through proactive community policing, affective emergency response, and community-wide emergency preparedness	• Continued serving as a warming center and a cooling center during periods of extreme weather, as well as providing charging, power, and internet connectivity access to the public during power outages. • Worked in conjunction with Parks and Public Works to install an emergency backup battery for the Library building to provide the public with power during future power outages. • Began Emergency Operations training with all full-time staff to assist the Town during emergency activations. • Partnered with County organizations to provide training for staff and patrons on the use of Naloxone (Narcan) to combat opioid overdose.

LIBRARY DEPARTMENT

DEPARTMENTAL SUMMARY OF REVENUES AND EXPENDITURES

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adopted	2023/24 Estimated	2024/25 Adopted
REVENUES						
<i>Intergovernmental Revenues</i>	\$ 16,022	\$ 9,000	\$ 63,046	\$ 68,703	\$ 63,172	\$ -
<i>Service Charge</i>	-	514	2,039	-	450	500
<i>Fines & Forfeitures</i>	-	7	-	250	-	-
<i>Other Revenues</i>	-	35,000	35,000	35,000	35,000	35,000
TOTAL REVENUES	\$ 16,022	\$ 44,521	\$ 100,085	\$ 103,953	\$ 98,622	\$ 35,500
Transfers In						
<i>Transfers In from Trust(s)</i>	-	-	-	-	-	-
<i>Transfers In from General Fund</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
TOTAL REVENUES & TRANSFERS IN	\$ 16,022	\$ 44,521	\$ 100,085	\$ 103,953	\$ 98,622	\$ 35,500
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 1,927,572	\$ 1,865,875	\$ 2,096,762	\$ 2,218,153	\$ 2,278,949	\$ 2,304,674
<i>Operating Expenditures</i>	359,830	333,002	470,959	466,103	356,872	445,100
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	541,472	553,525	528,764	539,317	539,194	648,938
TOTAL EXPENDITURES	\$ 2,828,874	\$ 2,752,402	\$ 3,096,485	\$ 3,223,573	\$ 3,175,015	\$ 3,398,712

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adopted	2023/24 Estimated	2024/25 Proposed
PROGRAM						
<i>Administration</i>	\$ 512,166	\$ 505,444	\$ 544,820	\$ 559,956	\$ 572,120	\$ 596,032
<i>Adult Services</i>	643,929	698,827	839,638	860,016	917,578	946,115
<i>Youth Services</i>	570,048	546,777	603,957	627,071	674,298	679,058
<i>Acquisitions & Cataloging</i>	-	-	-	-	-	-
<i>Circulation Services</i>	1,091,598	990,969	1,023,696	1,131,327	971,347	1,177,507
<i>Operating Grant</i>	11,133	10,385	84,374	45,203	39,672	-
TOTAL EXPENDITURES	\$ 2,828,874	\$ 2,752,402	\$ 3,096,485	\$ 3,223,573	\$ 3,175,015	\$ 3,398,712

The above program totals reflect General Fund programs. Additional Library Department programs are reflected in separate Trust Funds following the General Fund portion of this section.

LIBRARY DEPARTMENT

DEPARTMENT STAFFING

Full Time Equivalent (FTE)

	2020/21	2021/22	2022/23	2023/24	2024/25
<i>Town Staff</i>	Funded	Funded	Funded	Funded	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	-
Librarian II	-	-	-	-	1.00
Librarian I	-	-	-	-	2.00
Library Technology Specialist	2.00	2.00	2.00	2.00	3.00
Library Assistant	-	-	-	1.00	-
Library Specialist	1.75	1.75	1.75	0.75	0.75
Customer Service Specialist	1.75	1.75	1.75	1.75	1.75
Sr Library Page	1.00	1.00	1.00	2.00	2.00
TOTAL PROGRAM FTE's	12.50	12.50	12.50	13.50	13.50

	2020/21	2021/22	2022/23	2023/24	2024/25
<i>Temporary Staff Hours</i>	Funded	Funded	Funded	Funded	Adopted
Librarian Temp	350	350	350	140	140
Library Clerk	1,050	800	800	650	650
Library Page	6,344	5,300	5,300	3,000	3,000
Library Assistant	800	1,200	1,200	1,100	1,450
Library Teen Services Specialist	750	800	800	400	-
TOTAL ANNUAL HOURS	9,294	8,450	8,450	5,290	5,240



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 Los Gatos Library Board, and the Arts and Culture Commission.

BUDGET OVERVIEW

The FY 2024/25 Administration budget reflects continued commitment to provide the best Library user experience and the best value for the community while operating as efficiently as possible. Customer service and community engagement remain a high priority, as well as ensuring all Library services and programs align with the 2024-2028 Library Strategic Priorities. Administration staff continue to work collaboratively with the non-profit Friends of Los Gatos Library. In addition, Library staff continues to work to improve partnerships and outreach within the community.

Planned expenditures for FY 2024/25 show nominal increases to continue to cover the cost of feminine sanitary products in Library bathrooms, as well as to stock supplies for basic needs for unhoused residents. Some one-time funds are included to install additional security measures in the Library. Two additional line items that were previously attributed to the Town Manager's Office have been moved to the Library budget for tracking reasons; these are the Art in the Council Chambers program and the Arts and Culture Commission.

LIBRARY DEPARTMENT

Library Administration

SUMMARY OF REVENUES AND EXPENDITURES

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
REVENUES						
<i>Intergovernmental Revenue</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Service Charges</i>	-	50	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ 50	\$ -	\$ -	\$ -	\$ -
Transfers In						
<i>Transfers In from Trust(s)</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
TOTAL REVENUES & TRANSFERS IN	\$ -	\$ 50	\$ -	\$ -	\$ -	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 387,139	\$ 384,355	\$ 404,354	\$ 410,786	\$ 423,751	\$ 413,205
<i>Operating Expenditures</i>	39,870	32,817	46,062	54,200	53,400	64,100
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	85,157	88,272	94,404	94,970	94,969	118,727
TOTAL EXPENDITURES	\$ 512,166	\$ 505,444	\$ 544,820	\$ 559,956	\$ 572,120	\$ 596,032

LIBRARY DEPARTMENT
Library Administration

FY 2024/25 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable and collaborate government	<i>Emergency Community Resources Services</i> • Create expanded operations plan 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. • Complete all required training for Library staff to serve in Emergency Operation Center roles. • Coordinate with County resources for public distribution of Narcan. • Continue to research and add services and resource opportunities for the most vulnerable populations. <i>Regional and State Library Networks</i> • Continue to seek grant opportunities through local and State agencies. • Collaborate with the State Library for digitization of archival materials. • Explore options for sharing the workload of purchasing and cataloging books in languages other than English with neighboring library jurisdictions.
	<i>Long-term building maintenance</i> • Work with Parks and Public Works (PPW) to evaluate alternative sound mitigation options. • Work in collaboration with PPW to finish replacing the lighting fixtures and ballasts throughout the Library. • Upgrade electrical system and install digital whiteboards in the Library Conference Room. • Evaluate options for additional public seating in the Library.
Community Character Preserve and enhance the appearance character and environment quality of the community	<i>Arts Commission Projects</i> • Complete the Town Public Arts Master Plan to provide a framework for short and long-term public arts development. • Complete installation of the fourth Gateway project sculpture at a location to be determined. • Continue working in collaboration with Silicon Valley Creates to expand the opportunities of the Commission. • Restart the Arts in the Council Chambers program.

LIBRARY DEPARTMENT
Library Administration

KEY PROGRAM SERVICES

- Administers and supervises four operating programs in the Department.
- Provides oversight of day-to-day operations and staffing.
- Prepares and monitors Library Department budget.
- Provides staff support to the Town Library Board, Arts and Culture Commission, and Friends of the Library meetings, programs, and activities.
- Collaborates with area libraries by serving on the Pacific Libraries Partnership Administrative Council and the Silicon Valley Library Cooperative Executive Committee.
- Collaborates with libraries nationwide by serving on national committees.
- Increases public awareness of Town Library services and programs through effective public relations, marketing of Library services, and periodically presenting programs at Library conferences.
- Provides oversight of Library staff training and development.
- Provides oversight and direction for information technology and systems administration developments.

LIBRARY DEPARTMENT
Library Administration

ADMINISTRATION PROGRAM STAFFING

Full Time Equivalent (FTE)

	2020/21	2021/22	2022/23	2023/24	2024/25
Town Staff	Funded	Funded	Funded	Funded	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

	2020/21	2021/22	2022/23	2023/24	2024/25
Performance Objectives and Measures	Actual	Actual	Actual	Estimated	Estimated
1. <i>Provide the space, opportunity and support for the Library to be at the heart of an engaged community.</i>					
a. Percentage of customers stating the Library is a significant or very significant part of their community experience:	<i>Public survey not conducted due to COVID</i>	96%	97%	95%	95%

	2020/21	2021/22	2022/23	2023/24	2024/25
Activity and Workload Highlights	Actual	Actual	Actual	Estimated	Estimated
1. Door Count:	105,821	175,478	220,928	250,000	250,000
2. Volunteer hours contributed:	2,032	6,200	3,056	3,000	3,000
3. Number of public service hours: (open hours)	2,740	2,740	2,800	2,800	2,800

**New Measure added FY 2021/22.*



Library Department

ADULT SERVICES PROGRAM 7201

PROGRAM PURPOSE

The Adult Services Program supports Library services for adults and seniors. Adult Services anticipates and meets community information needs, providing opportunities for lifelong learning. The Adult Services Program's core services are to provide reference services to all clientele, reader's advisory services, instruction in the use of computer and electronic resources, outreach services in the community, and management of collections, including the local history collection. Maintenance of the Town's Historical Archives also falls under the purview of Adult Services.

BUDGET OVERVIEW

The Adult Services program continues to evaluate and add new programming for adults with a large focus on technology tutoring, arts programming, author visits, and educational workshops. Use of both physical books and e-books both remain strong in our community. Staff routinely refreshes the collection with high-demand titles reflecting many areas of interest.

The budget for FY2024/25 reflects status quo levels of purchases of print materials and ebooks adjusted with a slight increase in expenditure to compensate for inflationary costs passed on to us through the publishing industry. Public-facing subscription services such as e-newspapers, e-magazines, and streaming content also have a small increase due to rising community demand.

LIBRARY DEPARTMENT

Adult Services

SUMMARY OF REVENUES AND EXPENDITURES

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
REVENUES						
<i>Intergovernmental Revenue</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	35,000	35,000	35,000	35,000	35,000
TOTAL REVENUES	\$ -	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000
Transfers In						
<i>Transfers In from Trust(s)</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
TOTAL REVENUES & TRANSFERS IN	\$ -	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 385,647	\$ 456,109	\$ 570,830	\$ 586,006	\$ 643,559	\$ 643,869
<i>Operating Expenditures</i>	172,776	153,925	173,676	177,200	177,200	178,000
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	85,506	88,793	95,132	96,810	96,819	124,246
TOTAL EXPENDITURES	\$ 643,929	\$ 698,827	\$ 839,638	\$ 860,016	\$ 917,578	\$ 946,115

LIBRARY DEPARTMENT

Adult Services

FY 2024/25 KEY PROJECTS

Core Goals	Key Projects
Civic Enrichment Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	High-quality Programming Continue to offer high-quality programs in both in-person and on-line formats to cater to a variety of community interests.
	Alternate Collection Services - Continue the State-sponsored Zipbook service to the public which helps fulfill requests for titles. - Continue to introduce non-traditional materials for lending for public use, including activity kits, games, tool kits, digitization equipment, and State Parks Passes.
	Historical Digitization - Work in partnership with <i>California Revealed</i>, a project of the California State Library, to digitize historical materials and make them keyword searchable to the public. - Continue adding items to the Library's online photo archive for public access.
	Equity and Inclusion Efforts - Continue work on collecting oral histories of Black, Indigenous, People of Color (BIPOC) community members through the Library's Represent Los Gatos project. - Continue to research past instances of systematic racial exclusion in the history of Los Gatos working towards the production of a historical report. - Continue refining protocols and best practices for regular diversity audits of our collections, social media content and programs, and establish a means of communicating progress to the public. - Participate in the Town's diversity, equity, and inclusivity (DEI) initiatives. - Continue to add to collections in languages other than English to meet changing community needs.

LIBRARY DEPARTMENT

Adult Services

KEY PROGRAM SERVICES

Meeting Information Needs

- Provides reference service, reader's advisory, tech and computer assistance, and information literacy in-person and virtually through virtual meetings, chat, or online resources.
- Maintains vibrant physical and electronic collections.
- Responds to patrons' suggestions for materials to be included in the collection.
- Enriches the local community by being a premier repository for local history materials.

Information Technologies and Training

- Continues to use online and social media counterparts (e.g., Facebook, Instagram) to offer services traditionally available only within the Library's walls.
- Provides access to the Internet and training for the public in basic searching and navigational skills, and more specialized skills such as genealogy searches.
- Maintains a Library mobile application for use with smartphones and mobile devices.

LIBRARY DEPARTMENT Adult Services

ADULT SERVICES PROGRAM STAFFING

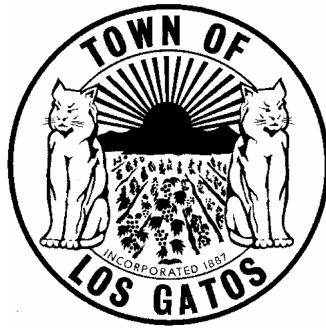
Full Time Equivalent (FTE)

	2020/21	2021/22	2022/23	2023/24	2024/25
	Funded	Funded	Funded	Funded	Adopted
Town Staff					
Division Manager	0.30	0.30	0.30	0.30	0.30
Librarian	1.50	1.50	1.50	1.50	-
Librarian II	-	-	-	-	0.75
Librarian I	-	-	-	-	0.75
Library Technology Specialist	0.70	0.70	0.70	0.70	1.70
Library Assistant	-	-	1.00	1.00	-
Sr Library Page	0.60	0.60	1.20	1.20	1.20
Total Adult Services FTEs	3.10	3.10	4.70	4.70	4.70

	2020/21	2021/22	2022/23	2023/24	2024/25
	Funded	Funded	Funded	Funded	Adopted
Temporary Staff					
Librarian Temp	175	175	70	70	70
Library Assistant	600	600	550	550	900
Library Teen Specialist	800	800	400	400	-
Total Annual Hours	1,575	1,575	1,020	1,020	970

	2020/21	2021/22	2022/23	2023/24	2024/25
Performance Objectives and Measures	Actual	Actual	Actual	Estimated	Estimated
1. <i>Provide a variety of programs throughout the year that foster curiosity and community connection.</i>					
a. Percentage of customers rating Library programs as good/excellent:	Public survey not conducted due to COVID	98%	98%	95%	95%
2. <i>Assure delivery of quality service to customers.</i>					
a. Percentage of customers rating staff interactions as good/excellent:	Public survey not conducted due to COVID	95%	99%	95%	95%

	2020/21	2021/22	2022/23	2023/24	2024/25
Activity and Workload Highlights	Actual	Actual	Actual	Estimated	Estimated
1. Number of adult reference questions received:	1,622	1,558	8,237	10,000	10,000
2. Number of adult programs offered:	135	292	239	250	250
3. Total attendance at adult programs:	2,241	3,752	2,228	2,500	2,500
4. Total number of adult outreach programs:	0	8	13	15	15
5. Total attendance at adult outreach programs:	0	72	501	500	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 12 years of age and teens from 13 to 17 years of age. The purpose of the Youth Services Program is to provide reference, reader's advisory services, computer and electronic resources, youth collections management, a welcoming space, and a variety of programs throughout the year in the Library, at local schools, and in the community.

BUDGET OVERVIEW

Youth Services has served the highest statistical area of Library use and physical book circulation by the public over the last year with expected high usage in FY2024/25. Collaboration with local schools and teachers also serves the greater youth community. The youth services team is focused on providing service to children and teenagers of all ability types and backgrounds through sensory spaces, collaborative play areas, and a wide range of programs and events.

Similar to the Adult Services budget, FY2024/25 expenditures in this area have a slight inflationary increase to compensate for maintaining a status quo level of purchases of physical books and materials for children and teens.

LIBRARY DEPARTMENT

Youth Services

SUMMARY OF REVENUES AND EXPENDITURES

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
REVENUES						
<i>Intergovernmental Revenue</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers In						
<i>Transfers In from Trust(s)</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
TOTAL REVENUES & TRANSFERS IN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 419,911	\$ 398,028	\$ 447,833	\$ 465,424	\$ 512,638	\$ 488,696
<i>Operating Expenditures</i>	64,553	60,221	61,367	66,100	66,100	70,000
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	85,584	88,528	94,757	95,547	95,560	120,362
TOTAL EXPENDITURES	\$ 570,048	\$ 546,777	\$ 603,957	\$ 627,071	\$ 674,298	\$ 679,058

**LIBRARY DEPARTMENT
Youth Services**

FY 2024/25 KEY PROJECTS

Core Goals	Key Projects
<i>Civic Enrichment</i> Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment.	<i>High-Quality Programming</i>
	Continue to produce high-quality programs for children and families covering a wide variety of interests and learning levels.
	<i>Teen Services</i>
	- Continue regular teen services afterschool with dedicated staffing and regular active and passive programs and activities. - Continue partnership with Los Gatos High School and Los Gatos Union School District middle and elementary schools by making new student identification (ID) cards or ID numbers useable as Library cards through the Student Success Initiative.
	<i>Equity and Inclusion Efforts</i>
	- Continue to refine protocols and best practices for regular diversity audits of both our collections and programs; establish a means of communicating progress to the public. - Continue to produce regular cultural/bilingual programming to serve the needs of our community. - Participate in the Town’s Diversity, Equity, and Inclusion Initiative. - Continue adapting Library spaces and collections through the lens of making our resources more accessible to families with all levels of abilities. - Improve the Children’s Room and Teen Room to be inclusive of youth with different levels of ability and learning styles. - Continue to grow collections of children’s books in languages other than English that are in demand in the community.

