



TOWN OF LOS GATOS
FINANCE COMMISSION REPORT

MEETING DATE: 04/14/2025

ITEM NO: 3

DESK ITEM

DATE: April 14, 2025
TO: Finance Commission
FROM: Chris Constantin, Town Manager
SUBJECT: Review and Provide Recommendations on the Scopes of Services for a Fiscal Impact Analysis for Proposed and Planned Growth and Fiscal Condition Analysis and Five-Year Projection

REMARKS:

Attachment 2 contains Commissioner communication.

Attachments (previously distributed with the staff report):

1. Draft Request for Proposal for Fiscal Impact Analysis

Attachment (distributed with this Desk Item):

2. Commissioner Communications

PREPARED BY: Wendy Wood
Town Clerk

This Page Intentionally Left Blank

From: [Phil Koen](#)
To: [Chris Constantin](#); [Gitta Ungvari](#); [Wendy Wood](#); [Wendy Wood](#)
Cc: [REDACTED]; [Matthew Hudes](#)
Subject: Fiscal Impact Analysis of 2040 General Plan
Date: Sunday, April 13, 2025 6:33:16 PM
Attachments: [Pages from lqggu land use alternatives report web\(1\).pdf](#)

[EXTERNAL SENDER]

Chris,

Attached is the fiscal impact analysis that was prepared to analyze the fiscal impact of various growth alternatives considered as part of the 2040 General Plan development process. Alternative D is closest to the population and housing unit growth included in the adopted 2040 General Plan.

I strongly suggest the consultant develop a more comprehensive analysis of the fiscal impact of the growth programmed by the 2040 General Plan. The Town's population in 2040 is forecasted to increase 30% over the 2018 population level. Given the preliminary forecast of a budget deficit for FY 2026, it is critical that the Town understand the fiscal impact of growth on Town's revenues and operating expenditures as well as the capital investment required to service the incremental growth. It is clear the attached analysis is incomplete and outdated.

Thank you,

Phil Koen

Step 8: Results

After calculating the net new figures from the pending and approved projects, the Consultants added them to the existing (2018) Los Gatos housing units, population, and jobs totals, as well as the net new totals for each of the four land use alternatives. These combined totals provide a snapshot of the Townwide buildout of parcels within the five land use designations selected for analysis by the GPAC. The following is a summary of the Townwide net new population, housing units, and jobs by land use alternative.

Category	Existing (2018)**	Alt A*	Alt B*	Alt C*	Alt D*
Population	30,250	33,024	34,788	35,777	37,872
Jobs	20,650	21,930	21,930	21,930	21,930
Housing Units	13,069	14,225	14,960	15,372	16,245

Notes:

*Totals include the pending and approved projects

**Existing data is from the American Community Survey, 2018



Fiscal Analysis Methodology

The fiscal analysis of the land use alternatives is based on estimates derived from the Town FY 2019-2020 General Fund budget and the analysis of how different land uses affect Town service cost and tax revenues, as described in the Los Gatos Today Chapter of the General Plan Background Report published in March 2019. This section describes these calculations in more detail.

The analysis allocates major revenues such as the property tax, sales tax and transient occupancy tax (TOT) to land uses based on estimated socioeconomic characteristics of the land uses and the legislative tax formulas. Other revenues and most service costs are allocated based on per capita formulas using the existing budget data and population and employment levels in Los Gatos. Each section below describes the major assumptions and data sources used for each revenue and cost category.

Property Tax

Property tax is based on projected market values for future development shown in the table to the right (Projected Assessed Values by Land Use). The Consultants researched prices for real estate sales transactions over the past two years in Los Gatos. During that time, there were approximately 440 sales transactions for properties in the land use types and density ranges and included in the General Plan alternatives.

While property owners pay a total base property tax of one percent of assessed value, the Town receives an estimated 9.3 percent of this revenue. The remaining property tax revenue is distributed to the County and various other taxing agencies, most notably local school districts, in the area.

In addition to the base property tax, the Town receives property tax in lieu of vehicle license fees directly from the state. These revenues are based on annual increases in assessed value in each Town and are equal to nearly 21.8 percent of base tax revenues for Los Gatos.

Projected Assessed Values by Land Use

Land Use	Assessed Value
Residential	Per Unit
Single Family (Density)	
(4 du/ac)	\$2,254,000
(10 du/ac)	\$2,031,000
(14 du/ac)	\$1,660,000
(16 du/ac)	\$1,511,000
Multi-Family	
(18 du/ac)	\$1,343,000
(20 du/ac)	\$1,048,000
(26 du/ac)	\$1,165,000
(36 du/ac)	\$910,000
BMP Units	
Low Income	\$385,000
Moderate Income	\$510,000
Non-Residential	Per Sq. Ft.
Commercial	\$1,086
Industrial	\$200
Office	\$556
Institutional	\$189

Source: ADE, 2019, based on property transaction data for 2017-2019 reported by CoreLogic ListSource.

Sales Tax

The Town receives 1.125 percent of taxable sales that occur within the Town limits. In the Background Report, the Consultants estimated that approximately 25 percent of total retail demand leaves Los Gatos as households and businesses shop at other retail centers in the regional market area.

Based on the projected home prices and rent levels for the housing units in the land use alternatives, the Consultants estimated household income levels and calculated the amount of taxable retail sales from each income segment shown in the table below (Estimated Household Incomes and Sales Tax Generation Rates).

For non-residential projects in the land use alternatives, the sales tax generation rates are based on the analysis of existing sales tax in the Background Report. In the fiscal calculations, the sales tax attributed to retail/commercial excludes sales tax generated by Los Gatos households. This was done to avoid double counting household revenues. The remaining taxable sales from retail/commercial are generated by non-Los Gatos households, visitor spending, and business to business transactions. Office, industrial, and institutional taxable sales are point of sale transactions at those places of business.

Estimated Household Incomes and Sales Tax Generation Rates

Residential Land Use Categories	Sales Price	Homeowners			Renters			Spent in Los Gatos	Sales Tax per Household
		Household Income	Retail Sales % of Income	Taxable Sales	Renter Household Income	Retail Sales	Taxable Sales		
Single Family									
(4 du/ac)	\$2,254,000	\$498,200	21.0%	65.7%				75.0%	\$580
(10 du/ac)	\$2,031,000	\$448,900	21.0%	65.7%				75.0%	\$523
(14 du/ac)	\$1,660,000	\$366,900	21.0%	65.7%				75.0%	\$427
(16 du/ac)	\$1,511,000	\$334,000	21.0%	65.7%				75.0%	\$389
Multi-Family									
(18 du/ac)	\$1,343,000	\$296,800	21.0%	65.7%	\$88,209	34.0%	85.0%	75.0%	\$241
(20 du/ac)	\$1,048,000	\$231,600	21.0%	65.7%	\$88,209	34.0%	85.0%	75.0%	\$226
(26 du/ac)	\$1,165,000	\$257,500	21.0%	65.7%	\$88,209	34.0%	84.0%	75.0%	\$230
(36 du/ac)	\$910,000	\$201,100	21.0%	65.7%	\$88,209	34.0%	84.0%	75.0%	\$217
BMP Low	\$385,000	\$85,050	29.8%	69.5%	\$85,050	34.7%	84.0%	75.0%	\$197
BMP Moderate	\$510,000	\$112,700	28.8%	69.1%	\$112,700	34.7%	84.0%	75.0%	\$260

Source: ADE, 2019. Homeowner incomes based on qualifying income for 30 year mortgage at 3.9% with 10% down payment and housing costs, including taxes and insurance, at 33% of income. Rents assumed to average \$2,575 per month. The sales tax per household assumes 80% renters and 20% homeowners for the multi-family units.

Other Revenues and Costs

Other revenues and the Town service costs are projected on a per capita basis. Residents in Town generate twice the service demand per person as do the jobs supported by businesses in Town. This rule of thumb was developed through a fiscal impact methodology based on the data that nighttime residents are present at least 16 hours in a 24-hour day while those that commute into Town for employment only occupy 8-hour shifts. With the 2019 population in Los Gatos of 30,988 and an estimated job base of 19,667 jobs, this results in about 74.8 percent of Town service costs allocated to residential uses and 23.7 percent to non-residential uses. The remaining 1.5 percent are allocated to visitors based on the number of hotel rooms in Town. These percentages and the resulting per capita revenue and cost factors are shown in the table on the right (Per Capita Cost and Revenue Factors by Major Land Use).

