



TOWN OF LOS GATOS CALIFORNIA



OPERATING AND CAPITAL SUMMARY BUDGET (PROPOSED) FISCAL YEAR 2025-26

TOWN OF LOS GATOS



CALIFORNIA

Operating and Capital Summary Budget

for

Fiscal Year July 1, 2025 to June 30, 2026

Town Council

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

Prepared under the direction of:

Chris Constantin.....Town Manager
Gitta Ungvari.....Finance Director

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 2025-26

Table of Contents

INTRODUCTION

Town Manager’s Budget Message	A – 1
Core Goals and Strategic Priorities Will be Presented with the Adopted Budget	A – 3
Forecast Assumptions	A – 9
Budget Award	A – 13
Fund Descriptions	A – 15
Financial Practices	A – 19
General Fund Reserve Policy	A – 23
Long-Term Debt Policy	A – 29
Investment Policy	A – 33
IRS Section 115 Pension Trust and OPEB Trust Investment Policy	A – 43
Budget Process Overview	A – 47
Budget Calendar	A – 50
Fiscal Year Surplus Flow of Funds	A – 53
Gann Appropriation Limit	A – 55
Resolution Adopting the Gann Appropriation Limit	A – 58
Resolution Adopting the Town’s Annual Budget	A – 59

TOWN PROFILE

History and Culture of Los Gatos	B – 1
Town Statistics	B – 6
Town Management	B – 13
Town Organizational Chart	B – 14
Town Commissions, Committees, and Advisory Boards	B – 15

FINANCIAL SUMMARIES

Total Revenues and Expenditures

Total Budgeted Fund Activity Summary	C – 3
Total Revenue, Expenditure, and Fund Balance Trend Information	C – 4
Total Revenue, Expenditure, and Fund Balance – 5-Year Summary	C – 8
Total Town Revenue Summary – by Fund	C – 14
Total Town Expenditure Summary – by Fund	C – 16
Total Town Revenue Summary – by Category	C – 18
Total Town Expenditure Summary – by Category	C – 20

General Fund Revenues and Expenditures

General Fund Revenues – by Department	C – 22
General Fund Expenditures – by Department	C – 23
General Fund Revenues – by Category	C – 24
General Fund Expenditures – by Category	C – 26

TOWN OF LOS GATOS
OPERATING AND CAPITAL SUMMARY BUDGET
FISCAL YEAR 2025-26

Table of Contents page 2

General Fund Tax Revenues – Santa Clara County Cities Per Capita.....	C – 28
---	--------

General Fund Revenues and Expenditures

General Fund Tax Revenues – 10 Year History.....	C - 29
General Fund – Fund Balance Activity.....	C - 30

Operating Transfers

Schedule of Interfund Transfers.....	C - 32
--------------------------------------	--------

Fund Balance

Fund Balance Activity Summary - by Fund	C - 33
Fund Balance - 5 Year Comparative Balances	C - 35

Departmental Budgets

Department Revenues – by Program	C – 37
Department Expenditures – by Program.....	C - 39

In Kind Donations

In Kind Donations	C – 41
Fee Related Project List	C - 42

Staffing

Departmental Staff – by Fund	C - 44
Summary of FTEs – by Department.....	C - 45
5 Year History of Funded Positions –by Department	C - 46
Summary of Personnel Changes.....	C - 47
Positions by Home Department	C – 51

DEPARTMENTAL BUDGETS

Departmental Budget Listing.....	D - 1
----------------------------------	-------

TOWN OFFICES

Town Offices Overview.....	D - 3
Town Council Administration	D - 7
Town Attorney Administration.....	D - 11

Internal Service Fund

Liability Self Insurance Fund	D – 17
-------------------------------------	--------

TOWN OF LOS GATOS
OPERATING AND CAPITAL SUMMARY BUDGET
FISCAL YEAR 2025-26

Table of Contents page 3

ADMINISTRATIVE SERVICES

Administrative Services Overview	D - 21
Town Manager's Office Administration	D - 27
Emergency Preparedness and Disaster Response	D - 43
Economic and Community Vitality	D - 51
Human Resources	D - 61
Finance	D - 69
Clerk Administration	D - 77
Information Technology Staffing	D - 83
Non-Departmental	D - 91

Internal Service Funds

Information Technology Fund	D - 95
Workers' Compensation Fund	D - 99

COMMUNITY DEVELOPMENT DEPARTMENT

Community Development Department Overview	D - 103
Community Development Administration	D - 109
Development Review	D - 113
Advanced Planning	D - 121
Building & Inspection Services	D - 125
Code Compliance Program	D - 131
BMP Housing Program	D - 135
Pass-Through Accounts	D - 139

POLICE DEPARTMENT

Police Department Overview	D - 141
Police Administration	D - 153
Records and Communications	D - 159
Personnel and Community Services	D - 165
Patrol	D - 171
Traffic	D - 179
Investigations	D - 185
Parking Management	D - 191
Pass-Through Accounts	D - 195
Operating Grants	D - 197

TOWN OF LOS GATOS
OPERATING AND CAPITAL SUMMARY BUDGET
FISCAL YEAR 2025-26

Table of Contents page 4

PARKS & PUBLIC WORKS DEPARTMENT

Parks & Public Works Department Overview	D – 203
Parks & Public Works Administration.....	D – 211
Engineering Program Services	D – 215
Engineering Development Services	D – 223
Park Services	D – 229
Environmental Services	D – 237
Streets and Signals.....	D – 245
Property Damage.....	D – 251
Vehicle Maintenance Management	D – 253
Facilities Maintenance Staffing	D – 259
Pass-Through Accounts	D – 261
Los Gatos Theatre.....	D – 263

Internal Service Funds

Equipment Replacement Fund	D – 265
Facilities Maintenance Fund.....	D – 269

Special Revenue Funds

Non-Point Source Program.....	D – 273
Assessment Districts.....	D – 279

LIBRARY DEPARTMENT

Library Department Overview	D - 295
Library Administration.....	D - 301
Adult Services	D - 307
Youth Services	D - 313
Circulation / System Administration	D - 319

Special Revenue Funds

Library Trust Fund.....	D - 323
Clelles Ness Trust Fund.....	D - 325
Susan McClendon Trust Fund.....	D - 327
Barbara Jones Cassin Trust Fund	D - 329

TOWN OF LOS GATOS
OPERATING AND CAPITAL SUMMARY BUDGET
FISCAL YEAR 2025-26

Table of Contents page 5

CAPITAL IMPROVEMENT PROGRAM

Capital Improvement Program Overview	E - 1
General Fund Appropriated Reserve	E - 7
Traffic Mitigation Fund	E - 15
Grants and Awards Project Fund	E - 19
Storm Drain Funds	E - 23
Utility Underground	E - 29
Gas Tax Fund	E - 33

SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY

Successor Agency to the Los Gatos RDA Overview	F - 1
SA - Administration Fund	F - 7
SA - Debt Service Program	F - 9
2002 COP Debt Schedule	F - 11
2010 COP Debt Schedule	F - 13
Computation of Legal Debt Margin	F - 14

REFERENCE MATERIALS

List of Funds	G - 1
List of Programs	G - 2
List of Department Programs by Funding Source	G - 7
Glossary	G - 9
List of Acronyms	G - 19
Index	G - 21





Introduction

This Page Intentionally Left Blank



TRANSMITTAL LETTER PLACEHOLDER

The complete Transmittal Letter will be prepared and submitted with the modified Proposed Budget on May 20, 2025. The changes will reflect the Town Council and Finance Commission directions based on the April 22, 2025, budget study session and consequent meetings.

Approach and Considerations to Balancing the Budget

As is the case with other communities, the Town budgets revenue and expenditures conservatively. For the capital improvement program, the capital budget appropriates funding for all projects in the fiscal year that may be undertaken regardless of staff capacity consideration. With projected shortfalls over the next five years, the Town must focus on what are top priorities and charting a course towards a financially sustainable model of service delivery. This will involve challenging conversations and decisions, yet Los Gatos is a town that has full capability to ensure we protect the essence of what makes Los Gatos a wonderful place to live, work, and play.

Personnel Vacancy Factor of 4.6%

In 2024-25, the Town introduced a vacancy factor of 4.6% as part of its approach to balance the budget recognizing vacancies and personnel changes during the year resulted in avoided personnel expenditures.

The vacancy factor approach allowed the Town to capture these avoided expenditures up front in the year instead of the end. However, the approach also increased the risk the Town could still fill all its positions without restriction or see a different change in personnel expenditure (i.e. impacts of increases in total compensation) and if it comes to pass, the Town will experience the actual deficit it was intending to avoid.

The Government Finance Officers Association (GFOA) best practice in effective budgeting of salary and wages encourages every government to consider forecasting procedures that would result in more accurate expenditure projections, especially as they relate to personnel. However, the best practice is focused solely on determining more precise expenditure projections.

In a 2020 article published by the GFOA called "Balancing the Budget in Bad Times", the GFOA recommends governments institute good control systems to stay on track with financial plans and forecasts. Specifically, around position control, the article recommends the government maintain head count within limits and not fill vacancies unless it is affordable. Other areas speak to monitoring the budget to actual expenditures, purchasing controls, capital project controls, and evaluating impact of performance versus the cost of that performance.

Moving forward for 2025-26

The Town's 2025-2027 top strategic priority includes proper financial management to result in a structurally balanced forecast over the future years. To this end, I am recommending the following approaches for the 2025-26 budget.

- **Year 1 – Balancing Reserve Fund Use with Operational Reductions** – to ensure the Town does not overly reduce operations only to find its conservative projections and reductions lead to significant surpluses, this approach allows the Town to leverage some of its reserve balances to give time for other measures to facilitate closing the gap.
- **Year 1 – Capital Improvement Planning** – moving to a three-tier program that only appropriates funding for those projects that have staff capacity to perform while leaving remaining funding unallocated.
- **Additional Controls on Expenditure Controls** – implement more top-level controls to monitor budget performance and balance operations with cost containment.
 - o **Position Control** – while no vacancy freeze is proposed currently, the Town Manager has implemented a robust evaluation process for filling vacant positions which balances operations, financial condition, strategic priorities, and service levels.
 - o **Expenditure Control** – additional controls are being considered to include vehicle replacement evaluation, budget control at a lower level in departments, and additional budget monitoring mechanisms.

Moving into the fiscal year, the Town will need to continue fiscal prudence and planning for how to address the structural nature of the deficit. This may include evaluating how resources are deployed across functions, determining what sustainable service levels are, engaging in more robust public input in what the public desires from the Town, evaluating how major cost drivers can be brought into alignment with available revenue, and identifying other strategies for bringing the Town back into balance. These efforts will be challenging in ways not experienced by the Town, but we are a strong, smart, and resilient community who are up to the task.

Town's Five-Year Forecast

The Five-Year Financial Forecast (FY 2026-27 through FY 2030-31) serves as a key component of the Town's annual budget development process, enabling an informed evaluation of the Town's fiscal outlook to guide policy decisions and programmatic planning. This forecast follows the best practices recommended by the Government Finance Officers Association (GFOA) and incorporates assumptions and estimates based on the FY 2024-25 Mid-Year Review and updated projections from the FY 2025-26 Proposed Budget development (see Attachments 1 and 2).

The Forecast projects ongoing deficits beginning at approximately \$3.7 million in FY 2025-26, driven primarily by salary increases (already negotiated through FY 2026-27 and assumed at 2% annually thereafter), pension obligations, and general cost escalation. To manage the immediate

deficit, short-term strategies include expenditure controls and utilizing \$3.7 million from the Unassigned Fund Balance. However, with revenues not keeping pace with rising costs, the Town must evaluate its long-term revenue capacity to sustain current service levels.

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

Revenue Category	FY 2025-26 Proposed Budget	FY 2026-27 Forecast	FY 2027-28 Forecast	FY 2028-29 Forecast	FY 2029-30 Forecast	FY 2030-31 Forecast
Property Tax	\$ 21.2	\$ 22.2	\$ 23.1	\$ 24.0	\$ 24.9	\$ 25.9
VLF Backfill Property Tax	5.4	5.7	5.9	6.2	6.5	6.9
Sales & Use Tax	6.6	6.6	6.8	7.0	7.0	7.1
Measure G District Sales Tax	1.2	1.3	1.3	1.3	1.4	1.4
Franchise Fees	1.0	1.1	1.1	1.1	1.2	1.2
Transient Occupancy Tax	2.4	2.4	2.4	2.4	2.4	2.4
Business License Tax	2.4	2.5	2.5	2.6	2.7	2.8
Licenses & Permits	5.4	5.5	5.6	5.7	5.8	5.9
Intergovernmental	0.8	1.0	1.1	1.1	1.1	1.1
Town Services	5.6	4.8	4.9	5.1	5.2	5.3
Fines & Forfeitures	0.3	0.3	0.3	0.3	0.3	0.3
Interest	1.4	1.1	1.0	0.7	0.6	1.0
Other Sources	3.8	3.7	3.8	3.9	2.7	2.6
Fund Transfers In	0.6	0.6	0.6	0.6	0.6	0.6
TOTAL OPERATING REVENUES & TRANSFERS	\$ 58.1	\$ 58.8	\$ 60.4	\$ 62.0	\$ 62.4	\$ 64.5
Use of Capital/Special Projects Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Use of Measure G Sales Tax - Operating	-	-	-	-	-	-
Use of Pension/OPEB Reserve	-	-	-	-	-	-
Use of Council Priorities - Economic Recovery	-	-	-	-	-	-
Use of Unassigned Fund Balance	-	-	-	-	-	-
TOTAL REVENUES, TRANSFERS, AND USE OF RESERVES*	\$ 58.1	\$ 58.8	\$ 60.4	\$ 62.0	\$ 62.4	\$ 64.5
Expenditure Category	FY 2025-26 Proposed Budget	FY 2026-27 Forecast	FY 2027-28 Forecast	FY 2028-29 Forecast	FY 2029-30 Forecast	FY 2030-31 Forecast
Salary	\$ 25.4	\$ 26.8	\$ 27.4	\$ 28.0	\$ 28.5	\$ 29.2
Overtime	0.7	0.7	0.7	0.7	0.7	0.7
CalPERS Benefits	9.9	10.7	11.4	12.2	12.4	12.7
All Other Benefits	6.3	6.3	6.7	7.0	7.4	7.0
4.6% Salary and Benefits Savings	(1.9)	(2.0)	(2.1)	(2.2)	(2.3)	(2.3)
OPEB Pay as You Go	2.1	2.2	2.3	2.4	2.5	2.6
Operating Expenditures	10.3	9.9	10.0	10.4	10.5	10.9
Grants & Awards	0.4	0.3	0.3	0.4	0.4	0.4
Utilities	0.7	0.7	0.8	0.8	0.8	0.8
Internal Service Charges	5.0	5.3	5.7	5.9	6.1	6.4
Debt Service	2.1	2.1	2.1	2.1	0.8	0.8
TOTAL OPERATING EXPENDITURES	\$ 61.0	\$ 63.0	\$ 65.3	\$ 67.7	\$ 67.9	\$ 69.3
Additional Discretionary Payment - Pension	0.4	0.4	0.4	0.4	0.4	0.4
TOTAL OPERATING & DISCRETIONARY EXPENDITURES	\$ 61.4	\$ 63.4	\$ 65.7	\$ 68.1	\$ 68.3	\$ 69.7
Capital Transfers Out to GFAR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to General Liability	-	-	-	-	-	-
GASB 65	-	-	-	-	-	-
Fixed Assets/ Equipment	-	-	-	-	-	-
1/2 of Measure G Proceeds to Capital	-	-	-	-	-	-
Allocate to ERAF Risk Reserve	-	-	-	-	-	-
Allocate to Pension Trust	0.4	0.4	0.4	0.4	0.4	0.4
TOTAL EXPENDITURES & RESERVE ALLOCATIONS*	\$ 61.8	\$ 63.8	\$ 66.1	\$ 68.5	\$ 68.7	\$ 70.1
NET REVENUES, TRANSFERS IN, USE OF RESERVES LESS EXPENDITURES, TRANSFERS IN, AND RESERVE ALLOCATIONS	\$ (3.7)	\$ (5.0)	\$ (5.7)	\$ (6.5)	\$ (6.3)	\$ (5.6)
* Due to rounding of individual categories total revenues, expenditures, and reserve allocations may include \$0.1 million.						

Operating Revenue Trends

The Town's financial health significantly depends on four primary revenue sources—property tax, sales tax, business license tax, and transient occupancy tax (TOT)—which together account for 67.5% of the forecasted General Fund revenues. Revenue assumptions for the Forecast period reflect input from key economic consultants, including MuniServices (sales tax), HdL Coren and Cone (property tax), and local industry representatives (TOT) (see page A-9).

The forecast assumes all Measure G Sales Tax and Excess Education Revenue Augmentation Fund (ERAF) revenues are allocated fully to General Fund operations.

Operating Expenditure Trends

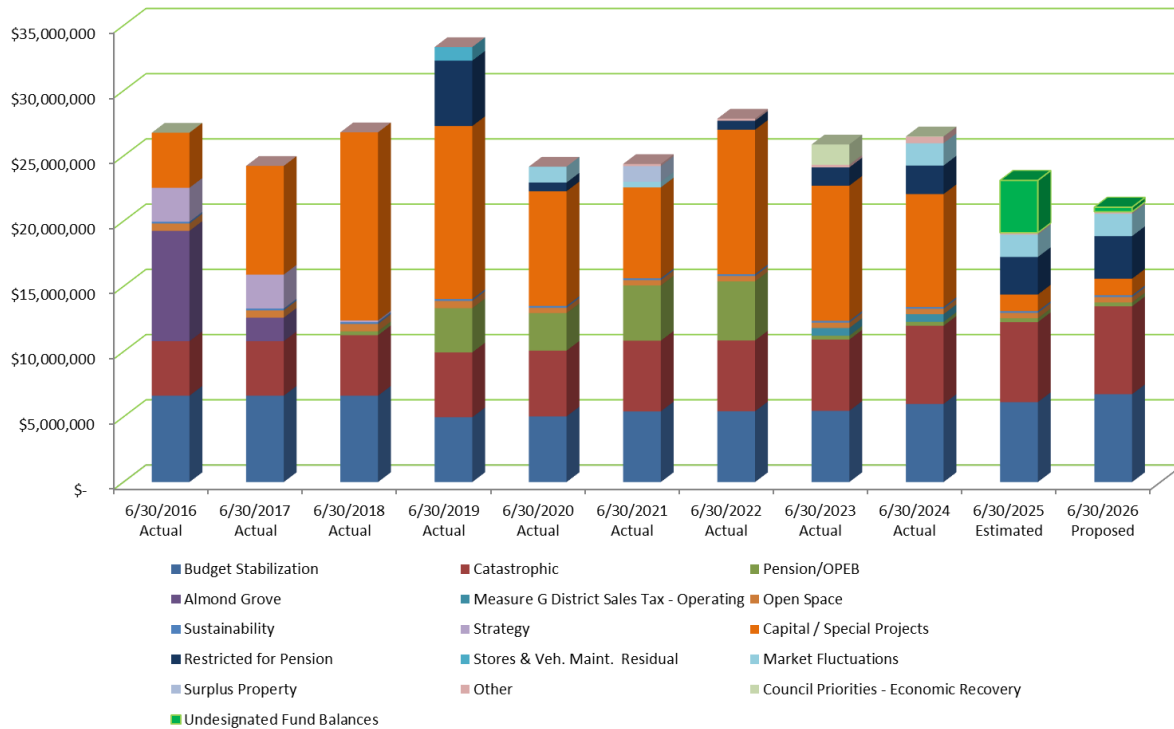
Operating expenditures are primarily influenced by cost escalation and new or enhanced service programs approved annually. Key cost drivers include inflation, negotiated labor agreements, healthcare, and mandated CalPERS pension contributions (detailed on page A-11).

Personnel costs constitute approximately 65.6% of the FY 2025-26 General Fund expenditures. To manage rising labor costs, the Town has maintained lower staffing levels. Pension and Other Post-Employment Benefits (OPEB) obligations continue to escalate due to historical underperformance in CalPERS investments and changes in demographic and actuarial assumptions. Despite proactive measures such as closing Tier 1 pensions, adopting the Public Employees' Pension Reform Act (PEPRA), and prefunding OPEB liabilities (now holding \$28.1 million in assets), pension costs remain a major financial pressure.

General Fund Reserves are projected at \$25.9 million by June 30, 2026, reflecting previous significant transfers to pension/OPEB obligations and Capital Improvement Programs (CIP). Historical transfers ranged from \$1.1 million (FY 2024-25) to \$5.7 million (FY 2019-20). No CIP transfer is proposed in FY 2025-26. Significant pension-related transfers include the CalPERS side-fund payoff (\$4.5 million, 2014) and additional discretionary payments totaling \$10.5 million from FY 2019-20 to FY 2020-21. The FY 2025-26 Proposed Budget achieves balance through the utilization of \$3.7 million of the Unassigned Fund Balance.