KEY PROGRAM SERVICES

Meeting information needs for children 0 to 17 years of age and their parents

- Provides reference and reader’s advisory services.
- Manages children’s and teens’ web pages.
- Maintains vibrant and diverse collections for children, teens, teachers, and parents/caregivers.
- Responds to patron suggestions for materials to be included in the collection.

LIBRARY DEPARTMENT
Youth Services

KEY PROGRAM SERVICES

Providing programs to youth

- Provides year-round programming for infants, toddlers, preschoolers, school-age children, teens, and families.

Outreach to youth

- Raises awareness for youth about collections, services, and programs available at the Library.
- Responds to requests for field trips to the Library and Librarian visits to schools and community events.
- Provides Library access via student ID cards for Los Gatos High School students, Fisher Middle School students, and all public elementary schools in Los Gatos as part of the Student Success Initiative.

YOUTH SERVICES PROGRAM STAFFING

Full Time Equivalent (FTE)

	2020/21	2021/22	2022/23	2023/24	2024/25
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Adopted
Division Manager	0.50	0.50	0.50	0.50	0.50
Librarian	1.50	1.50	1.50	1.50	-
Librarian II	-	-	-	-	0.75
Librarian I	-	-	-	-	0.75
Library Technology Specialist	0.40	0.40	0.40	0.40	0.40
Sr Library Page	0.40	0.40	0.80	0.80	0.80
Total Youth Services FTEs	2.80	2.80	3.20	3.20	3.20

	2020/21	2021/22	2022/23	2023/24	2024/25
<i>Temporary Staff</i>	Funded	Funded	Funded	Funded	Adopted
Librarian Temp	175	175	70	70	70
Library Assistant	400	600	550	550	550
Total Annual Hours	575	775	620	620	620

LIBRARY DEPARTMENT

Youth Services

Performance Objectives and Measures	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Estimated	2024/25 Estimated
1. <i>Provide a variety of programs throughout the year that foster curiosity and community connection.</i>					
a. Percentage of customers rating youth programs as good/excellent:	<i>Public Survey not conducted due to COVID</i>	99%	99%	95%	95%
2. <i>Assure the delivery of quality service to youth customers.</i>					
a. Percentage of customers rating interactions as good/excellent:	<i>Public Survey not conducted due to COVID</i>	95%	99%	95%	95%

Activity and Workload Highlights	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Estimated	2024/25 Estimated
1. Number of youth programs per year:	165	296	312	300	300
2. Total attendance at youth programs:	2,739	4,854	14,597	14,000	14,000
3. Annual number of youth reference questions received:	655	879	2,187	2,400	2,400
4. Number of teens using library resources per year:	<i>Not tracked during COVID restrictions</i>	9,572	18,051	20,000	20,000
5. Number of youth outreach programs:	0	9	13	15	15
6. Total attendance at youth outreach programs:	0	718	525	600	600



Library Department

CIRCULATION AND SYSTEMS ADMINISTRATION PROGRAM 7204

PROGRAM PURPOSE

The Circulation and Systems Administration Program provides Library users with access to a broad range of up-to-date Library materials and technology as well as enable customers to access Library materials for use outside the Library. This Program additionally manages all automated services and technology systems. Circulation/System Administration's core services are to manage the circulation process, acquisition of new materials, maintain circulation records, and implement and support the Library's computer network, the integrated library automation system, and public Internet access.

BUDGET OVERVIEW

The Library Circulation and Systems Administration program continues to utilize technologies that meet patrons' expectations for fast, reliable access to information and Library resources as well as continues to implement system enhancements, provide support, and expand print resources and eBooks collections. Items in this budget category also include on-line services, databases, electronic educational platforms, and back-end software licensing.

This area of the budget shows the largest increase to maintain status quo service levels in FY2024/25. State budget pass-through support for public broadband through the CALRen network has been reduced, which has increased the percentage of expenditure covered by the Library directly. Additionally, software licenses and support are expected to rise about 3% from the previous year.

LIBRARY DEPARTMENT
Circulation and Systems Administration

SUMMARY OF REVENUES AND EXPENDITURES

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
REVENUES						
<i>Intergovernmental Revenue</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Service Charges</i>	-	464	2,039	-	450	500
<i>Fines & Forfeitures</i>	-	7	-	250	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ 471	\$ 2,039	\$ 250	\$ 450	\$ 500
Transfers In						
<i>Transfers In from Trust(s)</i>	-	-	-	-	-	-
Total Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES & TRANSFERS IN	\$ -	\$ 471	\$ 2,039	\$ 250	\$ 450	\$ 500
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 734,875	\$ 627,383	\$ 673,745	\$ 755,937	\$ 699,001	\$ 758,904
<i>Operating Expenditures</i>	71,498	75,654	105,480	123,400	20,500	133,000
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	285,225	287,932	244,471	251,990	251,846	285,603
TOTAL EXPENDITURES	\$ 1,091,598	\$ 990,969	\$ 1,023,696	\$ 1,131,327	\$ 971,347	\$ 1,177,507

FY 2024/25 KEY PROJECTS

Core Goals	Key Projects
<i>Good Governance</i> Ensure responsive, accountable, and collaborative government	• Reconfigure the conference room with technology and electrical upgrades. • Continue to evaluate vendors, software, equipment, and materials procurement to make the best use of resources for the community. • Work in collaboration with the State Library to utilize grant funding to circulate Wi-Fi hotspots to low-income or under-connected households. • Continue to replace equipment as identified in the IT replacement schedule.

LIBRARY DEPARTMENT
Circulation and Systems Administration

KEY PROGRAM SERVICES

- Manages circulation process.
- Manages all Library automated systems, including the Library's network.
- Manages remote authentication server.
- Manages public computer terminals and printers.
- Maintains online catalog to assure customer access to Library materials.
- Acquires Library materials.
- Maintains Library collections, including shelving of materials.

CIRCULATION / SYSTEMS ADMINISTRATION PROGRAM STAFFING

Full Time Equivalent (FTE)

	2020/21	2021/22	2022/23	2023/24	2024/25
	Funded	Funded	Funded	Funded	Adopted
<i>Town Staff</i>					
Division Manager	0.80	0.80	0.80	0.80	0.80
Library Specialist	1.50	1.50	0.50	0.50	0.50
Library Technology Specialist	0.90	0.90	0.90	0.90	0.90
Customer Service Specialist	1.75	1.75	1.75	1.75	1.75
Total Circulation/System FTEs	4.95	4.95	3.95	3.95	3.95

	2020/21	2021/22	2022/23	2023/24	2024/25
	Funded	Funded	Funded	Funded	Adopted
<i>Temporary Staff</i>					
Library Clerk	1,050	800	650	650	650
Library Page	6,344	5,300	3,000	3,000	3,000
Total Annual Hours	7,394	6,100	3,650	3,650	3,650

LIBRARY DEPARTMENT
Circulation and Systems Administration

Performance Objectives and Measures	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Estimated	2024/25 Estimated
1. <i>Percentage of customers stating the Library has a good/excellent collection:</i>	<i>Public survey not conducted due to COVID</i>	90%	91%	95%	95%
2. <i>Assure access to library online services.</i>					
a. Number of databases available online:	34	34	44	40	40
b. Number of electronic materials available for loan:	858,700	1,993,447	2,889,436	3,000,000	3,000,000
c. Number of items in-house for loan:	103,081	106,750	109,457	108,000	108,000

Activity and Workload Highlights	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Estimated	2024/25 Estimated
1. Total Circulation:	209,088	351,444	398,090	410,000	420,000
2. Number of new patrons registered:	3,535	4,580	4,865	4,000	4,000
3. Number of Library Card holders:	26,798	30,755	29,607	30,000	30,000
4. Number of periodical subscriptions available for public:	92	86	112	112	100
5. Use of public internet computers:	1,095	1,907	2,541	2,600	2,600
6. Circulation of non-English materials:	2,755	3,055	9,323	10,000	10,000
7. Electronic Content Use:	119,165	101,703	127,312	130,000	135,000

Library Trust Fund

FUND 711

FUND PURPOSE

The Library Trust Fund was established to provide for the servicing of donations and bequests to the Los Gatos Library. The *Los Gatos Friends of the Library*, a nonprofit 501(c)(3) organization exists for the benefit of the Library, and this fund allows the Town to plan for and recognize the numerous donations this non-profit group makes to the Library. In addition, numerous local service organizations and individuals make generous donations and memorial bequests to the Library, sometimes for specific purposes. This fund provides for retaining these donations until they can be used as designated. This fund also includes the proceeds from the History Project Trust Fund, a small fund which was established to provide for the servicing of donations, bequests, grant monies, and expenditures to the historical archives. This fund also captures small donations made by Library supporters to purchase books or materials, often in memory of someone's passing.

BUDGET OVERVIEW

The Los Gatos Friends of the Library has contributed between \$70,000 to \$80,000 directly to the Library in cash funds during the past fiscal years. This funding has provided support for community programs, family programs, teen programs, children's programs, and Summer Reading events and prizes.

The actual donation amount received from the Friends of the Library will not be known until July of 2024. The FY2024/25 budget anticipates a donation of \$70,000 with remaining expenditures covered by the trust balance. Necessary adjustments based on actual donation amounts will be made at midyear.

LIBRARY DEPARTMENT
Library Trust Fund

The History Project Trust Fund tracked monies received by History Services, a Library service that originally began as a project funded by grants and donations. These Funds were mostly royalties donated by the author of books on Los Gatos history; however the money received from donated royalties has been decreasing to almost zero over the past years, and the FY 2024/25 budget anticipates limited to no contributions from this source.

STATEMENT OF SOURCE AND USE OF FUNDS

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	55,482	76,746	77,210	49,495	49,495	64,504
Total Beginning Fund Balance	55,482	76,746	77,210	49,495	49,495	64,504
Revenues						
<i>Interest</i>	767	1,119	1,709	-	1,709	500
<i>Other Revenues</i>	38,392	70,958	76,617	88,300	88,300	70,500
<i>Intergovernmental</i>	-	-	-	-	-	-
Total Revenues	39,159	72,077	78,326	88,300	90,009	71,000
TOTAL SOURCE OF FUNDS	\$ 94,641	\$ 148,823	\$ 155,536	\$ 137,795	\$ 139,504	\$ 135,504
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	17,895	71,613	106,041	75,000	75,000	80,000
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
Total Expenditures	17,895	71,613	106,041	75,000	75,000	80,000
Transfers Out						
<i>Transfer to General Fund</i>	-	-	-	-	-	-
<i>Transfer to History Trust Fund</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
TOTAL EXPENDITURES & TRANSFERS OUT	17,895	71,613	106,041	75,000	75,000	80,000
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	76,746	77,210	49,495	62,795	64,504	55,504
Total Ending Fund Balance	76,746	77,210	49,495	62,795	64,504	55,504
TOTAL USE OF FUNDS	\$ 94,641	\$ 148,823	\$ 155,536	\$ 137,795	\$ 139,504	\$ 135,504

Clelles Ness Trust Fund

FUND 713

FUND PURPOSE

The Clelles Ness Trust Fund was established in January 1961 by Ansten R. Ness, M.D. and the Board of Library Trustees for the Town of Los Gatos, as a memorial to his wife, Clelles Ness. Mrs. Ness was a long-time Los Gatos resident who was active in civic life, winning the 1947 Citizen of the Year award. Among her many contributions to the Town, she was heavily involved with the arts. She helped to bring the Los Gatos Pageants and numerous other play productions to the Town, was an avid reader, and wrote for the *Los Gatos Times* (the local newspaper). She was also involved with bringing a hospital to Town, and with her husband started the “Holiday Circle” social club which required at least one spouse to be active in civic planning to join.

The intention of the memorial fund was to use the income and principal of the trust estate to provide materials and services not ordinarily available from public funds. An amendment to the trust agreement in 1983 relinquished control over the management and investment of the trust to the Town Council.

BUDGET OVERVIEW

In July of 1999 an agreement with the daughter of Clelles Ness stipulated that the use of the trust fund included a new Library facility, should one be built in the future. Per the agreement, the trust fund principal and interest was used for the new Library building plan documents and studies, such as but not limited to, a building program and architectural drawings. The remaining trust funds were held in a Library Building Fund to be used for the purchase of items for the current Library building, such as furniture, shelving, and equipment. A large portion of this trust was expended in FY 2015/16 for the purchase of the automated materials handling system, roughly \$21,000 was expended in FY 2018/19 to fund the installation of sound mitigating doors to the teen room, with the approximately \$22,000 remainder of the fund budgeted for FY 2024/25 for the installation of sound mitigation enhancements to the Library’s lobby.

**LIBRARY DEPARTMENT
Clelles Ness Trust Fund**

STATEMENT OF SOURCE AND USE OF FUNDS

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	21,314	21,593	21,832	88,679	22,217	22,602
Total Beginning Fund Balance	21,314	21,593	21,832	88,679	22,217	22,602
Revenues						
<i>Interest</i>	279	239	385	-	385	400
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	\$ 279	\$ 239	\$ 385	\$ -	\$ 385	\$ 400
TOTAL SOURCE OF FUNDS	\$ 21,593	\$ 21,832	\$ 22,217	\$ 88,679	\$ 22,602	\$ 23,002
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	21,000	-	23,002
<i>Internal Service Charges</i>	-	-	-	-	-	-
Total Expenditures	-	-	-	21,000	-	23,002
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	21,593	21,832	22,217	67,679	22,602	-
Total Ending Fund Balance	21,593	21,832	22,217	67,679	22,602	-
TOTAL USE OF FUNDS	\$ 21,593	\$ 21,832	\$ 22,217	\$ 88,679	\$ 22,602	\$ 23,002

Susan McClendon Trust Fund

FUND 714

FUND PURPOSE

A bequest to the Los Gatos Public Library from the estate of the late Susan E. (Betty) McClendon was established in support of children's services. Betty McClendon was a long-time resident and dance instructor. She is especially remembered as the choreographer of the Town's 1940 pageant, "Trail Days," which celebrated the completion of the final section of the new four-lane highway from Santa Cruz into Los Gatos. Betty McClendon's mother, Mrs. Hilda McClendon, served as Children's Librarian at Los Gatos Memorial Library from 1923 to 1929. Ms. McClendon left this gift in memory of her mother and her mother's husband, Gorman Burtner.

Keeping with the wishes of the Ms. McClendon, these funds are restricted for use for children's services at the Library, and will be directed toward support of reading clubs, book discussion groups, evening family programs, and equipment and furniture needs of children's services that are not met by other funding. This funding will also be used for enhancement of children's collections.

BUDGET OVERVIEW

A small portion of the fund comprising the interest earned from the prior year has been budgeted in FY 2024/25 for the enhancement of children's specialty collections.

LIBRARY DEPARTMENT
Susan McClendon Trust Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	86,737	87,256	87,510	98,020	88,028	88,028
Total Beginning Fund Balance	86,737	87,256	87,510	98,020	88,028	88,028
Revenues						
<i>Interest</i>	1,128	954	1,518	900	900	1,000
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	\$ 1,128	\$ 954	\$ 1,518	\$ 900	\$ 900	\$ 1,000
TOTAL SOURCE OF FUNDS	\$ 87,865	\$ 88,210	\$ 89,028	\$ 98,920	\$ 88,928	\$ 89,028
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	609	700	1,000	900	900	1,000
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
Total Expenditures	\$ 609	\$ 700	\$ 1,000	\$ 900	\$ 900	\$ 1,000
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	87,256	87,510	88,028	98,020	88,028	88,028
Total Ending Fund Balance	87,256	87,510	88,028	98,020	88,028	88,028
TOTAL USE OF FUNDS	\$ 87,865	\$ 88,210	\$ 89,028	\$ 98,920	\$ 88,928	\$ 89,028

Barbara Jones Cassin Trust Fund

FUND 716

FUND PURPOSE

The Barbara Jones Cassin Trust Fund was established by endowment upon the death of Ms. Cassin on May 10, 2010. Ms. Cassin was a graduate of Los Gatos High (class of 1937) and San Jose State, where she majored in biological and physical sciences. After a successful career in hospital laboratories, she turned to watercolors, and donated 25 lovely views of Los Gatos to the library. An exhibit showing these works was sponsored by the Library in August 2008 and again in 2018. Ms. Cassin's art has been widely exhibited and is held in public and private collections. In response to Hurricane Katrina, Ms. Cassin hosted a workshop to encourage children to draw and write their responses to the disaster, including its effects on animals.