Intergovernmental revenues, including the gas tax, tend to be allocated based on residential population only. General Government Costs are not allocated on a per capita basis but are applied as an overhead charge to other costs for each land use. General Government includes the Town management functions, finance, human resources, Town Clerk, Town Attorney, and other similar functions. Overall, these services represent about 20 percent of the total General Fund expenditures for Los Gatos.

The detailed fiscal projections for each alternative are shown in the tables on the following pages.

Per Capita Cost and Revenue Factors by Major Land Use

Budget Category	Residential		Business	
	Percent Allocation	Per Capita Factor	Percent Allocation	Per Capita Factor
Revenues				
Franchise Fees	76%	\$60.51	24%	\$29.66
Other taxes	76%	\$34.46	24%	\$16.89
Intergovernmental	100%	\$31.57	0%	\$0.00
Town Services	76%	\$106.54	24%	\$52.22
Fines and Forfeitures	75%	\$11.68	24%	\$5.84
Other Revenues	76%	\$8.77	24%	\$4.30
Debt Service Reimbursements	76%	\$0.00	24%	\$0.00
Transfers in	76%	\$13.26	24%	\$6.50
Expenditures				
Community Development	76%	\$141.78	24%	\$69.50
Library	76%	\$72.24	24%	\$35.41
Parks and Public Works	75%	\$60.63	24%	\$30.31
Debt Payments	76%	\$0.00	24%	\$0.00
Transfers Out	76%	\$190.83	24%	\$93.54
Franchise Fees	76%	\$60.51	24%	\$29.66
Other taxes	76%	\$34.46	24%	\$16.89

Source: ADE, 2019.

Detailed Fiscal Projections: Alternative A

Alternative A							
	Total	Single Family	Multi-Family	Commercial	Industrial	Office	Institutional
REVENUES							
Property Tax	\$1,858,702	\$599,216	\$772,109	\$391,559	\$29,284	\$60,067	\$6,467
Property Tax in lieu of VLF	\$497,736	\$160,462	\$206,761	\$104,854	\$7,842	\$16,085	\$1,732
Sales Tax	\$720,812	\$169,312	\$184,914	\$290,125	\$11,293	\$64,645	\$524
Franchise Fees	\$207,580	\$56,645	\$111,101	\$23,001	\$6,671	\$9,852	\$310
Transient Occupancy Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other taxes	\$118,206	\$32,256	\$63,266	\$13,098	\$3,799	\$5,610	\$176
Licenses and Permits	\$285,597	\$77,934	\$152,858	\$31,646	\$9,179	\$13,555	\$426
Intergovernmental	\$87,501	\$29,548	\$57,954	\$0	\$0	\$0	\$0
Town Services	\$365,454	\$99,726	\$195,599	\$40,494	\$11,745	\$17,345	\$545
Fines and Forfeitures	\$40,213	\$10,931	\$21,440	\$4,528	\$1,313	\$1,939	\$61
Interest Earnings and Rents	\$62,721	\$18,513	\$26,613	\$13,372	\$1,231	\$2,839	\$153
Other Revenues	\$30,072	\$8,206	\$16,095	\$3,332	\$966	\$1,427	\$45
Transfers in	\$45,470	\$12,408	\$24,337	\$5,038	\$1,461	\$2,158	\$68
TOTAL REVENUES	\$4,320,066	\$1,275,158	\$1,833,048	\$921,048	\$84,785	\$195,521	\$10,507
EXPENDITURES							
General Government	\$629,157	\$167,134	\$327,811	\$90,283	\$17,380	\$25,712	\$836
Community Development	\$505,602	\$132,714	\$260,301	\$80,834	\$12,504	\$18,523	\$726
Police Dept.	\$1,463,870	\$382,651	\$750,519	\$237,738	\$36,776	\$54,478	\$1,707
Library	\$247,812	\$67,623	\$132,634	\$27,459	\$7,964	\$11,761	\$370
Parks and Public Works	\$208,775	\$56,753	\$111,313	\$23,507	\$6,818	\$10,068	\$316
Transfers Out	\$654,620	\$178,634	\$350,367	\$72,536	\$21,039	\$31,069	\$977
TOTAL EXPENDITURES	\$3,709,836	\$985,509	\$1,932,945	\$532,357	\$102,482	\$151,612	\$4,932
TOTAL BUDGET NET (DEFICIT)/ SURPLUS	\$610,230	\$289,649	(\$99,897)	\$388,691	(\$17,697)	\$43,910	\$5,575

Note: figures may not exactly add due to rounding.

Detailed Fiscal Projections: Alternative B

Alternative B							
	Total	Single Family	Multi-Family	Commercial	Industrial	Office	Institutional
REVENUES							
Property Tax	\$2,478,760	\$484,371	\$1,507,012	\$391,559	\$29,284	\$60,067	\$6,467
Property Tax in lieu of VLF	\$663,780	\$129,708	\$403,558	\$104,854	\$7,842	\$16,085	\$1,732
Sales Tax	\$867,758	\$141,992	\$359,178	\$290,125	\$11,293	\$64,645	\$524
Franchise Fees	\$297,814	\$42,335	\$215,646	\$23,001	\$6,671	\$9,852	\$310
Transient Occupancy Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other taxes	\$169,590	\$24,107	\$122,799	\$13,098	\$3,799	\$5,610	\$176
Licenses and Permits	\$409,745	\$58,246	\$296,694	\$31,646	\$9,179	\$13,555	\$426
Intergovernmental	\$134,570	\$22,083	\$112,487	\$0	\$0	\$0	\$0
Town Services	\$524,315	\$74,532	\$379,654	\$40,494	\$11,745	\$17,345	\$545
Fines and Forfeitures	\$57,626	\$8,170	\$41,615	\$4,528	\$1,313	\$1,939	\$61
Interest Earnings and Rents	\$84,157	\$14,746	\$51,816	\$13,372	\$1,231	\$2,839	\$153
Other Revenues	\$43,145	\$6,133	\$31,241	\$3,332	\$966	\$1,427	\$45
Transfers in	\$65,236	\$9,273	\$47,237	\$5,038	\$1,461	\$2,158	\$68
TOTAL REVENUES	\$5,796,495	\$1,015,697	\$3,568,937	\$921,048	\$84,785	\$195,521	\$10,507
EXPENDITURES							
General Government	\$895,398	\$124,911	\$636,275	\$90,283	\$17,380	\$25,712	\$836
Community Development	\$717,013	\$99,187	\$505,239	\$80,834	\$12,504	\$18,523	\$726
Police Dept.	\$2,073,425	\$285,982	\$1,456,743	\$237,738	\$36,776	\$54,478	\$1,707
Library	\$355,534	\$50,540	\$257,440	\$27,459	\$7,964	\$11,761	\$370
Parks and Public Works	\$299,181	\$42,415	\$216,056	\$23,507	\$6,818	\$10,068	\$316
Transfers Out	\$939,181	\$133,506	\$680,055	\$72,536	\$21,039	\$31,069	\$977
TOTAL EXPENDITURES	\$5,279,731	\$736,541	\$3,751,809	\$532,357	\$102,482	\$151,612	\$4,932
TOTAL BUDGET NET (DEFICIT)/ SURPLUS	\$516,764	\$279,157	(\$182,872)	\$388,691	(\$17,697)	\$43,910	\$5,575

Note: figures may not exactly add due to rounding.