The following two charts show the historical breakdown of the General Fund reserve balances.

Actual and Estimated General Fund Reserve Balance



Committed to:	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 Actual	6/30/2025 Estimated	6/30/2026 Proposed
Restricted for:											
Pension	\$ -	\$ -	\$ -	\$ 5,015,316	\$ 669,978	\$ -	\$ 690,000	\$ 1,400,163	\$ 2,188,659	\$ 2,878,659	\$ 3,268,659
Property Held for Resale								44,338	344,338	-	-
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	\$ 6,736,781	\$ 7,991,544	\$ 7,991,544
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	6,736,781	7,991,544	7,991,544
Pension/OPEB	300,000	3,388,913	2,878,913	4,232,500	4,532,500	300,000	300,000	300,000	300,000	1,000,000	1,000,000
Almond Grove	8,459,973	1,801,318	-	-	-	-	-	-	-	-	-
Measure G District Sales Tax - Operati	-	-	-	-	-	-	-	590,581	590,581	-	-
Assigned to:											
Open Space	\$ 562,000	\$ 562,000	\$ 562,000	\$ 562,000	\$ 410,000	\$ 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	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	8,651,056	1,264,639	1,264,639
Authorized Carryforward	99,284	34,852	99,927	413,729	-	-	33,145	37,698	85,861	85,861	85,861
Compensated Absences	-	350,329	2,122,512	1,232,653	1,539,408	1,649,917	1,519,147	1,580,623	1,555,478	1,555,478	1,555,478
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	-	-	1,712,246	1,712,246	1,712,246
Surplus Property	-	-	-	-	-	1,200,000	-	-	-	-	-
ERAF Risk Reserve	-	-	-	-	-	-	-	689,608	1,430,054	-	-
Council Priorities - Economic Recovery	-	-	-	-	-	-	-	1,556,614	20,684	-	-
Other	-	-	-	-	-	159,000	159,000	159,000	159,000	159,000	159,000
Un assigned Fund Balance										4,000,000	341,785
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	\$ 31,062,072	\$ 29,189,524	\$ 25,921,309

Expenditure and Deficit Reduction Options

The Town's Executive Team came together to thoughtfully consider options to address the deficit. This exercise resulted in four groups of reduction considerations. Each tier progressively increases the types of reductions considered and the associated impacts, totaling to a potential savings of \$5 million. None of the four tiers include the elimination of filled full-time positions and all core services will continue in some fashion, albeit some would experience a decreased level of service.

The more expenditure reductions or revenue options that are implemented, the less the Town will need to rely on reserves. It is also important to note that the more expenditure reductions that are implemented now preserves the use of reserves for the future, allowing more flexibility and time to address the deficit.

Revenue Options

Cities typically seek revenue sources to fund essential services, often aiming for full-cost recovery. However, fee studies frequently reveal that actual service costs significantly exceed existing fees, making large increases difficult to implement due to public resistance. As a result, cities adopt strategies to soften the impact of these necessary increases. Common approaches include gradually phasing in fee increases over several years or intentionally setting fees below full-cost recovery levels to lessen opposition. While these measures may reduce immediate pushback, they inevitably result in lower overall revenue.

The same outcome occurs when cities hesitate to introduce new revenue programs, such as revenue recovery measures that did not previously exist. Though these gradual, partial, or new approaches initially appear politically manageable and mitigate short-term resistance, they can inadvertently shift fiscal pressures to future budgets.

Over time, the increased costs of providing programs and services plus the cumulative impact of consistently under-recovering costs or delaying necessary revenue increases creates structural deficits. These deficits progressively intensify fiscal pressures, eventually requiring more drastic actions in future budgets when available resources become insufficient to sustain existing services and operations.

Los Gatos faces similar challenges as other cities regarding revenue generation and cost recovery. Given the projected deficits and the need for potential expenditure reductions, exploring options to increase revenue becomes critical for balancing the Town's ability to provide essential services. Revenue-generating options differ significantly based on implementation timelines. For instance, economic development initiatives designed to attract visitors and increase hotel occupancy could require upfront investment and years to yield substantial returns. In contrast, updating a fee schedule or renegotiating agreements may offer quicker financial benefits but face greater immediate opposition.

Town staff are presenting a number of short-term and medium-term revenue generating options for Town Council consideration. Balancing expenditure reductions with increasing revenue, preferably ongoing revenue, reduces the risk the Town enters into a spiral of reductions and reducing the extent and quality of local programs and services.

Efficiency and Innovation

Lastly, it is prudent for the Town to find opportunities to enhance the efficiency with which we operate and to look towards innovation where such can maintain or improve delivery at reduced costs. This area is a multi-year effort, so it is not contemplated that it will provide direct benefit in the very short-term to address projected deficits, but it is an important addition that residents

and taxpayers will expect as part of a holistic effort to achieve fiscal sustainability.

FORECAST ASSUMPTIONS

REVENUE BASELINE AND PROJECTION FACTORS

Type of Revenue Base Line Estimate	FY 2025-26 Budget	FY 2026-27 Forecast	FY 2027-28 Forecast	FY 2028-29 Forecast	FY 2029-30 Forecast	FY 2030-31 Forecast
Property Tax SCC Assessor Office February 2025 Report and HdL Coren and Cone April 2025 Forecast	5.29% Net Taxable Value Change	5.42% Net Taxable Value Change	4.89% Net Taxable Value Change	4.89% Net Taxable Value Change	4.89% Net Taxable Value Change	4.89% Net Taxable Value Change
VLF Backfill HdL Coren and Cone April 2025 Forecast	5.25% Net Taxable Value Change	5.41% Net Taxable Value Change	4.90% Net Taxable Value Change	4.90% Net Taxable Value Change	4.89% Net Taxable Value Change	4.89% Net Taxable Value Change
Other Property Tax SCC Assessor Office February 2025 Report	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
ERAF SCC Assessor Office March 2025 Notification	\$3,220,000 Including 30% to Reserve	\$3,220,000	\$3,220,000	\$3,220,000	\$3,220,000	\$3,220,000
Sales Tax	MuniServices January 2025 Most Likely Estimates	MuniServices January 2025 Most Likely Estimates	MuniServices January 2025 Most Likely Estimates	MuniServices January 2025 Most Likely Estimates	MuniServices January 2025 Most Likely Estimates	MuniServices January 2025 Most Likely Estimates
Sales Tax - Measure G	MuniServices January 2025 Most Likely Estimates	MuniServices January 2025 Most Likely Estimates	MuniServices January 2025 Most Likely Estimates	MuniServices January 2025 Most Likely Estimates	MuniServices January 2025 Most Likely Estimates	MuniServices January 2025 Most Likely Estimates
Franchise Fee Current baseline set by FY 2024-25 Year-End Estimates	Current baseline set by FY 2024-25 Year-End Estimates	3%	3%	3%	3%	3%

FORECAST ASSUMPTIONS

REVENUE BASELINE AND PROJECTION FACTORS

Type of Revenue Base Line Estimates	FY 2025-26 Budget	FY 2026-27 Forecast	FY 2027-28 Forecast	FY 2028-29 Forecast	FY 2029-30 Forecast	FY 2030-31 Forecast
Transient Occupancy Tax Current baseline set by FY 2024-25 Year-End Estimates	3%	3%	0%	0%	0%	0%
Business License Tax Current baseline set by FY 2024-25 Year-End Estimates	2%	2%	2%	2%	2%	2%
License & Permits Current baseline set by FY 2024-25 Year-End Estimates	3%	3%	3%	3%	3%	3%
Town Services Current baseline set by FY 2024-25 Year-End Estimates	3%	3%	0%	3%	3%	3%
Fine & Forfeitures Current baseline set by FY 2024-25 Year-End Estimates	1%	Varies	Varies	Varies	Varies	Varies
Interest Varies, based on Portfolio	Weighted Portfolio Yield 3.64%	Weighted Portfolio Yield 3.56%	Weighted Portfolio Yield 3.45%	Weighted Portfolio Yield 3.36%	Weighted Portfolio Yield 3.30%	Weighted Portfolio Yield 3.30%
Other Sources Current baseline set by FY 2024-25 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. 68% 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 March 1, 2025 and rate is increasing in the actual anniversary date. The FY 2025-26 Budget and the FY 2026-27 – FY 30-31 Forecast includes 4.6% vacancy savings.

Type of Expenditure	FY 2025-26 Budget	FY 2026-27 Forecast	FY 2027-28 Forecast	FY 2028-29 Forecast	FY 2029-30 Forecast	FY 2030-31 Forecast
Salaries (TEA, Conf, Temp)*	3%	3%	2%	2%	2%	2%
Salaries (POA)*	5%	4%	2%	2%	2%	2%
Salaries (AFSCME)*	4%	4%	2%	2%	2%	2%
Salaries (Management)*	3%	3%	2%	2%	2%	2%
Benefit - Medical**	7%	7%	7%	7%	7%	7%
Vacancy 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

**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 2055-26 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 5.8% investment return and forecasted payroll.

Type of Expenditure	FY 2025-26 Budget	FY 2026-27 Forecast	FY 2027-28 Forecast	FY 2028-29 Forecast	FY 2029-30 Forecast	FY 2030-31 Forecast
Safety POA	109.09%	109.92%	112.95%	121.16%	121.75%	124.52%
Safety Management POA	112.09%	112.92%	115.95%	124.16%	124.75%	127.52%
Safety POA - PEPRA	15.84%	14.96%	20.99%	21.74%	22.04%	25.76%
Miscellaneous TEA/Confidential/ Management	30.02%	30.52%	30.82%	31.78%	31.92%	32.21%
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

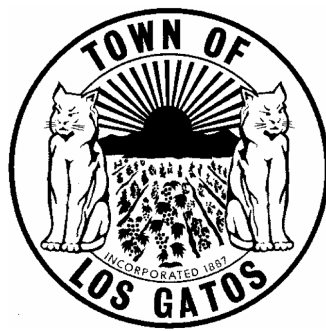
July 01, 2024

Christopher P. Morrill

Executive Director

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

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



FUND DESCRIPTIONS

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

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

MAJOR AND NON-MAJOR GOVERNMENTAL FUNDS

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

General Fund

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

Special Revenue Funds

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

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

WILL BE UPDATED WITH THE ADOPTED BUDGET



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

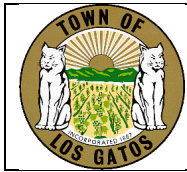
Upon funding any of the above reserve levels pursuant to this General Fund Reserve Policy, any remaining surplus of fiscal year revenues above expenditures shall be placed in the Capital and Special Projects Reserve for appropriation within the Capital Improvement Program budget.

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

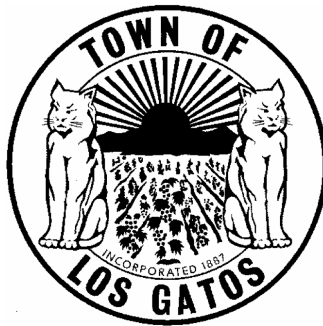
PROCEDURES

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: 10

ENABLING ACTIONS: 2016-063

REVISED DATES: 5/16/17; 5/15/2018;
9/3/2019; 11/03/2020, 1/17/2023,
2/21/2023, 3/18/2025

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 on 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
Special Revenue Funds
Capital Project Funds

INVESTMENT POLICY

Debt Service Funds
Enterprise Fund
Internal Service Funds
Fiduciary Funds

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

POLICY

OBJECTIVES

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

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

DELEGATION OF AUTHORITY

Management responsibility for the Town's investment program is delegated annually by the Town Manager to the Town Treasurer/Finance Director (the "Treasurer") pursuant to California Government Code Section 36510. The Treasurer may delegate the authority to conduct investment transactions and to manage the operation of the investment portfolio to other specifically authorized staff members. The Treasurer shall maintain a list of persons authorized to transact securities business for the Town. No person may engage in an investment transaction except as expressly provided under the terms of this Investment Policy.

The Treasurer shall develop written administrative procedures and internal controls, consistent with this Investment Policy, for the operation of the Town's investment program. Such procedures shall be designed to prevent losses arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees.

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

INVESTMENT POLICY

PRUDENCE

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

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

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

ETHICS AND CONFLICTS OF INTEREST

Elected officials and Town employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or could impair or create the appearance of an impairment of their ability to make impartial investment decisions. Elected officials and Town employees shall disclose to the Town Council any business interests they have in financial institutions that conduct business with the Town and they shall subordinate their personal investment transactions to those of the Town. In addition, the Town Manager and the Treasurer shall file a Statement of Economic Interests each year pursuant to California Government Code Section 87203 and regulations of the Fair Political Practices Commission.

SOCIALLY RESPONSIBLE INVESTING

In addition to and subordinate to the objectives set forth above, investment of funds should be guided by the following socially responsible investment goals when investing in corporate securities and depository institutions. Investments shall be made in compliance with the

INVESTMENT POLICY

responsible investment goals to the extent that such investments achieve substantially equivalent safety, liquidity and yield compared to other investments permitted by state law.

(1) Environmental, Social Responsibility and Governance Concerns

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

(2) Community Investments

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

AUTHORIZED SECURITIES AND TRANSACTIONS

All investments and deposits of the Town shall be made in accordance with California Government Code Sections 16429.1, 53600-53609 and 53630-53686, except that pursuant to California Government Code Section 5903(e), proceeds of bonds and any moneys set aside or pledged to secure payment of the bonds may be invested in securities or obligations described in the ordinance, resolution, indenture, agreement, or other instrument providing for the issuance of the bonds. Any revisions or extensions of these code sections will be assumed to be part of this Investment Policy immediately upon being enacted. However, in the event that amendments to these sections conflict with this Investment Policy and past Town investment practices, the Town may delay adherence to the new requirements when it is deemed in the best interest of the Town to do so. In such instances, after consultation with the Town's attorney, the Treasurer will present a recommended course of action to the Town Council for approval. All investment limits specified in the Policy are calculated at the time of investment.

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

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

INVESTMENT POLICY

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.
- 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

INVESTMENT POLICY

\$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 at the time of the purchase. 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.

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.

INVESTMENT POLICY

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.

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

INVESTMENT POLICY

shall be the policy of the Town to purchase securities only from those authorized firms. To be eligible, a firm must meet at least one of the following criteria:

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

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

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

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

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

COMPETITIVE TRANSACTIONS

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

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

SELECTION OF BANKS

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

INVESTMENT POLICY

Authorized banks that accept deposits from the Town shall meet high standards with regard to liquidity, asset quality, profitability and capital adequacy. The Treasurer shall utilize a commercial bank rating service to perform credit analysis on banks seeking authorization. Banks that in the judgment of the Treasurer no longer offer adequate safety to the Town shall be removed from the Town's list of authorized banks.

SAFEKEEPING AND CUSTODY

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

Custodian banks will be selected on the basis of their ability to provide services for the Town's account and the competitive pricing of their safekeeping related services.

The purchase and sale of securities and repurchase agreement transactions shall be settled on a delivery versus payment basis. All securities shall be perfected in the name of the Town. Sufficient evidence to title shall be consistent with modern investment, banking and commercial practices.

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

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

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

PORTFOLIO PERFORMANCE

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

REPORTING

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

INVESTMENT POLICY

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 Manager 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.

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)

Start

September/October/November/December

The Town Council determines and refines initiatives and directives for the upcoming budget year.

January

Town Council identifies budget assumptions, directives, and initiatives through its Strategic Priorities.

Each Town Department identifies and analyzes its program revenue & expenditure projections; budget assumptions, directives, initiatives & goals; Department & program work plans; and asset, internal services & staffing requests in coordination with the Finance Department & Town Management.

February

First draft of staffing requests from Departments due to Finance Department and are reviewed and finalized.

First draft of asset, internal service requests, and expenditure requests due from Departments.

Internal service requests reviewed with the responsible program managers and first draft of internal service budgets due to Finance Department.

Approved staffing, assets, internal services & program expenditures requests incorporated into a first draft budget.

March

First draft Operating Budget reviewed, analyzed & discussed with Town Manager.

First draft Budget briefings with Town Manager, Department Heads & analysts to determine Department/program revisions.

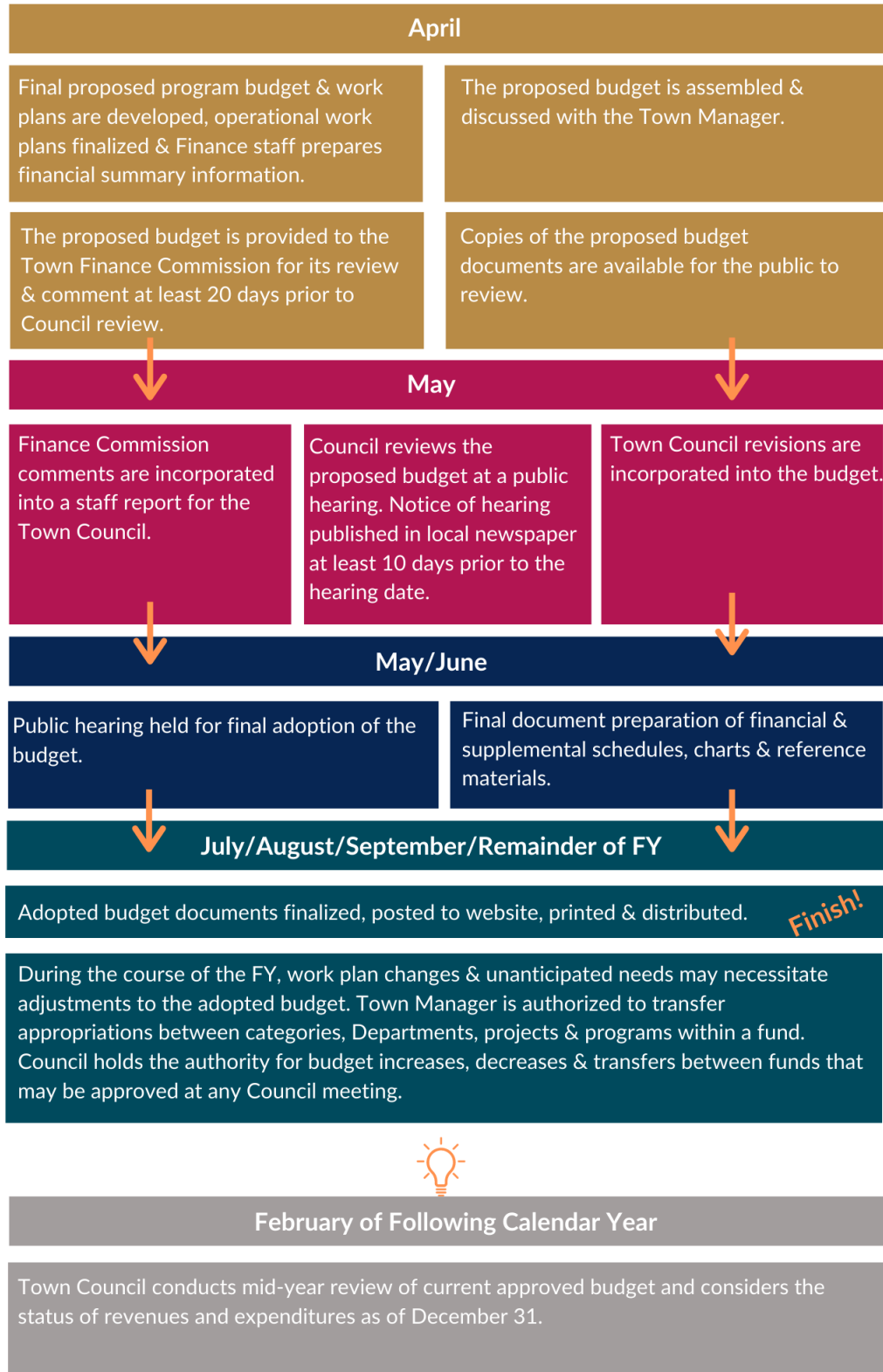
Second draft budget revisions & work plans due to Finance Department. Briefing and revisions with Town Manager and Departments.