The initial project funded by the Barbara Jones Cassin Trust was the purchase of opening day collections for the new Los Gatos Public Library. In following years, the interest earned by the trust is budgeted annually to enhance collections and informational programming, per Ms. Cassin's wishes.

BUDGET OVERVIEW

A small portion of the fund comprising the interest earned from the prior year has been budgeted in FY 2024/25 for the enhancement the collection per the trust agreements.

LIBRARY DEPARTMENT
Barbara Jones Cassin Trust Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	353,766	357,765	359,184	360,914	360,914	360,914
Total Beginning Fund Balance	353,766	357,765	359,184	360,914	360,914	360,914
Revenues						
<i>Interest</i>	4,610	3,919	6,230	3,900	3,900	4,000
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	<u>\$ 4,610</u>	<u>\$ 3,919</u>	<u>\$ 6,230</u>	<u>\$ 3,900</u>	<u>\$ 3,900</u>	<u>\$ 4,000</u>
TOTAL SOURCE OF FUNDS	<u>\$ 358,376</u>	<u>\$ 361,684</u>	<u>\$ 365,414</u>	<u>\$ 364,814</u>	<u>\$ 364,814</u>	<u>\$ 364,914</u>
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	611	2,500	4,500	3,900	3,900	4,000
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
Total Expenditures	<u>611</u>	<u>2,500</u>	<u>4,500</u>	<u>3,900</u>	<u>3,900</u>	<u>4,000</u>
Transfers Out						
<i>Transfer to General Fund</i>	-	-	-	-	-	-
<i>Transfer to Capital Projects</i>	-	-	-	-	-	-
Total Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures & Transfers Out	<u>\$ 611</u>	<u>\$ 2,500</u>	<u>\$ 4,500</u>	<u>\$ 3,900</u>	<u>\$ 3,900</u>	<u>\$ 4,000</u>
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	357,765	359,184	360,914	360,914	360,914	360,914
Total Ending Fund Balance	<u>357,765</u>	<u>359,184</u>	<u>360,914</u>	<u>360,914</u>	<u>360,914</u>	<u>360,914</u>
TOTAL USE OF FUNDS	<u>\$ 358,376</u>	<u>\$ 361,684</u>	<u>\$ 365,414</u>	<u>\$ 364,814</u>	<u>\$ 364,814</u>	<u>\$ 364,914</u>



Capital Improvement Program

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Capital Improvement Program

PROGRAM PURPOSE

The Fiscal Year (FY) 2024/25-2028/29 Capital Improvement Program (CIP) is a comprehensive five-year capital improvement plan designed to identify projects that develop and maintain the Town's infrastructure. The CIP is developed consistent with the Town Council Core Goal of Quality Public Infrastructure which includes maintaining the condition and availability of public facilities and transportation systems. Guidance for developing priorities for capital improvement projects is 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 February 2024, the Town Council established the 2024-26 Strategic Priorities (see Page A-2). The Core Goals and Strategic Priorities guide the preparation of both the Capital and Operating Budgets. The Town Council stated its capital budget priorities to continue implementation of the Downtown Parking Roadmap, continue mobility improvements for all transportation modes, manage the vegetation on Town lands to protect against wildfire, and advance other needed improvements. These efforts support improving and enhancing transportation options, public safety, and quality of life within the context of prudent fiscal management.

The Town's capital projects are categorized into three program areas as described below:

The Streets Program serves to develop and maintain a functional street system that is consistent with the General Plan and the Bicycle and Pedestrian Master Plan. Objectives include providing safe and efficient traffic flow through intersections while minimizing unnecessary traffic movement and noise through residential neighborhoods; fostering safe, connected, and accessible pedestrian and bicycle travel; and providing proper street lighting on public streets. The primary source of financing for this program comes from General Fund savings and Gas Tax Fund revenues. Street projects may also receive funding from federal, state, and local grants.

Within the Streets Program, Storm Drain Fund monies are used for the planning, design, and construction of drainage facilities that occur in conjunction with other street improvements.

CAPITAL IMPROVEMENT PROGRAM

Storm Drain funding is derived from a Town charge of two dollar per square foot of impervious surface created by development. Depending on the level of development activity, these fees produce around \$100,000 annually.

The Utility Undergrounding Fund is another funding source utilized in the Streets Program. This fund accrues construction tax revenue of 18 cents charged for each square foot of building addition or alteration within the Town. This revenue is used for projects to relocate overhead utility lines underground to improve power reliability, reduce utility maintenance costs, and remove unsightly poles and lines. The Town can no longer rely on Pacific Gas and Electric Company's (PG&E) Rule 20A Program for utility underground projects since the California Public Utility Commission ruled in 2021 that ratepayers would no longer fund the Rule 20A after December 31, 2022.

As part of a voter-approved measure from 2010, the Santa Clara Valley Transportation Agency (VTA) assesses a \$10 per vehicle registration surcharge to repair and rehabilitate streets. This funding source is expected to generate approximately \$180,000 annually for Los Gatos, which will be used for street rehabilitation Town-wide.

In 2016, Santa Clara County voters approved Measure B a transportation focused sales tax measure. After several years of legal challenges, the funding from Measure B has begun to flow. One element of this measure is ongoing road maintenance funding to the Town, with a projected FY 2024/25 allocation of \$857,873. Additional Measure B grant funds support certain other capital projects.

Another revenue source used in the Street program are impact fees. The Construction Activities Mitigation Fee is assessed based on the square footage area of new buildings or additions constructed at a rate of \$1.43 per square foot for both residential and non-residential development projects. These fees are intended to recover the damage caused to Town streets by construction traffic. Construction Activities Mitigation fees generate approximately \$120,000 annually. In addition, the Refuse Vehicle Road Impact Fee is estimated to generate \$878,381 for FY 2024/25.

The Public Facilities Program includes projects for purchasing, constructing, or making capital repairs to public buildings, structures, and equipment. Town buildings include the Civic Center, Library, Police Operation Building, the Parks and Public Works Service Center, and the Los Gatos Theatre. The program also provides partial service to the Adult and Youth Recreation Centers, which are Town-owned buildings leased to Los Gatos-Saratoga Recreation. There is no designated funding for this program, and any allocations generally come from General Fund prior year savings or grant funds applied to qualified improvements.

CAPITAL IMPROVEMENT PROGRAM

The Parks Program includes projects for parks, trails, park buildings, urban forestry, and beautification. This capital program 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 planning, design, construction, acquisition, rehabilitation, or non-routine maintenance that generally costs \$25,000 or more with a minimum useful life of five years at a fixed location. The CIP identifies priority capital maintenance, facilities, and improvements needed within the next five years, with cost estimates based on current year dollars. Estimates for carry-forward projects are updated as necessary to a recent engineer's estimate based on current design specifications. Equipment, operating, and maintenance costs incurred as an outcome of CIP projects are identified and included in the Operating Budget.

Under direction from the Town Manager's Office, the Parks and Public Works Department lead the preparation of project proposals for consideration in the current Capital Improvement Program (reflected in detail in a separate document). In coordination with other Town Departments and Town Commissions and with the preparation of the Operating Budget, capital improvement projects and funding sources were reviewed and selected to meet the Town's priorities. The proposed CIP Budget is then presented to the Planning Commission during a public hearing for review and recommendation to ensure that the projects are consistent with the Town's General Plan. At the end of the process, the Town Council conducts a public hearing, considers the Planning Commission's recommendation, and has final approval authority.

This Operating and Capital Summary Budget document limits the Town's CIP financial information to the first year of the plan as it relates to the Town's Operating Budget. The full five-year project outlook is available in the separate Capital Improvement Program Budget document.

CAPITAL IMPROVEMENT PROGRAM

SUMMARY OF CIP REVENUES AND EXPENDITURES

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adopted	2023/24 Estimated	2024/25 Adopted
REVENUES						
Other Taxes	\$ 67,146	\$ 66,382	\$ 29,042	\$ 30,000	\$ 20,806	\$ 30,000
Carryforward	-	-	-	-	-	-
Intergovernmental	1,818,493	10,634,858	4,816,496	18,735,397	4,021,963	3,484,309
Town Services	34,417	395,919	84,462	115,233	-	120,000
Licenses & Permits	1,340,530	1,599,199	1,221,744	1,074,300	1,189,492	1,092,731
Interest	122,704	117,484	178,892	29,762	29,762	29,542
Other Revenues	2,239,342	3,632,197	8,027,526	2,246,249	1,726,059	761,416
TOTAL REVENUES	5,622,632	16,446,039	14,358,162	22,230,941	6,988,082	5,517,998
Transfers In						
Operating Transfers	3,401,479	1,750,001	3,739,978	1,615,000	1,615,000	1,110,000
Total Transfers In	3,401,479	1,750,001	3,739,978	1,615,000	1,615,000	1,110,000
Total Revenues & Transfers In	\$ 9,024,111	\$ 18,196,040	\$ 18,098,140	\$ 23,845,941	\$ 8,603,082	\$ 6,627,998
EXPENDITURES						
Salaries and Benefits	\$ 31,085	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenditures	496	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Interest Expense	-	6,900,000	-	-	-	-
Grants	-	1,489,778	-	-	-	-
Capital Projects - New	5,833,757	9,334,527	8,617,077	44,600,917	18,208,653	7,071,632
TOTAL EXPENDITURES	5,865,338	17,724,305	8,617,077	44,600,917	18,208,653	7,071,632
Transfers Out						
Operating Transfers	533,616	533,616	533,616	557,491	559,990	557,491
Total Transfers Out	533,616	533,616	533,616	557,491	559,990	557,491
Total Expenditures & Transfers Out	\$ 6,398,954	\$ 18,257,921	\$ 9,150,693	\$ 45,158,408	\$ 18,768,643	\$ 7,629,123

CAPITAL IMPROVEMENT PROGRAM

The following schedule summarizes the Capital Improvement projects completed, consolidated, or withdrawn in FY 2023/24:

Projects Completed, Consolidated or Withdrawn in FY 2023/24							
		GFAR	Grant &	Traffic	Other *	Total	
		Exp	Awards	Mitigation	Exp	Estimated	
Street Program							
North 40 Traffic Mitigation	Completed	\$ -	\$ -	\$ 47,977	\$ -	\$ 47,977	
ADA Transition Plan	Consolidated	135,150	35,000	-	-	170,150	
Local Road Safety Plan	Completed	56,307	72,000	-	-	128,307	
Winchester Boulevard Complete Streets (Final Design)	Withdrawn	141,324	-	-	-	141,324	
Storm Related Repairs	Completed	44,300	-	-	-	44,300	
Park Program							
Public Facilities Program							
Downtown Restroom Feasibility Study	Completed	25,000	-	-	-	25,000	
Adult Recreation Center HVAC	Completed	195,404	-	-	-	195,404	
Termite Abatement @ Water Tower	Completed	24,500	-	-	-	24,500	
HVAC Improvement - POB Building	Completed	25,000	-	-	-	25,000	
						-	
TOTAL OF COMPLETED PROJECTS		\$ 646,985	\$ 107,000	\$ 47,977	\$ -	\$ 801,962	

* Other Funds include Storm Drain Fund, Gas Tax Funds, Utility Underground Funds

CAPITAL IMPROVEMENT PROGRAM

The following schedule summarizes the new Capital Improvement projects and projects continuing into FY 2024/25. Projects are defined further in following fund sections.

Carry-forward & FY 2024/25 CIP Projects								
		GFAR	Grants and Awards	Gas Tax	Other	Total		
CARRY-FORWARD PROJECTS								
Streets	*	Street Repair & Resurfacing	\$ 4,219,205	\$ -	\$ 3,360,099	\$ -	\$ 7,579,304	
	*	Pavement Rehab-Crack Seal	360,000	-	-	-	360,000	
	*	Annual Street Restriping	15,000	-	-	-	15,000	
	*	Unanticipated Repairs - Annual	110,788	-	-	-	110,788	
	*	Retaining Wall Repairs	585,300	-	-	-	585,300	
	*	Shannon Road Repair	4,674,167	-	-	-	4,674,167	
	*	Roadside Fire Fuel Reduction - Annual	735,551	750,000	-	-	1,485,551	
		East Main Street Crosswalk Improvements	253,300	-	-	-	253,300	
		VMT Mitigation Program	66,665	-	-	-	66,665	
		Measure B Education & Encouragement	-	68,657	-	-	68,657	
		Town-wide Speed Studies	-	-	-	80,000	80,000	
	*	Curb, Gutter & Sidewalk Maintenance	621,147	-	-	-	621,147	
		Shannon Road Ped & Bikeway Improvements	442,076	1,114,350	-	381,383	1,937,809	
		Utility Undergrounding Improvements	-	-	-	299,573	299,573	
		Traffic Signal Modernization	-	-	-	94,858	94,858	
		Downtown Streetscape Revitalization/Economic Recovery Efforts	152,633	-	-	-	152,633	
		State Route 17 Corridor Congestion Relief Project	867,000	-	-	-	867,000	
		Winchester Class IV Bikeway	-	-	-	-	-	
		Kennedy Sidewalk & Bike Lanes - LGB to Englewood	492,386	1,872,990	-	-	2,365,376	
		Parking Program Implementation	538,826	-	-	-	538,826	
		Stormwater System - Pollution Prevention Compliance	36,531	-	-	-	36,531	
		Annual Storm Drain Improvements	-	-	-	252,219	252,219	
	*	Loma Street Drainage	-	-	-	350,000	350,000	
		Harwood/Belridge Drainage Study	-	-	-	100,000	100,000	
		709 University Avenue Drainage System Replacement	-	-	-	200,000	200,000	
		333 University Inlet Capacity Improvements	-	-	-	50,000	50,000	
	*	Downtown Parking Lots Seal Coat & Restriping	65,161	-	-	-	65,161	
		Parking Lot 4 Repair/Waterproofing	50,200	-	-	-	50,200	
		Quito Road - Bridge Replacement	50,000	-	-	-	50,000	
		Highway 17 Bicycle & Pedestrian Bridge - Design	606,714	449,605	-	-	1,056,319	
		Timber Bridge Inspection	-	-	-	-	-	
	Parks		Oak Meadow Bandstand Area Improvements	44,495	196,730	-	-	241,225
		*	Town Plaza Turf Repairs	42,000	-	-	-	42,000
			Creekside Turf Replacement	500,000	-	-	-	500,000
		*	Parks Playground Fibar Project	45,149	-	-	-	45,149
		*	Pinehurst Community Garden	300,059	-	-	-	300,059
			Charter Oaks Trail Improvement	474,891	-	-	-	474,891
			Open Space Trail Upgrades	152,000	-	-	-	152,000
			Trailhead Connector	696,374	126,579	-	-	822,953
		*	Vegetation Management - Town-wide	530,417	-	-	-	530,417
*		Lynn Ave Pedestrian Path Design	234,552	-	-	-	234,552	
Public Facilities	*	Town Beautification	22,517	-	-	-	22,517	
	*	Public Art Gateway Project	37,500	-	-	-	37,500	
		Emergency Preparedness	96,780	-	-	-	96,780	
	*	Annual ADA Compliance Work	80,000	-	-	-	80,000	
		Civic Center ADA Restrooms and HR Offices	809,000	-	-	-	809,000	
	*	Civic Center Plumbing Repair	80,000	-	-	-	80,000	
	*	ARC – Interim Community Center	877,614	-	-	-	877,614	
		Building Replacement at Corporation Yard	267,414	-	-	-	267,414	
		Engineering Counter Modification	40,000	-	-	-	40,000	
		POB Space Study	75,000	-	-	-	75,000	
		Library Improvements	22,000	-	-	-	22,000	
		Battery Power Supply - Library	2,818	-	-	-	2,818	
		ADA Upgrade for Public Restrooms - Adult Recreation Building	151,691	154,108	-	-	305,799	
		Town-wide Document Imaging Project	16,989	-	-	-	16,989	
		Enterprise Resource Planning Upgrade	576,817	-	-	-	576,817	
		EOC Communications Upgrade	6,000	-	-	-	6,000	
		IT Disaster Recovery Improvements	28,080	-	-	-	28,080	
TOTAL OF CARRY-FORWARD PROJECTS (INCLUDES NEW ALLOCATIONS)		\$ 21,152,807	\$ 4,733,019	\$ 3,360,099	\$ 1,808,033	\$ 31,053,958		
*These carry-forward projects include new money for FY 2024/25 in the amount of \$5,826,631.								
NEW PROJECTS								
Streets		Blossom Hill Rd - Union to Camden Improvements	160,000	640,000	-	-	800,000	
		Overlook Road Tree Replacement	40,000	-	-	-	40,000	
		Storm Drainage Mapping	190,000	-	-	260,001	450,001	
Parks		Oak Meadow Park Plane Recoating	-	-	-	-	-	
		Sport Court Resurfacing	100,000	-	-	-	100,000	
Public Facilities		TMO Roof Repairs	79,640	-	-	-	79,640	
		Fleet Service Outdoor Work Area (Design Phase)	45,000	-	-	-	45,000	
TOTAL OF NEW PROJECTS		\$ 614,640	\$ 640,000	\$ -	\$ 260,001	\$ 1,514,641		
TOTAL OF CARRY-FORWARD & NEW PROJECTS		\$ 21,767,447	\$ 5,373,019	\$ 3,360,099	\$ 2,068,034	\$ 32,568,599		

Capital Improvement Program

GENERAL FUND APPROPRIATED RESERVE FUNDS 411 & 412

FUND PURPOSE

The General Fund Appropriated Reserve (GFAR) accounts for funds designated for use in the Town's ongoing program for the development of facilities and general infrastructure improvements. This includes basic needs such as street and parking lot repair and resurfacing; repair or replacement of curbs, gutters, and retaining walls; and maintenance of other Town facilities. GFAR also provides for community improvements, such as Town beautification projects and traffic calming, and for foundational aspects of Town government such as technology projects and master planning work.