Detailed Fiscal Projections: Alternative C

Alternative C							
	Total	Single Family	Multi-Family	Commercial	Industrial	Office	Institutional
REVENUES							
Property Tax	\$2,741,725	\$558,345	\$1,696,003	\$391,559	\$29,284	\$60,067	\$6,467
Property Tax in lieu of VLF	\$734,198	\$149,517	\$454,167	\$104,854	\$7,842	\$16,085	\$1,732
Sales Tax	\$963,242	\$162,463	\$434,192	\$290,125	\$11,293	\$64,645	\$524
Franchise Fees	\$354,403	\$48,013	\$266,556	\$23,001	\$6,671	\$9,852	\$310
Transient Occupancy Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other taxes	\$201,814	\$27,341	\$151,790	\$13,098	\$3,799	\$5,610	\$176
Licenses and Permits	\$487,603	\$66,059	\$366,739	\$31,646	\$9,179	\$13,555	\$426
Intergovernmental	\$164,088	\$25,045	\$139,043	\$0	\$0	\$0	\$0
Town Services	\$623,943	\$84,529	\$469,284	\$40,494	\$11,745	\$17,345	\$545
Fines and Forfeitures	\$68,546	\$9,266	\$51,440	\$4,528	\$1,313	\$1,939	\$61
Interest Earnings and Rents	\$95,298	\$16,914	\$60,789	\$13,372	\$1,231	\$2,839	\$153
Other Revenues	\$51,343	\$6,956	\$38,616	\$3,332	\$966	\$1,427	\$45
Transfers in	\$77,632	\$10,517	\$58,389	\$5,038	\$1,461	\$2,158	\$68
TOTAL REVENUES	\$6,563,834	\$1,164,965	\$4,187,009	\$921,048	\$87,785	\$195,521	\$10,507
EXPENDITURES							
General Government	\$1,062,367	\$141,666	\$786,490	\$90,283	\$17,380	\$25,712	\$836
Community Development	\$849,596	\$112,491	\$624,518	\$80,834	\$12,504	\$18,523	\$726
Police Dept.	\$2,455,699	\$324,342	\$1,800,658	\$237,738	\$36,776	\$54,478	\$1,707
Library	\$423,091	\$57,319	\$318,218	\$27,459	\$7,964	\$11,761	\$370
Parks and Public Works	\$355,878	\$48,105	\$267,064	\$23,507	\$6,818	\$10,068	\$316
Transfers Out	\$1,117,639	\$151,413	\$840,606	\$72,536	\$21,039	\$31,069	\$977
TOTAL EXPENDITURES	\$6,264,270	\$835,336	\$4,637,553	\$532,357	\$102,482	\$151,612	\$4,932
TOTAL BUDGET NET (DEFICIT)/ SURPLUS	\$299,565	\$329,629	(\$450,544)	\$388,691	(\$17,697)	\$43,910	\$5,575

Note: figures may not exactly add due to rounding.

Detailed Fiscal Projections: Alternative D

Alternative D							
	Total	Single Family	Multi-Family	Commercial	Industrial	Office	Institutional
REVENUES							
Property Tax	\$3,419,046	\$744,996	\$2,186,673	\$391,559	\$29,284	\$60,067	\$6,467
Property Tax in lieu of VLF	\$915,576	\$199,500	\$585,563	\$104,854	\$7,842	\$16,085	\$1,732
Sales Tax	\$1,178,463	\$213,283	\$598,593	\$290,125	\$11,293	\$64,645	\$524
Franchise Fees	\$477,885	\$75,883	\$362,169	\$23,001	\$6,671	\$9,852	\$310
Transient Occupancy Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other taxes	\$272,131	\$43,211	\$206,236	\$13,098	\$3,799	\$5,610	\$176
Licenses and Permits	\$657,495	\$104,403	\$498,287	\$31,646	\$9,179	\$13,555	\$426
Intergovernmental	\$228,500	\$39,583	\$188,917	\$0	\$0	\$0	\$0
Town Services	\$841,339	\$133,595	\$637,614	\$40,494	\$11,745	\$17,345	\$545
Fines and Forfeitures	\$92,376	\$14,644	\$69,891	\$4,528	\$1,313	\$1,939	\$61
Interest Earnings and Rents	\$121,642	\$23,534	\$80,524	\$13,372	\$1,231	\$2,839	\$153
Other Revenues	\$69,232	\$10,993	\$52,468	\$3,332	\$966	\$1,427	\$45
Transfers in	\$104,680	\$16,622	\$79,333	\$5,038	\$1,461	\$2,158	\$68
TOTAL REVENUES	\$8,378,365	\$1,620,237	\$5,546,267	\$921,048	\$84,785	\$195,521	\$10,507
EXPENDITURES							
General Government	\$1,426,709	\$223,897	\$1,068,600	\$90,283	\$17,380	\$25,712	\$836
Community Development	\$1,138,904	\$177,787	\$848,529	\$80,834	\$12,504	\$18,523	\$726
Police Dept.	\$3,289,855	\$512,610	\$2,446,546	\$237,738	\$36,776	\$54,478	\$1,707
Library	\$570,505	\$90,590	\$432,361	\$27,459	\$7,964	\$11,761	\$370
Parks and Public Works	\$479,596	\$76,028	\$362,859	\$23,507	\$6,818	\$10,068	\$316
Transfers Out	\$1,507,050	\$239,303	\$1,142,128	\$72,536	\$21,039	\$31,069	\$977
TOTAL EXPENDITURES	\$8,412,619	\$1,320,214	\$6,301,023	\$532,357	\$102,482	\$151,612	\$4,932
TOTAL BUDGET NET (DEFICIT)/ SURPLUS	(\$34,253)	\$300,023	(\$754,755)	\$388,691	(\$17,697)	\$43,910	\$5,575

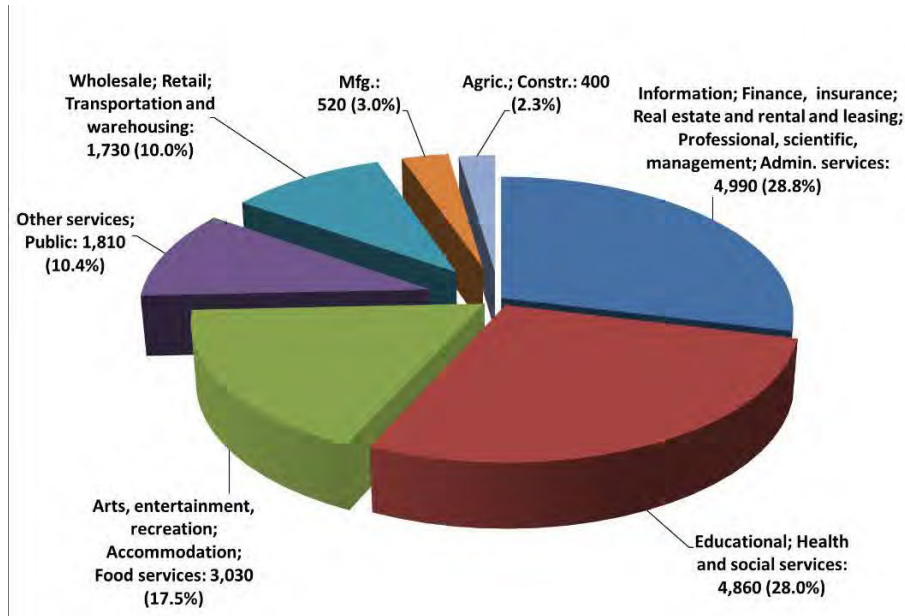
Note: figures may not exactly add due to rounding.

From: [Phil Koen](#)
To: [Chris Constantin](#); [Gitta Ungvari](#); [Wendy Wood](#)
Cc: [Linda Reiners](#); [Matthew Hudes](#)
Subject: Additional background info to 2040 GP Fiscal Analysis
Date: Sunday, April 13, 2025 8:43:01 PM
Attachments: [Pages from lggpu_br_prd_web.pdf](#)

[EXTERNAL SENDER]

Sent from my iPhone

Figure 2.1-6 In-Commuters by Broad Economic Sectors



Source: ADE, Inc.

Regulatory Setting

None.

2.2 Fiscal/Financial

This section describes municipal finances for the Town of Los Gatos. In addition to outlining the current budget and discussing recent staffing trends, this section discusses how different land uses contribute to the Town's tax base and demand for municipal services. As the General Plan update process goes forward, land use alternatives will be evaluated for their fiscal impact on the Town budget.

Major Findings

- The Town's General Fund supports about 70 percent of annual expenditures for Town services and facilities. The General Fund is mainly funded by taxes such as property taxes, sales taxes, and transient occupancy taxes. The other 30 percent of Town expenditures are supported by the Capital Improvements Fund and various Special Revenue Funds.
- The Town also maintains a number of Special Revenue Funds to support expenditures for capital improvements, pension and employee benefits obligations, information technology systems, and other purposes.
- In 2018, the Town adopted a balanced budget and maintained a minimum of 25 percent in reserves to cover fluctuations in economically sensitive revenues or unexpected expenses due to natural or other disasters.
- With two major recessions since the year 2000, Town staffing levels declined, reaching a low point in 2012. Since 2012, the Town has restored nine percent of its positions, but staffing remains below the level prior to the last recession in 2008.
- One major fiscal challenge for the Town, similar to many cities in California, is to fund future pensions and other post-employment benefits (OPEB) for its employees. Changes to actuarial assumptions and poor investment performance have led to increasing contribution requirements in the statewide CalPERS system. To date the Town has provided \$16.9 million in discretionary payments to the pension system and \$13.6 million to OPEB obligations. In addition, the Town has renegotiated some

of the provisions of its benefits program to reduce future obligations. However, the Town will need to continue to contribute toward these unfunded obligations for the foreseeable future.