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

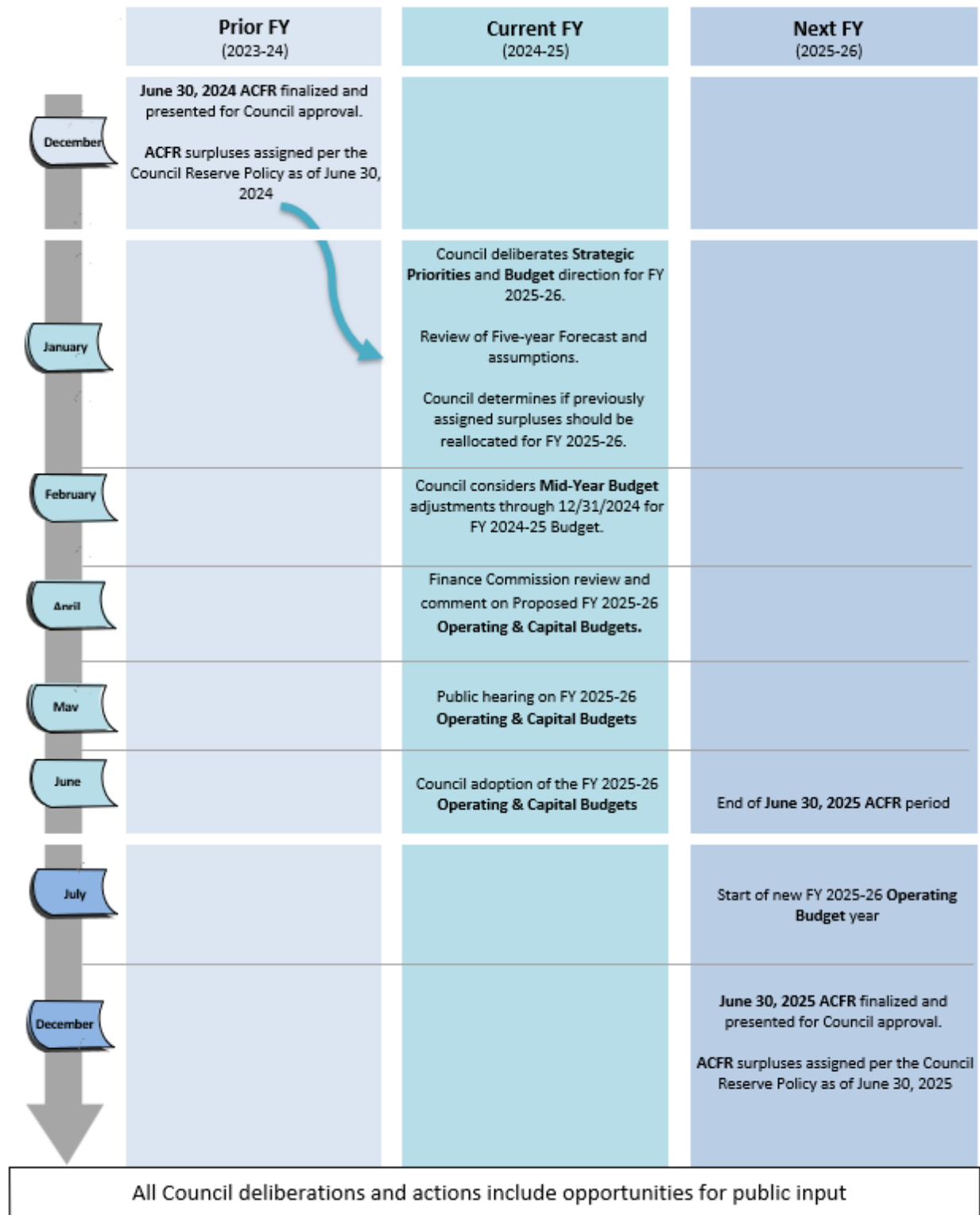
BUDGET CALENDAR

Operating Budget Development Process

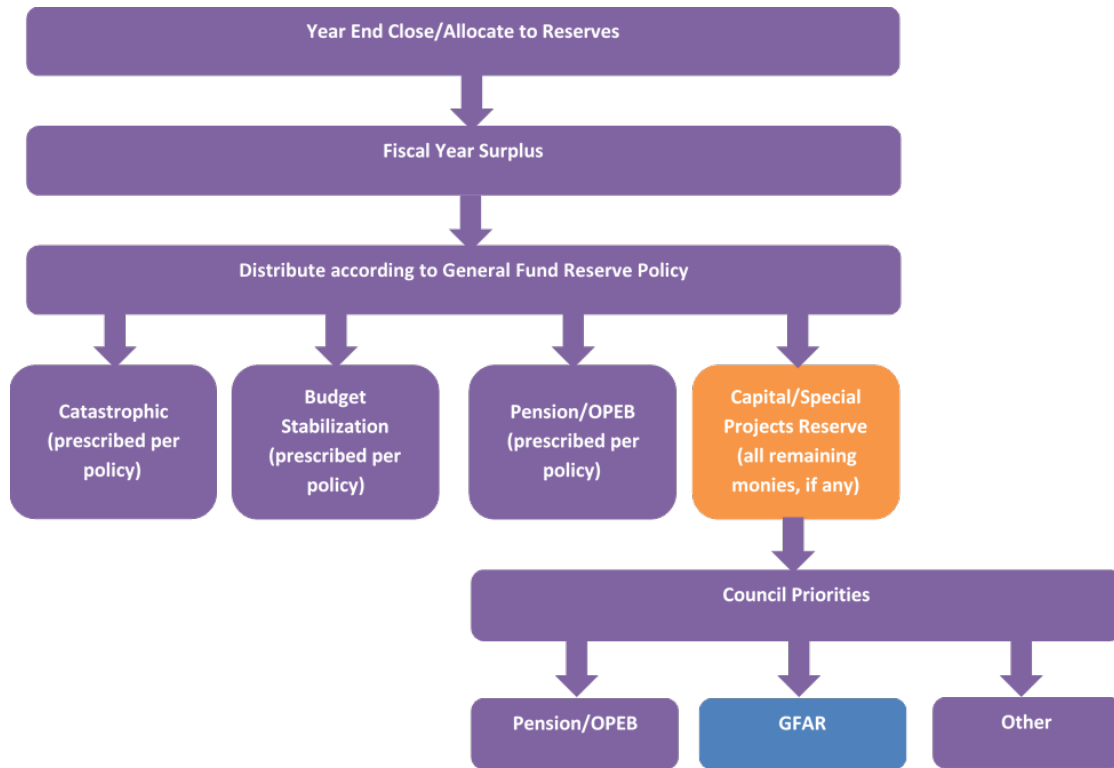
Team-Based Approach: Program budgets & work plans are developed with each Department's Director, Analyst, and Program Manager's oversight and expertise (guided by Town Management & the Finance Department)



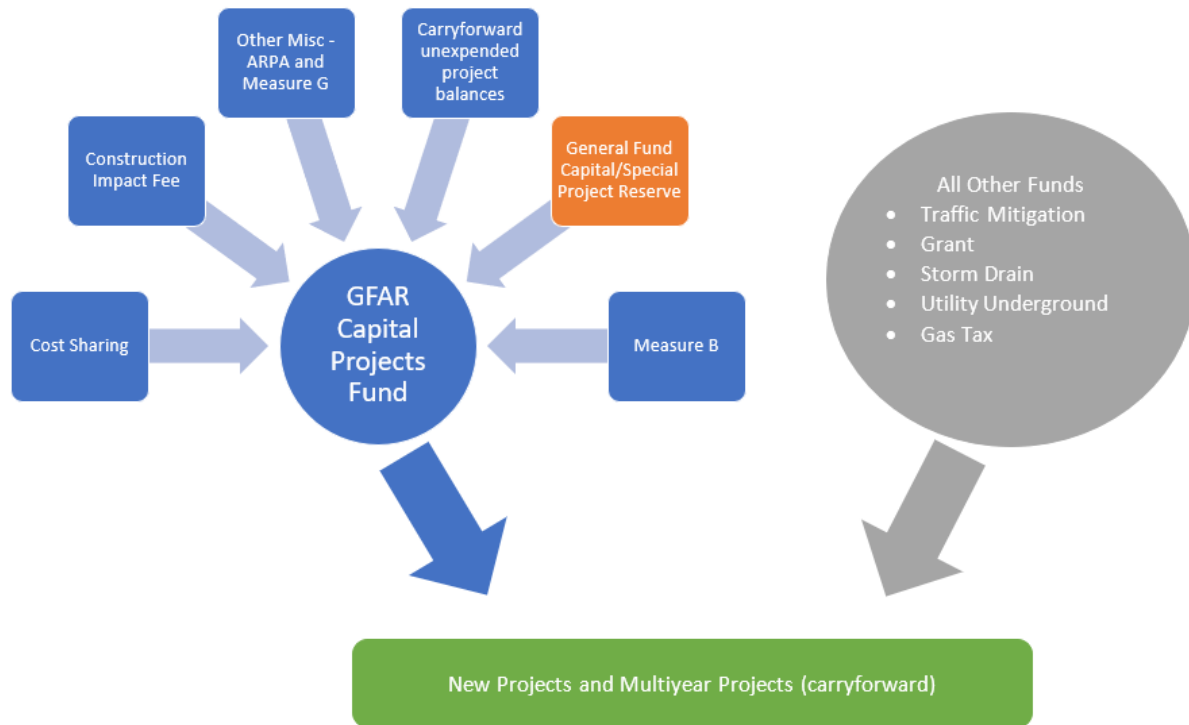
ANNUAL BUDGET/ACFR CYCLE



FISCAL YEAR SURPLUS FLOW OF FUNDS



CAPITAL IMPROVEMENT PROGRAM



GANN APPROPRIATION LIMIT

DATA NOT AVAILABLE YET

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
DATA NOT AVAILABLE YET

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

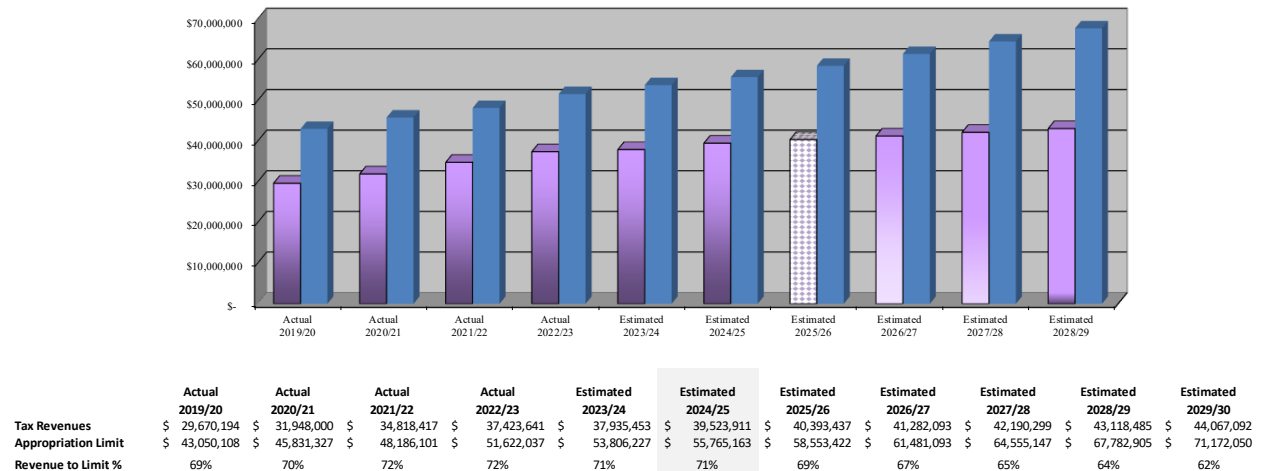
GANN APPROPRIATION LIMIT DATA NOT AVAILABLE YET

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**



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 RESOLUTION

THIS PAGE INTENTIONALLY LEFT BLANK

TOWN OF LOS GATOS
ANNUAL BUDGET RESOLUTION

THIS PAGE INTENTIONALLY LEFT BLANK





Town Profile

This Page Intentionally Left Blank

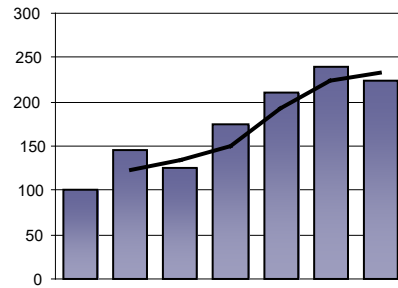
**The Town Profile section will be
presented in the Adopted Budget.**





Financial Summaries

This Page Intentionally Left Blank



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.

General Fund Revenues – by Department	C – 22
General Fund Expenditures – by Department	C – 23
General Fund Revenues – by Category.....	C – 24
General Fund Expenditures – by Category	C – 26
General Fund Tax Revenues per Capita – Cities of Santa Clara County	C – 28
General Fund Tax Revenues – 10 Year History of Key Tax Revenues	C – 29
General Fund – Fund Balance Activity.....	C – 30

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.

Department Revenues – by Program	C – 37
Department Expenditures – by Program	C – 39

In-Kind Donations

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

In-Kind Donations	C – 41
-------------------------	--------

Fee-Related Projects List

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

Fee-Related Projects List	C – 42
---------------------------------	--------

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 – 44
Summary of FTEs by Department	C – 45
5 Year History of Funded Positions by Department	C – 46
Summary of Personnel Changes	C – 47
Positions by Home Department	C – 51

TOTAL BUDGETED FUND ACTIVITY SUMMARY FY 2025-26

	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*	\$ 29,189,524	\$ 58,080,028	\$ 61,348,243	\$ 25,921,309	-11.2% (1)	111
Housing Conservation Program Fund	177,240	-	-	177,240	0.0%	211
Community Dev Block Grant Fund	(10,587)	-	-	(10,587)	0.0%	212
Urban Run-Off Source Fund	611,596	163,690	222,265	553,021	-9.6% (2)	222
Blackwell Assessment District Fund	15,184	3,210	3,072	15,322	0.9% (3)	231
Kennedy Assessment District Fund	16,827	10,605	11,875	15,557	-7.5%	232
Gemini Assessment District Fund	47,214	4,750	1,742	50,222	6.4% (3)	233
Santa Rosa Assessment District Fund	29,150	4,550	8,156	25,544	-12.4% (3)	234
Vasona Assessment District Fund	44,827	10,075	9,019	45,883	2.4% (3)	235
Hillbrook Assessment District Fund	28,253	6,040	6,536	27,757	-1.8% (3)	236
Los Gatos Theatre	170,414	121,100	121,916	169,598	-0.5%	251
Library Trust Fund	50,556	71,000	74,000	47,556	-5.9% (3)	711
Ness Bequest Trust Fund	748	400	-	1,148	53.5% (3)	713
Betty McClendon Trust Fund	88,943	2,000	2,000	88,943	0.0%	714
Barbara J Cassin Trust Fund	365,171	6,000	6,000	365,171	0.0%	716
Proprietary Funds - Internal Service Funds						
Liability Self-Insurance Fund	3,511	1,827,422	1,758,736	72,197	1956.3% (4)	611
Worker's Comp Self-Insurance Fund	314,476	1,903,079	1,880,050	337,505	7.3% (4)	612
Information Technology Fund	2,453,679	954,692	1,668,257	1,740,114	-29.1% (5)	621
Equipment Replacement Fund	2,277,685	1,187,544	2,105,936	1,359,293	-40.3% (5)	631
Facilities Maintenance Fund	937,606	1,624,567	1,474,567	1,087,606	16.0% (3)	633
Total Operating Funds	\$ 36,812,017	\$ 65,980,752	\$ 70,702,370	\$ 32,090,399	-12.8%	
Capital Funds						
GFAR*	\$ 15,790,264	\$ 2,542,254	\$ 4,290,936	\$ 14,041,582	-11.1% (6)	411 & 412
Grant Funded CIP Projects Fund	(7,233,058)	-	-	(7,233,058)	0.0%	421
Storm Drain #1 Fund	742,611	59,055	571,300	230,366	-69.0%	461
Storm Drain #2 Fund	2,122,444	102,493	475,000	1,749,937	-17.6%	462
Storm Drain #3 Fund	(191,579)	(8,306)	75,000	(274,885)	-43.5% (3)	463
Traffic Mitigation Fund	509,491	-	10,000	499,491	-2.0%	471
Construction Tax-Undergrounding Fund	3,611,435	45,870	-	3,657,305	1.3% (3)	472
Gas Tax Fund	1,992,261	1,822,989	1,784,585	2,030,665	1.9% (3)	481
Total Capital Projects Funds	\$ 17,343,869	\$ 4,564,355	\$ 7,206,821	\$ 14,701,403	-15.2%	
Fiduciary Fund						
SA- Trust Fund (Budgetary Fund Balance)	\$ 4,215,737	\$ 3,923,926	\$ 3,817,122	\$ 4,322,541	2.5%	942
Total Fiduciary Fund	\$ 4,215,737	\$ 3,923,926	\$ 3,817,122	\$ 4,322,541	2.5%	
TOTAL ALL FUNDS	\$ 58,371,623	\$ 74,469,033	\$ 81,726,313	\$ 51,114,343	-12.4%	

* 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 2025-26

(4) Based on estimated claims and insurance premium activity

(5) Equipment Replacement and Information Technology Fund reflects acquisition activities for FY 2025-26

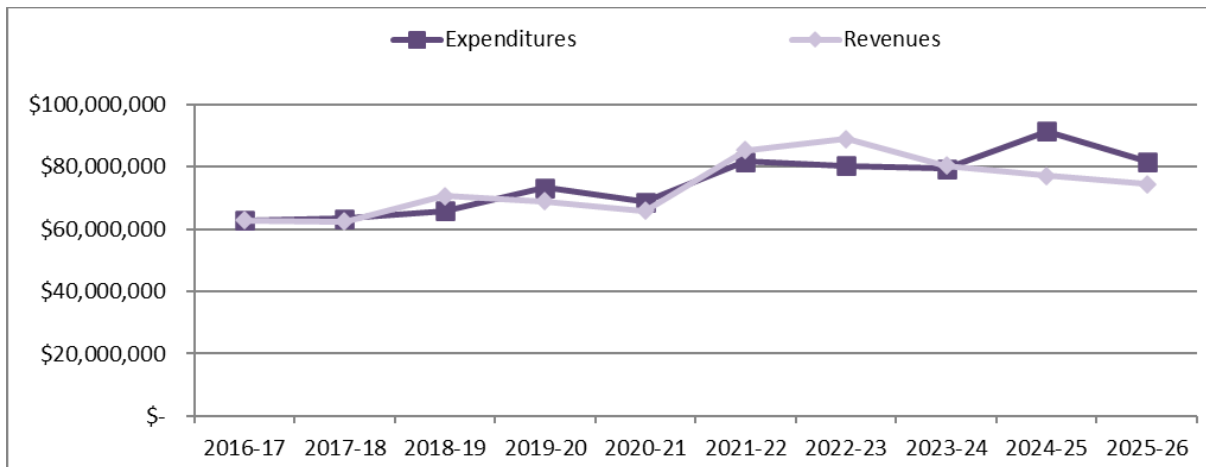
This Total Budgeted Fund Activity Summary schedule groups the Town's funds into three categories based on fund purpose:

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.

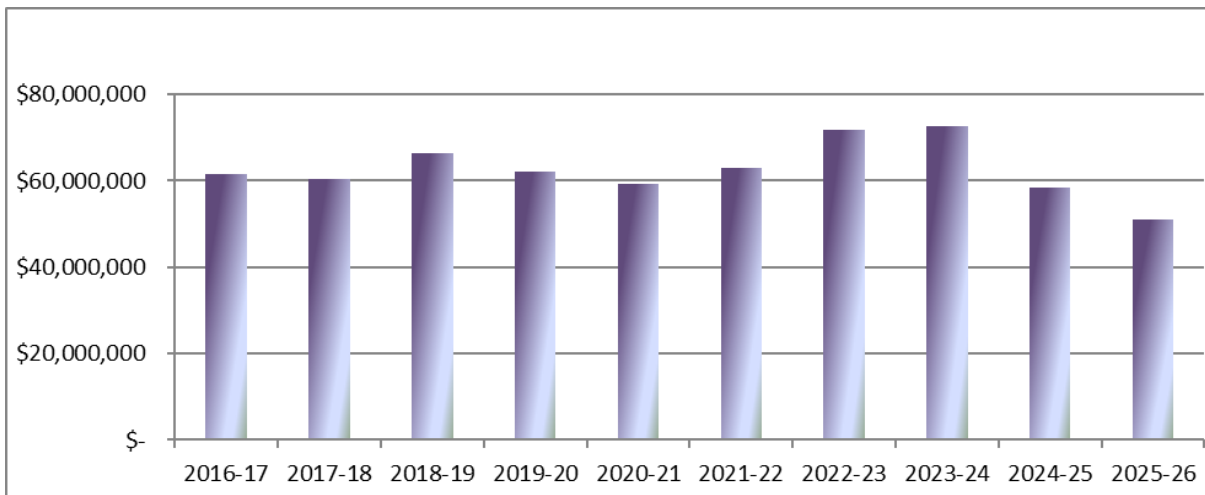
Fiduciary Funds - These funds include Trust funds and are held in a fiduciary capacity, with little variation in activity. RDA Successor Agency Private Purpose Trust Fund is established to account for the assets and liabilities transferred from the dissolution of the Town's former Redevelopment Agency (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, use of other reserves, 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
2016-17	Actuals	\$ 62,873,000	\$ 62,912,316	\$ 61,562,435
2017-18	Actuals	\$ 62,358,798	\$ 63,386,198	\$ 60,535,055
2018-19	Actuals	\$ 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	\$ 85,427,743	\$ 81,762,795	\$ 62,994,864
2022-23	Actuals	\$ 89,034,471	\$ 80,343,759	\$ 71,685,575
2023-24	Actuals	\$ 80,305,050	\$ 79,355,545	\$ 72,635,079
2024-25	Estimated	\$ 77,211,609	\$ 91,533,301	\$ 58,371,623
2025-26	Proposed	\$ 74,469,033	\$ 81,726,314	\$ 51,114,342

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

The FY 2025-26 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 \$1.9 million by building in a 4.6% Town-wide vacancy savings (including benefits savings) and using an additional \$3.7 million of one-time funding from the newly proposed Unassigned Fund Balance Reserve.