Revenues that support GFAR projects are derived from General Fund operational savings, from state revenues designated for transportation purposes, from intergovernmental cost sharing agreements on joint projects, and from construction impact fees. Designated revenues are accounted for in other CIP funds, and may be used in conjunction with GFAR funds in the development of capital projects.

BUDGET OVERVIEW

A significant source of funding to the Town's capital plan was General Fund operational savings. As in past years, the Town continues to be challenged by the lack of a reliable dedicated revenue stream for capital improvements. Because of the availability of General Fund "one-time" funding sources in recent years, the Council approved "one-time" General Fund transfers to the GFAR fund in the amount of \$2.7 million for FY 2013/14, \$6.6 million for FY 2014/15, \$6.9 million for the Almond Grove Street Rehabilitation project in FY 2016/17, \$2.8 million funding in FY 2017/18, \$2.4 million transfer in FY 2018/19, \$6.7 million transfer in FY 2019/20, \$3.4 million transfer in FY 2020/21, \$2.8 million transfer in FY2021/22, and \$6.6 million in FY 2022/23 (this amount comprised of \$2.9 million transfer from the American Rescue Plan Act fund, \$3.0 million from the General Fund and \$700,000 from the IT Replacement Fund).

CAPITAL IMPROVEMENT PROGRAM

General Fund Appropriated Reserve

For FY 2023/24, a transfer of \$1.6 million was programmed from the General Fund and \$622,187 came from the Measure G District Sales Tax revenues. For FY 2024/25, a transfer of \$1.1 million is programmed from the General Fund and \$644,083 will come from the Measure G District Sales Tax revenues as described above. The Council allocated 50% of the anticipated Measure G proceeds to the Capital Improvement Projects and 50% for operating expenditures. When actual proceeds are verified with year-end closing, Council will consider for approval the actual capital project(s) funded by Measure G proceeds.

After these allocations, sufficient balances are anticipated for the remaining years of the plan to accommodate allocating approximately \$1.1 million from the General Fund Capital/Special Projects Reserve from FY 2023/24 through FY 2027/28. Establishing a reliable, dedicated source of funding for basic capital improvements beyond the use of accumulated reserves remains a long-term need and important goal for the Town.

Other sources are primarily one-time funds from the state or federal government or from special revenue funds that have often fluctuated in tandem with the economy and the state budget.

Pursuant to Article IX of Chapter 15 of the Town Code, the Town collects Construction Activities Mitigation Fees in support of road construction and maintenance projects throughout the Town. Beginning in FY 1998/99, these fees were deposited directly into GFAR for use in the Street Resurfacing Program. Total construction impact fees of \$120,000 are budgeted for FY 2024/25 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 2024/25 is \$857,873. 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

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adopted	2023/24 Estimated	2024/25 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated for Parking</i>	\$ 1,460,210	\$ 1,460,210	\$ -	\$ -	\$ -	\$ -
<i>Undesignatged</i>	12,400,869	13,973,632	13,323,564	20,265,612	20,265,612	18,649,891
Total Beginning Fund Balance	13,861,079	15,433,842	13,323,564	20,265,612	20,265,612	18,649,891
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	201,732	758,992	1,526,225	1,249,433	928,965	1,037,873
<i>Town Services</i>	34,417	395,919	84,462	115,233	-	120,000
<i>Licenses & Permits</i>	1,219,102	1,291,855	1,059,914	981,800	1,021,975	998,381
<i>Interest</i>	2,654	10,560	18,690	-	-	-
<i>Other Revenues</i>	1,874,907	3,104,406	7,278,438	2,032,869	1,726,059	761,416
Total Revenues	3,332,812	5,561,732	9,967,729	4,379,335	3,676,999	2,917,670
Transfers In						
<i>Transfer from General Fund</i>	3,401,479	1,750,001	3,006,978	1,615,000	1,615,000	1,110,000
<i>Transfer from Grant</i>	-	-	-	-	-	-
<i>Transfes from Bulding Maint</i>	-	-	-	-	-	-
<i>Transfer from MIS Fund</i>	-	-	733,000	-	-	-
<i>Transfer from Equip Replacement</i>	-	-	-	-	-	-
<i>Transfer from Storm Basin Funds</i>	-	-	-	-	-	-
Total Transfers In	3,401,479	1,750,001	3,739,978	1,615,000	1,615,000	1,110,000
Total Revenues & Transfers In	6,734,291	7,311,733	13,707,707	5,994,335	5,291,999	4,027,670
TOTAL SOURCE OF FUNDS	\$ 20,595,370	\$ 22,745,575	\$ 27,031,271	\$ 26,259,947	\$ 25,557,611	\$ 22,677,561
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ 31,085	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Charges for Services</i>	-	-	-	-	-	-
<i>Grants</i>	-	1,489,778	-	-	-	-
<i>Interest Expense</i>	-	-	-	-	-	-
<i>Pass Thru</i>	-	-	1,467,000	-	-	-
<i>Capital Projects - Carryfwd</i>	-	-	-	-	-	-
<i>Capital Projects - New</i>	4,712,827	6,054,407	4,881,043	24,301,825 *	6,466,229	4,243,046
Total Expenditures	4,743,912	7,544,185	6,348,043	24,301,825	6,466,229	4,243,046
Transfers Out						
<i>Transfers to General Fund</i>	417,616	417,616	417,616	441,491	441,491	441,491
<i>Transfer to SA Trust</i>	-	-	-	-	-	-
Total Transfers Out	417,616	417,616	417,616	441,491	441,491	441,491
Total Expenditures & Transfers Out	5,161,528	7,961,801	6,765,659	24,743,316	6,907,720	4,684,537
Ending Fund Balance						
<i>Designated for Parking</i>	1,460,210	1,460,210	-	-	-	-
<i>Undesignated</i>	13,973,632	13,323,564	20,265,612	1,516,631	18,649,891	17,993,024
Total Ending Fund Balance	15,433,842	14,783,774	20,265,612	1,516,631	18,649,891	17,993,024
TOTAL USE OF FUNDS	\$ 20,595,370	\$ 22,745,575	\$ 27,031,271	\$ 26,259,947	\$ 25,557,611	\$ 22,677,561

CAPITAL IMPROVEMENT PROGRAM

General Fund Appropriated Reserve

The following GFAR schedule identifies projects carried forward into FY 2024/25 and new FY 2024/25 projects, as part of the FY 2024/25-2028/29 Capital Improvement Program. Carryforward projects include a combination of ongoing annual projects and one-time funded projects with discrete start and end dates.

GFAR FUND PROJECT SUMMARY				
	Expended Through 2023/24	Estimated Carryfwd to 2024/25	2024/25 Budget	Total Budgeted
<i>Annual Projects</i>				
9901 Street Repair & Resurfacing	\$ 14,693,094	\$ 2,362,951	\$ 1,856,254	\$ 18,912,299
9902 Annual Street Restriping	180,228	-	15,000	195,228
9903 Pavement Rehab-Crack Seal	1,796,628	180,000	180,000	2,156,628
9904 Unanticipated Repairs - Annual	9,572	10,788	100,000	120,360
9921 Curb, Gutter & Sidewalk Maintenance	5,134,951	321,147	300,000	5,756,098
9930 Retaining Wall Repairs	1,627,477	535,300	50,000	2,212,777
0130 Roadside Fire Fuel Reduction - Annual	1,186,449	635,551	100,000	1,922,000
2013 Annual ADA Compliance Work	-	10,000	70,000	80,000
<i>Carryforward Projects</i>				
0008 Shannon Road Repair	701,897	4,174,167	500,000	5,376,064
0131 East Main Street Crosswalk Improvements	61,700	253,300	-	315,000
0133 VMT Mitigation Program	183,335	66,665	-	250,000
0134 Measure B Education & Encouragement	12,700	-	-	12,700
0218 Shannon Road Ped & Bikeway Improvements	298,220	442,076	-	740,296
0227 Traffic Signal Modernization	14,308	-	-	14,308
0235 Downtown Streetscape Revitalization/Economic Recovery Efforts	2,289,007	152,633	-	2,441,640
0237 State Route 17 Corridor Congestion Relief Project	-	867,000	-	867,000
0240 Winchester Class IV Bikeway	648,162	-	-	648,162
0241 Kennedy Sidewalk & Bike Lanes - LGB to Englewood	-	492,386	-	492,386
0242 Parking Program Implementation	278,629	538,826	-	817,455
0414 Stormwater System - Pollution Prevention Compliance	61,469	36,531	-	98,000
0705 Downtown Parking Lots Seal Coat & Restriping	84,839	15,161	50,000	150,000
0708 Parking Lot 4 Repair/Waterproofing	199,800	50,200	-	250,000
0801 Quito Road - Bridge Replacement	299,681	50,000	-	349,681
0803 Highway 17 Bicycle & Pedestrian Bridge - Design	861,810	606,714	-	1,468,524
0804 Timber Bridge Inspection	-	-	-	-
4007 Oak Meadow Bandstand Area Improvements	45,505	44,495	-	90,000
4202 Town Plaza Turf Repairs	9,116	27,000	15,000	51,116
4404 Creekside Turf Replacement	-	500,000	-	500,000
4605 Parks Playground Fibar Project	129,351	20,149	25,000	174,500
4610 Pinehurst Community Garden	84,941	250,059	50,000	385,000
4503 Charter Oaks Trail Improvement	109	474,891	-	475,000
4504 Open Space Trail Upgrades	-	152,000	-	152,000
4505 Trailhead Connector	771,594	696,374	-	1,467,968
4508 Vegetation Management - Town-wide	250,249	97,458	432,959	780,666
4510 Lynn Ave Pedestrian Path Design	55,448	184,552	50,000	290,000
2002 Town Beautification	147,109	7,517	15,000	169,626
2009 Public Art Gateway Project	155,611	-	37,500	193,111
2012 Emergency Preparedness	-	96,780	-	96,780
2117 Civic Center ADA Restrooms and HR Offices	171,000	809,000	-	980,000
2120 Civic Center Plumbing Repair	-	40,000	40,000	80,000
2208 ARC - Interim Community Center	-	866,281	11,333	877,614
2302 Building Replacement at Corporation Yard	2,396,280	267,414	-	2,663,694
2310 Engineering Counter Modification	-	40,000	-	40,000
2404 POB Space Study	-	75,000	-	75,000
2504 Library Improvements	-	22,000	-	22,000
2505 Battery Power Supply - Library	27,182	2,818	-	30,000
2601 ADA Upgrade for Public Restrooms - Adult Recreation Building	31,309	151,691	-	183,000
6003 Town-wide Document Imaging Project	198,011	16,989	-	215,000
6101 Enterprise Resource Planning Upgrade	1,025,736	576,817	-	1,602,553
6103 EOC Communications Upgrade	25,717	6,000	-	31,717
6104 IT Disaster Recovery Improvements	171,920	28,080	-	200,000
<i>New Projects</i>				
0010 Blossom Hill Rd - Union to Camden Improvements	-	-	160,000	160,000
0244 Overlook Road Tree Replacement	-	-	40,000	40,000
0425 Storm Drainage Mapping	-	190,000	-	190,000
4008 Oak Meadow Park Plane Recoating	-	-	-	-
4611 Sport Court Resurfacing	-	-	100,000	100,000
2121 TMO Roof Repairs	-	79,640	-	79,640
2311 Fleet Service Outdoor Work Area (Design Phase)	-	-	45,000	45,000
Total GFAR Projects	\$ 36,320,145	\$ 17,524,401	\$ 4,243,046	\$ 58,087,592

CAPITAL IMPROVEMENT PROGRAM
General Fund Appropriated Reserve

FY 2024/25 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 2024/25.

- ***Street Repair and Resurfacing*** – The Town’s Street Resurfacing Program of preventive and deferred maintenance includes both carryforward funds and new appropriations. The work to be performed consists of a balanced program of surface treatments, and pavement overlays, with supplemental ongoing maintenance activities performed by the Town’s Parks and Public Works Department staff. The majority of the proposed FY 2024/25 - 2028/29 CIP funding is allocated to street reconstruction, street improvements, and maintenance projects. This emphasis reflects the Town Council’s priority to address street maintenance needs.

The goal is for Town streets to achieve an average Pavement Condition Index (PCI) range of 70-79, which is considered in “Good Category” (100 being the highest rating possible). The Town’s cumulative investment in its streets resulted in raising the PCI from a low of 64 in 2001 to the level of 74 in 2008. Since that time, given the small amount of asphalt overlay work performed, the Town’s 3-year moving average PCI dropped from 74 to 69 as recently as 2019. To mitigate this decline, the Town focused its resources on arterials and collector streets, and used a chip and slurry approach to enhance the PCI rating. This approach was the most economical and prudent treatment to resurface several residential neighborhoods. The current PCI for Town streets is 73, with a rating of 75 expected in 2027. Additional funding for this program has allowed for this increase in PCI. Ongoing sustained funding is necessary to avoid future drops in the PCI.

Operating Budget Impacts: Project design and oversight by the Engineering staff has been incorporated into the Engineering Program Services FY 2024/25 budget.

- ***Curb, Gutter, and Sidewalk*** – This project funds the annual repair and replacement of deficient curbs, gutters, and sidewalks throughout the Town. Locations for repair and replacement work are identified throughout the year by Parks and Public Works Department staff and are prioritized in coordination with the annual Street Resurfacing Program, as applicable. This program is essential for maintaining American with Disabilities Act (ADA) compliance and to address uneven sidewalk surfaces. The ADA assessment and evaluation of Town infrastructure in the public right-of-way was completed in 2022, which identified additional long-term budgetary needs for repairs and upgrades.

The current allocation for the ongoing Curb, Gutter, and Sidewalk maintenance project is between \$200,000 and \$300,000 annually, which funds mostly ADA compliant curb ramp

CAPITAL IMPROVEMENT PROGRAM
General Fund Appropriated Reserve

upgrades needed for the pavement maintenance program. Additional annual funding would be required to address all ADA deficiencies identified in the public right-of-way.

Operating Budget Impacts: Project oversight by the Engineering staff has been incorporated into the engineering Program Services FY 2024/25 budget on an ongoing basis.

- **Quito Bridge Replacement** – This project funds the replacement of two functionally obsolete bridges that span San Tomas Aquino Creek along Quito Road. The project is a joint effort between the Town, the City of Saratoga, and the Santa Clara Valley Water District, with the City of Saratoga serving as the lead agency for the project. Eighty percent of the funding for the project is provided through the Federal Highway Bridge Replacement and Rehabilitation (HBRR) program, with the remaining 20% shared equally between the three participating local agencies.

After further evaluation of the bridges, it was determined that Quito Road would require reconstruction at each end of the bridge, which in turn requires additional right-of-way acquisitions and environmental reviews under both the State of California (Caltrans) and federal regulations. These changes made it necessary to redesign this project significantly increasing the estimated costs. The City of Saratoga has applied for additional funding from Caltrans due to the redesign. As a result of the additional project costs, the local match from the City of Saratoga, the Town of Los Gatos, and the SCVWD has increased from \$155,000 to \$300,000 for each agency. Based on the 2022 schedule from the City of Saratoga, the construction of these bridges is anticipated to start in 2025.

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.

- **ADA Restrooms and HR Offices** – This project will provide new offices for the Town’s Human Resources Department staff within the Civic Center. An upgrade to restrooms in the lower level of the Civic Center is also part of the project plans. To complete the project and comply with the Americans with Disabilities Act the handicap ramp to the downstairs of the Civic Center must be upgraded to current standards. This ADA compliance work was not contemplated in the original project scope and was added in 2023.

Operating Budget Impacts: Engineering staff time for project management is addressed in the FY 2024/25 Operating Budget.

CAPITAL IMPROVEMENT PROGRAM
General Fund Appropriated Reserve

- **Highway 17 Bicycle and Pedestrian Bridge Design** – Acknowledging the challenge for bicycles and pedestrians to cross Highway 17, design is underway to construct a new pedestrian bridge over Highway 17 adjacent to the existing Blossom Hill Road overcrossing. Staff is actively seeking grant funds for construction of this asset.

Operating Budget Impacts: Engineering staff time for project management is addressed in the FY 2024/25 Operating Budget.

- **Shannon Road Pedestrian and Bikeway Improvements** – Construction of the sidewalk and bikeway improvements on Shannon Road between Los Gatos Boulevard and Cherry Blossom Lane is planned for 2024. Project funding is available in this proposed FY 2024/25 Capital Budget for construction. Design and permitting was completed in prior fiscal years

Operating Budget Impacts: Engineering staff time for project management is addressed in the FY 2024/25 Operating Budget.