- Residential uses generate most of the property taxes for the Town, but require a higher level of services than do commercial uses. Overall, existing residential uses are estimated to create a slight deficit in service costs over revenue. Commercial uses in the Town generate most of the sales taxes and require fewer services. Commercial uses generate a municipal revenue surplus that helps to balance the Town budget.

Existing Conditions

Town Budget

Los Gatos adopts an annual operating and capital budget, which also includes a rolling five-year General Fund projection. The General Fund supports about 70 percent of the Town's total expenditures, with the balance supported through additional funds, such as Capital Projects, Internal Services, Successor Agency, and others. For the current Fiscal Year (FY) 2018-19, which covers from July 1, 2018 to June 30, 2019, the Town has budgeted \$47.5 million in General Fund expenditures on \$48.3 million in annual revenues and use of reserves (Table 2.2-1). The largest single revenue source is property tax, which comprises 38 percent of the Town's operating revenue, when combined with property tax in lieu of vehicle license fees (VLF). The sales tax is the second largest source at \$7.7 million. The Town voters passed Measure G on the November 2018 ballot to add a local sales tax of 1/8 percent, which is estimated to increase sales tax revenues by \$700,000 per year.

In addition to annual recurring revenues, the FY 2018-19 budget includes use of several reserve funds to meet one-time expenditures as well as certain strategic goals of the Town. The Town will transfer \$2.3 million in Capital Projects Funds to support a number of road and facilities improvement projects. In addition, the Town has established additional funds to pay for its pension and OPEB obligations. Use of these reserves accounts (including the Town's General Reserve Fund) for another \$3.6 million in revenue for FY 2018-19.

For the General Fund, the largest single expenditure item is for police services, at nearly \$15 million per year. The General Government category in Table 2.2-1 consists of a number of Town offices and functions:

- Town Council
- Town Manager's Office
- Town Attorney
- Human Resources
- Finance
- Clerk Administrator
- Information Technology
- Non-Departmental

The Parks and Public Works Department has the second largest budget, at \$7.6 million, followed by Community Development at \$5.5 million. The Town does not provide fire protection services, which are instead provided by the Santa Clara County Central Fire Protection District (SCCFPD). The SCCFPD receives a property tax allocation to fund its services. For FY 2018-19, the Town estimates revenues received from Los Gatos tax payers totaled \$14.3 million.

Table 2.2-1: Los Gatos Town General Fund Budget, Fiscal Year 2018-19

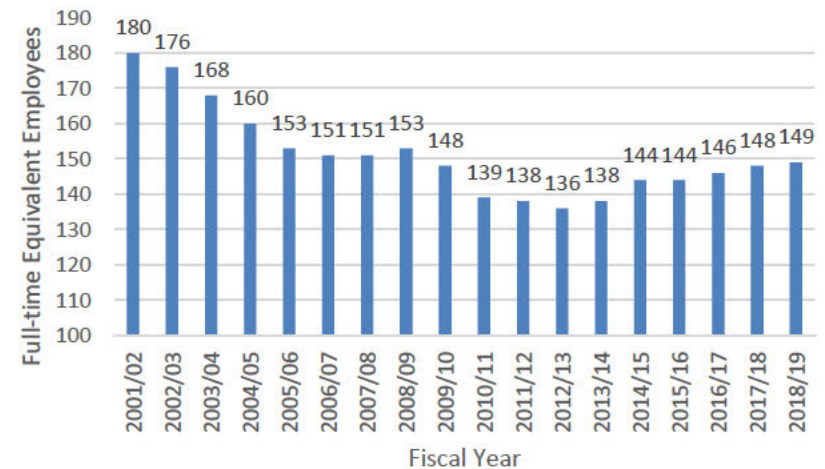
Budget Categories	Annual Budget
REVENUES	
Taxes	
Property Tax	\$12,507,071
Property Tax in lieu of VLF	\$3,482,060
Sales Tax	\$7,744,208
Franchise Fees	\$2,386,910
Transient Occupancy Tax	\$2,272,500
Other taxes	\$1,657,000
Licenses and Permits	\$3,304,199
Intergovernmental	\$646,640
Town Services	\$4,457,258
Fines and Forfeitures	\$631,400
Interest Earnings and Rents	\$267,806
Other Sources	\$552,696
Debt Service Reimbursements	\$2,461,769
Transfers in	\$544,836
Use of Capital Project Funds Reserve	\$2,335,220
Use of Pension/OPEB Reserve	\$3,100,000
Use of Reserve	\$450,000
TOTAL REVENUES & RESERVE TRANSFER	\$48,248,887
EXPENDITURES	
General Government	\$12,085,478
Community Development Department	\$5,583,158
Police Department	\$14,976,514
Library	\$2,556,267
Parks and Public Works Department	\$7,626,360
Debt Payments	\$1,909,073
Transfers Out	\$2,785,220
TOTAL EXPENDITURES & ALLOCATIONS	\$47,522,070
NET REVENUES & RESERVE TRANSFERS LESS EXPENDITURES & ALLOCATIONS	\$726,807

Source: Town of Los Gatos, Operating Budget, FY 2018 2019

The FY 2018-19 budget has a net revenue surplus of more than \$800,000. However, with the use of the reserves as described, the overall General Fund Reserve is projected to decrease from \$27.1 million to \$20.9 million by the end of the year, of which \$10.1 million are for Catastrophic and Budget Stabilization Reserves. This complies with the Town budget reserve policy of maintaining 25 percent of operating expenditures in reserve. Over the next five years, the Town projects minimal increases in the General Fund Reserves.

Through the recessions in the early 2000's and in 2008-2009, the Town has needed to reduce costs to respond to declining revenues. As shown in Figure 2.2-1, the Town reduced its staffing from 180 positions in 2001 to 136 in 2012. The current level of 149 is well below previous peak periods.

Figure 2.2-1: Los Gatos Full-Time Equivalent Employees 2001 - 2019

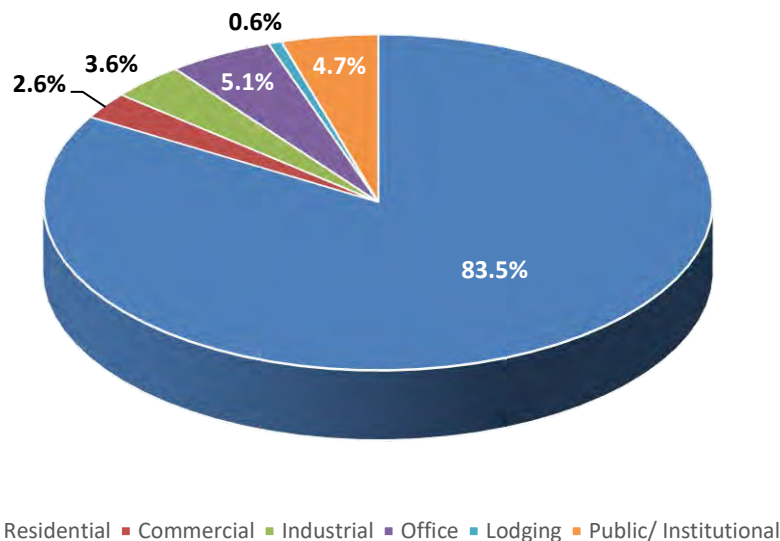


Source: Town of Los Gatos, FY 2018 19 Operating Budget, p. A 3.

Land Use Impacts on Town Budget

Residential and non-residential land uses affect Town revenues and costs differently. For example, most of the property in the Town is developed with residential uses, and in aggregate, housing produces more property taxes than non-residential development (Figure 2.2-2). Based on data published by the Santa Clara County Assessor, it is estimated that more than 80 percent of property tax in Los Gatos is paid by residential property owners. Among non-residential uses, industrial and institutional uses (including health care) are the highest property tax generators, in part because of the higher proportion of taxable equipment in those businesses.

Figure 2.2-2: Estimated Sources of Property Tax in Los Gatos, 2018



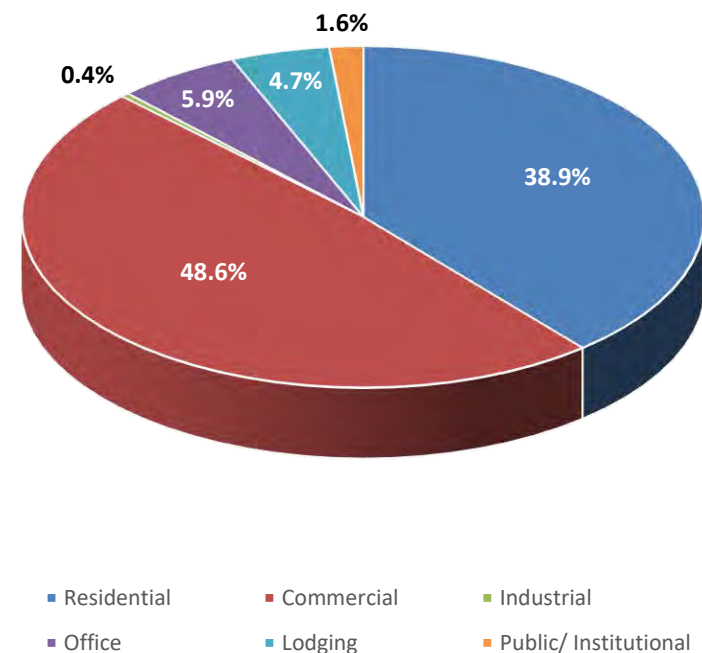
Source: ADE, Inc.