As mentioned above, for the upcoming 2025-26 fiscal year, the Town faces a projected operational deficit of approximately \$3.7 million. To effectively address this challenge, Town staff seeks specific direction from the Town Council regarding:

- Perspective on expenditure reduction measures outlined in progressively impactful tiers,
- Exploration and adoption of potential new or adjusted revenue-generating initiatives,
- Identification of preferred strategies for achieving a balanced budget that aligns with established strategic priorities and community expectations.

Council's guidance on these key decisions will significantly inform the preparation of the final 2025-26 budget, ensuring a sustainable financial path forward. The Adopted Budget Financial Summary Section will be updated with the recommended changes.

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 0.3% to \$55.2 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, the Town's property 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, charges for services, 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 49.5% of the Town's total expenditures in FY 2025-26 (and 65.6% of General Fund expenditures). FY 2025-26 proposed budget includes 4.6% vacancy savings factor. The Town recognizes fiscal constraints while endeavoring 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 the bargaining units 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 AFSCME MOU includes a 4% salary increase effective the pay period containing July 1, 2024, a 4% increase for FY 2025-26, and a 4% increase for FY 2026-27. The TEA MOU includes a 5% salary increase effective the pay period containing July 1, 2024, a 3% increase for FY 2025-26, and a 3% increase for FY 2026-27. The FY 2025-26 Proposed Budget reflects the increases. Unrepresented groups' compensation changes include a 5% salary increase effective the pay period containing July 1, 2024, a 3% increase for FY 2025-26, and a 3% increase for FY 2026-27. 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, benefit-eligible 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 that considers 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. CalPERS administers the Miscellaneous Plan 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 Pension and OPEB Trusts Oversight Committee administers the Town's IRS 115 Pension Trust.

The Town also provides a retiree healthcare benefit for eligible employees, covering all or a portion of health insurance premiums for qualified retirees, 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 administered by the Town Pension and OPEB Trusts Oversight Committee. The Oversight Committee is responsible for managing and controlling the healthcare assets. As a result of collaboration with the Town's bargaining units during FY 2018-19, all units agreed to eliminate retiree health benefits prospectively, except for the minimum employer contribution mandated by the Public Employees' Medical and Hospital Care Act (PEMHCA). The PEMHCA minimum represents a significant reduction from the previous discretionary retiree payments made by the Town. As a closed retiree medical plan, the Town will see substantial cost savings over time from this negotiated change. Additionally, 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 percentage of salary. Town employees contribute a percentage of their salary towards their pension, known as the normal cost. The normal cost represents the annual cost of service accrual for active employees and can be seen as the cost of benefits earned by employees in the current year.

The second source of normal cost funding comes from employer normal cost contributions. The employer normal cost rates for all cities and towns in CalPERS are established annually by CalPERS. These rates represent the minimum contractual obligations that 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 that the plans experience unfavorable economic or demographic assumptions, an unfunded actuarial liability (UAL) may arise. The costs associated with an unfunded liability are 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 \$ 69.2 million as of June 30, 2023, and \$7.5 million for OPEB as of June 30, 2023.

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 94.98% in FY 2024-25 to 109.09% in FY 2025-26 for classic sworn employees. For miscellaneous employees, the rate will decrease from 30.62% in FY 2024-25 to 30.02% in FY 2025-26. 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 15.56% in FY 2024-25 to 15.84% in FY 2025-26 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 \$28.1 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

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Estimated	2025-26 Proposed
REVENUES					
Property Tax	\$ 16,899,618	\$ 18,187,388	\$ 19,321,147	\$ 19,993,070	\$ 21,230,971
VLF Backfill	4,229,462	4,555,700	4,906,019	5,109,000	5,377,328
Sales & Use Tax	7,177,597	7,507,068	6,795,036	6,374,098	6,531,295
Measure G - District Sales Tax	1,306,076	1,299,409	1,276,698	1,288,166	1,243,852
Franchise Fees	2,822,515	3,074,624	2,547,012	1,013,330	1,043,730
Transient Occupancy Tax	1,895,064	2,228,190	2,367,653	2,332,419	2,402,390
Other Taxes	1,481,667	2,361,862	1,519,960	2,839,985	2,383,992
Licenses & Permits	4,814,650	3,268,498	3,993,247	6,093,470	5,400,712
Intergovernmental	1,263,352	1,553,397	1,152,225	1,267,705	838,936
Town Services	5,460,608	4,811,455	5,913,520	4,981,623	5,567,204
Internal Svc Reimbursement	-	-	-	-	-
Fines & Forfeitures	319,170	416,951	480,634	385,200	315,200
Interest	(1,404,526)	605,789	2,698,735	1,427,333	1,386,506
Other Sources	5,649,767	6,147,143	3,036,303	2,622,103	1,893,652
Debt Service Reimbursement	1,899,850	1,893,713	1,894,550	1,902,300	1,901,850
Transfers In	633,352	538,536	564,910	562,411	562,411
TOTAL REVENUES	\$ 54,448,222	\$ 58,449,723	\$ 58,467,649	\$ 58,192,213	\$ 58,080,029
EXPENDITURES					
Salaries	\$ 18,847,234	\$ 20,424,953	\$ 21,522,007	\$ 22,631,195	\$ 23,489,031
Overtime	1,134,177	1,373,672	1,342,518	1,515,728	657,310
Benefits - Pension	6,531,958	7,091,215	7,431,198	8,271,830	9,907,119
Benefits - All Other	3,679,378	3,829,826	4,274,670	4,879,094	6,269,653
Retiree Medical	1,391,296	1,527,074	1,631,602	2,011,644	2,125,000
Operating Expenditures	12,860,383	12,990,242	11,741,493	11,843,735	11,413,469
Grants & Awards	606,449	625,427	743,987	670,605	427,107
Fixed Assets	-	300,000	831,938	885,542	-
Interest	156,034	156,034	229,086	156,034	156,034
Internal Service Charges	2,607,506	2,599,074	3,245,830	4,127,057	5,001,670
Capital Projects	-	-	-	-	-
Capital Acquisitions	-	-	-	-	-
Debt Service	1,899,850	1,893,713	1,894,550	1,902,300	1,901,850
Transfers Out	1,751,787	3,006,978	2,045,000	1,170,000	-
TOTAL EXPENDITURES	\$ 51,466,052	\$ 55,818,208	\$ 56,933,879	\$ 60,064,764	\$ 61,348,243
Net Increase (Decrease)	2,982,170	2,631,515	1,533,770	(1,872,551)	(3,268,214)
Beginning Fund Balance	23,914,618	26,896,788	29,528,303	31,062,073	29,189,522
Ending Fund Balance	\$ 26,896,788	\$ 29,528,303	\$ 31,062,073	\$ 29,189,522	\$ 25,921,308

* Year End Fund Balance represents General Fund 111 (including Long Term Compensated Absences, Pension Trust Fund 732, and Measure G Fund 121).

TOTAL TOWN
REVENUES AND EXPENDITURES

SPECIAL REVENUE FUNDS

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Estimated	2025-26 Proposed
REVENUES					
Property Tax	\$ 29	\$ -	\$ 30	\$ -	\$ -
VLF Backfill	-	-	-	-	-
Sales & Use Tax	-	-	-	-	-
Measure G - District Sales Tax	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	-
Other Taxes	38,609	38,160	38,406	38,220	38,220
Licenses & Permits	231,323	359,950	359,951	163,690	163,690
Intergovernmental	3,413,961	3,614,872	-	-	-
Town Services	-	-	-	-	-
Internal Svc Reimbursement	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-
Interest	8,067	23,860	45,559	6,910	9,910
Other Sources	134,425	196,324	257,676	179,736	191,600
Debt Service Reimbursement	-	-	-	-	-
Transfers In	-	-	-	-	-
TOTAL REVENUES	\$ 3,826,414	\$ 4,233,166	\$ 701,622	\$ 388,556	\$ 403,420
EXPENDITURES					
Salaries	\$ 99,269	\$ 104,481	\$ 134,830	\$ 163,119	\$ 92,490
Overtime	696	27	1,100	461	3,030
Benefits - Pension	29,131	26,334	35,032	41,119	29,745
Benefits - All Other	25,329	27,761	35,644	39,233	24,935
Retiree Medical	-	-	-	-	-
Operating Expenditures	3,559,501	3,854,131	230,124	298,020	306,705
Grants & Awards	-	-	-	-	-
Fixed Assets	-	-	-	23,002	-
Interest	-	-	-	-	-
Internal Service Charges	3,492	4,091	7,299	14,441	4,756
Capital Projects	-	-	-	-	-
Capital Acquisitions	-	-	-	-	-
Debt Service	-	-	-	-	-
Transfers Out	4,920	4,920	4,920	4,920	4,920
TOTAL EXPENDITURES	\$ 3,722,338	\$ 4,021,745	\$ 448,949	\$ 584,315	\$ 466,581
Net Increase (Decrease)	104,076	211,421	252,673	(195,759)	(63,161)
Beginning Fund Balance	1,263,127	1,367,203	1,578,624	1,831,297	1,635,538
Ending Fund Balance	\$ 1,367,203	\$ 1,578,624	\$ 1,831,297	\$ 1,635,538	\$ 1,572,377

TOTAL TOWN
REVENUES AND EXPENDITURES

INTERNAL SERVICE FUNDS

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Estimated	2025-26 Proposed
REVENUES					
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -
VLF Backfill	-	-	-	-	-
Sales & Use Tax	-	-	-	-	-
Measure G - District Sales Tax	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	-
Other Taxes	66,382	28,322	24,838	40,000	40,000
Licenses & Permits	-	-	-	-	-
Intergovernmental	-	2,000	93,696	-	-
Town Services	172,373	125,257	133,860	105,000	120,000
Internal Srvc Reimbursement	3,507,735	3,570,184	4,264,957	5,721,482	7,013,718
Fines & Forfeitures	-	-	-	-	-
Interest	5	5	21,516	-	-
Other Sources	1,355,582	611,046	779,942	400,889	323,587
CIP Proj Reimbursement	-	-	-	-	-
Transfers In	1,787	-	430,000	76,989	-
TOTAL REVENUES	\$ 5,103,864	\$ 4,336,814	\$ 5,748,809	\$ 6,344,360	\$ 7,497,305
EXPENDITURES					
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -
Overtime	-	-	-	-	-
Benefits - Pension	-	-	-	-	-
Benefits - All Other	-	-	-	-	-
Retiree Medical	-	-	-	-	-
Operating Expenditures	4,221,802	4,774,268	4,543,471	5,749,931	6,381,610
Grants & Awards	-	-	-	-	-
Fixed Assets	157,761	526,960	213,662	2,102,487	2,105,936
Interest	-	-	-	-	-
Internal Service Charges	-	-	-	-	-
Capital Projects	-	-	-	-	-
Capital Acquisitions	-	-	-	-	-
Debt Service	-	-	-	-	-
Transfers Out	94,816	733,000	-	-	400,000
TOTAL EXPENDITURES	\$ 4,474,379	\$ 6,034,228	\$ 4,757,133	\$ 7,852,418	\$ 8,887,546
Net Increase (Decrease)	629,485	(1,697,414)	991,676	(1,508,058)	(1,390,241)
Beginning Fund Balance	7,610,802	8,240,287	6,542,873	7,534,549	6,026,491
Ending Fund Balance	\$ 8,240,287	\$ 6,542,873	\$ 7,534,549	\$ 6,026,491	\$ 4,636,250

TOTAL TOWN
REVENUES AND EXPENDITURES

CAPITAL PROJECT FUNDS

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Estimated	2025-26 Proposed
REVENUES					
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -
VLF Backfill	-	-	-	-	-
Sales & Use Tax	-	-	-	-	-
Measure G - District Sales Tax	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	-
Other Taxes	66,382	29,042	24,838	11,594	30,000
Licenses & Permits	1,599,199	1,221,744	1,232,518	974,457	1,095,485
Intergovernmental	10,634,858	4,816,497	5,021,429	5,098,047	2,859,390
Town Services	395,919	84,462	33,069	40,000	-
Internal Svc Reimbursement	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-
Interest	117,483	178,893	382,982	29,542	73,480
Other Sources	3,632,197	8,027,525	3,096,743	1,126,689	105,998
CIP Proj Reimbursement	-	-	-	-	-
SCC RPTTF Reimbursement	-	-	-	-	-
Transfers In	1,750,001	3,739,978	1,615,000	1,110,000	400,000
TOTAL REVENUES	\$ 18,196,039	\$ 18,098,141	\$ 11,406,579	\$ 8,390,329	\$ 4,564,353
EXPENDITURES					
Salaries	\$ -	\$ -	\$ 237,228	\$ -	\$ -
Overtime	-	-	-	-	-
Benefits - Pension	-	-	-	-	-
Benefits - All Other	-	-	-	-	-
Retiree Medical	-	-	-	-	-
Operating Expenditures	-	1,467,000	1,158,019	-	-
Grants & Awards	8,389,778	-	-	-	-
Fixed Assets	-	-	-	-	-
Interest	-	-	-	-	-
Internal Service Charges	-	-	-	-	-
Capital Projects	9,334,528	8,617,074	11,420,705	18,639,435	6,649,331
Capital Acquisitions	-	-	-	-	-
Debt Service	-	-	-	-	-
Transfers Out	533,616	533,616	559,990	574,480	557,491
TOTAL EXPENDITURES	\$ 18,257,922	\$ 10,617,690	\$ 13,375,942	\$ 19,213,915	\$ 7,206,822
Net Increase (Decrease)	(61,883)	7,480,451	(1,969,363)	(10,823,586)	(2,642,469)
Beginning Fund Balance	22,660,014	22,598,131	30,078,582	28,109,219	17,285,633
Ending Fund Balance	\$ 22,598,131	\$ 30,078,582	\$ 28,109,219	\$ 17,285,633	\$ 14,643,164

TOTAL TOWN
REVENUES AND EXPENDITURES
SUCCESSOR AGENCY TO THE TOWN OF LOS GATOS RDA

	SUCCESSOR AGENCY TO THE LOS GATOS RDA				
	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Estimated	2025-26 Proposed
REVENUES					
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -
VLF Backfill	-	-	-	-	-
Sales & Use Tax	-	-	-	-	-
Measure G - District Sales Tax	-	-	-	-	-
Franchise Fees	-	-	-	-	-
Transient Occupancy Tax	-	-	-	-	-
Other Taxes	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Intergovernmental	1,937,791	1,942,119	1,952,104	1,951,721	1,960,412
Town Services	-	-	-	-	-
Internal Svc Reimbursement	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-
Interest	3,897	69,130	122,074	70,000	50,000
Other Sources	11,665	11,664	11,664	11,664	11,664
CIP Proj Reimbursement	1,899,850	1,893,713	1,894,550	1,902,300	1,901,850
SCC RPTTF Reimbursement	-	-	-	-	-
Transfers In	-	-	-	-	-
TOTAL REVENUES	\$ 3,853,203	\$ 3,916,626	\$ 3,980,392	\$ 3,935,685	\$ 3,923,926
EXPENDITURES					
Salaries	\$ 1,174	\$ 1,290	\$ 1,383	\$ 1,151	\$ 1,208
Overtime	-	-	-	-	-
Benefits - Pension	329	341	334	341	387
Benefits - All Other	172	182	142	62	69
Retiree Medical	-	-	-	-	-
Operating Expenditures	105,213	124,413	111,513	11,695	11,695
Grants & Awards	-	-	-	-	-
Fixed Assets	-	-	-	-	-
Interest	1,036,645	1,293,230	1,352,157	1,485,000	1,550,000
Internal Service Charges	5	6	13	40	62
Capital Projects	-	-	-	-	-
Capital Acquisitions	-	-	-	-	-
Debt Service	2,698,566	2,432,426	2,374,100	2,319,601	2,253,701
Transfers Out	-	-	-	-	-
TOTAL EXPENDITURES	\$ 3,842,104	\$ 3,851,888	\$ 3,839,642	\$ 3,817,890	\$ 3,817,122
Net Increase (Decrease)	11,099	64,738	140,750	117,795	106,804
Beginning Fund Balance	3,881,354	3,892,453	3,957,191	4,097,941	4,215,736
Ending Fund Balance	\$ 3,892,453	\$ 3,957,191	\$ 4,097,941	\$ 4,215,736	\$ 4,322,540

TOTAL TOWN
REVENUES AND EXPENDITURES

TOTAL ALL FUNDS

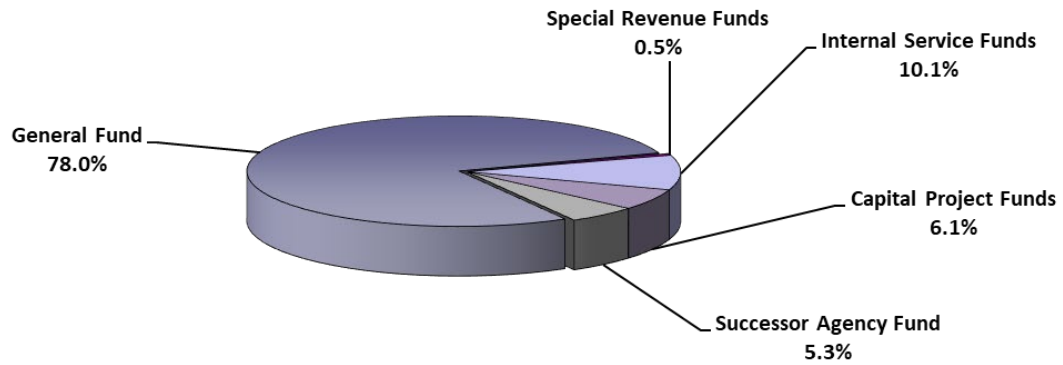
	2021-22	2022-23	2023-24	2024-25	2025-26
	Actuals	Actuals	Actuals	Estimated	Proposed
REVENUES					
Property Tax	\$ 16,899,647	\$ 18,187,388	\$ 19,321,177	\$ 19,993,070	\$ 21,230,971
VLF Backfill	4,229,462	4,555,700	4,906,019	5,109,000	5,377,328
Sales & Use Tax	7,177,597	7,507,068	6,795,036	6,374,098	6,531,295
Measure G - District Sales Tax	1,306,076	1,299,409	1,276,698	1,288,166	1,243,852
Franchise Fees	2,822,515	3,074,624	2,547,012	1,013,330	1,043,730
Transient Occupancy Tax	1,895,064	2,228,190	2,367,653	2,332,419	2,402,390
Other Taxes	1,653,040	2,457,386	1,608,042	2,929,799	2,492,212
Licenses & Permits	6,645,172	4,850,192	5,585,716	7,231,617	6,659,887
Intergovernmental	17,249,962	11,928,885	8,219,454	8,317,473	5,658,738
Town Services	6,028,900	5,021,174	6,080,449	5,126,623	5,687,204
Internal Srvc Reimbursement	3,507,735	3,570,184	4,264,957	5,721,482	7,013,718
Fines & Forfeitures	319,170	416,951	480,634	385,200	315,200
Interest	(1,275,074)	877,677	3,270,866	1,533,785	1,519,896
Other Sources	10,783,636	14,993,702	7,182,328	4,301,547	2,526,501
CIP Proj Reimbursement	3,799,700	3,787,426	3,789,100	3,804,600	3,803,700
SCC RPTTF Reimbursement	-	-	-	-	-
Transfers In	2,385,140	4,278,514	2,609,910	1,749,400	962,411
TOTAL REVENUES	\$ 85,427,742	\$ 89,034,470	\$ 80,305,051	\$ 77,211,609	\$ 74,469,033
EXPENDITURES					
Salaries	\$ 18,947,677	\$ 20,530,724	\$ 21,895,448	\$ 22,795,465	\$ 23,582,729
Overtime	1,134,873	1,373,699	1,343,618	1,516,189	660,340
Benefits - Pension	6,561,418	7,117,890	7,466,564	8,313,290	9,937,251
Benefits - All Other	3,704,879	3,857,769	4,310,456	4,918,389	6,294,657
Retiree Medical	1,391,296	1,527,074	1,631,602	2,011,644	2,125,000
Operating Expenditures	20,746,899	23,210,054	17,784,620	17,903,381	18,113,479
Grants & Awards	8,996,227	625,427	743,987	670,605	427,107
Fixed Assets	157,761	826,960	1,045,600	3,011,031	2,105,936
Interest	1,192,679	1,449,264	1,581,243	1,641,033	1,706,034
Internal Service Charges	2,611,003	2,603,171	3,253,142	4,141,538	5,006,488
Capital Projects	9,334,528	8,617,074	11,420,705	18,639,435	6,649,331
Capital Acquisitions	-	-	-	-	-
Debt Service	4,598,416	4,326,139	4,268,650	4,221,901	4,155,551
Transfers Out	2,385,139	4,278,514	2,609,910	1,749,400	962,411
TOTAL EXPENDITURES	\$ 81,762,795	\$ 80,343,759	\$ 79,355,545	\$ 91,533,301	\$ 81,726,314
Net Increase (Decrease)	3,664,947	8,690,711	949,506	(14,321,693)	(7,257,281)
Beginning Fund Balance	59,329,917	62,994,864	71,685,575	72,635,081	58,313,388
Ending Fund Balance	\$ 62,994,864	\$ 71,685,575	\$ 72,635,081	\$ 58,313,388	\$ 51,056,107