- **Kennedy Road Sidewalks and Bike Lanes – LGB to Englewood** – Project funding is partially through the Measure B grant program and is intended to complete the design of sidewalks and bike lanes on Kennedy Road between Los Gatos Boulevard and Englewood Avenue. Some existing funding will be available for construction but addition construction funds are likely to be needed.

Operating Budget Impacts: Engineering staff time for project management is addressed in the FY 2024/25 Operating Budget.

- **Open Space Vegetation Management** – This project funds vegetation management and fuel removal in Town open spaces. The Town secured a FEMA grant and the Town has provided funding for the 25% match, plus funding for the work. FEMA funding is provided on a reimbursement basis.

Operating Budget Impacts: Engineering staff time for project management is addressed in the FY 2024/25 Operating Budget.

CAPITAL IMPROVEMENT PROGRAM
General Fund Appropriated Reserve

- **Roadside Fire Fuel Reduction** – This project results in brush/vegetation management work along hillside roadways. The Town secured a FEMA grant and the Town has provided funding for the 25% match, plus funding for the work. FEMA funding is provided on a reimbursement basis.

Operating Budget Impacts: Engineering staff time for project management is addressed in the FY 2024/25 Operating Budget.

- **Parking Program Implementation** – This project consists of the phased implementation of the recommendations found in the Comprehensive Parking Study that concluded in early 2020. Current implementation includes the installation of wayfinding signs in the downtown area, and the contract services of a parking manager.

Operating Budget Impacts: Parks and Public Works staff time for project management is addressed in the FY 2024/25 Operating Budget. The operating cost for the contract parking manager has not been operationalized that this time. Town Council did direct staff to add a Parking Manager or Coordinator position to the Town staffing positions and this work is in progress. Staff expects to discuss this position in detail during future operating budget discussions.

Capital Improvement Program

TRAFFIC MITIGATION FUND FUND 471

FUND PURPOSE

Pursuant to Article VII of Chapter 15 of the Town Code, the Town collects traffic impact mitigation fees to finance transportation and traffic improvements throughout the Town. Article VII of Chapter 15 also authorizes the establishment of a fund into which all such fees and interest on those fees is deposited. The first traffic mitigation fees were collected on October 24, 1991. Money collected from such fees is to be used solely for construction of identified traffic and transportation projects to mitigate the traffic impacts of new development, and are not used for routine repairs and maintenance.

BUDGET OVERVIEW

Funds collected as traffic mitigation fees are recorded as deferred revenue until the time of use for appropriated projects. The administration fees collected as a percentage of this revenue are realized at the time of receipt to recognize the Town's ongoing administrative functions in providing program oversight. Appropriations of traffic mitigation funds are controlled through Town Council action, after evaluating the benefits gained by proposed projects for improving traffic conditions for vehicles, bicycles, and pedestrians.

For several years, the Town has allowed fund balances to accumulate funding for future traffic mitigation projects. Some projects planned for upcoming years are now in the design and construction stages to correct the heavily travelled and congested roadway junctions to improve safety features and accommodate proper vehicular movement.

**CAPITAL IMPROVEMENT PROGRAM
Traffic Mitigation Fund**

FY 2024/25 KEY PROJECTS

The following key projects are budgeted in FY 2024/25:

- **Highway 17 Bicycle and Pedestrian Bridge Design** – Acknowledging the challenge for bicycles and pedestrians to cross Highway 17, design is underway to construct a new pedestrian bridge over Highway 17 adjacent to the existing Blossom Hill Road overcrossing.

Operating Budget Impacts: Engineering staff time for project management is addressed in the FY 2024/25 Operating Budget with temporary staffing funded through the specific project allocated budget.

- **Town-wide Speed Study** – This project will allow for the completion of speeds studies of streets in Town. The results of the study support setting and enforcing speed limits in the Town.

Operating Budget Impacts: Engineering staff time for project management is addressed in the FY 2024/25 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

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adopted	2023/24 Estimated	2024/25 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Deferred Revenue</i>	\$ 2,277,362	\$ 2,246,440	\$ 2,246,440	\$ 2,287,554	\$ 2,287,554	\$ 2,287,554
<i>Undesignated</i>	348,660	381,317	405,568	431,077	431,077	275,743
Total Beginning Fund Balance	2,626,022	2,627,757	2,652,008	2,718,631	2,718,631	2,563,297
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses & Permits</i>	-	-	-	-	-	-
<i>Interest</i>	32,658	24,251	25,509	-	-	-
<i>Other Revenues</i>	364,435	527,791	700,088	213,380	-	-
Total Revenues	397,093	552,042	725,597	213,380	-	-
Transfers In						
<i>Transfer from General Fund</i>	-	-	-	-	-	-
<i>Transfer from CBDG</i>	-	-	-	-	-	-
<i>Transfers from Bulding Maint</i>	-	-	-	-	-	-
<i>Transfer from MIS Fund</i>	-	-	-	-	-	-
<i>Transfer from Equip Replacement</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
Total Revenues & Transfers In	397,093	552,042	725,597	213,380	-	-
TOTAL SOURCE OF FUNDS	\$ 3,023,115	\$ 3,179,799	\$ 3,377,605	\$ 2,932,011	\$ 2,718,631	\$ 2,563,297
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	496	-	-	-	-	-
<i>Charges for Services</i>	-	-	-	-	-	-
<i>Interest Expense</i>	-	-	-	-	-	-
<i>Capital Projects - Carryfwd</i>	-	-	-	-	-	-
<i>Capital Projects - New</i>	353,940	517,791	690,088	403,097	142,835	-
Total Expenditures	354,436	517,791	690,088	403,097	142,835	-
Transfers Out						
<i>Transfers to General Fund</i>	10,000	10,000	10,000	10,000	12,499	10,000
<i>Transfers to Equip Repalcement</i>	-	-	-	-	-	-
	-	-	-	-	-	-
Total Transfers Out	10,000	10,000	10,000	10,000	12,499	10,000
Total Expenditures & Transfers Out	364,436	527,791	700,088	413,097	155,334	10,000
Ending Fund Balance						
<i>Deferred Revenue</i>	2,246,440	2,246,440	2,287,554	2,074,174	2,287,554	2,287,554
<i>Undesignated</i>	381,317	405,568	431,077	231,360	275,743	265,743
Total Ending Fund Balance	2,627,757	2,652,008	2,718,631	2,305,534	2,563,297	2,553,297
TOTAL USE OF FUNDS	\$ 2,992,193	\$ 3,179,799	\$ 3,418,719	\$ 2,718,631	\$ 2,718,631	\$ 2,563,297

CAPITAL IMPROVEMENT PROGRAM **Traffic Mitigation Fund**

TRAFFIC MITIGATION FUND PROJECTS				
	Expended Through 2023/24	Estimated Carryfwd to 2024/25	2024/25 Budget	Total Budgeted
<i>Carryforward Projects</i>				
0135 Town-wide Speed Studies	\$ -	\$ 80,000	\$ -	\$ 80,000
0218 Shannon Road Ped & Bikeway Improvements	-	133,380	-	133,380
0227 Traffic Signal Modernization	94,858	94,858	-	189,716
0237 State Route 17 Corridor Congestion Relief Project	-	-	-	-
0803 Highway 17 Bicycle & Pedestrian Bridge - Design	-	-	-	-
<i>New Projects</i>				
Total Traffic Mitigation Projects	\$ 94,858	\$ 308,238	\$ -	\$ 403,096

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 Parks and Water Bond Act of 2018 (Proposition 68), Santa Clara County 2016 Measure B, Transportation Fund for Clean Air (TFCA) Regional Fund, Hazard Mitigation Grant Programs (HMGP), Vehicle Emissions Reduction Based at Schools (VERBS), Transportation Development Act (TDA) Article 3 Funds, and One Bay Area (OBAG) grants. Additional grants and awards may also be a funding source utilized in this fund. The expenditures in this fund are restricted to identified projects solely funded by grants.

BUDGET OVERVIEW

Grant and Award CIP projects receive funding from a variety of sources.

CAPITAL IMPROVEMENT PROGRAM

Grants and Awards Project Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adopted	2023/24 Estimated	2024/25 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	(349,706)	(705,245)	(954,604)	(412,892)	(412,892)	(9,167,857)
Total Beginning Fund Balance	(349,706)	(705,245)	(954,604)	(412,892)	(412,892)	(9,167,857)
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	342,973	8,505,080	1,693,216	15,772,990	1,380,024	663,323
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses & Permits</i>	-	-	-	-	-	-
<i>Interest</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	342,973	8,505,080	1,693,216	15,772,990	1,380,024	663,323
Transfers In						
<i>Transfer from General Fund</i>	-	-	-	-	-	-
<i>Transfer from Workers Comp</i>	-	-	-	-	-	-
<i>Transfers from Bulding Maint</i>	-	-	-	-	-	-
<i>Transfer from MIS Fund</i>	-	-	-	-	-	-
<i>Transfer from Equip Replacement</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
Total Revenues & Transfers In	342,973	8,505,080	1,693,216	15,772,990	1,380,024	663,323
TOTAL SOURCE OF FUNDS	\$ (6,733)	\$ 7,799,835	\$ 738,612	\$ 15,360,098	\$ 967,132	\$ (8,504,534)
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Charges for Services</i>	-	-	-	-	-	-
<i>Interest Expense</i>	-	6,900,000	-	-	-	-
<i>Capital Projects - Carryfwd</i>	-	-	-	-	-	-
<i>Capital Projects - New</i>	698,512	1,854,439	1,151,504	15,561,567	10,134,989	640,000
Total Expenditures	698,512	8,754,439	1,151,504	15,561,567	10,134,989	640,000
Transfers Out						
<i>Transfers to General Fund</i>	-	-	-	-	-	-
<i>Transfers to Grant Fund</i>	-	-	-	-	-	-
<i>Transfers to Equip Repalcement</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	698,512	8,754,439	1,151,504	15,561,567	10,134,989	640,000
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	(705,245)	(954,604)	(412,892)	(201,469)	(9,167,857)	(9,144,534)
Total Ending Fund Balance	(705,245)	(954,604)	(412,892)	(201,469)	(9,167,857)	(9,144,534)
TOTAL USE OF FUNDS	\$ (6,733)	\$ 7,799,835	\$ 738,612	\$ 15,360,098	\$ 967,132	\$ (8,504,534)

CAPITAL IMPROVEMENT PROGRAM Grants and Awards Project Fund

The following schedule summarizes carryforward, and new Grants and Awards Project Fund CIP Projects:

GRANT FUNDED PROJECTS				
	Expended Through 2023/24	Estimated Carryfwd to 2024/25	2024/25 Budget	Total Budgeted
<i>Carryforward Projects</i>				
0130 Roadside Fire Fuel Reduction - Annual	\$ -	\$ 750,000	\$ -	\$ 750,000
0131 East Main Street Crosswalk Improvements	-	-	-	-
0134 Measure B Education & Encouragement	51,017	68,657	-	119,674
0218 Shannon Road Ped & Bikeway Improvements	-	1,114,350	-	1,114,350
0227 Traffic Signal Modernization	445,616	-	-	445,616
0240 Winchester Class IV Bikeway	-	-	-	-
0241 Kennedy Sidewalk & Bike Lanes - LGB to Englewood	-	1,872,990	-	1,872,990
0803 Highway 17 Bicycle & Pedestrian Bridge - Design	1,688,824	449,605	-	2,138,429
2505 Battery Power Supply - Library	100,716	-	-	100,716
2601 ADA Upgrade for Public Restrooms - Adult Recreation Building	264,510	154,108	-	418,618
4007 Oak Meadow Bandstand Area Improvements	-	196,730	-	196,730
4503 Charter Oaks Trail Improvement	-	-	-	-
4505 Trailhead Connector	7,927,305	126,579	-	8,053,884
9901 Street Repair & Resurfacing	-	-	-	-
9921 Curb, Gutter & Sidewalk Maintenance	-	-	-	-
<i>New Projects</i>				
0010 Blossom Hill Rd - Union to Camden Improvements	-	-	640,000	640,000
Total Grant Funded Projects	\$ 10,477,988	\$ 4,733,019	\$ 640,000	\$ 15,851,007

FY 2024/25 KEY PROJECTS

The following Capital Improvement Plan projects are funded with grant funding and are expected to be Key Projects in FY 2024/25:

- ***Trailhead Connector Project*** – This project is currently under construction and will provide important access to the Los Gatos Creek Trail from Highway 9. Construction is supported by funds from the OBAG, TFCA, Measure B and TDA3 programs.

Operating Budget Impacts: Engineering staff time for project management is addressed in the FY 2024/25 Operating Budget with additional temporary staffing required to deliver the project included in the project budget.

CAPITAL IMPROVEMENT PROGRAM
Grants and Awards Project Fund

- **Highway 17 Bicycle and Pedestrian Bridge Design** – Design of this important bicycle and pedestrian connection over Highway 17 along Blossom Hill Road will continue. The project is fully funded through design and grant applications are pending for construction.

Operating Budget Impacts: Engineering staff time for project management is addressed in the FY 2024/25 Operating Budget.

- **Shannon Road Pedestrian and Bikeway Improvements** – This project implements the sidewalk and bikeway improvements on Shannon Road between Los Gatos Boulevard and Cherry Blossom Lane. The grant funds supplement the local funds used for construction. Local funds were used for the design phase.

Operating Budget Impacts: Engineering staff time for project management is addressed in the FY 2024/25 Operating Budget.

- **Kennedy Road Sidewalks and Bike Lanes – LGB to Englewood** – This project will fund the design and construction of sidewalks and bike lanes on Kennedy Road between Los Gatos Boulevard and Englewood Avenue. Measure B funds will supplement the costs for design. There is currently no funding construction.

Operating Budget Impacts: Engineering staff time for project management is addressed in the FY 2024/25 Operating Budget.

- **Open Space Vegetation Management** – This project is supported by grant funding from the Federal Emergency Management Agency through the HMGP program. The funding will be used to provide initial removal of fire fuel loads in the Heintz and Santa Rosa Open Spaces, Worcester Park and LaRinconada Park.

Operating Budget Impacts: Staff time for project management is partially funded through the FY 2024/25 Operating Budget and through grant reimbursement.

- **Roadside Vegetation Management** – This project is supported by grant funding from the Federal Emergency Management Agency through the HMGP program. The funding will be used to provide initial removal of fire fuel loads along certain roadways in High Fire Hazard Zones within the Town.

Operating Budget Impacts: Staff time for project management is partially funded through the FY 2024/25 Operating Budget and through grant reimbursement.

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 from the Town's streets and route it into curbside gutters and/or catch basins. From there, runoff enters an underground pipe system that ultimately flows to San Francisco Bay. These Storm Drain Funds are used to design and construct improvements to 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 design and 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 2024/25 KEY PROJECTS

Examples of projects funded from this source include:

CAPITAL IMPROVEMENT PROGRAM
Storm Drain Fund - 461

- ***Loma Street Drainage Evaluation*** – Created in the 2023/24 fiscal year, this project will evaluate the inadequate drainage system and design improvements to reduce the occurrence of street flooding.

Operating Budget Impacts: Engineering staff time for project design and oversight is incorporated into the operating budget workplan. Operating impacts and costs associated with maintenance of additional stormwater infrastructure will be considered in future budget cycles.

- ***Harwood / Belridge Drainage Study*** – This project provides funding to evaluate a cross country flow of storm drainage through a pipe contained in an easement in the back yard of residential property. Funding will be used to map the piping and consider options for relocating the system.

Operating Budget Impacts: Engineering staff time for project design and oversight is incorporated into the operating budget workplan. Operating impacts and costs associated with maintenance of additional stormwater infrastructure will be considered in future budget cycles.

- ***Shannon Road Bicycle and Pedestrian Project*** – This project includes enhancements to the drainage system in Shannon Road. The storm drainage related work is funded from the Storm Drain Fund.

Operating Budget Impacts: Engineering staff time for project design and oversight is incorporated into the operating budget workplan.

- ***Storm Drainage Mapping*** – To comply with the National Pollutant Discharge Elimination System Phase II Permit for the Discharge of Stormwater from Municipal Storm Sewer Systems, the Town is required to have mapping of the storm drainage system. Mapping of the system will be completed in FY 2024/25 and is partially funded by the Storm Drain Funds.

Operating Budget Impacts: Engineering staff time for project design and oversight is incorporated into the operating budget workplan.