For sales tax, retail commercial uses are prominent (Figure 2.2-3). This is fundamental to how sales tax is allocated to cities in California, which is based on the point of sale (at a business location) rather than the residential location of the buyer. In Figure 2.2-3, residential uses are credited with taxable sales they make in Los Gatos, based on the retail market analysis presented later in this chapter. However, retail business in Los Gatos capture more sales than just from Los Gatos residents. The

analysis of retail supply and demand in Los Gatos indicates that residents of surrounding communities, including county unincorporated areas, spend significant dollars in Los Gatos. In addition, both day visitors and lodging visitors spend money on gas, in restaurants, and at retail establishments. Finally, the business community spends an estimated \$38.2 million on goods and services in Los Gatos.

Each of these spending sources are tracked to the corresponding land use in Figure 2.2-3, with the result that commercial uses generate about 49 percent of taxable sales, compared to 39 percent for Los Gatos households.

Figure 2.2-3: Estimated Sources of Sales Tax in Los Gatos, 2018



Source: ADE, Inc.

Municipal Service Costs

Residential uses tend to have a higher need for Town services. Residents typically have a greater number of calls for service for police protection and the use of other Town facilities (i.e., parks, libraries) than do workers who are in Town just during the workday. Many communities estimate that workers and the businesses where they are employed require approximately half the level of service as the residential population on a per capita basis. Using this factor, Table 2.2-2 estimates that residential land uses consume about 75 percent of the services the Town provides. Among non-residential uses, commercial businesses tend to be a higher target for crime while office, visitor-serving, and institutional uses generate higher levels of traffic and associated calls for service, thus requiring higher police services costs than office or industrial uses.

Table 2.2-2: Estimated Annual Revenues and Costs by Land Use in Los Gatos Fiscal Year 2018-19

Land Use	Revenues	Costs	Net
Total	\$39,968,992	(\$39,231,941)	\$737,051
Residential	\$26,891,996	(\$29,253,654)	(\$2,361,658)
Commercial	\$5,193,992	(\$4,067,888)	\$1,126,105
Industrial	\$854,080	(\$599,916)	\$254,164
Office	\$2,246,698	(\$2,241,099)	\$5,599
Lodging	\$2,802,725	(\$548,057)	\$2,254,669
Public/ Institutional	\$1,979,500	(\$2,521,328)	(\$541,828)

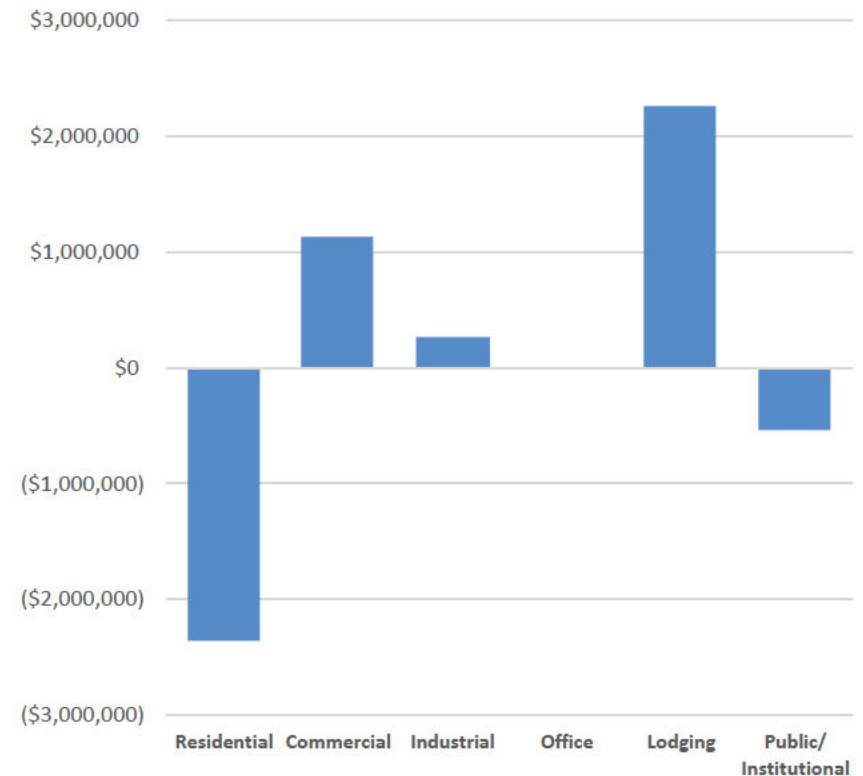
Source ADE, Inc.

Note: Totals do not add to budget totals for the Town as certain revenues and costs are not affected by land use.

The net fiscal impacts by land use are illustrated in Figure 2.2-4. This analysis reflects a balanced budget for the Town and only annually recurring costs. Use of the capital reserve and investments in the pension programs for the Town are not included. The outcome of the analysis is typical for many municipalities in California. Revenues from residential, which are more dependent on the property tax, often do not escalate with the cost of services due to the limitations on annual increases in assessments due to Proposition 13. The sales tax and the transient occupancy tax tend to follow increases in inflation more closely. The effect is that over time, residential uses do not generate enough revenue by themselves to pay the full cost of municipal services. However, in the current real estate market, new residential units often do generate

sufficient revenue, because their market values are much higher than older existing residences. The average assessed value per existing residential unit in Los Gatos is about \$700,000. For newer homes, assessed at \$825,000 or more, the cost/revenue ratio would be balanced. As it is, the retail and visitor-serving businesses in Town generate the extra revenue needed to balance the Town budget and provide the quality of services desired by Los Gatos residents.

Figure 2.2-4: Estimated Net Fiscal Impact by Land Use in Los Gatos, 2018



Source: ADE, Inc.

Regulatory Setting

Proposition 13. Proposition 13 limits annual increases in assessed value to two percent per year, unless the property changes ownership or is significantly modified by, at which time it is reassessed to market value. For properties that remain in single ownership for many years, the annual increase in property taxes often does not keep pace with market pricing and the increase in Town service costs.

2.3 Economic Development

This section describes current economic development in the Town as it relates to retail, employment, and commercial real estate and projected square footage demand. This section provides a detailed retail analysis of demand and revenues that support sales tax growth, as well as a detailed analysis of job growth and real estate conditions.

The section then describes overall employment trends in Los Gatos and the region, concluding with a discussion of non-residential real estate trends and projected job growth.

The section is divided into the following subsections:

- **Retail Market Analysis.** Retail stores serve an important function by meeting the demand for goods and services by local residents as well as other businesses and visitors. These goods and services meet retail spending demand and the revenue that they generate supports public sector services through sales tax receipts.
- **Employment Trends.** Job trends reflect Los Gatos' role in the regional economy, and how recent shifts potentially affect the types of space that the community will need in the future.
- **Commercial Real Estate Conditions and Projected Square Footage Demand.** The real estate conditions identify how well existing spaces in Los Gatos currently support business needs and provides context for the future demand projections. The square footage projection quantifies the building space that will be needed to meet future needs.