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

TOTAL TOWN REVENUES
BY FUND
(Includes Transfers In)

		2021-22	2022-23	2023-24	2024-25	2024-25	2025-26	Change
Fund	Fund Name	Actuals	Actuals	Actuals	Adjusted	Estimated	Proposed	from PY Adjusted
General Fund								
111	General Fund	\$ 54,448,223	\$ 58,449,721	\$ 58,467,649	\$ 57,326,499	\$ 58,192,216	\$ 58,080,028	1.3%
Special Revenue Funds								
222	Urban Run-Off Source Fund	275,290	382,381	376,893	163,690	163,690	163,690	0.0%
231	Blackwell Assessment District	3,310	3,403	3,691	3,210	3,210	3,210	0.0%
232	Kennedy Assessment District	10,593	10,711	11,042	10,605	10,605	10,605	0.0%
233	Gemini Assessment District	4,991	5,041	6,044	4,750	4,750	4,750	0.0%
234	Santa Rosa Assessment District	5,204	5,235	5,962	4,550	4,550	4,550	0.0%
235	Vasona Assessment District	10,145	10,408	11,194	10,075	10,075	10,075	0.0%
236	Hillbrook Assessment District	6,232	6,421	6,625	6,040	6,040	6,040	0.0%
241	ARPA	3,413,961	3,614,872	-	-	-	-	0.0%
251	Los Gatos Theatre	19,500	108,237	171,495	57,960	119,064	121,100	108.9%
711	Library Trust	72,076	78,326	92,237	71,000	61,172	71,000	0.0%
713	Ness Bequest Trust	239	385	786	400	400	400	0.0%
714	Betty McClendon Trust	954	1,518	3,066	1,000	1,000	2,000	100.0%
716	Barbara J Cassin Trust	3,919	6,230	12,587	4,000	4,000	6,000	50.0%
Internal Service Funds								
611	Liability Self-Insurance	366,134	397,216	1,097,039	1,507,435	1,355,990	1,827,422	21.2%
612	Worker's Comp Self-Insurance	1,155,211	1,132,773	1,404,129	1,905,154	1,533,562	1,903,079	-0.1%
621	Information Technology	998,157	755,099	780,649	914,113	925,105	954,692	4.4%
622	Office Stores Fund	-	-	-	-	-	-	0.0%
631	Equipment Replacement	589,441	718,283	1,060,156	1,123,659	1,093,620	1,187,544	5.7%
632	Facilities Maintenance	-	-	-	-	-	-	0.0%
633	Vehicle Maintenance	1,994,920	1,333,444	1,406,836	1,396,548	1,396,548	1,624,567	16.3%
Capital Projects Funds								
411	GFAR - 411	7,311,732	13,707,708	5,647,704	5,305,867	3,251,093	2,542,254	-52.1%
412	GFAR - 412	-	-	866,281	-	20,684	-	0.0%
421	Grant Funded CIP Projects	8,505,080	1,693,216	2,310,178	15,928,718	3,090,154	-	-100.0%
461	Storm Drain #1	89,739	111,325	168,669	50,880	28,976	59,055	16.1%
462	Storm Drain #2	250,881	102,215	103,635	54,850	15,616	102,493	86.9%
463	Storm Drain #3	(251)	4,060	40,613	1,100	5,354	(8,306)	-855.1%
471	Traffic Mitigation	552,042	725,597	296,721	213,380	161,138	-	-100.0%
472	Construction Tax-Undergrounding	101,630	136,482	145,255	45,590	27,184	45,870	0.6%
481	Gas Tax	1,385,187	1,617,538	1,827,522	1,784,585	1,790,128	1,822,989	2.2%
Successor Agency to the Los Gatos RDA Fund								
942	SA - Recognized Obligation Retirement	3,853,202	3,916,626	3,980,392	3,828,264	3,935,685	3,923,926	2.5%
TOTAL Fund Rev & Transfers In		\$ 85,427,743	\$ 89,034,471	\$ 80,305,050	\$ 91,723,922	\$ 77,211,609	\$ 74,469,033	-18.8%

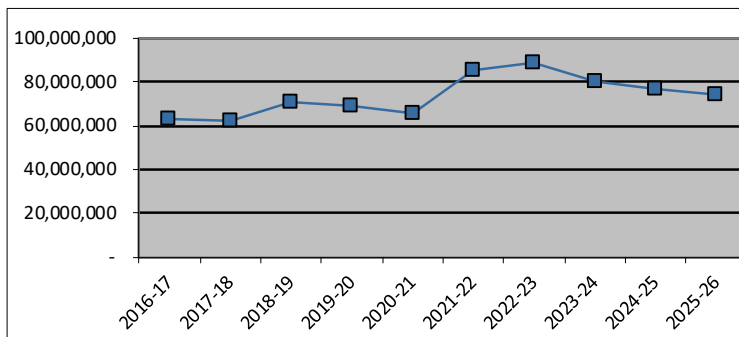
TOTAL TOWN REVENUES BY FUND



	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed	% of Total
General Fund	\$ 54,448,223	\$ 58,449,721	\$ 58,467,649	\$ 57,326,499	\$ 58,192,216	\$ 58,080,028	77.99%
Special Revenue Funds	3,826,414	4,233,168	701,622	337,280	388,556	403,420	0.54%
Internal Service Funds	5,103,863	4,336,815	5,748,809	6,846,909	6,304,825	7,497,304	10.07%
Capital Project Funds	18,196,040	18,098,141	11,406,578	23,384,970	8,390,327	4,564,355	6.13%
Successor Agency Fund	3,853,203	3,916,626	3,980,392	3,828,264	3,935,685	3,923,926	5.27%
Total Rev & Transfers In	\$ 85,427,743	\$ 89,034,471	\$ 80,305,050	\$ 91,723,922	\$ 77,211,609	\$ 74,469,033	100.0%

TOWN REVENUE HISTORICAL TREND (Includes Transfers In)

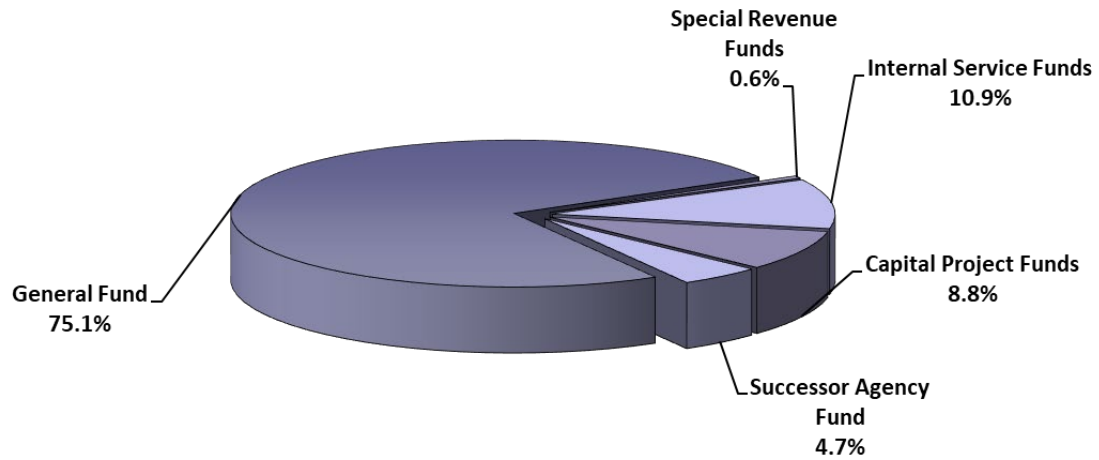
FY	Total	Status
2016-17	62,873,000	Actuals
2017-18	62,358,798	Actuals
2018-19	70,675,272	Actuals
2019-20	68,958,311	Actuals
2020-21	65,930,887	Actuals
2021-22	85,427,743	Actuals
2022-23	89,034,471	Actuals
2023-24	80,305,050	Actuals
2024-25	77,211,609	Estimated
2025-26	74,469,033	Projected



TOTAL TOWN EXPENDITURES
BY FUND
(Includes Transfers Out)

		2021-22	2022-23	2023-24	2024-25	2024-25	2025-26	Change
Fund	Fund Name	Actuals	Actuals	Actuals	Adjusted	Estimated	Proposed	from PY Adjusted
General Fund								
111	General Fund	\$ 51,466,052	\$ 55,818,206	\$ 56,933,879	\$ 60,543,479	\$ 60,064,764	\$ 61,348,243	1.3%
Special Revenue Funds								
222	Urban Run-Off Source Fund	194,972	204,096	252,602	284,429	306,228	222,265	-21.9%
231	Blackwell Assessment District	3,654	2,988	2,799	3,072	3,072	3,072	0.0%
232	Kennedy Assessment District	9,668	12,113	12,883	11,875	11,875	11,875	0.0%
233	Gemini Assessment District	2,607	1,880	1,798	1,742	1,742	1,742	0.0%
234	Santa Rosa Assessment District	10,466	9,573	9,575	8,156	8,156	8,156	0.0%
235	Vasona Assessment District	7,362	7,653	7,689	9,019	9,019	9,019	0.0%
236	Hillbrook Assessment District	4,837	4,282	4,153	6,536	6,536	6,536	0.0%
241	ARPA	3,413,961	3,614,872	-	-	-	-	0.0%
251	Los Gatos Theatre	-	52,746	75,451	119,685	119,685	121,916	1.9%
711	Library Trust	71,613	106,041	77,199	80,000	80,000	74,000	-7.5%
713	Ness Trust Bequest	-	-	-	23,002	23,002	-	-100.0%
714	Betty McClendon Trust	700	1,000	900	1,000	3,000	2,000	100.0%
716	Barbara J Cassin Trust	2,500	4,500	3,900	4,000	12,000	6,000	50.0%
Internal Service Funds								
611	Liability Self-Insurance	583,924	988,486	1,131,184	1,540,481	1,530,356	1,758,736	14.2%
612	Worker's Comp Self-Insurance	1,533,045	1,913,144	1,332,697	1,826,050	1,805,333	1,880,050	3.0%
621	Information Technology	878,049	1,271,412	731,919	1,118,347	994,775	1,668,257	49.2%
622	Office Stores Fund	-	-	-	-	-	-	0.0%
631	Equipment Replacement	256,582	526,960	187,323	2,105,936	2,102,487	2,105,936	0.0%
632	Facilities Maintenance	-	-	-	-	-	-	0.0%
633	Vehicle Maintenance	1,222,780	1,334,225	1,374,009	1,445,325	1,419,467	1,474,567	2.0%
Capital Projects Funds								
411	GFAR - 411	7,961,799	6,765,661	7,120,243	22,153,916	8,601,080	4,290,937	-80.6%
412	GFAR - 412	-	-	-	866,281	58,236	-	-100.0%
421	Grant Funded CIP Projects	8,754,439	1,151,504	4,466,791	12,782,684	7,759,709	-	-100.0%
461	Storm Drain #1	-	-	-	1,184,384	734,384	571,300	-51.8%
462	Storm Drain #2	13,400	218,081	-	418,586	86,667	475,000	13.5%
463	Storm Drain #3	25,848	-	-	256,967	86,667	75,000	-70.8%
471	Traffic Mitigation	527,791	700,088	218,308	255,264	161,138	10,000	-96.1%
472	Construction Tax-Undergrounding	427	-	-	299,573	-	-	-100.0%
481	Gas Tax	974,215	1,782,361	1,570,600	3,404,619	1,726,034	1,784,585	-47.6%
Successor Agency to the Los Gatos RDA Fund								
942	SA- Trust Fund	3,842,104	3,851,887	3,839,643	3,853,495	3,817,889	3,817,122	
TOTAL Fund Exp & Transfers Out		\$ 81,762,795	\$ 80,343,759	\$ 79,355,545	\$ 114,607,903	\$ 91,533,301	\$ 81,726,314	-28.7%

TOTAL TOWN EXPENDITURES BY FUND

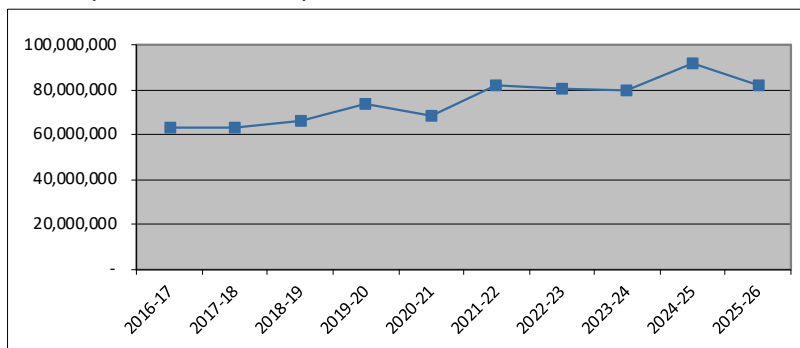


	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed	% of Total
General Fund	\$ 51,466,052	\$ 55,818,206	\$ 56,933,879	\$ 60,543,479	\$ 60,064,764	\$ 61,348,243	75.07%
Special Revenue Funds	3,722,340	4,021,744	448,949	552,516	584,315	466,581	0.57%
Internal Service Funds	4,474,380	6,034,227	4,757,132	8,036,139	7,852,418	8,887,546	10.87%
Capital Project Funds	18,257,919	10,617,695	13,375,942	41,622,274	19,213,915	7,206,822	8.82%
Successor Agency Fund	3,842,104	3,851,887	3,839,643	3,853,495	3,817,889	3,817,122	4.67%
Total Exp & Transfers Out	\$ 81,762,795	\$ 80,343,759	\$ 79,355,545	\$ 114,607,903	\$ 91,533,301	\$ 81,726,314	100.0%

TOWN EXPENDITURE HISTORICAL TREND

(Includes Transfers Out)

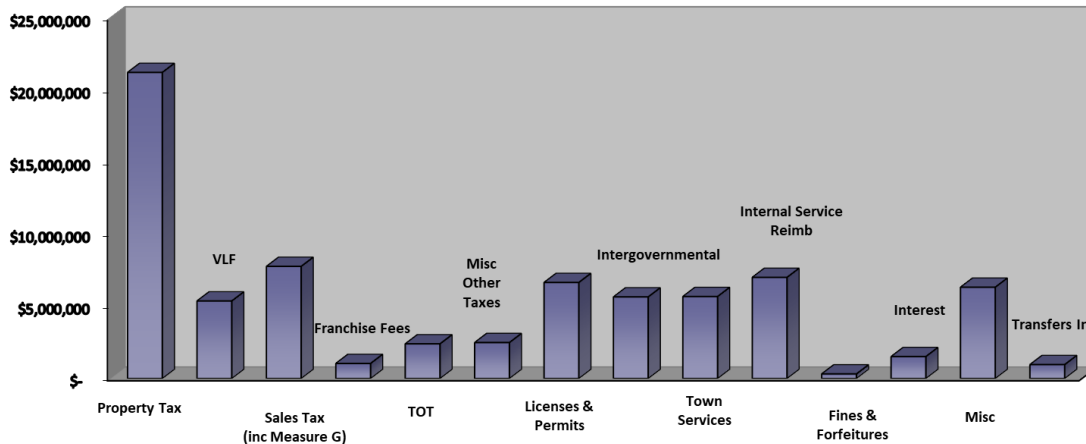
FY	Total	Status
2016-17	\$ 62,912,316	Actuals
2017-18	\$ 63,386,198	Actuals
2018-19	\$ 65,949,701	Actuals
2019-20	\$ 73,327,492	Actuals
2020-21	\$ 68,699,265	Actuals
2021-22	\$ 81,762,795	Actuals
2022-23	\$ 80,343,759	Actuals
2023-24	\$ 79,355,545	Actuals
2024-25	\$ 91,533,301	Estimated
2025-26	\$ 81,726,314	Projected



TOTAL TOWN REVENUES

BY CATEGORY

**FY 2025-26
Revenues**



Revenues	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed	% of Total
Property Tax	\$ 16,899,647	\$ 18,187,388	\$ 19,321,177	\$ 20,225,761	\$ 19,993,070	\$ 21,230,971	28.51%
VLF Backfill Property Tax	4,229,462	4,555,700	4,906,019	4,978,930	5,109,000	5,377,328	7.22%
Sales & Use Tax	7,177,597	7,507,068	6,795,036	6,597,351	6,418,412	6,507,591	8.74%
Measure G - District Sales Tax	1,306,076	1,299,409	1,276,698	1,288,166	1,243,852	1,267,556	1.70%
Franchise Fees	2,822,515	3,074,624	2,547,012	1,041,330	1,013,330	1,043,730	1.40%
Transient Occupancy Tax	1,895,064	2,228,190	2,367,653	2,332,419	2,332,419	2,402,390	3.23%
Miscellaneous Other Taxes	1,653,041	2,457,385	1,608,043	2,529,220	2,929,799	2,492,212	3.35%
Licenses & Permits	6,645,172	4,850,192	5,585,716	7,088,561	7,231,617	6,659,887	8.94%
Intergovernmental Revenues	17,249,962	11,928,885	8,219,453	22,668,632	8,317,473	5,658,738	7.60%
Town Services	6,028,900	5,021,175	6,080,448	5,012,822	5,126,623	5,687,204	7.64%
Internal Service Reimbursements	3,507,735	3,570,184	4,264,957	6,258,322	5,721,482	7,013,718	9.42%
Fines & Forfeitures	319,170	416,951	480,634	315,200	385,200	315,200	0.42%
Interest	(1,275,074)	877,677	3,270,866	1,803,877	1,533,785	1,519,896	2.04%
Miscellaneous Other Sources	14,583,336	18,781,128	10,971,429	7,910,919	8,106,147	6,330,201	8.50%
Total Revenues	\$ 83,042,603	\$ 84,755,956	\$ 77,695,141	\$ 90,051,510	\$ 75,462,209	\$ 73,506,622	
Plus Transfers In	2,385,139	4,278,514	2,609,910	1,672,411	1,749,400	962,411	1.29%
Total Revenues & Other Sources	\$ 85,427,742	\$ 89,034,470	\$ 80,305,051	\$ 91,723,921	\$ 77,211,609	\$ 74,469,033	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 Sales Tax.

Key revenue highlights include:

Property Tax – Property Tax revenues are projected to increase by 6.2% compared to the FY 2024-25 estimated revenues as property tax collection is based on the January 2025 assessment roll for FY 2025-26.

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 2025-26 budget reflects \$6.5 million in sales tax revenue and \$1.3 million in dedicated sales tax revenue. Combined, this represents a 1.5 % increase from the FY 2024-25 estimates, but a \$0.3 million dollar decrease from FY 2023-24 actual collections.

TOTAL TOWN REVENUES

BY CATEGORY

Licenses and Permits—FY 2025-26 Licenses and Permits reflect a 6% decrease compared to the FY 2024-25 estimated revenues, reflecting anticipated permit activities.

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

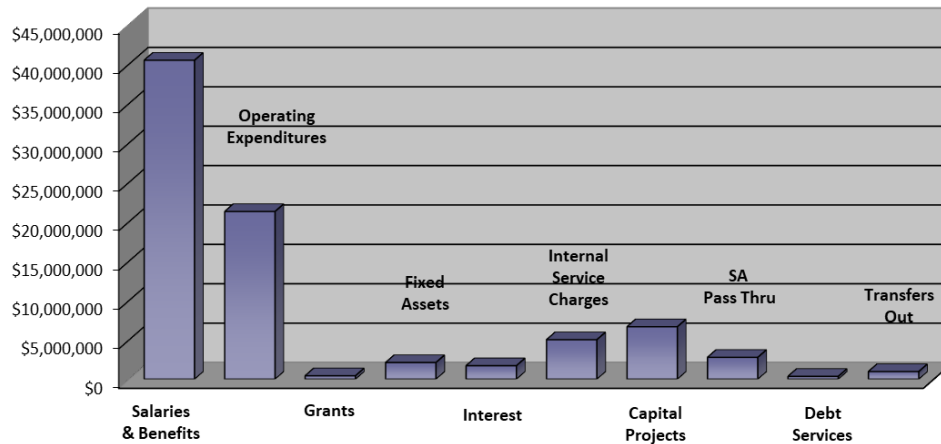
Transient Occupancy Tax – Transient Occupancy Tax (TOT) is expected to increase by 3.0% from FY 2024-25 estimated revenues.