CAPITAL IMPROVEMENT PROGRAM

Storm Drain Fund - 461

STATEMENT OF SOURCE AND USE OF FUNDS

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adopted	2023/24 Estimated	2024/25 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	1,034,521	1,078,286	1,168,025	1,279,350	1,279,350	1,396,148
Total Beginning Fund Balance	1,034,521	1,078,286	1,168,025	1,279,350	1,279,350	1,396,148
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses & Permits</i>	30,212	77,495	90,436	45,000	111,808	45,900
<i>Interest</i>	13,553	12,244	20,889	4,990	4,990	4,980
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	43,765	89,739	111,325	49,990	116,798	50,880
Transfers In						
<i>Transfer from General Fund</i>	-	-	-	-	-	-
<i>Transfer from CDBG</i>	-	-	-	-	-	-
<i>Transfers from Bulding Maint</i>	-	-	-	-	-	-
<i>Transfer from MIS Fund</i>	-	-	-	-	-	-
<i>Transfer from Equip Replacement</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
Total Revenues & Transfers In	43,765	89,739	111,325	49,990	116,798	50,880
TOTAL SOURCE OF FUNDS	\$ 1,078,286	\$ 1,168,025	\$ 1,279,350	\$ 1,329,340	\$ 1,396,148	\$ 1,447,028
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Charges for Services</i>	-	-	-	-	-	-
<i>Interest Expense</i>	-	-	-	-	-	-
<i>Capital Projects - Carryfwd</i>	-	-	-	-	-	-
<i>Capital Projects - New</i>	-	-	-	400,000	-	336,667
Total Expenditures	-	-	-	400,000	-	336,667
Transfers Out						
<i>Transfers to General Fund</i>	-	-	-	-	-	-
<i>Transfers to GFAR</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	-	-	-	400,000	-	336,667
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	1,078,286	1,168,025	1,279,350	929,340	1,396,148	1,110,361
Total Ending Fund Balance	1,078,286	1,168,025	1,279,350	929,340	1,396,148	1,110,361
TOTAL USE OF FUNDS	\$ 1,078,286	\$ 1,168,025	\$ 1,279,350	\$ 1,329,340	\$ 1,396,148	\$ 1,447,028

CAPITAL IMPROVEMENT PROGRAM

Storm Drain Fund - 462

STATEMENT OF SOURCE AND USE OF FUNDS

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adopted	2023/24 Estimated	2024/25 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	1,853,117	1,968,244	2,205,725	2,089,859	2,089,859	2,121,679
Total Beginning Fund Balance	1,853,117	1,968,244	2,205,725	2,089,859	2,089,859	2,121,679
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses & Permits</i>	90,442	228,507	64,714	45,000	22,030	45,900
<i>Interest</i>	24,685	22,374	37,501	9,790	9,790	8,950
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	115,127	250,881	102,215	54,790	31,820	54,850
Transfers In						
<i>Transfer from General Fund</i>	-	-	-	-	-	-
<i>Transfer from CDBG</i>	-	-	-	-	-	-
<i>Transfers from Bulding Maint</i>	-	-	-	-	-	-
<i>Transfer from MIS Fund</i>	-	-	-	-	-	-
<i>Transfer from Equip Replacement</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
Total Revenues & Transfers In	115,127	250,881	102,215	54,790	31,820	54,850
TOTAL SOURCE OF FUNDS	\$ 1,968,244	\$ 2,219,125	\$ 2,307,940	\$ 2,144,649	\$ 2,121,679	\$ 2,176,529
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Charges for Services</i>	-	-	-	-	-	-
<i>Interest Expense</i>	-	-	-	-	-	-
<i>Capital Projects - Carryfwd</i>	-	-	-	-	-	-
<i>Capital Projects - New</i>	-	13,400	218,081	331,919	-	86,667
Total Expenditures	-	13,400	218,081	331,919	-	86,667
Transfers Out						
<i>Transfers to General Fund</i>	-	-	-	-	-	-
<i>Transfers to GFAR</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	-	13,400	218,081	331,919	-	86,667
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	1,968,244	2,205,725	2,089,859	1,812,730	2,121,679	2,089,862
Total Ending Fund Balance	1,968,244	2,205,725	2,089,859	1,812,730	2,121,679	2,089,862
TOTAL USE OF FUNDS	\$ 1,968,244	\$ 2,219,125	\$ 2,307,940	\$ 2,144,649	\$ 2,121,679	\$ 2,176,529

CAPITAL IMPROVEMENT PROGRAM

Storm Drain Fund - 463

STATEMENT OF SOURCE AND USE OF FUNDS

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adopted	2023/24 Estimated	2024/25 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	(127,362)	(128,841)	(154,940)	(150,880)	(150,880)	(118,811)
Total Beginning Fund Balance	(127,362)	(128,841)	(154,940)	(150,880)	(150,880)	(118,811)
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses & Permits</i>	774	1,342	6,680	2,500	33,679	2,550
<i>Interest</i>	(1,642)	(1,593)	(2,620)	(1,610)	(1,610)	(1,450)
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	(868)	(251)	4,060	890	32,069	1,100
Transfers In						
<i>Transfer from General Fund</i>	-	-	-	-	-	-
<i>Transfer from CDBG</i>	-	-	-	-	-	-
<i>Transfers from Bulding Maint</i>	-	-	-	-	-	-
<i>Transfer from MIS Fund</i>	-	-	-	-	-	-
<i>Transfer from Equip Replacement</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
Total Revenues & Transfers In	(868)	(251)	4,060	890	32,069	1,100
TOTAL SOURCE OF FUNDS	\$ (128,230)	\$ (129,092)	\$ (150,880)	\$ (149,990)	\$ (118,811)	\$ (117,711)
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Charges for Services</i>	-	-	-	-	-	-
<i>Interest Expense</i>	-	-	-	-	-	-
<i>Capital Projects - Carryfwd</i>	-	-	-	-	-	-
<i>Capital Projects - New</i>	611	25,848	-	170,300	-	86,667
Total Expenditures	611	25,848	-	170,300	-	86,667
Transfers Out						
<i>Transfers to General Fund</i>	-	-	-	-	-	-
<i>Transfers to GFAR</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	611	25,848	-	170,300	-	86,667
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	(128,841)	(154,940)	(150,880)	(320,290)	(118,811)	(204,378)
Total Ending Fund Balance	(128,841)	(154,940)	(150,880)	(320,290)	(118,811)	(204,378)
TOTAL USE OF FUNDS	\$ (128,230)	\$ (129,092)	\$ (150,880)	\$ (149,990)	\$ (118,811)	\$ (117,711)

CAPITAL IMPROVEMENT PROGRAM
Storm Drain Funds

STORM BASIN FUNDS PROJECTS				
	Expended Through 2023/24	Estimated Carryfwd to 2024/25	2024/25 Budget	Total Budgeted
<i>Carryforward Projects</i>				
0420 Annual Storm Drain Improvements	\$ -	\$ 252,219	\$ -	\$ 252,219
0218 Shannon Road Ped & Bikeway Improvements	-	200,000	-	200,000
0421 Loma Street Drainage	-	100,000	250,000	350,000
0422 Harwood/Belridge Drainage Study	-	100,000	-	100,000
0423 709 University Avenue Drainage System Replacement	-	200,000	-	200,000
0424 333 University Inlet Capacity Improvements	-	50,000	-	50,000
<i>New Projects</i>				
0425 Storm Drainage System Mapping	-	-	260,001	260,001
Total Storm Basin Funds Projects	\$ -	\$ 902,219	\$ 510,001	\$ 1,412,220

Capital Improvement Program

UTILITY UNDERGROUND FUND 472

FUND PURPOSE

This fund accounts for the resources generated and utilized for placing overhead utility lines underground in the effort to improve power reliability, reduce utility maintenance costs, and remove unsightly poles and lines.

The Utility Underground Fund generates revenue through a construction fee placed on building permits. The fee is imposed on the construction of any building, portion of a building, or mobile home lot. Construction by definition includes both new construction and improvements. The underground utility fee imposed is a fixed rate per square foot, currently set at \$0.18 for each square foot of building addition or alteration. The use of the proceeds of the fee is limited to the conversion of existing overhead utility lines to underground lines.

Utility Underground Improvements (along Los Gatos Boulevard from Lark Avenue to Chirco Drive) funded the Pacific Gas and Electric Company's (PG&E) Rule 20A credits accumulated from electrical rates collected for the Town completed in 2023. This corridor with a heavy concentration of overhead electric lines in areas used extensively by the general public was nominated by the Town to PG&E. This program is phasing out, with the most recent Town project likely the last to receive funding from this source.

BUDGET OVERVIEW

The use of Utility Underground Fund fees is controlled through Town Council action, after the benefit of each project is evaluated to ensure appropriate application of the fees to eligible projects. Total cash balances currently on hand from the utility undergrounding construction tax are approximately \$3.5 million at FY 2024/25 year-end.

CAPITAL IMPROVEMENT PROGRAM
Utility Underground Fund

FY 2024/25 KEY PROJECTS

The Utility Underground Fund has two carryforward projects with remaining funding:

- ***Shannon Road Pedestrian and Bikeway Improvements*** – This project implements the sidewalk and bikeway improvements on Shannon Road between Los Gatos Boulevard and Cherry Blossom Lane. Sidewalks with buffered Class II bike lanes on both sides of Shannon Road are being designed to improve pedestrian and bicycle safety.

Operating Budget Impacts: Engineering staff time for project design and oversight is incorporated into the operating budget workplan.

- ***Utility Undergrounding Improvements*** – Funds are collected primarily from developer fees and are held by the Town for future undergrounding projects. Future projects will be identified once funding accumulates to a level that allows for the completion of an undergrounding project.

Operating Budget Impacts: Engineering staff time for project design and oversight is incorporated into the operating budget workplan.

CAPITAL IMPROVEMENT PROGRAM

Utility Underground Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adopted	2023/24 Estimated	2024/25 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	3,118,174	3,201,312	3,302,514	3,438,996	3,438,996	3,474,992
Total Beginning Fund Balance	3,118,174	3,201,312	3,302,514	3,438,996	3,438,996	3,474,992
Revenues						
<i>Other Taxes</i>	67,146	66,382	29,042	30,000	20,806	30,000
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses & Permits</i>	-	-	-	-	-	-
<i>Interest</i>	40,618	35,247	58,440	15,190	15,190	15,590
<i>Other Revenues</i>	-	-	49,000	-	-	-
Total Revenues	107,764	101,629	136,482	45,190	35,996	45,590
Transfers In						
<i>Transfer from General Fund</i>	-	-	-	-	-	-
<i>Transfer from CDBG</i>	-	-	-	-	-	-
<i>Transfers from Bulding Maint</i>	-	-	-	-	-	-
<i>Transfer from MIS Fund</i>	-	-	-	-	-	-
<i>Transfer from Equip Replacement</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
Total Revenues & Transfers In	107,764	101,629	136,482	45,190	35,996	45,590
TOTAL SOURCE OF FUNDS	\$ 3,225,938	\$ 3,302,941	\$ 3,438,996	\$ 3,484,186	\$ 3,474,992	\$ 3,520,582
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Charges for Services</i>	-	-	-	-	-	-
<i>Interest Expense</i>	-	-	-	-	-	-
<i>Capital Projects - Carryfwd</i>	-	-	-	-	-	-
<i>Capital Projects - New</i>	24,626	427	-	347,576	-	-
Total Expenditures	24,626	427	-	347,576	-	-
Transfers Out						
<i>Transfers to General Fund</i>	-	-	-	-	-	-
<i>Transfers to Equip Repalcement</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	24,626	427	-	347,576	-	-
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	3,201,312	3,302,514	3,438,996	3,136,610	3,474,992	3,520,582
Total Ending Fund Balance	3,201,312	3,302,514	3,438,996	3,136,610	3,474,992	3,520,582
TOTAL USE OF FUNDS	\$ 3,225,938	\$ 3,302,941	\$ 3,438,996	\$ 3,484,186	\$ 3,474,992	\$ 3,520,582

CAPITAL IMPROVEMENT PROGRAM
Utility Underground Fund

UTILITY UNDERGROUND FUND PROJECTS				
	Expended Through 2023/24	Estimated Carryfwd to 2024/25	2024/25 Budget	Total Budgeted
<i>Carryforward Projects</i>				
0218 Shannon Road Class 1 Multi-use Path	\$ 71,201	\$ 48,003	\$ -	\$ 119,204
0225 Utility Undergrounding Improvements	2,852	299,573	-	302,425
<i>New Projects</i>				
Total Utility Undergrounding Projects	\$ 74,053	\$ 347,576	\$ -	\$ 421,629

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:

CAPITAL IMPROVEMENT PROGRAM

Gas Tax Fund

- Patching, repairing, surface treating, and joint filling on bituminous or concrete surfaces
- Resealing street or road shoulders and side street and road approaches
- Removing landslides and restoring facilities damaged by slides
- Mowing, tree trimming, and watering within the street right-of-way
- Repairing curb, gutter, rip-rap, under drain, culverts, and drains
- Repainting of pavements, and striping and marking to the same standards
- Furnishing of power for street and road lighting and traffic control

Overhead includes those elements of cost necessary in the production of an article or performance of a service. Usually overhead relates to expenditures which do not become an integral part of the finished product or service. Overhead costs are only allowed under an approved cost allocation plan, or an equitable and auditable distribution of overhead to all departments. Components of overhead expenses include:

- Management
- Procurement
- Advertising
- Legal Costs
- Payroll
- General Accounting/Finance
- Facilities

Ineligible Activities

Although many types of work may be classified as “construction,” this does not make them automatically eligible. To be eligible, the work must be for street or road purposes. The following is a list of the types of expenditures that are not eligible:

- Costs of rearranging non-highway facilities, including utility relocation, when not a legal road or street obligation
- New installation of utilities, including water mains, sanitary sewers, and other non-street facilities
- Decorative lighting
- Work outside the right-of-way that is not a specific right-of-way obligation
- Maintenance or construction on alleys that have not been formally designated as part of the jurisdiction’s street and road system
- Improvements and maintenance to “Park and Ride” designated lots

CAPITAL IMPROVEMENT PROGRAM Gas Tax Fund

The estimated Gas Tax revenue totals approximately \$1.78 million for FY 2024/25 including the enacted Road Recovery and Repair Act of 2017 (SB1). The ongoing Street Repair and Resurfacing project was carried forward from FY 2023/24, as is typical. There are no new Gas Tax funded projects scheduled for FY 2024/25.

BUDGET OVERVIEW

STATEMENT OF SOURCE AND USE OF FUNDS

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adopted	2023/24 Estimated	2024/25 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	290,372	1,425,097	1,836,069	1,671,246	1,671,246	1,815,022
Total Beginning Fund Balance	290,372	1,425,097	1,836,069	1,671,246	1,671,246	1,815,022
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	1,273,788	1,370,786	1,597,055	1,712,974	1,712,974	1,783,113
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses & Permits</i>	-	-	-	-	-	-
<i>Interest</i>	10,178	14,401	20,483	1,402	1,402	1,472
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	1,283,966	1,385,187	1,617,538	1,714,376	1,714,376	1,784,585
Transfers In						
<i>Transfer from General Fund</i>	-	-	-	-	-	-
<i>Transfer from CDBG</i>	-	-	-	-	-	-
<i>Transfers from Building Maint</i>	-	-	-	-	-	-
<i>Transfer from MIS Fund</i>	-	-	-	-	-	-
<i>Transfer from Equip Replacement</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
Total Revenues & Transfers In	1,283,966	1,385,187	1,617,538	1,714,376	1,714,376	1,784,585
TOTAL SOURCE OF FUNDS	\$ 1,574,338	\$ 2,810,284	\$ 3,453,607	\$ 3,385,622	\$ 3,385,622	\$ 3,599,607
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Charges for Services</i>	-	-	-	-	-	-
<i>Interest Expense</i>	-	-	-	-	-	-
<i>Capital Projects - Carryfwd</i>	-	-	-	-	-	-
<i>Capital Projects - New</i>	43,241	868,215	1,676,361	3,084,633	1,464,600	1,678,585
Total Expenditures	43,241	868,215	1,676,361	3,084,633	1,464,600	1,678,585
Transfers Out						
<i>Transfers to General Fund</i>	106,000	106,000	106,000	106,000	106,000	106,000
<i>Transfers to Equip Replacement</i>	-	-	-	-	-	-
Total Transfers Out	106,000	106,000	106,000	106,000	106,000	106,000
Total Expenditures & Transfers Out	149,241	974,215	1,782,361	3,190,633	1,570,600	1,784,585
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	1,425,097	1,836,069	1,671,246	194,989	1,815,022	1,815,022
Total Ending Fund Balance	1,425,097	1,836,069	1,671,246	194,989	1,815,022	1,815,022
TOTAL USE OF FUNDS	\$ 1,574,338	\$ 2,810,284	\$ 3,453,607	\$ 3,385,622	\$ 3,385,622	\$ 3,599,607

**CAPITAL IMPROVEMENT PROGRAM
Gas Tax Fund**

GAS TAX FUND PROJECTS				
	Expended Through 2023/24	Estimated Carryfwd to 2024/25	2024/25 Budget	Total Budgeted
<i>Carryforward Projects</i>				
9901 Street Repair & Resurfacing	\$ 13,652,467	\$ 1,681,514	\$ 1,678,585	\$ 17,012,566
<i>New Projects</i>				
Total Gas Tax Fund Projects	\$ 13,652,467	\$ 1,681,514	\$ 1,678,585	\$ 17,012,566

FY 2024/25 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

SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY

thereafter. These bills were signed into law by the governor on July 28, 2011.

The League of California Cities and the California Redevelopment Association (CRA) filed a petition with the California Supreme Court, challenging the constitutionality of AB 26 and AB 27. The California Supreme Court, in its decision in *California Redevelopment Association v. Matosantos* issued December 29, 2011 (the “Supreme Court Decision”), declared the Dissolution Act alone to be constitutional. Under the Dissolution Act, all California redevelopment agencies were dissolved effective February 1, 2012.