Major Findings

- Los Gatos has a slightly higher concentration of taxable retail sales than Santa Clara County as a whole, with 1.6 percent of the County population and 1.9 percent of the taxable sales. The Town's retailers also serve residents of neighboring Monte Sereno and the surrounding unincorporated areas.
- About 31 percent of taxable sales in Los Gatos come from non-retail office and industrial businesses. This is comparable to the statewide average of 32 percent.
- The household income characteristics for the Los Gatos market area show a large proportion of households in the upper income groups, with 62 percent earning at least \$100,000 annually.
- Accounting for spending from market area households, out-of-town visitors, and business-to-business transactions, the total market area retail demand for Los Gatos is estimated at \$662.7 million.
- Los Gatos' annual retail sales totaled \$605.1 million in 2016, which is slightly below the local market demand of \$667.2 million. This means the Los Gatos has an overall net leakage (local residents spending outside of Los Gatos) of about \$62.2 million, or 9.3 percent of the total demand.
- The retail category with the largest net capture of regional sales is food stores. Store categories with retail leakage (residents shopping in other jurisdictions) include building materials, clothing, vehicle dealers, general merchandise stores, gasoline stations, and eating places.
- Altogether, the existing leakage could potentially support an additional 338,400 square feet of retail space. Existing businesses and vacancies can accommodate at least some of this unmet retail demand.
- Employment in Los Gatos consists of around 21,200 jobs. Los Gatos added jobs at a compounded annual growth rate (CAGR) of 3.2 percent between 2007 and 2017, which is substantially higher than the growth rate throughout the County (1.8 percent) and in

From: [Phil Koen](#)
To: [Chris Constantin](#); [Gitta Ungvari](#); [Wendy Wood](#)
Cc: [Linda Reiners](#); [Matthew Hudes](#)
Subject: Current Forecasting Format
Date: Monday, April 14, 2025 5:53:22 AM
Attachments: [Pages from Staff Report.Five-Year Forecast with attachments \(2\).pdf](#)

[EXTERNAL SENDER]

Chris,

Could you please include in the FC package for tonight.

Thank you

Phil Koen

General Fund 5-Year Forecast (in \$ million)								
Revenue Category	FY 2023-24 Actuals	FY 2024-25 Adjusted Budget	FY 2024-25 Estimates	FY 2025-26 Forecast	FY 2026-27 Forecast	FY 2027-28 Forecast	FY 2028-29 Forecast	FY 2029-30 Forecast
Property Tax	\$ 19.3	\$ 20.2	\$ 20.0	\$ 20.6	\$ 21.3	\$ 22.0	\$ 22.8	\$ 23.6
VLF Backfill Property Tax	4.9	5.0	5.1	5.3	5.5	5.8	6.0	6.2
Sales & Use Tax	6.8	6.6	6.4	6.6	6.6	6.8	7.0	7.0
Measure G District Sales Tax	1.3	1.3	1.3	1.2	1.3	1.3	1.3	1.4
Franchise Fees	2.5	1.0	1.0	1.0	1.1	1.1	1.1	1.2
Transient Occupancy Tax	2.4	2.3	2.3	2.4	2.5	2.5	2.6	2.7
Business License Tax	1.5	2.4	2.8	2.5	2.6	2.6	2.7	2.8
Licenses & Permits	3.3	3.5	3.5	3.1	3.2	3.2	3.3	3.4
Intergovernmental	1.2	1.1	1.1	0.8	0.9	0.9	0.9	0.9
Town Services	6.6	7.0	7.3	6.6	6.7	6.8	6.9	7.0
Fines & Forfeitures	0.5	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Interest	2.6	1.8	1.4	1.0	1.0	1.0	0.7	0.7
Other Sources	5.0	4.1	4.6	3.1	3.1	3.2	3.2	2.0
Fund Transfers In	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
TOTAL OPERATING REVENUES & TRANSFERS	\$ 58.5	\$ 57.2	\$ 57.7	\$ 55.1	\$ 56.7	\$ 58.1	\$ 59.4	\$ 59.8
Use of Capital/Special Projects Reserve	\$ 1.6	\$ 2.7	\$ 2.7	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1
Use of Measure G Sales Tax - Operating	-	0.6	0.6	-	-	-	-	-
Use of Pension/OPEB Reserve	0.3	-	0.3	-	-	-	-	-
Use of Council Priorities - Economic Recovery	1.5	-	-	-	-	-	-	-
TOTAL REVENUES, TRANSFERS, AND USE OF RESERVES*	\$ 61.9	\$ 60.5	\$ 61.3	\$ 56.2	\$ 57.8	\$ 59.2	\$ 60.5	\$ 60.9
Expenditure Category	FY 2023-24 Actuals	FY 2024-25 Adjusted Budget	FY 2024-25 Estimates	FY 2025-26 Forecast	FY 2026-27 Forecast	FY 2027-28 Forecast	FY 2028-29 Forecast	FY 2029-30 Forecast
Salary	\$ 21.5	\$ 25.2	\$ 22.6	\$ 26.0	\$ 27.2	\$ 27.7	\$ 28.3	\$ 28.9
Overtime	1.3	0.6	1.5	0.6	0.7	0.7	0.7	0.7
CalPERS Benefits	7.4	8.8	8.3	9.5	10.7	10.9	11.9	12.1
All Other Benefits	4.3	5.6	4.9	6.0	6.3	6.5	6.6	6.8
4.6% Salary and Benefits Savings	-	(1.8)	-	(1.9)	(2.1)	(2.1)	(2.2)	(2.2)
OPEB Pay as You Go	1.6	1.7	2.0	2.3	2.4	2.5	2.6	2.7
Operating Expenditures	9.8	9.2	8.8	8.2	8.5	8.6	9.0	9.1
Grants & Awards	0.7	0.7	0.7	0.3	0.3	0.3	0.3	0.3
Utilities	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8
Internal Service Charges	3.2	4.4	4.1	4.7	4.9	5.1	5.3	5.5
Debt Service	2.1	2.1	2.1	2.1	2.1	2.1	2.1	0.8
TOTAL OPERATING EXPENDITURES	\$ 52.9	\$ 57.2	\$ 55.7	\$ 58.5	\$ 61.7	\$ 62.9	\$ 65.3	\$ 65.5
Additional Discretionary Payment - Pension	0.7	0.4	0.7	0.4	0.4	0.4	0.4	0.4
TOTAL OPERATING & DISCRETIONARY EXPENDITURES	\$ 53.6	\$ 57.6	\$ 56.4	\$ 58.9	\$ 62.1	\$ 63.3	\$ 65.7	\$ 65.9
Capital Transfers Out to GFAR	\$ 1.6	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1
Transfer to General Liability	0.4	-	-	-	-	-	-	-
GASB 65	0.6	-	-	-	-	-	-	-
Fixed Assets/ Equipment	0.1	0.5	0.9	-	-	-	-	-
1/2 of Measure G Proceeds to Capital	0.7	0.6	0.6	0.6	0.6	0.6	0.7	0.7
Allocate to ERAF Risk Reserve	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Allocate to Pension Trust	0.7	0.4	0.7	0.4	0.4	0.4	0.4	0.4
TOTAL EXPENDITURES & RESERVE ALLOCATIONS*	\$ 57.7	\$ 60.5	\$ 60.5	\$ 61.8	\$ 65.0	\$ 66.2	\$ 68.7	\$ 68.9
NET REVENUES, TRANSFERS IN, USE OF RESERVES LESS EXPENDITURES, TRANSFERS IN, AND RESERVE ALLOCATIONS	\$ 4.2	\$ -	\$ 0.8	\$ (5.6)	\$ (7.2)	\$ (7.0)	\$ (8.2)	\$ (8.0)
* Due to rounding of individual categories total revenues, expenditures, and reserve allocations may include \$0.1 million.								

From: [Phil Koen](#)
To: [Chris Constantin](#); [Gitta Ungvari](#); [Wendy Wood](#)
Cc: [Linda Reiners](#); [Matthew Hudes](#)
Subject: FY 2024 Income Statement
Date: Monday, April 14, 2025 6:01:36 AM
Attachments: [Pages from FY-2023-24-ACFR.pdf](#)

[EXTERNAL SENDER]

Chris,

Please distribute at tonight's FC meeting.

Phil Koen

TOWN OF LOS GATOS, CALIFORNIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues				Net (Expense)
		Charges for	Operating	Capital	Total	Revenues and
		Services	Grants and	Grants and		Changes in
			Contributions	Contributions		Net Position
						Governmental
						Activities
Governmental Activities:						
General government	\$ 11,113,238	\$ 2,694,162	\$ 63,088	\$ -	\$ 2,757,250	\$ (8,355,988)
Public safety	23,783,313	1,980,431	917,317	-	2,897,748	(20,885,565)
Parks and public works	14,075,171	4,211,420	1,828,050	5,668,252	11,707,722	(2,367,449)
Community development	5,481,765	4,247,279	692,151	-	4,939,430	(542,335)
Library services	3,853,748	2,514	167,303	-	169,817	(3,683,931)
Sanitation	263,706	359,950	-	-	359,950	96,244
Interest and fees	26,137	-	-	-	-	(26,137)
Total Governmental Activities	\$ 58,597,078	\$ 13,495,756	\$ 3,667,909	\$ 5,668,252	\$ 22,831,917	(35,765,161)
General revenues:						
Taxes:						
Property taxes						24,224,142
Sales taxes						8,071,735
Franchise taxes						2,547,011
Transient occupancy taxes						2,367,653
Other taxes						55,196
Motor vehicle in lieu						41,461
Developer assessments						12,880
Investment earnings:						
Investment earnings						1,417,370
Unrealized gains (losses)						1,712,246
Miscellaneous						1,199,422
Total general revenues						41,649,116
Change in Net Position						5,883,955
Net Position - Beginning						153,522,262
Net Position - Ending						\$ 159,406,217

The notes to the financial statements are an integral part of this statement.