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 2025-26 Expenditures



Expenditures	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed	% of Total
Salaries and Benefits	\$ 30,348,848	\$ 32,880,081	\$ 35,016,086	\$ 38,661,257	\$ 37,543,332	\$ 40,474,978	49.53%
Operating Expenditures	17,703,532	17,289,365	18,205,350	21,015,129	21,033,088	21,274,143	26.03%
Grants	8,996,228	625,427	743,987	724,912	670,605	427,107	0.52%
Fixed Assets	157,761	826,960	1,045,600	2,670,092	3,011,031	2,105,936	2.58%
Interest	1,192,679	1,449,264	1,581,243	1,576,692	1,641,034	1,706,034	2.09%
Internal Service Charges	2,611,003	2,603,171	3,253,142	4,389,018	4,141,538	5,006,488	6.13%
Capital Projects	9,334,527	8,617,077	11,420,705	41,064,783	18,639,435	6,649,330	8.14%
Pass Thru	8,234,362	11,235,187	4,999,972	2,416,307	2,686,537	2,768,036	3.39%
Debt Services	798,716	538,713	479,550	417,301	417,301	351,851	0.43%
Total Expenditures	\$ 79,377,656	\$ 76,065,245	\$ 76,745,635	\$ 112,935,491	\$ 89,783,901	\$ 80,763,903	
Transfers Out	2,385,139	4,278,514	2,609,910	1,672,411	1,749,400	962,411	1.18%
Total Uses of Funds	\$ 81,762,795	\$ 80,343,759	\$ 79,355,545	\$ 114,607,902	\$ 91,533,301	\$ 81,726,314	100%

Total Budgeted Expenditures (exclusive of Transfers Out) include budgeted Capital Improvements, which can vary significantly from year to year. The total expenditures reflect a 10.1% decrease for FY 2025-26 compared to the FY 2024-25 estimated budget numbers. Prior year adjusted budget numbers include capital project carryforwards. Expenditures of note include:

Salaries and Benefits – The FY 2025-26 budget, including 4.6% vacancy savings, reflects an anticipated 4.7% increase in salaries and benefit costs compared to the prior year adjusted budget and a 7.8% increase from the FY 2024-25 estimated numbers. The increase is attributed to anticipated increases in CalPERS and medical benefits rates, current bargaining unit agreements, and anticipated merit step increases. Staff will closely monitor salary and benefits costs and will return to the 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.

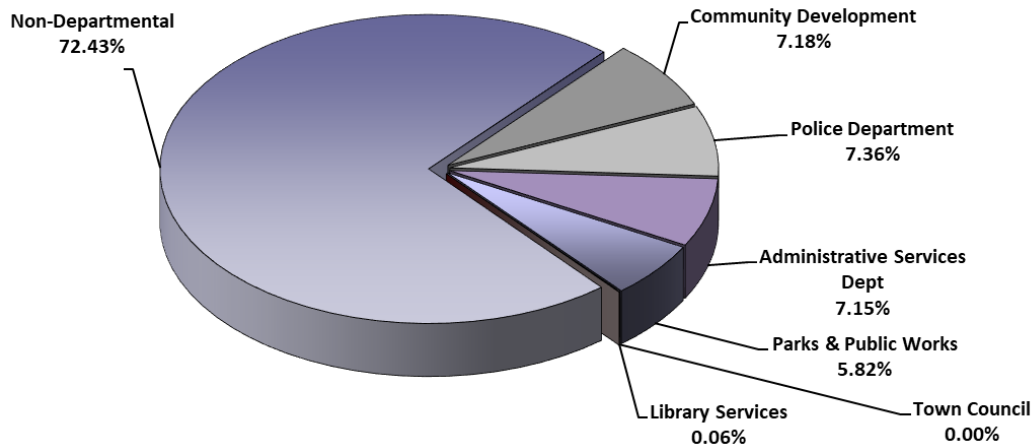
Internal Service Charges – These expenditures represent the service program costs charged back to the operational programs for Liability Insurance, Information Technology, Vehicle Replacement, and Building Maintenance services. The FY 2025-26 budget reflects increases in the Internal Service Charges 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



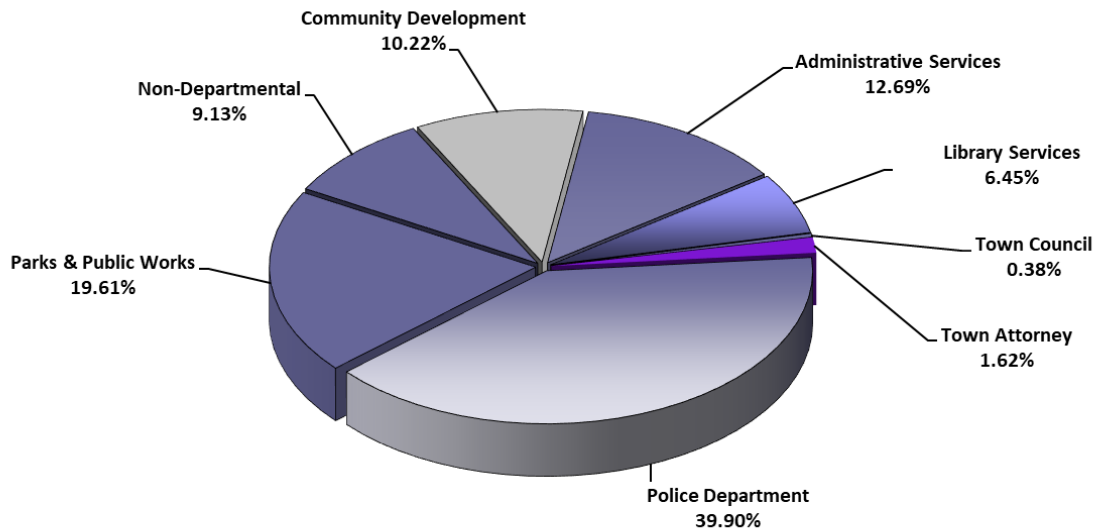
FY 2025-26 Departmental Revenues

Departments	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
Town Offices	\$ 1,099	\$ 9,082	\$ 20,989	\$ -	\$ -	\$ -
Non-Departmental	34,400,997	36,926,190	38,074,117	38,879,988	38,387,077	40,001,198
Administrative Services*	594,557	3,491,329	4,729,705	4,704,637	4,757,473	3,946,805
Community Development	5,678,733	4,734,673	4,617,882	4,879,591	5,401,479	3,966,176
Police Department	6,877,241	7,157,445	4,314,732	3,352,173	3,366,142	4,062,039
Parks & Public Works	3,627,872	2,887,053	3,378,347	2,619,899	3,046,746	3,213,750
Library Services	44,521	100,085	81,406	35,500	78,585	35,800
Total General Fund Revenues	\$ 51,225,020	\$ 55,305,857	\$ 55,217,178	\$ 54,471,788	\$ 55,037,502	\$ 55,225,768
Town Debt Payments	\$ 1,899,850	\$ 1,893,713	\$ 1,894,550	\$ 1,902,300	\$ 1,902,300	\$ 1,901,850
Pension Trust**	690,000	711,618	791,012	390,000	690,000	390,000
Compensated Absences**	-	-	-	-	-	-
Transfers In	633,352	538,536	564,910	562,411	562,411	562,411
Net Operating Revenues	\$ 54,448,222	\$ 58,449,724	\$ 58,467,650	\$ 57,326,499	\$ 58,192,213	\$ 58,080,029

*The Town Manager's Office, Human Resources, Finance, Clerk Administration, Information Technology, Economic and Community Vitality, and Emergency Preparedness and Disaster Response Programs are all accounted for within the Administrative Services Department.

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

GENERAL FUND EXPENDITURES BY DEPARTMENT



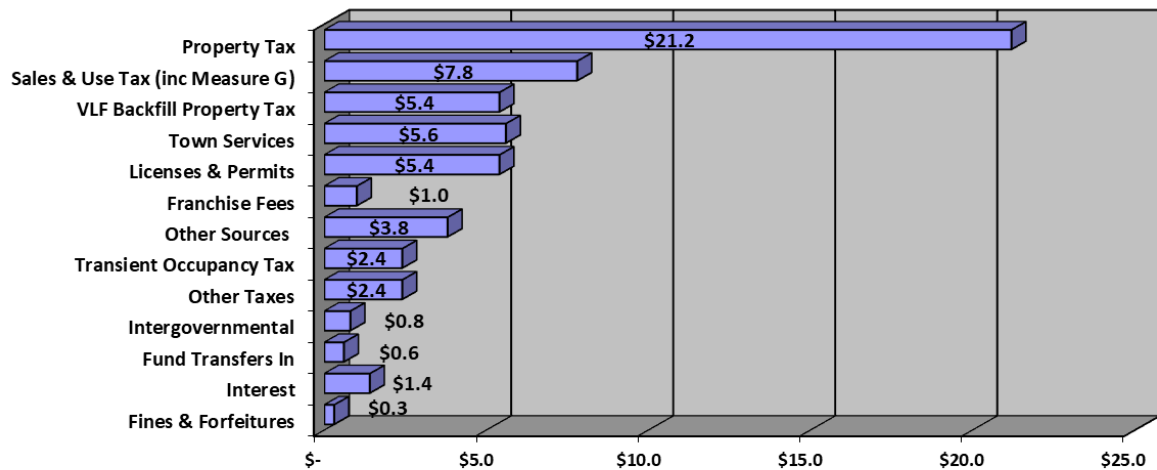
FY 2025-26 Departmental Expenditures

Departments	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
Police Department	\$ 16,451,189	\$ 18,446,040	\$ 21,498,542	\$ 22,895,849	\$ 21,341,870	\$ 23,657,742
Parks & Public Works	8,605,455	8,998,082	9,789,656	10,653,984	11,137,401	11,625,891
Non-Departmental	7,274,722	8,666,254	6,146,963	5,153,478	5,516,939	5,410,295
Community Development	6,313,505	5,365,410	5,246,730	6,161,824	6,321,635	6,058,499
Administrative Services*	5,441,605	5,302,277	5,877,880	7,861,627	7,684,812	7,526,857
Library Services	2,752,401	3,096,485	3,253,386	3,458,657	3,542,183	3,824,816
Town Council	189,569	186,337	196,366	210,994	219,937	223,367
Town Attorney	629,935	699,143	753,205	978,732	1,071,653	962,892
Total General Fund Exp	\$ 47,658,381	\$ 50,760,028	\$ 52,762,728	\$ 57,375,145	\$ 56,836,430	\$ 59,290,359
Town Debt Payments	\$ 2,055,884	\$ 2,049,747	\$ 2,123,636	\$ 2,058,334	\$ 2,058,334	\$ 2,057,884
Pension Trust**	-	1,455	2,515	-	-	-
Compensated Absences**	-	-	-	-	-	-
Transfers Out	1,751,787	3,006,978	2,045,000	1,110,000	1,170,000	-
Net Operating Expenditures	\$ 51,466,052	\$ 55,818,208	\$ 56,933,879	\$ 60,543,479	\$ 60,064,764	\$ 61,348,243

*The Town Manager's Office, Human Resources, Finance, Clerk Administration, Information Technology, Economic and Community Vitality, and Emergency Preparedness and Disaster Response Programs are all accounted for within the Administrative Services Department.

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

GENERAL FUND REVENUES BY CATEGORY



Revenue Category	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed	% of Total
Property Tax	\$ 16,899,618	\$ 18,187,388	\$ 19,321,147	\$ 20,225,761	\$ 19,993,070	\$ 21,230,971	36.55%
VLF Backfill Property Tax	4,229,462	4,555,700	4,906,019	4,978,930	5,109,000	5,377,328	9.26%
Sales & Use Tax	7,177,597	7,507,068	6,795,036	6,597,351	6,418,412	6,507,591	11.20%
Measure G - District Sales Tax	1,306,076	1,299,409	1,276,698	1,288,166	1,243,852	1,267,556	2.18%
Franchise Fees	2,822,515	3,074,624	2,547,012	1,041,330	1,013,330	1,043,730	1.80%
Transient Occupancy Tax	1,895,064	2,228,190	2,367,653	2,332,419	2,332,419	2,402,390	4.14%
Other Taxes	1,481,667	2,361,862	1,519,960	2,421,000	2,839,985	2,383,992	4.10%
Licenses & Permits	4,814,650	3,268,498	3,993,247	5,832,140	6,093,470	5,400,712	9.30%
Intergovernmental	1,263,352	1,553,397	1,152,225	1,182,351	1,267,705	838,936	1.44%
Town Services	5,460,608	4,811,455	5,913,520	4,705,658	4,981,623	5,567,204	9.59%
Fines & Forfeitures	319,170	416,951	480,634	315,200	385,200	315,200	0.54%
Interest	(1,404,526)	605,789	2,698,735	1,764,425	1,427,333	1,386,506	2.39%
Other Sources	7,549,617	8,040,856	4,930,853	4,079,357	4,524,403	3,795,502	6.53%
Total Revenues	\$ 53,814,870	\$ 57,911,187	\$ 57,902,739	\$ 56,764,088	\$ 57,629,802	\$ 57,517,618	
Transfers In:	\$ 633,352	\$ 538,536	\$ 564,910	\$ 562,411	\$ 562,411	\$ 562,411	0.97%
Total Revenues & Transfers In	\$ 54,448,222	\$ 58,449,723	\$ 58,467,649	\$ 57,326,499	\$ 58,192,213	\$ 58,080,029	100%

FY 2025-26 General Fund revenues (excluding fund transfers in) expected to decrease by 0.2% to \$57.5 million from FY 2024-25 estimated revenues. The Town's operations are funded through various revenue sources as depicted above. Revenues were estimated by trend analysis and historical data as explained below:

Property Tax – Property Tax revenues are still projected to increase by 6.2% compared to the prior year's estimated revenues, as property tax collection is based on the January 2025 assessment roll for FY 2025-26, projected by the Santa Clara County Assessor's Office and the Town's property tax consultant. The Town receives 9.3 cents of each property tax dollar paid by property owners. The remaining 90.7 cents of each dollar is distributed to several other taxing jurisdictions, including local schools, community college districts, the County of Santa Clara, Santa Clara County Central Fire Protection District, and other special districts that serve the community.

GENERAL FUND REVENUES

BY CATEGORY

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.

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 2025-26 budget reflects \$6.5 million in sales tax revenue and \$1.3 million in dedicated sales tax revenue. Combined, this represents a 1.5% increase from the FY 2024-25 estimates, but a \$0.3 million dollar decrease from FY 2023-24 actual collections.

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 decrease by 11.4% compared to FY 2024-25 estimated revenues reflecting anticipated permit activities.

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

Franchise Fees – Compared to the prior fiscal year, Franchise Fees, including cable television and electric utility, have increased by 3.0% compared to FY 2024-25 estimated revenues.

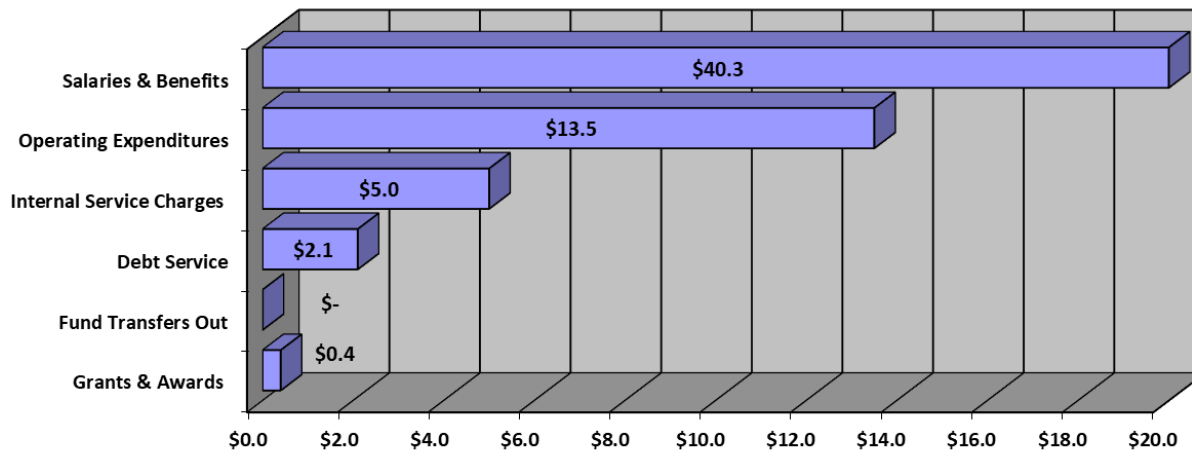
Transient Occupancy Tax – Transient Occupancy Tax (TOT) is expected to increase by 3.0% from FY 2024-25 estimated revenues.

Fines and Forfeitures – Fines and Forfeitures include traffic fines and administrative citations, which are expected to decrease by 18.2% compared to FY 2024-25 estimated revenues.

Transfers In – Transfers in are expected to remain the same as FY 2024-25.

Other Sources—Other sources include the Town “Pass Through” programs and restricted pension trust fund activities, which decreased from FY 2024-25 estimates.

GENERAL FUND EXPENDITURES BY CATEGORY



Expenditure Category	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed	% of Total
Salaries & Benefits	\$ 30,192,747	\$ 32,719,665	\$ 34,570,393	\$ 38,441,072	\$ 37,297,847	\$ 40,323,113	65.63%
Operating Expenditures	14,251,679	14,517,317	13,373,095	13,294,019	13,855,379	13,538,469	22.07%
Fixed Assets	-	300,000	831,938	541,154	885,542	-	0.00%
Grants & Awards	606,449	625,427	743,987	724,912	670,605	427,107	0.70%
Debt Service	2,055,884	2,049,747	2,123,636	2,058,334	2,058,334	2,057,884	3.35%
Internal Service Charges	2,607,506	2,599,074	3,245,830	4,373,988	4,127,057	5,001,670	8.15%
Total Expenditures	\$ 49,714,265	\$ 52,811,230	\$ 54,888,879	\$ 59,433,479	\$ 58,894,764	\$ 61,348,243	
Transfers Out	\$ 1,751,787	\$ 3,006,978	\$ 2,045,000	\$ 1,110,000	\$ 1,170,000	\$ -	0.00%
Total Exp & Transfers Out	\$ 51,466,052	\$ 55,818,208	\$ 56,933,879	\$ 60,543,479	\$ 60,064,764	\$ 61,348,243	100%

The FY 2025-26 General Fund Operating Budget (net of transfers out) represents a 4.2% increase compared to the net FY 2024-25 estimated operating expenditures (net of transfers out).

Salaries & Benefits – The delivery of Town services highly depends on talented staff, which comprises 65.6% of budgeted General Fund expenditures for FY 2025-26. The FY 2025-26 budget, including 4.6% vacancy savings, reflects an anticipated 4.9% increase in salary and benefit costs compared to the prior year adjusted budget and an 8.1% increase from the FY 2025-26 estimated numbers. This increase is attributed to expected hikes in CalPERS and medical benefit rates, current bargaining unit agreements, and anticipated merit step increases. Staff will closely monitor salary and benefit costs and will return to Council if the anticipated salary savings do not materialize.

Operating Expenditures – The FY 2025-26 operating expenditures decreased by 2.3% when compared to the FY 2024-25 estimates.

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. The FY 2025-26 budget reflects funding for only sustaining grants.

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

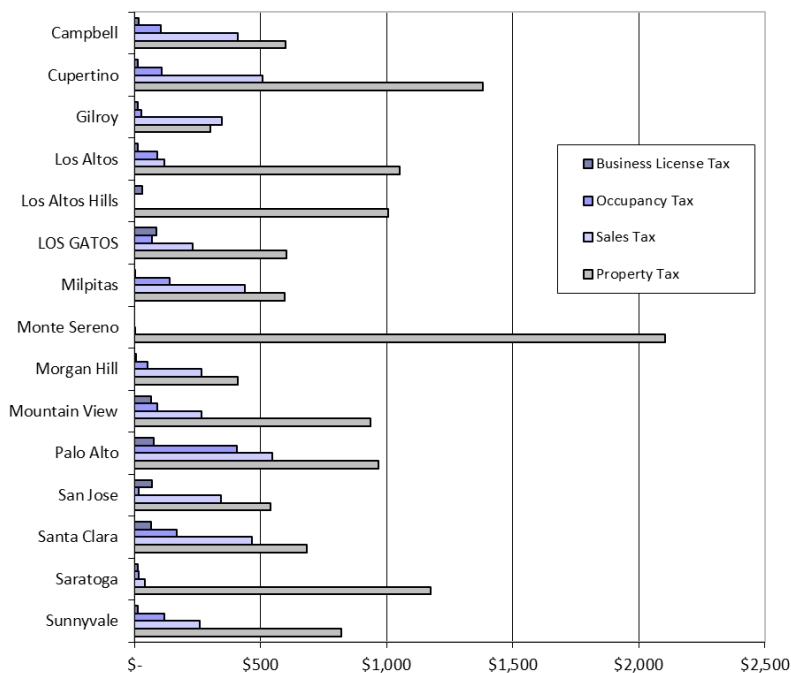
BY CATEGORY

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 FY 2025-26 budget is not appropriating transfers for Capital projects.