Following the provisions of the Dissolution Act, the Town Council of the Town of Los Gatos (the “Town Council”) adopted a resolution accepting for the Town the role of Successor Agency (the “Successor Agency”) to the Redevelopment Agency of the Town of Los Gatos (the “Redevelopment Agency”). An oversight board (the “Oversight Board”), consisting of members representing Santa Clara County, the Town, and various education and special districts was formed to approve and direct certain actions of the Town as Successor Agency.

Prior to the dissolution of redevelopment agencies, redevelopment law required that 20 percent of tax increment revenue received by an agency must be set aside for affordable housing activities. Under the Dissolution Act, tax increment revenue received by the Successor Agency did not include funding for affordable housing. However, tax-sharing agreements negotiated with affected public educational entities, the Mid-Peninsula Open Space District, and Santa Clara County continue to be recognized. Nearly half of all Redevelopment Agency tax increment had been passed through to these taxing entities.

Successor Agencies may also receive tax increment revenue to pay for enforceable obligations that were incurred prior to the passage of the Dissolution Act. Under the Dissolution Act, Successor Agencies must approve and submit a Recognized Obligation Payment Schedule (ROPS) that reflects enforceable obligations over a six-month period. Prior to the payment of any enforceable obligation, the ROPS must be certified by the County and subsequently approved by the Oversight Board. Successor Agencies must also approve and submit an administrative budget for operational expenses to the Oversight Board for approval. Successor Agencies may receive a minimum of up to \$250,000 or up to 3 percent of tax increment revenues received by the Successor Agency per fiscal year for administrative expenses, which is significantly lower than the Successor Agency’s current administrative expenses.

The Town has several existing enforceable obligations that must be paid over the remaining life of the debt service, or until the Successor Agency reaches the tax increment cap, which is the gross tax increment collected over the life of the Agency. The Town’s tax increment cap, which is anticipated to be reached by FY 2027/28, is approximately \$250 million. The Successor Agency currently pays debt service on two Certificates of Participation (COPs):

SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY

- **2002 COPS Payments for Redevelopment Agency Capital Projects:** In 2002, the Town issued debt for approximately \$10.7 million to fund RDA infrastructure projects in the project area. Annual debt service payments of approximately \$680,000 will continue through FY 2031/32.
- **2010 COPS Payments for Town Library:** In 2010, the Town issued debt for approximately \$15.7 million to fund the construction of the new library building. Annual debt service payments of approximately \$1.2 million will continue through FY 2027/28.
- **Agency Administration:** This pays for the day-to-day operations of the Successor Agency, including staff salary and benefits, supplies and materials, and consultant assistance. Annual budgeted expenditures are estimated to be approximately \$13,000.

The Town submitted the Last & Final ROPS to the State and it was approved by the State on April 6, 2016. The Town no longer needs to submit ROPS every six months and has scheduled the ROPS budget through FY 2031/32. At the end of FY 2031/32, the Town and the County will resolve any remaining balances.

SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY

STATEMENT OF SOURCE AND USE OF FUNDS (BUDGETARY FUND BALANCE)

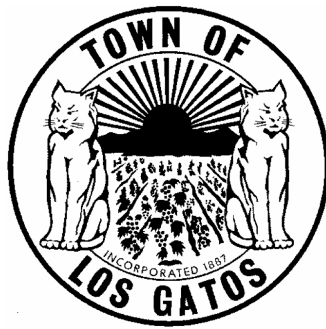
	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Adjusted	2023/24 Estimated	2024/25 Adopted
SOURCES OF FUNDS						
Beginning Budgetary Fund Balance						
<i>Designated</i>	\$ 1,963,658	\$ 1,963,657	\$ 1,963,660	\$ 1,967,496	\$ 1,967,496	\$ 1,963,327
<i>Undesignated</i>	1,840,123	1,846,271	1,857,367	1,918,268	1,918,268	1,932,846
Total Beginning Fund Balance	3,803,781	3,809,928	3,821,027	3,885,764	3,885,764	3,896,173
Revenues						
<i>Property Tax</i>	-	-	-	-	-	-
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Lease Income - COP's</i>	1,908,494	1,899,850	1,893,713	1,894,000	1,894,000	1,902,300
<i>County RPTTF Reimbursement</i>	1,946,787	1,937,791	1,942,119	1,903,000	1,903,000	1,911,300
<i>Interest</i>	4,967	3,897	69,129	3,000	3,000	3,000
<i>Other Revenues</i>	11,664	11,665	11,664	11,664	11,664	11,664
Total Revenues	3,871,912	3,853,203	3,916,625	3,811,664	3,811,664	3,828,264
Transfers In						
<i>Transfer from SA Administration</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
Total Revenues and Transfer Ins	\$ 3,871,912	\$ 3,853,203	\$ 3,916,625	\$ 3,811,664	\$ 3,811,664	\$ 3,828,264
TOTAL SOURCE OF FUNDS	\$ 7,675,693	\$ 7,663,131	\$ 7,737,652	\$ 7,697,428	\$ 7,697,428	\$ 7,724,437
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	1,674	1,675	1,813	1,796	2,117	1,446
<i>Operating Expenditures</i>	106,788	105,213	124,413	10,020	10,020	10,020
<i>RDA - Loss on Sale</i>	-	-	-	-	-	-
<i>Debt Service</i>	3,757,298	3,735,211	3,725,656	3,789,100	3,789,100	3,804,601
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	5	5	6	18	18	40
Total Expenditures	3,865,765	3,842,104	3,851,888	3,800,934	3,801,255	3,816,107
Transfers Out						
<i>Transfer to Capital Projects</i>	-	-	-	-	-	-
<i>Transfer to General Funds</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	3,865,765	3,842,104	3,851,888	3,800,934	3,801,255	3,816,107
Ending Fund Balance						
<i>Designated</i>	1,963,657	1,963,660	1,967,496	1,963,327	1,963,327	1,963,327
<i>Undesignated</i>	1,846,271	1,857,367	1,918,268	1,933,167	1,932,846	1,945,003
Total Ending Fund Balance	3,809,928	3,821,027	3,885,764	3,896,494	3,896,173	3,908,330
TOTAL USE OF FUNDS	\$ 7,675,693	\$ 7,663,131	\$ 7,737,652	\$ 7,697,428	\$ 7,697,428	\$ 7,724,437

SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY

SUCCESSOR AGENCY TO THE LOS GATOS RDA PROGRAM STAFFING

Full Time Equivalent (FTE)

	2020/21	2021/22	2022/23	2020/21	2024/25
Town Staff	Funded	Funded	Funded	Funded	Adopted
Accountant/Finance Analyst	0.01	0.01	0.01	0.01	0.01
Total SA FTEs	0.01	0.01	0.01	0.01	0.01



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 2024/25 Administration Fund budget reflects approximately \$11,000 of tax increment revenue to cover the operational and fiscal reporting expenses of the Successor Agency. The Town's last and final ROPS has now been approved by the State. The Town will no longer have to submit ROPS every six months.



Successor Agency to the Town of Los Gatos Redevelopment Agency

DEBT SERVICE PROGRAMS 9404 and 9405

FUND PURPOSE

Prior to the Dissolution Act, the Los Gatos Redevelopment Agency assumed the obligation of paying the debt service on the Town's 2002 and 2010 Certificates of Participation (COPs) in return for the lease of Town property. The purpose of the COPs was to fund key capital infrastructure projects located in the former Redevelopment Area. Payments for this indebtedness were and will continue to be made from the Debt Service Fund.

BUDGET OVERVIEW

PROGRAM 9404 – 2002 CERTIFICATE OF PARTICIPATION

The Town bears an obligation for the 30-year Certificates of Participation issued in the original amount of \$10,725,000, dated August 1, 2002. The COPs were issued to finance infrastructure improvements in the downtown Redevelopment Area, including plaza reconstruction, streetscape improvements, street reconstruction, storm drainage, and alley improvements, as well as partially funding the reconstruction of the pool at Los Gatos High School. The COPs principal payments are due annually on August 1, with interest payments payable semi-annually on February 1 and August 1.

The financing structure of the COPs includes two lease agreements between the Town of Los Gatos and the Successor Agency for the Town of Los Gatos Redevelopment Agency dated July 1, 2002.

SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY
Debt Service

The first agreement lease five Town-owned parcels, commonly known as the Miles Avenue Corporation Yard, to the Successor Agency through August 1, 2031 for a one-time fee of \$1. In the second lease, the Successor Agency subleases the same land back to the Town, effective the date of the original lease. The annual sub-lease payments are equal to the annual debt service for the COPs.

A reimbursement agreement between the Town and the Successor Agency, also dated July 1, 2002, obligates the Agency to reimburse the Town in an amount equal to the annual lease payment the Town pays to the Agency for the sub-lease of the Corporation Yard. This reimbursement is in consideration of the Town's cost of the acquisition and construction of the yard facilities.

While the annual impact of these agreements nets to zero, the lease and reimbursement payments are included in both the Town's and Successor Agency's budgets each year to accurately reflect the terms of these agreements. The Agency remains responsible for making the principal and interest payments.

The maturity schedule for the Successor Agency's current Debt Service obligation under the 2002 COPs is as follows:

SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY

Debt Service

2002 COP DEBT SERVICE

Fiscal Year	Principal Maturing August 1st	Interest Due August 1st	Interest Due February 1st	Total Debt Service	Principal Balance
<i>Issue Date: August 1, 2002</i>					\$ 10,725,000
2002/03	-	-	\$ 237,164	\$ 237,164	10,725,000
2003/04	\$ 210,000	\$ 235,854	233,229	679,083	10,515,000
2004/05	215,000	233,229	230,541	678,770	10,300,000
2005/06	225,000	230,541	227,729	683,270	10,075,000
2006/07	230,000	227,729	224,854	682,583	9,845,000
2007/08	235,000	224,854	221,681	681,535	9,610,000
2008/09	240,000	221,681	218,081	679,763	9,370,000
2009/10	250,000	218,081	214,019	682,100	9,120,000
2010/11	255,000	214,019	209,556	678,575	8,865,000
2011/12	265,000	209,556	204,720	679,276	8,600,000
2012/13	275,000	204,720	199,426	679,146	8,325,000
2013/14	285,000	199,426	193,726	678,153	8,040,000
2014/15	295,000	193,726	187,679	676,405	7,745,000
2015/16	310,000	187,679	181,169	678,848	7,435,000
2016/17	320,000	181,169	174,209	675,378	7,115,000
2017/18	335,000	174,209	166,755	675,964	6,780,000
2018/19	350,000	166,755	158,793	675,548	6,430,000
2019/20	365,000	158,793	150,306	674,099	6,065,000
2020/21	385,000	150,306	141,163	676,469	5,680,000
2021/22	400,000	141,163	131,463	672,625	5,280,000
2022/23	420,000	131,463	121,225	672,688	4,860,000
2023/24	440,000	121,225	110,500	671,725	4,420,000
2024/25	465,000	110,500	98,875	674,375	3,955,000
2025/26	485,000	98,875	86,750	670,625	3,470,000
2026/27	510,000	86,750	74,000	670,750	2,960,000
2027/28	535,000	74,000	60,625	669,625	2,425,000
2028/29	565,000	60,625	46,500	672,125	1,860,000
2029/30	590,000	46,500	31,750	668,250	1,270,000
2030/31	620,000	31,750	16,250	668,000	650,000
2031/32	650,000	16,250	-	666,250	-
TOTALS:	\$ 10,725,000	+ \$ 4,551,426	+ \$ 4,552,737	= \$ 19,829,163	

SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY
Debt Service

PROGRAM 9405 – 2010 CERTIFICATES OF PARTICIPATION

The 2010 Certificates of Participation financing structure parallels the 2002 issue. The Town bears an obligation for the 18-year Certificates of Participation issued in the original amount of \$15,675,000, dated June 1, 2010. The COPs were issued to finance the construction of the new Town library. The COPs principal payments are due annually on August 1, with interest payments payable semi-annually on February 1 and August 1.

The financing structure of the COPs includes two lease agreements between the Town of Los Gatos and the Successor Agency for the Town of Los Gatos Redevelopment Agency dated June 1, 2010. The first agreement leases Town-owned parcels, including the existing library, police administration building, and related property located at the Civic Center, to the Successor Agency through August 1, 2028 for a one-time fee of \$1. In the second lease, the Successor Agency subleases the properties back to the Town, effective the date of the original lease. The annual sub-lease payments are equal to the annual debt service for the COPs.

A reimbursement agreement between the Town and Agency, also dated June 1, 2010, obligates the Agency to reimburse the Town in an amount equal to the annual lease payment the Town pays to the Agency for the sub-lease of the existing library, police administration building, and related properties. This reimbursement is in consideration of the Town's cost of the acquisition and construction of the library and police facilities.

While the annual impact of these agreements nets to zero, the lease and reimbursement payments are included in both the Town's and Successor Agency's budgets each year to accurately reflect the terms of these agreements. The Agency remains responsible for making the principal and interest payments.

The maturity schedule for the Successor Agency's current Debt Service obligation under the 2010 COPs is as follows:

SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY
Debt Service

2010 COP DEBT SERVICE

Fiscal Year	Interest Due August 1st	Principal Maturing August 1st	Interest Due February 1st	Total Debt Service	Principal Balance
<i>Issue Date: June 1, 2010</i>					\$ 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 2024/25

Assessed Secured Property Valuation for FY 2022/23		\$	17,621,748,976
Debt Limitation (15% of assessed value)			15%
Bonded Debt Limit		\$	2,643,262,346
Outstanding Bonded Debt at 6/30/2024			
2002 Certificates of Participation	4,420,000		
2010 Certificates of Participation	5,595,000		
TOTAL Outstanding Debt	\$ 10,015,000		
LESS Debt not subject to limit:			
Special Assessment Bonds	-		
Special Revenue Bonds	-		
Certificate of Participation Debt	10,015,000		
Amounts held in Sinking Funds	-		
TOTAL Debt not subject to limit:	\$ 10,015,000		
Amount of Debt Subject to Limit:	\$ -	\$	-
LEGAL DEBT MARGIN		\$	2,643,262,346



Reference Materials

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Clerk Administration	2401
Information Technology Management	2502
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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
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Parks & Public Works Department

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ADA Transition Plan.....	411-812-0129
ADA Upgrade Public Restrooms – Adult Recreation Building	411-821-2601
Adult Recreation Center HVA.....	411-821-2207

LIST OF PROGRAMS

CAPITAL PROJECT FUNDS CONTINUED

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Annual Street Restriping.....	411-811-9902
Adult Recreation Center Interim Community Center	412-821-2208
Battery Power Supply – Library	411-821-2505
Blossom Hill Road – Union to Camden.....	411-811-9904
Building Replacement at Corporation Yard.....	411-821-2302
Charter Oaks Trail Repair.....	411-832-4503
Civic Center Plumbing Repair	411-821-2120
Creekside Park Turf Replacement	411-831-4404
Curb, Gutter, & Sidewalk Maintenance.....	411-813-9921
Downtown Parking Lots Seal Coat & Restriping.....	411-817-0705
Downtown Restroom Feasibility Study	411-821-2011
Downtown Streetscape Revitalization/Economic Recovery Efforts.....	411-813-0235
East Main Street Crosswalk Improvements	421-812-0131
Emergency Preparedness	411-821-2012
Engineering Counter Modifications.....	411-821-2310
Enterprise Resource Planning Upgrade.....	411-841-6101
EOC Communications Upgrade	411-841-6103
Fleet Service Outdoor Work Area (Design Phase)	411-821-2311
Highway 17 Bicycle & Pedestrian Bridge - Design.....	411-848-0803
HVAC Improvement – POB Building	411-821-2403
IT Disaster Recovery Improvements	411-841-6104
Kennedy Sidewalk & Bike Lanes– LGB to Englewood	411-813-0241
Library Improvements	411-821-2504
Local Road Safety Plan	411-812-0132
Los Gatos Creek Trail to Highway 9 Trailhead Connector Project.....	411-832-4505
Lynne Ave Pedestrian Path Design.....	411-832-4510
Measure B Education & Encouragement	411-812-0134
Oak Meadow Bandstand Area Improvements	411-831-4007
Oak Meadow Park Plane Recoating	411-831-4008
Open Space Trail Upgrades	411-832-4504
Overlook Road Trees	411-813-0244
Parking Lot 4 Repair & Waterproofing	411-817-0708
Parking Program Implementation	411-813-0242
Parks Playground Fibar Project.....	411-831-4605
Pavement Rehab Crack Seal.....	411-831-9903
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Sport Court Resurfacing	411-831-4611
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Town Plaza Turf Repairs	411-831-4202
Town-wide Document Imaging Project.....	411-841-6003
Unanticipated Repairs - Annual.....	411-811-9904
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VMT Mitigation Program.....	411-812-0133
Winchester Boulevard Complete Streets Final Design.....	411-831-0238
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Town-wide Speed Studies	471-812-0135
Traffic Signal Modernization	471-813-0227
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Battery Power Supply -Library.....	421-821-2505
Blossom Hill Road – Union to Camden.....	421-811-9904
Charter Oaks Trail Repair	421-832-4503
Curb, Gutter & Sidewalk Maintenance	421-813-9921
East Main Street Crosswalk Improvements	421-812-0131
Highway 17 Bicycle & Pedestrian Bridge - Design	421-818-0803
Kennedy Sidewalk between LGB and Englewood	421-813-0241
Local Road Safety Plan	421-818-0803
Los Gatos Creek Trail to Highway 9 Trailhead Connector Project.....	421-832-4505
Measure B Education & Encouragement	421-812-0134
Oak Meadow Bandstand Area Improvements	421-831-4007
Roadside Fire Fuel Reduction	421-812-0130
Shannon Road Pedestrian & Bikeway Improvements.....	421-813-0218
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Traffic Signal Modernization	421-813-0227
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SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY FUNDS

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Administrative Services Department		
Program		Fund
1201 Non-Departmental	111	General Fund
2101 Town Manager Administration	111	General Fund
2102 Community Grants	111	General Fund
2201 Human Resources	111	General Fund
2202 Workers' Compensation	612	Workers' Compensation Fund - Internal Service Fund
2301 Finance & Administrative Services	111	General Fund
2401 Clerk Administration	111	General Fund
2502 Information Technology Management	111	General Fund
2501 Information Technology Systems	621	Information Technology System - Internal Service Fund
2999 Pass Through Accounts	111	General Fund
Community Development Department		
Program		Fund
3101 Administration	111	General Fund
3201 Developmental Review	111	General Fund
3202 Advanced Planning	111	General Fund
3301 Inspection Services	111	General Fund
3401 Code Compliance	111	General Fund
3501 BMP Housing Program	111	General Fund
3999 Pass Thru Accounts	111	General Fund
Police Department		
Program		Fund
4101 Administration	111	General Fund
4201 Records & Communication	111	General Fund
4202 Personnel & Community Services	111	General Fund
4301 Patrol	111	General Fund
4302 Traffic	111	General Fund
4303 Investigations	111	General Fund
4304 Parking Program	111	General Fund
4800 Grants Program - Police	111	General Fund
4999 Pass Thru Accounts	111	General Fund

LIST OF DEPARTMENT PROGRAMS BY FUNDING SOURCE

Parks & Public Works Department		
Program		Fund
5101 Administration	111	General Fund
5201 Engineering Program Services	111	General Fund
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GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

GLOSSARY

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

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

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

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

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

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

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

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

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

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

Capital Acquisitions/Assets – See “Fixed Assets.”