TOWN OF LOS GATOS, CALIFORNIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	General	Appropriated Reserves	Other Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property Taxes	\$ 24,227,166	\$ -	\$ 38,437	\$ 24,265,603
Sales Taxes	8,071,735	-	-	8,071,735
Transient Occupancy Taxes	2,367,653	-	-	2,367,653
Other Taxes	5,520	-	24,838	30,358
Licenses & Permits	5,513,209	157,535	556,554	6,227,298
Intergovernmental	1,157,224	3,362,026	1,798,394	6,317,644
Charges for Services	5,913,520	1,137,659	-	7,051,179
Fines and Forfeitures	480,634	-	-	480,634
Franchise Fees	2,547,011	-	-	2,547,011
Developer Assessments	-	12,880	-	12,880
Interest	2,698,736	100,179	309,185	3,108,100
Use of Property	34,722	91,284	171,495	297,501
Other	516,082	-	88,411	604,493
Total Revenues	53,533,212	4,861,563	2,987,314	61,382,089
EXPENDITURES				
Current:				
General Government	9,573,022	-	-	9,573,022
Public Safety	20,718,781	-	-	20,718,781
Parks and Public Works	9,789,656	-	109,427	9,899,083
Community Development	5,246,729	-	-	5,246,729
Library Services	3,253,389	-	82,000	3,335,389
Sanitation and Other	-	-	252,605	252,605
Capital Outlay	708,302	10,193,353	1,464,600	12,366,255
Debt service:				
Principal	225,370	-	-	225,370
Interest & Fees	3,716	-	-	3,716
Total Expenditures	49,518,965	10,193,353	1,908,632	61,620,950
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,014,247	(5,331,790)	1,078,682	(238,861)
OTHER FINANCING SOURCES (USES)				
Subscriptions	706,713	-	-	706,713
Sale of capital assets	223	-	-	223
Transfers in	564,910	3,101,325	-	3,666,235
Transfers (out)	(3,752,325)	(453,990)	(110,920)	(4,317,235)
Total Other Financing Sources (Uses)	(2,480,479)	2,647,335	(110,920)	55,936
NET CHANGES IN FUND BALANCES	1,533,768	(2,684,455)	967,762	(182,925)
BEGINNING FUND BALANCES	29,528,304	21,750,025	9,907,199	61,185,528
ENDING FUND BALANCES	\$ 31,062,072	\$ 19,065,570	\$ 10,874,961	\$ 61,002,603

The notes to the financial statements are an integral part of this statement.

**TOWN OF LOS GATOS, CALIFORNIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE
STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ (182,925)

Amounts reported for Governmental Activities in the Statement of Activities are different because of the following:

CAPITAL ASSET TRANSACTIONS

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for capital assets (additions)	\$ 12,016,644	
Current year depreciation	<u>(5,092,938)</u>	6,923,706

Gains and losses from the disposal of capital assets are not considered current financial resources and are not recorded in the governmental fund statement of revenues and expenditures but are recorded in the government-wide statement of activities because they are economic resources.	(24,094)
---	----------

LONG-TERM DEBT PROCEEDS AND PAYMENTS

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Subscription Liabilities Debt Issuances	(706,713)
Subscription Liabilities Principal Payments	69,336
PG&E Loan	156,034

UNAVAILABLE REVENUE

Revenues from grants that are funded in this fiscal year that will not be collected for several months after the Town's fiscal year end are not considered available and are classified as deferred inflows of resources in the governmental funds.	2,266,093
---	-----------

COMPENSATED ABSENCES

In governmental funds, compensated absences such as vacations and sick leave are expenditures when taken. However, in the Government Wide Statement of Activities, the current year change in the compensated absences liability is reported.	50,290
---	--------

OPEB PLAN CONTRIBUTIONS AND EXPENSE

In governmental funds, actual contributions to OPEB plans are reported as expenditures in the year incurred. However, in the Government-Wide Statement of Activities, only the current year OPEB expense as noted in the plans' valuation reports is reported as an expense, as adjusted for deferred inflows and outflows of resources.	122,506
--	---------

PENSION PLAN CONTRIBUTIONS AND EXPENSE

In governmental funds, actual contributions to pension plans are reported as expenditures in the year incurred. However, in the Government-Wide Statement of Activities, only the current year pension expense as noted in the plans' valuation reports is reported as an expense, as adjusted for deferred inflows and outflows of resources.	(3,781,956)
--	-------------

ALLOCATION ON INTERNAL SERVICE FUND ACTIVITY

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service fund is reported with governmental activities.	<u>991,678</u>
---	----------------

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES	<u>\$ 5,883,955</u>
---	----------------------------

The notes to the financial statements are an integral part of this statement.

From: [Phil Koen](#)
To: [Chris Constantin](#); [Gitta Ungvari](#); [Wendy Wood](#)
Cc: [Linda Reiners](#); [Matthew Hudes](#)
Subject: FY 2024 Internal Service Fund Statement of Revenue
Date: Monday, April 14, 2025 6:09:22 AM
Attachments: [Pages from FY-2023-24-ACFR\(1\).pdf](#)

[EXTERNAL SENDER]

Chris,

Please distribute at tonight's FC meeting.

Thank you,

Phil Koen

TOWN OF LOS GATOS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Equipment	Workers' Comp	Self Insurance	Information Technology	Facilities Maintenance	Total
OPERATING REVENUES						
Charges for services	\$ 1,026,738	\$ 1,011,814	\$ 662,039	\$ 781,902	\$ 916,324	\$ 4,398,817
Use of money and property	1,100	-	-	-	165,273	166,373
Other local taxes	-	-	-	-	24,838	24,838
Other revenue & reimbursements	32,317	392,312	5,000	(1,253)	57,889	486,265
Total Operating Revenues	1,060,155	1,404,126	667,039	780,649	1,164,324	5,076,293
OPERATING EXPENSES						
Insurance expenses	-	1,332,697	1,131,184	-	-	2,463,881
Services and supplies	187,323	-	-	507,075	1,374,009	2,068,407
Depreciation/amortization expense	-	-	-	202,422	-	202,422
Total Operating Expenses	187,323	1,332,697	1,131,184	709,497	1,374,009	4,734,710
Operating Income (loss)	872,832	71,429	(464,145)	71,152	(209,685)	341,583
NONOPERATING REVENUE (EXPENSES)						
Investment earnings	-	5	-	-	21,511	21,516
Interest expense	-	-	-	(22,421)	-	(22,421)
Income (loss) before transfers	872,832	71,434	(464,145)	48,731	(188,174)	340,678
Transfers in	-	-	430,000	-	221,000	651,000
Transfers out	-	-	-	-	-	-
Net Transfers	-	-	430,000	-	221,000	651,000
Change in Net Position	872,832	71,434	(34,145)	48,731	32,826	991,678
BEGINNING NET POSITION	2,413,720	514,813	212,022	2,474,618	927,699	6,542,872
ENDING NET POSITION	\$ 3,286,552	\$ 586,247	\$ 177,877	\$ 2,523,349	\$ 960,525	\$ 7,534,550

From: [Phil Koen](#)
To: [Chris Constantin](#); [Gitta Ungvari](#); [Wendy Wood](#)
Cc: [Linda Reiners](#); [Matthew Hudes](#)
Subject: FY 25 .Mid-Year Budget Review
Date: Monday, April 14, 2025 6:13:53 AM
Attachments: [Pages from Staff Report.Mid-Year Budget Review with attachment.pdf](#)

[EXTERNAL SENDER]

Chris,

Please distribute this at tonight's FC meeting.