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	43,095	\$ 25,790,000	598	\$ 17,699,289	\$ 411	\$ 4,500,000	\$ 104	\$ 723,400	\$ 17
Cupertino ¹	60,869	84,036,853	1,381	30,961,166	509	6,486,798	107	831,321	14
Gilroy	61,033	18,359,121	301	21,119,635	346	1,560,500	26	883,812	14
Los Altos ²	31,021	32,644,256	1,052	3,686,148	119	2,830,943	91	471,808	15
Los Altos Hills ²	8,476	8,527,387	1,006	-	-	-	-	255,405	30
LOS GATOS	33,230	19,993,070	602	7,662,264	231	2,332,419	70	2,839,985	85
Milpitas	81,773	48,723,543	596	35,836,135	438	11,537,074	141	333,592	4
Monte Sereno ^{1,3}	3,500	7,371,991	2,106	13,967	4	-	-	-	-
Morgan Hill	46,384	19,075,049	411	12,369,118	267	2,472,771	53	238,860	5
Mountain View	86,535	81,120,694	937	23,124,896	267	7,961,020	92	5,580,870	64
Palo Alto	68,624	66,343,501	967	37,482,355	546	27,781,062	405	5,285,805	77
San Jose	969,491	524,473,430	541	333,411,487	344	15,894,163	16	67,749,866	70
Santa Clara	132,476	90,710,410	685	61,776,044	466	22,347,394	169	8,820,389	67
Saratoga ¹	30,163	35,378,883	1,173	1,253,649	42	512,261	17	458,856	15
Sunnyvale	157,566	129,062,478	819	40,715,300	258	18,915,542	120	1,938,459	12
Average	120,949	\$ 79,440,711	\$ 657	\$ 41,807,430	\$ 346	\$ 8,342,130	\$ 69	\$ 6,427,495	\$ 53

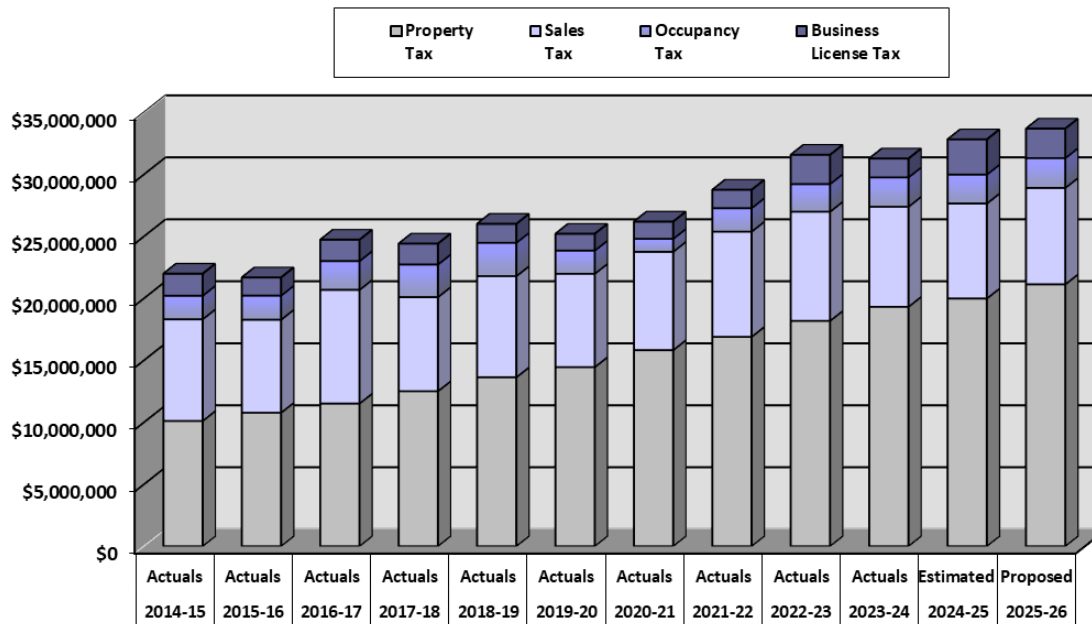
¹ Property tax amount includes Santa Clara County Central Fire District FY 2025-26

² FY 2022-23 Actuals

Source: City of Morgan Hill 2024 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
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	Actuals	\$ 19,321,147	\$ 8,071,734	\$ 2,367,653	\$ 1,519,960	\$ 31,280,494	(1.0%)
2024-25	Estimated	\$ 19,993,070	\$ 7,662,264	\$ 2,332,419	\$ 2,839,985	\$ 32,827,738	4.9%
2025-26	Proposed	\$ 21,136,229	\$ 7,775,147	\$ 2,402,390	\$ 2,383,992	\$ 33,697,758	2.7%

GENERAL FUND
FY 2025-26 ESTIMATED FUND BALANCE ACTIVITY

Use of / Addition to GF Reserves:	Estimated July 1, 2025 Balance	Revenues & Transfers In	Expenditures and Transfers Out	Fund Balance Sources (Uses)	Estimated June 30, 2026 Balance
<i>Unreserved Fund Balances</i>					
Undesignated Reserves					
Available to be Appropriated	\$ -	\$ 58,080,028	\$ 61,348,243	\$ 3,268,215	\$ -
<i>Restricted Fund Balances</i>					
Pension Trust	2,878,659	-	-	390,000	3,268,659
<i>Committed to:</i>					
Budget Stabilization Reserve	7,991,544	-	-	-	7,991,544
Catastrophic Reserves	7,991,544	-	-	-	7,991,544
Pension/OPEB Reserve	1,000,000	-	-	-	1,000,000
<i>Assigned to:</i>					
Open Space Reserve	410,000	-	-	-	410,000
Sustainability	140,553	-	-	-	140,553
Capital/Special Projects	1,264,639	-	-	-	1,264,639
Authorized Carryforwards	85,861	-	-	-	85,861
Compensated Absences*	1,555,478	-	-	-	1,555,478
Market Fluctuations	1,712,246	-	-	-	1,712,246
Unassigned Fund Balance	4,000,000	-	-	(3,658,215)	341,785
Rehab Loan (Non - Spendable)	159,000	-	-	-	159,000
Total Use of and Addition To Reserves	\$ 29,189,524	\$ 58,080,028	\$ 61,348,243	\$ -	\$ 25,921,309

The balances are estimates and will be finalized upon closing FY 2024-25 and FY 2025-26.

GENERAL FUND

FY 2024-25 & FY 2025-26 ESTIMATED FUND BALANCE ACTIVITY

	Actual General Fund Balance June 30, 2024	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	Market Fluctuations	Council Priorities - Economic Recovery	ERAF Risk	Rehab Loan (Non-Spendable)	Unassigned Fund Balance	Estimated FY 2024-25 Suplus (Deficit)	Total GF Balance
Estimated FY 2024-25 Actions	\$2,188,659	\$344,338	\$6,736,781	\$6,736,781	\$6,736,781	\$ 300,000	\$410,000	\$140,553	\$8,651,056	\$85,861	\$1,555,478	\$590,581	\$1,712,246	\$20,684	\$1,430,054	\$159,000	\$ -	\$ -	\$ 31,062,072
	Additional Capital Projects								(1,100,000)										
	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 2024-25 Estimated Use)													(20,684)					
	FY 2024-25 Estimated Transfer to General Liability								(60,000)										
	Property Held for Resale - Sold		(344,338)						344,338										
	Reserve 25% of FY 2025-26 GF Operating Expenditure (per General Fund Reserve Policy)			1,254,763	1,254,763				(2,509,526)										
	Portion of ERAF Risk Reserve to Pension/OPEB Reserve					1,000,000									(1,000,000)				
	Emergency Management Effort								(1,000,000)										
	Establish Unassigned Fund Balance Reserve - Transfer from ERAF Risk														(430,054)		430,054		
	Establish Unassigned Fund Balance Reserve - Transfer from Measure G										(590,581)						590,581		
	Establish Unassigned Fund Balance Reserve - Transfer from Capital/Special								(2,979,365)								2,979,365		
	Capital/Special Projects Reserve (per General Fund Reserve Policy)																	(81,864)	
	Use of Reserve to Balance FY 2024-25								(81,864)									81,864	
Proposed FY 2025-26 Actions	Estimated General Fund Balance June 30, 2025	\$2,878,659	\$ -	\$7,991,544	\$7,991,544	\$1,000,000	\$410,000	\$140,553	\$1,264,639	\$85,861	\$1,555,478	\$ -	\$1,712,246	\$ -	\$ -	\$159,000	\$4,000,000	\$ -	\$ 29,189,524
	Additional Capital Projects per Proposed Budget																		
	Regular Payment to IRS 115 Pension Trust (CEPPT)	390,000																	
	FY 2025-26 Estimated Surplus (Deficit)																	(3,658,215)	
Estimated FY 2025-26	Use of Reserve to Balance FY 2025-26																(3,658,215)	3,658,215	
	Estimated General Fund Balance June 30, 2026	\$3,268,659	\$ -	\$7,991,544	\$7,991,544	\$1,000,000	\$410,000	\$140,553	\$1,264,639	\$85,861	\$1,555,478	\$ -	\$1,712,246	\$ -	\$ -	\$159,000	\$ 341,785	\$ -	\$ 25,921,309

SCHEDULE OF INTERFUND TRANSFERS
FISCAL YEAR 2024-25 & 2025-26

Fund Description	Estimated		Adopted Budget	
	2024-25	2024-25	2025-26	2025-26
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Funds				
General Fund	\$ 562,411	\$ 1,170,000	\$ 562,411	\$ -
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	60,000	-	-	-
Worker's Comp Self Insurance	-	-	-	-
Information Technology	16,989	-	-	400,000
Equipment Fund	-	-	-	-
Facilities Maintenance Fund	-	-	-	-
Capital Project Funds				
GFAR	1,110,000	458,480	400,000	441,491
Grant Funded CIP Projects	-	-	-	-
Storm Drain #1	-	-	-	-
Storm Drain #2	-	-	-	-
Storm Drain #3	-	-	-	-
Traffic Mitigation	-	10,000	-	10,000
Construction Utility Underground	-	-	-	-
Gas Tax - Street & Signal	-	106,000	-	106,000
Total Transfers	\$ 1,749,400	\$ 1,749,400	\$ 962,411	\$ 962,411

FUND BALANCE ACTIVITY SUMMARY

FISCAL YEAR 2025-26

	7/1/25 Estimated Fund Balance	Fiscal Year 2025-26 Adopted Budget					6/30/26 Estimated Fund Balance	
		Plus		Less		Use of Reserves		
		Revenues & Carryforwards	Transfers In	Expenditures & Carryforwards	Transfers Out			
GENERAL FUND								
Unreserved Fund Balances								
<i>Undesignated Reserves</i>								
Available to be Appropriated	\$ -	\$ 57,517,617	\$ 562,411	\$ 61,348,243	\$ -	\$ 3,268,215	\$ -	
Restricted Fund Balances								
Pension Trust	2,878,659	-	-	-	-	390,000	3,268,659	
Committed to:								
Budget Stabilization Reserve	7,991,544	-	-	-	-	-	7,991,544	
Catastrophic Reserves	7,991,544	-	-	-	-	-	7,991,544	
Pension/OPEB Reserve	1,000,000	-	-	-	-	-	1,000,000	
Assigned to:								
Open Space Reserve	410,000	-	-	-	-	-	410,000	
Sustainability	140,553	-	-	-	-	-	140,553	
Capital/Special Projects	1,264,639	-	-	-	-	-	1,264,639	
Authorized Carryforwards	85,861	-	-	-	-	-	85,861	
Compensated Absences*	1,555,478	-	-	-	-	-	1,555,478	
Market Fluctuations	1,712,246	-	-	-	-	-	1,712,246	
Unassigned Fund Balance	4,000,000	-	-	-	-	(3,658,215)	341,785	
Rehab Loan (Non - Spendable)	159,000	-	-	-	-	-	159,000	
Total General Fund Reserves	\$ 29,189,524	\$ 57,517,617	\$ 562,411	\$ 61,348,243	\$ -	\$ -	\$ 25,921,309	

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 2025-26 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 2025-26 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 the Catastrophic and Budget Stabilization Reserves require full funding and distribution to the Pension/OPEB Reserve.**
- Staff recommends adding an Unassigned Fund Balance Reserve of \$4,000,000 in FY 2024-25. Per current Policy, any remaining balance will be deposited to the Capital/Special Projects Reserve at the close of the Fiscal Year**

SPECIAL REVENUE FUNDS							
Housing Conservation Program	\$ 177,240	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 177,240
Community Dev Block Grant	(10,587)	-	-	-	-	-	(10,587)
Urban Run-Off Source Fund	611,596	163,690	-	222,265	-	-	553,021
Blackwell Assessment District	15,184	3,210	-	2,612	460	-	15,322
Kennedy Assessment District	16,827	10,605	-	10,365	1,510	-	15,557
Gemini Assessment District	47,214	4,750	-	1,132	610	-	50,222
Santa Rosa Assessment District	29,150	4,550	-	7,496	660	-	25,544
Vasona Assessment District	44,827	10,075	-	7,589	1,430	-	45,883
Hillbrook Assessment District	28,253	6,040	-	6,286	250	-	27,757
Los Gatos Theatre	170,414	121,100	-	121,916	-	-	169,598
Library Trust	50,556	71,000	-	74,000	-	-	47,556
Ness Trust Bequest	748	400	-	-	-	-	1,148
Betty McClendon Trust	88,943	2,000	-	2,000	-	-	88,943
Barbara J Cassin Trust	365,171	6,000	-	6,000	-	-	365,171
Total Special Revenue Funds Reserves	\$ 1,635,536	\$ 403,420	\$ -	\$ 461,661	\$ 4,920	\$ -	\$ 1,572,375

FUND BALANCE ACTIVITY SUMMARY

FISCAL YEAR 2025-26

	7/1/25	Fiscal Year 2025-26 Adopted Budget						6/30/26
	Estimated	Plus		Less				Estimated
	Fund Balance	Revenues & Carryforwards	Transfers In	Expenditures & Carryforwards	Transfers Out	Use of Reserves		Fund Balance
INTERNAL SERVICE FUNDS								
Liability Self-Insurance	\$ 3,511	\$ 1,827,422	\$ -	\$ 1,758,736	\$ -	\$ -	\$	72,197
Worker's Comp Self-Insurance	314,476	1,903,079	-	1,880,050	-	-	-	337,505
Information Technology	2,453,679	954,692	-	1,268,257	400,000	-	-	1,740,114
Equipment Replacement	2,277,685	1,187,544	-	2,105,936	-	-	-	1,359,293
Facilities Maintenance	937,606	1,624,567	-	1,474,567	-	-	-	1,087,606
Total Internal Service Funds Reserves	\$ 5,986,957	\$ 7,497,304	\$ -	\$ 8,487,546	\$ 400,000	\$ -	\$ -	\$ 4,596,715
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*	\$ 14,903,299	\$ 2,142,254	\$ 400,000	\$ 3,849,445	\$ 441,491	\$ -	\$	13,154,617
Grant Funded CIP Projects	(7,233,058)	-	-	-	-	-	-	(7,233,058)
Storm Drain #1	742,611	59,055	-	571,300	-	-	-	230,366
Storm Drain #2	2,122,444	102,493	-	475,000	-	-	-	1,749,937
Storm Drain #3	(191,579)	(8,306)	-	75,000	-	-	-	(274,885)
Traffic Mitigation	509,491	-	-	-	10,000	-	-	499,491
Construction Tax-Undergrounding	3,611,435	45,870	-	-	-	-	-	3,657,305
Gas Tax	1,992,261	1,822,989	-	1,678,585	106,000	-	-	2,030,665
Total Capital Projects Funds Reserves	\$ 17,343,869	\$ 4,164,355	\$ 400,000	\$ 6,649,330	\$ 557,491	\$ -	\$ -	\$ 14,701,403
GFAR, Grant Funds, Storm Drain Funds, and Gas Tax Fund Balances reflect the spending down of available funds in FY 2025-26 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	\$ 4,215,737	\$ 3,923,926	\$ -	\$ 3,817,122	\$ -	\$ -	\$	4,322,541
Total SA of the Los Gatos RDA Funds Reserves	\$ 4,215,737	\$ 3,923,926	\$ -	\$ 3,817,122	\$ -	\$ -	\$ -	\$ 4,322,541
TOTAL RESERVES								
	\$ 58,371,623	\$ 73,506,622	\$ 962,411	\$ 80,763,902	\$ 962,411	\$ -	\$ -	\$ 51,114,343
* GFAR includes Funds 411 and 412								

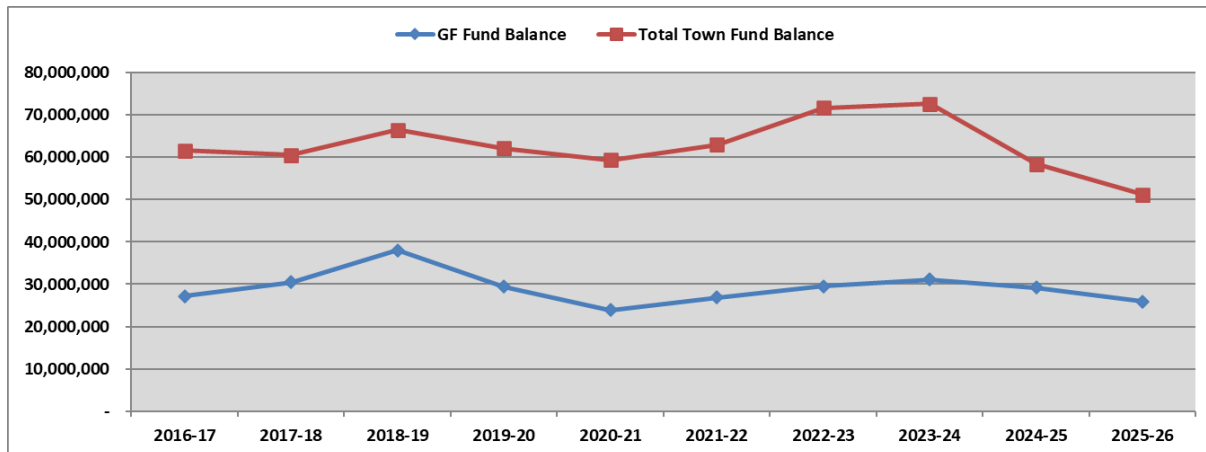
FUND BALANCE RESERVES

5 YEAR COMPARATIVE BALANCES

Fund Balance Reserves	6/30/2022 Actual YE Balance	6/30/2023 Actual YE Balance	6/30/2024 Actual YE Balance	6/30/2025 Estimated YE Balance	6/30/2026 Budgeted YE Balance
GENERAL FUND					
Restricted Fund Balances					
Pension	\$ 690,000	\$ 1,400,163	\$ 2,188,659	\$ 2,878,659	\$ 3,268,659
Land Held for Resale	-	44,338	344,338	-	-
Unreserved Fund Balances					
Undesignated Reserves					
Available to be Appropriated	-	-	-	-	-
Committed to:					
Budget Stabilization Reserve	5,991,566	6,129,774	6,736,781	7,991,544	7,991,544
Catastrophic Reserves	5,991,566	6,129,775	6,736,781	7,991,544	7,991,544
Pension/OPEB Reserve	300,000	300,000	300,000	1,000,000	1,000,000
Measure G District Sales Tax - Operating	-	590,581	590,581	-	-
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	11,071,231	10,359,577	8,651,056	1,264,639	1,264,639
Authorized Carryforwards	33,145	37,698	85,861	85,861	85,861
Compensated Absences*	1,519,147	1,580,623	1,555,478	1,555,478	1,555,478
To Workers Comp	-	-	-	-	-
Market Fluctuations	-	-	1,712,246	1,712,246	1,712,246
Measure G District Sales Tax - Op/Cap	590,581	-	-	-	-
ERAF Risk Reserve	-	689,608	1,430,054	-	-
Unassigned Fund Balance	-	-	-	4,000,000	341,785
Rehab Loan (Nonspendable)	159,000	159,000	159,000	159,000	159,000
Council Priorities - Economic Recovery	-	1,556,614	20,684	-	-
Total General Fund Reserves*	\$ 26,896,789	\$ 29,528,304	\$ 31,062,072	\$ 29,189,524	\$ 25,921,309
SPECIAL REVENUE FUNDS					
Housing Conservation Program	\$ 177,241	\$ 177,241	\$ 177,240	\$ 177,240	\$ 177,240
Community Dev Block Grant	(10,587)	(10,587)	(10,587)	(10,587)	(10,587)
Urban Run-Off Source Fund	451,558	629,843	754,134	611,596	553,021
Blackwell Assessment District	13,740	14,155	15,046	15,184	15,322
Kennedy Assessment District	21,340	19,938	18,097	16,827	15,557
Gemini Assessment District	36,800	39,961	44,206	47,214	50,222
Santa Rosa Assessment District	40,708	36,369	32,756	29,150	25,544
Vasona Assessment District	37,510	40,265	43,771	44,827	45,883
Hillbrook Assessment District	24,138	26,277	28,749	28,253	27,757
Los Gatos Theatre	19,500	74,991	171,035	170,414	169,598
Library Trust	82,062	54,347	69,384	50,556	47,556
Ness Trust Bequest	22,178	22,564	23,350	748	1,148
Betty McClendon Trust	88,260	88,777	90,943	88,943	88,943
Barbara J Cassin Trust	362,754	364,485	373,171	365,171	365,171
Total Special Revenue Funds Reserves	\$ 1,367,202	\$ 1,578,626	\$ 1,831,295	\$ 1,635,536	\$ 1,572,375