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

GLOSSARY

Capital Improvement Program (CIP) - The plan or schedule of expenditures for major construction of roads, sidewalks, Town facilities and/or park improvements and for the purchase of equipment. The Town of Los Gatos' CIP follows a five-year schedule. Although the Town adopts the CIP budget in a process that is separate from the adoption of the budget, the budget incorporates the first-year of the five-year CIP.

Capital Projects - Expenditures that have a value of \$25,000 or more which result in the acquisition of, construction of, rehabilitation of or additions to, infrastructure and fixed assets with a useful life of at least 5 years at a fixed location.

Depreciation – The process of allocating the total cost of fixed assets over each period of their usefulness to the government.

Capital Projects Fund - In governmental accounting, a fund that accounts for financial resources to be used for the acquisition or construction of capital facilities. The total cost of a capital project is accumulated in a single expenditure account which accumulates until the project is completed, at which time the fund ceases to exist.

Cash Basis Accounting - A basis of accounting under which transactions are recognized only when cash is received or disbursed.

Certificate of Participation (COP) - A type of financing in which investors purchase a share of the lease revenues of a program rather than the bond being secured by those revenues. The authority usually uses the proceeds to construct a facility that is leased to the municipality, releasing the municipality from restrictions on the amount of debt that they can incur.

Community Development Block Grant (CDBG) - Federal grant funds distributed from the U.S. Department of Housing and Urban Development that are passed through to the Town. The Town primarily uses these funds for housing rehabilitation, public improvements and local social programs.

Comprehensive Annual Financial Report (CAFR) - The official financial report of the Town. It includes an audit opinion as well as basic financial statements and supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions.

Contingency - A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Contingent Liabilities - Items which may become liabilities of the Town but are undetermined at a given date, such as pending lawsuits, unsettled disputed claims, unfilled purchase orders and uncompleted contracts.

Contract Services - Services provided to the Town from the private sector or other public agencies.

Debt Service - Payment of the principal and interest on an obligation resulting from the issuance of bonds, notes, or Certificates of Participation (COPs).

GLOSSARY

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

Deficit - The excess of liabilities over assets.

Department - A major organizational unit of the Town, which has been assigned overall management responsibility for an operation, or a group of related operations within a functional area. In Los Gatos, Department Heads are the chief administrators within a department.

Encumbrances - Commitments against an approved budget for unperformed (executory) contracts for goods or services. They cease to be encumbrances when the obligations are paid or otherwise terminated.

Enterprise Funds - Established to account for the financing of self-supporting activities of governmental units, which render services on a user charge basis to the general public.

Equipment Replacement Fund - This fund is used to account for the replacement of existing fixed assets as equipment, machinery or building improvements become unserviceable or obsolete.

Expenditure - The outflow of funds paid or to be paid for an asset obtained or goods and services obtained. Note: An encumbrance is not expenditure; an encumbrance reserves funds to be expended. (See encumbrances.)

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

Fiscal Year - A 12-month period to which the annual operating budget applies and at the end of which the Town determines its financial position and results of its operations. The Town's fiscal year runs from July 1st to June 30th.

Fixed Assets - Non-consumable assets of long-term nature such as land, buildings, machinery, furniture, and the other equipment. The Town has defined such assets as those with an expected life in excess of one year and value in excess of \$10,000.

Franchise Fees - Imposed on utility companies for the privilege of doing business in the Town. Fees are usually based upon a percentage of gross revenue derived from business conducted in the Town.

Full-time Equivalents (FTE) - The amount of time a position has been budgeted for in terms of the amount of time a regular, full-time employee normally works in a year. Full-time employees are paid for 2,080 hours in a year equating 1.0 FTE. Correspondingly, a part-time employee who worked 1,040 hours would equate to 0.5 FTE.

Fund - An independent fiscal and accounting entity with a self-balancing set of accounts in which cities record financial transactions relating to revenues, expenditures, assets and liabilities. Each fund type typically has a unique funding source and purpose. Establishing funds enables the town to account for the use of restricted revenue sources and carry on specific activities or pursue specific objectives.

GLOSSARY

Fund Accounting - System used by non-profit organizations, particularly governments. Since there is no profit motive, accountability is measured instead of profitability. The main purpose is stewardship of financial resources received and expended in compliance with legal requirements.

Fund Balance - Also known as financial position, fund balance is the excess of current assets over current liabilities, and represents the cumulative effect of revenues and other financing sources over expenditure and other financing uses.

GAAP (Generally Accepted Accounting Principles) - Uniform minimum standards for financial accounting and reporting. They govern the form and content of the basic financial statements of the Town.

Gann Appropriation Limit - This is the common name of Proposition 4, approved by voters on November 6, 1979 which mandated an appropriation limit on the amount of tax revenues that government jurisdictions may appropriate within a fiscal year. This bill was named after Paul Gann, who was a co-sponsor of the famous Proposition 13 initiative enacted by the voters of California on June 6, 1978 which resulted in a cap on property tax rates in the state, and a prominent author and advocate of this subsequent spending limitation bill.

Gas Tax Fund - The Gas Tax Fund is used to account for revenues and expenditures apportioned under the Streets and Highways Code of the State of California. Expenditures may be made for any street related purpose in the Town's system of streets.

General Fund - In governmental accounting, fund used to account for all assets and liabilities of a non-profit entity, except those particularly assigned for other purposes in another more specialized fund. It is the primary operating fund of the Town.

General Government - Town Council, Town Manager, Town Clerk's Office, Town Attorney, Town Treasurer, Personnel, Finance, Planning, Police, Parks and Public Works, and Library.

General Liability Self Insurance Fund - The General Liability Self Insurance Fund is used to provide the Town with liability and property insurance. Coverage is provided through the Town's participation in a joint powers agreement through (ABAG) Associations of Bay Area Governments.

General Obligation Bond - A municipal bond backed by the credit and "taxing power" of the issuing jurisdiction rather than the revenue from a given project. General obligation bonds are issued with the belief that a municipality will be able to repay its debt obligation through taxation or revenue from projects. No assets are used as collateral.

Government Finance Officers Association (GFOA) - GFOA is the professional association of state/provincial and local finance officers in the United States and Canada, and has served the public finance profession since 1906. Approximately 16,000 GFOA members are dedicated to the sound management of government financial resources.

Governmental Funds - the fund used to account for all assets and liabilities of a government agency, except those particularly assigned for other purposes in another more specialized fund. There are five different types of governmental funds: the general fund (which is the primary operating fund), special revenue funds, debt service funds, capital project funds, and permanent funds.

GLOSSARY

Grant - External contributions, and/or gifts of cash, or other assets typically from another governmental entity to be used or expended for a specific purpose, activity, or facility. An example is Community Development Block grant funding from the Federal Government.

Housing Fund (RDA) - Fund is used to account for the 20% set aside property tax increment revenues and the associated expenditures to be used for increasing or improving low and moderate-income housing.

Information Technology Fund - The Information technology Fund is used to account for the costs associated with the Town's centralized computer system and to distribute these costs to departments using the system on a pro rata basis. Included are costs for hardware and software maintenance and development, and computer training.

Infrastructure - The basic facilities, services, and installations needed for the functioning of a community or society, such as streets and roads, sidewalks, bridges, communications systems, water and power lines, and public institutions including schools, police stations, libraries, and post offices.

Interest Income - The prudent investment of idle funds. The types of investments that can be made are limited by the Government Code to protect the safety of taxpayers' money.

Intergovernmental Revenue - Revenue received from other governmental agencies and municipalities, such as grants from the State or Federal government.

Internal Services Fund - The Internal Service Funds are used to finance and account for special activities and services performed by a designated Town department for other departments on a cost reimbursement basis.

Inter-Fund Transfers - When the Town moves money between its various funds, it makes an inter-fund transfer, referred to as transfers-in and transfers-out. In aggregate, transfers in and out offset each other for the fiscal year.

Landscape and Lighting Fund - The Town has formed six landscape and lighting district funds established by written consent of the property owners owning all of the property within the boundaries of the district.

Levy - To impose taxes, special assessments or service charges for the support of governmental activities. The total amount of taxes, special assessments or service charges imposed by Santa Clara County levying property taxes.

Licenses and Permits - Revenues earned by the issuance of licenses or permits levied in accordance with the benefits conferred by the license or permit.

Limited Obligation Bond - A bond sold by a municipality to finance projects which are secured by the revenue generated by those projects.

GLOSSARY

Line-Item Budget - A budget that lists detailed expenditure categories (salaries & benefits, office supplies, travel, dues, rents, etc.) separately, along with the amount budgeted for each specified category. The Summary Budget reflects the program rather than line item budgets. The Detail Budget reflects the line-item detail.

Major Fund – Major funds are funds whose revenues, expenditures/expenses, assets, or liabilities are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds for the same item. The General Fund is always a major fund. The Town may also select other funds it believes should be presented as major funds.

Modified Accrual Basis - Under this accounting method, revenues are recognized when they become both measurable and available to finance expenditures of the current period. Expenditures for the most part are recognized when the related fund liability is incurred except for prepayments, accumulated employee leave and long-term debt. All governmental funds and expendable trust funds are accounted for using the modified accrual basis of accounting.

Motor Vehicle in Lieu Fee - A State fee charged for the privilege of operating a vehicle on public streets. A VLF is levied annually against the market value of a motor vehicle and is imposed by the State “in lieu” of local property taxes.

Non-Departmental - This program has the sole purpose of accounting for all expenditures that the Town cannot specifically designate to any operating department within the General Fund.

Non-major Fund – Non-major funds are all governmental and enterprises funds that are not classified as major funds.

Objective - A statement of specific direction, purpose, or intent based on the needs of the community and the goals established for a specific program or service level.

Ordinance - A formal legislative enactment by the Town Council. It has the full force and effect of law within Town boundaries unless pre-empted by a higher form of law. An Ordinance has a higher legal standing than a Resolution and is typically codified in a Town's municipal code.

Operating Budget - The operating budget is the primary means by which most of the financing of acquisition, spending and service delivery activities of a government are controlled. The use of annual operating budgets is required by law.

Other Revenues - Revenues from sources other than those specifically identified that are too immaterial in amount to justify the creation of new revenue account line items.

Performance Measure - Sets forth a performance objective and a goal for achieving the objective.

Personnel Benefits - Those benefits paid by the Town as conditions of employment.

Personnel - Town employees.

Present Value - The amount that a future sum of money is worth today given a specified rate of return.

GLOSSARY

Proposition 218 - A statewide initiative passed by the voters of California on November 5, 1996. The initiative provided voters with the right to vote on new taxes.

Program - As subdivisions of departments, programs are budgetary or organizational units of government with limited sets of work responsibilities within their respective departments. Programs also serve to increase budgetary accountability. Los Gatos' budget is compiled on a program basis.

Property Tax - Imposed on real property (land and permanently attached improvements). The tax is based upon the assessed value of such property. The tax rate may not exceed 1% of assessed value.

Proprietary Funds - Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

Public Employees' Retirement System (PERS) - Provided for the Town's employees, by the State of California.

RDA - Redevelopment Agency, while a component unit, the Agency is a legal entity separate from the Town.

Redevelopment Agency Fund - Fund is used to account for the proceeds of notes, advances and other forms of indebtedness, and the expenditure of these funds for improvement, reconstruction and redevelopment projects within the specified boundaries of the Town of Los Gatos Redevelopment Agency.

Reserve - An account used to indicate that a portion of fund equity is legally restricted for a specific purpose.

Resolution - A special order of the Town Council which has a lower legal standing than an ordinance.

Resources - Total amounts available for appropriation including estimated revenues, inter-fund transfers, and beginning fund balances.

Revenue - Sources of income, which the Town receives during a fiscal year. Examples of revenue include taxes, intergovernmental grants, charges for services, resources forward from the prior year, operating transfers for other funds, and other financing sources such as the proceeds derived from the sales of fixed assets.

GLOSSARY

Road Impact Fees - Pursuant to Article III of Chapter 15 of the Town Code, the Town collects road impact fees in order to finance road construction and maintenance projects throughout the Town. Article IX of Chapter 15 authorizes the establishment of special fund accounts known as Road Impact #1, Road Impact #2, and Road Impact #3, into which all such fees are deposited. Because the road systems generally follow drainage patterns, the existing drainage basin map boundaries are used to track and expend funds for road construction and maintenance. The amount of each fee collected is based on an estimate of the weight of the loads to be hauled to or from the project and the weight of heavy vehicles to be used in connection with the project. The fee is collected for: Building Permits, Grading and Landscape Permits, Improvement Contracts, and Encroachment permits. Money collected from such fees is to be used solely for design, construction, and repair of town streets and installation of sidewalk curb cut ramps when the level of work as triggers such a requirement provided by the Americans with Disabilities Act, within the prescribed area. Projects will be brought forward on an as needed basis.

Sales Tax - 1% is returned to the Town by the State Board of Equalization on a monthly direct deposit basis.

Self-Insurance Fund - The Self-Insurance Fund (General Liability) is used to finance and account for the Town's general liability self-insurance program.

Special Assessment Bonds - Bonds payable from the proceeds of special assessment.

Special Revenue Fund - In governmental accounting, fund used to account for the proceeds of special revenue sources (other than special assessments, expandable trusts, or for major capital projects) that are legally restricted to expenditure for specified purpose.

Service Charge - Charges for specific services rendered.

Services and Supplies - Expenditures for services and supplies which are directly related to a department's primary service activities.

Sewer Service Charge - Sanitary Sewer Taxes are collected by the West Valley Sanitation District to maintain the Sanitary Sewer Collection System in District's Service Area. The Parks, Forestry and Maintenance Department provide sanitary Sewer collection maintenance within the Town limits. These operating costs are reimbursed to the Town from Sanitary Sewer fees.

Successor Agency to the Town of Los Gatos RDA – Effective February 1, 2012, all redevelopment agencies in the State of California were dissolved pursuant to AB 1X 26. Following the provisions of the Dissolution Act, the Town Council of the Town of Los Gatos adopted a resolution accepting for the Town role of Successor Agency to the Redevelopment Agency of the Town of Los Gatos.

Supplies - An expenditure classification for articles and commodities purchased for consumption or resale.

Taxes - Compulsory charges levied by the Town, County and State for the purpose of financing services performed for the common benefit.

Town Code - A book that contains the Town Council approved ordinances currently in effect. The code defines Town policy with respect to areas such as planning, etc.

GLOSSARY

Transient Occupancy Tax - Imposed on hotels, motels, inns or other lodging facilities. The rate in Los Gatos is 12%.

Transfers In/Out - Money transferred from one Town fund to another. Differs from revenues and expenses - see definition of these terms.

Workers' Compensation Fund - The Worker's Compensation Fund accounts for the cost to provide worker's compensation insurance coverage to all Town employees in compliance with State of California requirements.

LIST OF ACRONYMS

Following is a list of acronyms common to local government terminology:

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

ACRONYMS

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

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