Thank you,

Phil Koen

GENERAL FUND
SUMMARY OF REVENUES AND EXPENDITURES

	FY 2023-24 Actuals	FY 2023-24 Q2	2Q % of FY 2023-24 Actuals	2Q % of FY 2024-25 Adjusted Budget as of 12/31/2024	FY 2024-25 Q2	FY 2024-25 Adopted Budget	FY 2024-25 Adjusted Budget as of 12/31/2024	FY 2024-25 Year End Estimates Including Proposed Mid-Year Adjustments
Revenues								
Property Tax	\$ 19,321,147	\$ 6,446,869	33.4%	33.1%	\$ 6,687,895	\$ 20,225,761	\$ 20,225,761	\$ 19,993,070
VLF Backfill Property Tax	4,906,019	-	0.0%	0.0%	-	4,978,930	4,978,930	5,109,000
Sales & Use Tax	6,795,037	2,250,056	33.1%	31.6%	2,082,120	6,597,351	6,597,351	6,418,412
Measure G Sales & Use Tax	1,276,698	415,004	32.5%	33.3%	428,741	1,288,166	1,288,166	1,243,852
Franchise Fees	2,547,012	1,079,717	42.4%	10.9%	113,842	1,041,330	1,041,330	1,013,330
Transient Occupancy Tax	2,367,653	819,683	34.6%	40.4%	941,711	2,332,419	2,332,419	2,332,419
Business License Tax	1,519,960	352,611	23.2%	6.3%	153,569	2,421,000	2,421,000	2,839,985
Licenses & Permits	3,993,247	1,777,085	44.5%	50.4%	2,940,729	5,867,564	5,832,140	5,789,497
Intergovernmental	1,157,225	735,280	63.5%	67.4%	796,630	1,015,439	1,182,351	1,096,157
Town Services	5,913,520	3,934,979	66.5%	92.9%	4,371,480	4,665,260	4,705,658	4,996,598
Fines & Forfeitures	480,634	226,280	47.1%	59.6%	187,733	315,200	315,200	330,800
Interest	986,489	1,809,893	183.5%	12.5%	220,695	1,764,425	1,764,425	1,427,333
GASB 31 to Market	1,712,246	-	0.0%	-	-	-	-	-
Use of Property	34,722	-	0.0%	-	-	-	-	-
Miscellaneous Other	516,081	828,976	160.6%	24.0%	521,056	1,693,904	2,170,057	2,640,919
Park Construction Tax	5,520	-	-	-	1,770	7,000	7,000	7,000
Subscription	706,713	-	-	-	-	-	-	-
Debt Service - Entry Eliminated for ACFR	1,894,550	-	0.0%	0.0%	-	1,902,300	1,902,300	1,902,300
Unrestricted Fund Tracking - Entry Eliminated for ACFR	458,000	-	-	-	-	-	-	-
Pension Trust Income - Entry Eliminated for ACFR	690,000	-	-	-	-	-	-	-
Measure G for Operations - Entry Eliminated for ACFR	620,044	-	-	-	-	-	-	-
Proceeds for Sales of Assets	223	-	0.0%	-	-	-	-	-
Fund Transfer In	564,910	114,499	20.3%	0.0%	-	562,411	562,411	562,411
Total Revenues & Transfers In	\$ 58,467,650	\$ 20,790,932	36%	34%	\$ 19,447,971	\$ 56,678,460	\$ 57,326,499	\$ 57,703,083
Use of Other Funding Sources:								
Use of Reserves - Capital/Special Projects - Capital	\$ 1,615,000	\$ -	-	-	\$ -	\$ 1,110,000	\$ 1,110,000	\$ 1,110,000
Use of Reserves - Capital/Special Projects - other	-	-	-	-	-	33,000	1,683,569	1,683,569
Use of Reserves - Pension/OPEB	300,000	-	-	-	-	-	-	300,000
Use of Reserves - Accumulated Measure G	-	-	-	-	-	568,051	568,051	568,051
Use of Reserves - ERAF Risk Reserve	-	-	-	-	-	-	-	-
Use of Reserves - Carry Forward Encumbrances	-	-	-	-	-	-	85,861	-
Council Priorities - Economic Recovery	1,535,930	-	-	-	-	11,333	-	-
Total Other Funding Sources	\$ 3,450,930	\$ -	0%	0%	\$ -	\$ 1,722,384	\$ 3,447,481	\$ 3,661,620
Total Revenues and Use of Reserves	\$ 61,918,580	\$ 20,790,932	34%	32%	\$ 19,447,971	\$ 58,400,844	\$ 60,773,980	\$ 61,364,703
Expenditures								
Town Council	\$ 196,366	\$ 98,255	50.0%	49.6%	104,604	\$ 206,236	\$ 210,994	\$ 219,937
Attorney	751,616	336,063	44.7%	40.8%	398,950	943,589	978,732	1,071,653
Administrative Services	5,877,880	3,144,181	53.5%	46.1%	3,163,903	6,397,312	6,861,627	6,739,059
Non- Departmental	2,747,161	2,759,556	100.5%	31.1%	1,617,207	5,118,380	5,203,999	5,453,907
Community Development	5,246,730	2,559,684	48.8%	42.7%	2,632,401	5,577,309	6,161,824	6,491,635
Police	20,718,777	9,732,572	47.0%	44.8%	10,268,293	22,021,478	22,895,849	21,300,796
Parks & Public Works	9,789,656	4,589,535	46.9%	46.2%	4,927,283	10,394,394	10,653,984	11,127,851
Library	3,253,386	1,669,629	51.3%	49.7%	1,719,732	3,398,712	3,458,657	3,542,183
Capital Outlay	708,302	-	-	-	-	-	-	-
Principal	225,370	-	-	-	39,008	156,034	156,034	156,034
Interest and Fees	3,716	-	-	-	-	-	-	-
Total Department Expenditures	\$ 49,518,960	\$ 24,889,475	50%	44%	\$ 24,832,373	\$ 54,213,444	\$ 56,581,700	\$ 56,103,055
Debt Service - Entry Eliminated for ACFR	\$ 1,894,550	\$ -	0.0%	0.0%	\$ -	\$ 1,902,300	\$ 1,902,300	\$ 1,902,300
Unrestricted Fund Tracking - Entry Eliminated for ACFR	458,000	-	-	-	-	-	-	-
Transfer to Pension Trust Fund - Entry Eliminated for ACFR	690,000	-	-	-	-	-	-	-
Measure G Transfer - Entry Eliminated for ACFR	620,044	-	-	-	-	-	-	-
Transfers Out	3,752,325	-	0.0%	0.0%	-	1,110,000	1,110,000	1,110,000
Total Additional Non-Departmental Expenditures	\$ 7,414,919	\$ -	0%	0%	\$ -	\$ 3,012,300	\$ 3,012,300	\$ 3,012,300
Total Operating Expenditures	\$ 56,933,879	\$ 24,889,475	44%	42%	\$ 24,832,373	\$ 57,225,744	\$ 59,594,000	\$ 59,115,355
Allocate to Budget Stabilization/Catastrophic Reserve	-	-	-	-	-	-	-	-
Allocate to Market Fluctuation	1,712,246	-	-	-	-	-	-	-
Allocate to ERAF Risk Reserve	740,446	-	-	-	-	785,100	785,100	785,100
Allocate to Carryover Encumbrances	48,163	-	-	-	-	-	-	-
Allocate to Pension/OPEB Reserve	300,000	-	-	-	-	-	-	-
Allocate to Restricted Pension Trust	690,000	-	-	-	-	390,000	390,000	690,000
Excess (Deficiency) of Revenues Over Expenditures after Reserve Allocation	\$ 2,924,292 **	\$ (4,098,543) *			\$ (5,384,402) *	\$ -	\$ 4,880	\$ 774,248

*FY 2023-24 and FY 2024-25 2Q Net Operating Revenues are negative because some revenues budgeted for the entire fiscal year are received in the third or fourth quarters and fund expended in the first or second quarters.

** This schedule includes fund balance uses. Total Revenues and Transfers In (\$58,467,650) minus Total Operating Expenditures (\$56,933,879) equals \$1,533,770 with rounding.

From: Phil Koen [REDACTED]
Sent: Monday, April 14, 2025 6:26 AM
To: Chris Constantin <CConstantin@losgatosca.gov>; Gitta Ungvari <GUngvari@losgatosca.gov>
Cc: Linda Reiners [REDACTED]; Matthew Hudes <MHudes@losgatosca.gov>
Subject: Pages from FY-24-25-Operating-Budget

[EXTERNAL SENDER]

Chris,

Please distribute the attached at tonight's FC meeting.

Thank you,

Phil Koen



TOWN OF LOS GATOS CALIFORNIA



OPERATING AND CAPITAL SUMMARY BUDGET

FISCAL YEAR 2024/25

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.								

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.

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	2021/22	2022/23	2023/24	2024/25
	Actuals	Actuals	Actuals	Estimated	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 Srvc 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.