FUND BALANCE RESERVES 5 YEAR COMPARATIVE BALANCES

Fund Balance Reserves	6/30/2022 Actual YE Balance	6/30/2023 Actual YE Balance	6/30/2024 Actual YE Balance	6/30/2025 Estimated YE Balance	6/30/2026 Budgeted YE Balance
INTERNAL SERVICE FUNDS					
Liability Self-Insurance	\$ 803,292	\$ 212,022	\$ 177,877	\$ 3,511	\$ 72,197
Worker's Comp Self-Insurance	1,295,185	514,813	586,247	314,476	337,505
Information Technology	2,990,932	2,474,618	2,523,349	2,453,679	1,740,114
Equipment Replacement	2,222,395	2,413,719	3,286,552	2,277,685	1,359,293
Facilities Maintenance	928,481	927,700	960,525	937,606	1,087,606
Total Internal Service Funds Reserves	\$ 8,240,285	\$ 6,542,872	\$ 7,534,550	\$ 5,986,957	\$ 4,596,715
CAPITAL PROJECTS FUNDS					
GFAR	\$ 14,783,774	\$ 21,725,820	\$ 20,253,286	\$ 14,903,299	\$ 13,154,616
GFAR - 412	-	-	866,281	886,965	886,965
Grant Funded CIP Projects	(948,603)	(406,890)	(2,563,503)	(7,233,058)	(7,233,058)
Storm Drain #1	1,168,025	1,279,350	1,448,019	742,611	230,366
Storm Drain #2	2,205,726	2,089,860	2,193,495	2,122,444	1,749,937
Storm Drain #3	(154,940)	(150,879)	(110,266)	(191,579)	(274,885)
Traffic Mitigation	405,570	431,079	509,491	509,491	499,491
Construction Tax-Undergrounding	3,302,514	3,438,996	3,584,251	3,611,435	3,657,305
Gas Tax	1,836,068	1,671,245	1,928,167	1,992,261	2,030,665
Total Capital Projects Funds Reserves	\$ 22,598,134	\$ 30,078,581	\$ 28,109,221	\$ 17,343,869	\$ 14,701,402
Successor Agency Trust of the Los Gatos RDA					
SA - Trust Fund (Budgetary Fund Balance)	\$ 3,892,454	\$ 3,957,192	\$ 4,097,941	\$ 4,215,737	\$ 4,322,541
Total Successor Agency Fund Reserves	\$ 3,892,454	\$ 3,957,192	\$ 4,097,941	\$ 4,215,737	\$ 4,322,541
TOTAL RESERVES	\$ 62,994,864	\$ 71,685,575	\$ 72,635,079	\$ 58,371,623	\$ 51,114,342



DEPARTMENT REVENUES BY PROGRAM

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
Town Offices						
1101 Town Council	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1301 Town Attorney	1,099	9,082	20,989	-	-	-
1302 Liability Self-Insurance Fund	366,134	397,216	667,039	1,507,435	1,295,990	1,827,422
Total Town Offices	\$ 367,233	\$ 406,298	\$ 688,028	\$ 1,507,435	\$ 1,295,990	\$ 1,827,422
Administrative Services Department						
1201 Non-Departmental	\$ 36,711,281	\$ 39,135,519	\$ 40,308,160	\$ 41,121,779	\$ 40,628,871	\$ 42,242,538
1231 Pension Trust- PARS	-	-	-	-	-	-
1232 Pension Trust- CEPPT	690,000	711,618	791,012	390,000	690,000	390,000
2101 Town Manager Administration	72,911	105,963	131,897	196,212	140,155	54,307
2102 Community Grants	344,597	305,403	375,000	250,000	250,000	-
2105 Emergency Management	-	-	-	-	-	8,450
2106 Economic and Community Vitality	-	-	-	-	-	13,550
2201 Human Resources	-	-	-	-	-	-
2202 Workers' Compensation Fund	1,155,211	1,132,773	1,404,129	1,905,154	1,533,562	1,903,079
2301 Finance & Administrative Services	177,048	3,079,953	4,222,619	4,258,425	4,367,318	3,870,498
2401 Clerk Administration	-	10	189	-	-	-
2502 Information Technology Management	-	-	-	-	-	-
2501 Information Technology Systems	998,157	755,098	780,649	914,113	908,116	954,692
Total Administrative Services	\$ 43,563,166	\$ 48,841,209	\$ 48,013,655	\$ 49,035,683	\$ 48,518,022	\$ 49,437,114
Community Development						
3101 Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3201 Developmental Review	796,811	701,426	824,067	677,000	988,000	677,000
3202 Advanced Planning	725,051	808,758	765,320	240,000	120,000	240,000
3301 Inspection Services	2,188,499	2,234,559	2,153,320	2,699,600	2,676,100	2,311,600
3401 Code Compliance	18,543	10,950	14,702	10,000	20,000	10,000
3501 BMP Housing Program	1,369,864	512,081	285,662	680,491	1,024,879	155,076
3999 Pass Thru Accounts	579,965	466,899	574,811	572,500	572,500	572,500
Total Community Development	\$ 5,678,733	\$ 4,734,673	\$ 4,617,882	\$ 4,879,591	\$ 5,401,479	\$ 3,966,176
Police Department						
4101 Administration	\$ 18,005	\$ 73,409	\$ 62,908	\$ 55,670	\$ 58,262	\$ 55,670
4201 Records & Communication	5,868	5,688	7,754	5,372	5,372	5,372
4202 Personnel & Community Services	526,481	512,183	466,214	538,000	513,100	528,100
4301 Patrol	5,267,978	5,515,529	2,583,868	1,929,847	1,886,874	2,695,105
4302 Traffic	429,270	369,489	478,091	154,200	151,185	50,700
4303 Investigations	168,360	227,208	167,243	173,723	173,094	220,092
4304 Parking Program	304,786	438,851	477,604	311,500	383,400	309,000
4800 Grants Program - Police	57,139	11,881	28,134	154,426	194,855	148,000
4999 Pass Thru Accounts	4,538	3,206	42,915	29,435	-	50,000
Total Police Department	\$ 6,782,425	\$ 7,157,444	\$ 4,314,731	\$ 3,352,173	\$ 3,366,142	\$ 4,062,039

DEPARTMENT REVENUES By PROGRAM

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
Parks & Public Works						
5101 Administration	\$ 727	\$ 20,306	\$ 2,362	\$ -	\$ 1,107	\$ -
5201 Engineering Program Services	143,021	124,781	-	-	-	-
5202 Engineering Development Svcs	1,789,775	1,297,405	1,366,908	1,044,500	1,121,500	1,356,000
5203 Non-Point Source Fund	275,290	382,381	376,893	163,690	163,690	163,690
5301 Park Services	296,778	344,224	254,276	194,351	229,907	259,328
5302 Environmental Services	348,303	299,835	516,986	281,241	272,607	272,607
5401 Street & Signals	263,663	141,104	296,603	195,316	195,316	201,324
5402 Equipment Replacement	589,441	718,283	1,060,156	1,123,659	1,093,620	1,187,544
5404 Facilities Maintenance	1,993,133	1,333,444	1,406,834	1,396,548	1,396,548	1,624,567
5405 Property Damage	12,850	22,258	146,281	-	16,818	-
5406 Vehicle Maintenance Management	-	-	29	-	-	-
5406 Facilities Maintenance Management	-	-	97	-	-	-
5408 Los Gatos Theatre	19,500	108,237	171,495	57,960	119,064	121,100
5501 Lighting & Landscape Districts	40,476	41,219	44,559	39,230	39,230	39,230
5999 Pass Thru Accounts	457,138	321,525	455,314	565,000	870,000	785,000
8011 GFAR	5,561,730	9,967,728	4,898,985	4,195,866	2,161,777	2,142,254
8021 Grant Funded CIP Projects	8,505,080	1,693,216	2,310,178	15,928,718	3,090,154	-
8031 Storm Drain #1	89,739	111,325	168,669	50,880	28,976	59,055
8032 Storm Drain #2	250,881	102,215	103,635	54,850	15,616	102,493
8033 Storm Drain #3	(251)	4,060	40,613	1,100	5,354	(8,306)
8041 Traffic Mitigation	552,042	725,597	296,721	213,380	161,138	-
8042 Utility Undergrounding	101,629	136,482	145,255	45,590	27,184	45,870
8051 Gas Tax - Street & Signals	1,385,187	1,617,538	1,827,522	1,784,585	1,790,128	1,822,989
Total Parks & Public Works	\$ 22,676,132	\$ 19,513,163	\$ 15,890,371	\$ 27,336,464	\$ 12,799,734	\$ 10,174,745
Library						
7101 Administration	\$ 50	\$ -	\$ 7,193	\$ -	\$ -	\$ -
7201 Adult Services	35,000	35,000	35,000	35,000	35,000	35,000
7202 Children's Services	-	-	-	-	-	-
7203 Acquisitons & Cataloging	-	-	-	-	-	-
7204 Circulation Services	471	2,039	2,514	500	7,585	800
7801 Operating Grant	9,000	63,046	36,699	-	36,000	-
7301 Library Trust	72,077	78,326	92,237	71,000	61,172	71,000
7302 Clelles Ness Bequest Trust	239	385	786	400	400	400
7304 Betty McClendon Trust	954	1,518	3,066	1,000	1,000	2,000
7305 Barbara J Cassin Trust	3,919	6,230	12,587	4,000	4,000	6,000
Total Library	\$ 121,710	\$ 186,544	\$ 190,082	\$ 111,900	\$ 145,157	\$ 115,200
Successor Agency to the Los Gatos RDA						
9403 SA- Admin Services	\$ 25,999	\$ 33,607	\$ 45,880	\$ 20,664	\$ 28,109	\$ 28,650
9404 SA- Debt to 2002 COP	1,357,508	1,376,944	1,392,329	1,349,750	1,377,125	1,369,125
9405 SA-Debt to 2010 COP	2,469,695	2,506,074	2,542,183	2,457,850	2,530,451	2,526,151
Total SA to the Los Gatos RDA	\$ 3,853,203	\$ 3,916,625	\$ 3,980,392	\$ 3,828,264	\$ 3,935,685	\$ 3,923,926
Transfers In	2,385,140	4,278,514	2,609,910	1,672,411	1,749,400	962,411
Total Revenues by Department:	\$ 85,427,742	\$ 89,034,470	\$ 80,305,051	\$ 91,723,921	\$ 77,211,609	\$ 74,469,033

DEPARTMENTAL EXPENDITURES BY PROGRAM

		2021-22	2022-23	2023-24	2024-25	2024-25	2025-26
		Actuals	Actuals	Actuals	Adjusted	Estimated	Proposed
Town Offices							
1101	Town Council	\$ 189,569	\$ 186,337	\$ 196,366	\$ 210,994	\$ 219,937	\$ 223,367
1301	Town Attorney	629,935	699,142	753,205	978,731	1,071,653	962,892
1302	Liability Self-Insurance Fund	583,924	988,486	1,131,184	1,540,481	1,530,356	1,758,736
Total Town Offices		\$ 1,403,428	\$ 1,873,965	\$ 2,080,755	\$ 2,730,206	\$ 2,821,946	\$ 2,944,995
Administrative Services Department							
1201	Non-Departmental	\$ 9,330,607	\$ 10,715,999	\$ 8,270,599	\$ 7,211,813	\$ 7,575,273	\$ 7,468,179
1231	Pension Trust - PARS	-	-	-	-	-	-
1232	Pension Trust - CEPPT	-	1,455	2,515	-	-	-
1241	ARPA	3,413,961	3,614,872	-	-	-	-
2101	Town Manager Administration	1,362,014	1,481,157	1,646,426	3,267,912	3,079,544	1,617,428
2102	Community Grants	464,610	489,571	524,500	300,000	300,000	126,800
2105	Emergency Management	-	-	-	-	-	403,204
2106	Economic and Community Vitality	-	-	-	-	-	563,454
2201	Human Resources	1,008,583	834,201	845,971	1,211,217	1,184,744	1,418,113
2301	Finance & Administrative Services	1,594,731	1,421,711	1,725,531	1,836,497	1,886,231	2,014,171
2401	Clerk Administration	430,781	474,755	488,899	543,890	532,287	605,046
2502	Information Technology Management	580,887	600,882	646,552	702,110	702,006	778,641
2803	Tobacco Prevention Initiatives	-	-	-	-	-	-
2999	Pass Through	-	-	-	-	-	-
2202	Workers' Compensation Fund	1,533,045	1,913,144	1,332,697	1,826,050	1,805,333	1,880,050
2501	Information Technology Systems	878,049	538,412	731,919	1,118,347	994,775	1,268,257
Total Administrative Services		\$ 20,597,268	\$ 22,086,159	\$ 16,215,609	\$ 18,017,836	\$ 18,060,193	\$ 18,143,343
Community Development							
3101	Administration	\$ 252,082	\$ 244,096	\$ 282,200	\$ 295,681	\$ 295,813	\$ 375,691
3201	Developmental Review	1,426,338	1,586,937	1,685,642	1,791,458	1,836,358	2,113,647
3202	Advanced Planning	871,233	707,228	545,340	749,015	597,154	711,047
3301	Inspection Services	1,557,244	1,605,822	1,555,508	1,714,815	1,639,235	1,776,931
3401	Code Compliance	256,780	286,684	317,568	355,117	350,161	353,606
3501	BMP Housing Program	1,369,863	467,743	285,663	683,238	1,030,414	155,076
3999	Pass Thru Accounts	579,965	466,899	574,811	572,500	572,500	572,500
Total Community Development		\$ 6,313,505	\$ 5,365,409	\$ 5,246,732	\$ 6,161,824	\$ 6,321,635	\$ 6,058,498
Police Department							
4101	Administration	\$ 1,412,229	\$ 1,604,078	\$ 1,695,857	\$ 1,867,774	\$ 1,944,563	\$ 2,037,632
4201	Records & Communication	2,205,889	2,423,195	2,861,168	2,960,849	2,863,620	3,190,221
4202	Personnel & Community Services	1,058,453	1,210,834	1,376,739	1,410,214	1,390,431	1,540,260
4301	Patrol	7,725,035	9,119,685	11,473,008	10,943,239	10,710,004	10,725,369
4302	Traffic	937,506	1,140,320	996,166	1,255,288	1,007,267	1,510,794
4303	Investigations	2,610,044	2,408,417	2,421,044	3,606,457	2,574,791	3,753,570
4304	Parking Program	477,441	524,423	585,976	638,266	656,339	701,896
4800	Grants Program - Police	19,962	11,881	68,931	184,326	194,855	148,000
4999	Pass Thru Accounts	4,631	3,206	19,653	29,435	-	50,000
Total Police Department		\$ 16,451,190	\$ 18,446,039	\$ 21,498,542	\$ 22,895,848	\$ 21,341,870	\$ 23,657,742

DEPARTMENTAL EXPENDITURES By PROGRAM

		2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
Parks & Public Works							
5101	Administration	\$ 628,200	\$ 600,210	\$ 541,208	\$ 480,913	\$ 496,480	\$ 510,562
5201	Engineering Program Services	1,467,361	1,529,039	1,322,130	1,607,231	1,733,751	1,125,139
5202	Engineering Development Svcs	832,149	728,696	977,920	1,240,587	1,285,412	1,946,694
5203	Non-Point Source Fund	194,972	204,096	252,602	284,428	306,228	222,265
5301	Park Services	2,029,309	2,304,310	2,168,474	2,523,670	2,560,540	2,715,213
5302	Environmental Services	466,658	393,119	632,587	415,675	389,335	376,902
5401	Street & Signals	2,090,776	2,308,597	2,663,672	3,009,085	3,033,336	3,121,435
5402	Equipment Replacement	161,766	526,960	187,323	2,105,936	2,102,487	2,105,936
5404	Facilities Maintenance	1,222,780	1,334,225	1,374,009	1,445,325	1,419,465	1,474,567
5405	Property Damage	3,543	42,500	274,393	25,000	38,008	25,700
5406	Vehicle Maintenance Management	268,728	337,913	312,156	323,742	349,667	431,359
5407	Facilities Maintenance Management	361,594	432,174	441,801	463,081	485,873	587,886
5408	Los Gatos Theatre	-	52,746	75,451	119,685	119,685	121,916
5501	Lighting & Landscape Districts	33,674	33,569	33,977	35,480	35,480	35,480
5999	Pass Thru Accounts	457,138	321,525	455,314	565,000	765,000	785,000
8011	GFAR	7,544,179	6,348,046	6,678,750	22,578,707	8,200,836	3,849,449
8021	Grant Funded CIP Projects	8,754,439	1,151,504	4,466,791	12,782,684	7,759,709	-
8031	Storm Drain #1	-	-	-	1,184,384	734,384	571,300
8032	Storm Drain #2	13,400	218,081	-	418,586	86,667	475,000
8033	Storm Drain #3	25,848	-	-	256,967	86,667	75,000
8041	Traffic Mitigation	517,791	690,088	205,809	245,264	151,138	-
8042	Utility Undergrounding	427	-	-	299,573	-	-
8051	Gas Tax - Street & Signals	868,215	1,676,361	1,464,600	3,298,619	1,620,034	1,678,585
Total Parks & Public Works		\$ 27,942,945	\$ 21,233,759	\$ 24,528,967	\$ 55,709,622	\$ 33,760,182	\$ 22,235,388
Library							
7101	Administration	\$ 505,444	\$ 544,820	\$ 563,193	\$ 606,780	\$ 629,838	\$ 688,290
7201	Adult Services	698,827	839,638	920,623	962,863	1,003,418	1,129,339
7202	Children's Services	546,777	603,957	674,769	691,769	735,551	835,205
7204	Circulation Services	990,969	1,023,696	1,058,104	1,197,246	1,173,376	1,171,981
7801	Operating Grant	10,385	84,374	36,699	-	-	-
7301	Library Trust	71,613	106,041	77,199	80,000	80,000	74,000
7302	Clelles Ness Bequest Trust	-	-	-	23,002	23,002	-
7304	Betty McClendon Trust	700	1,000	900	1,000	3,000	2,000
7305	Barbara J Cassin Trust	2,500	4,500	3,900	4,000	12,000	6,000
Total Library		\$ 2,827,215	\$ 3,208,026	\$ 3,335,387	\$ 3,566,660	\$ 3,660,185	\$ 3,906,815
Successor Agency to the Los Gatos RDA							
9402	SA- Housing Trust Others	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9403	SA- Admin Services	103,373	122,412	109,866	109,517	7,894	8,026
9404	SA- Debt to 2002 COP	1,338,926	1,338,805	1,336,272	1,340,923	1,352,385	1,344,885
9405	SA-Debt to 2010 COP	2,399,805	2,390,671	2,393,505	2,403,056	2,457,611	2,464,211
Total SA to the Los Gatos RDA		\$ 3,842,104	\$ 3,851,888	\$ 3,839,643	\$ 3,853,496	\$ 3,817,890	\$ 3,817,122
Total Operating Expenditures		\$ 79,377,655	\$ 76,065,245	\$ 76,745,635	\$ 112,935,492	\$ 89,783,901	\$ 80,763,903
Transfers Out		2,385,140	4,278,514	2,609,910	1,672,411	1,749,400	962,411
Total Expenditures by Department:		\$ 81,762,795	\$ 80,343,759	\$ 79,355,545	\$ 114,607,903	\$ 91,533,301	\$ 81,726,314

IN-KIND DONATIONS FY 2025-26 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 *	\$3.81 **	\$3.86 *
Square Footage	10,630	12,000	6,479
Value of Rent- Annual	\$477,757	\$548,496	\$300,348
Utilities - Annual	\$76,653	<i>Paid Directly</i>	<i>Paid Directly</i>
Rent Owed- Annual (Under Current Lease Agreement)	\$25,000	\$252,735	\$30,754
Utilities Paid - Annual	\$0	<i>Paid Directly</i>	<i>Paid Directly</i>
Landscaping Services Paid - Annual	\$0	\$0	\$4,937
Elevator Maintenance	\$0	\$2,820	\$0
Total value of Annual Town Donation/Subsidy	\$ 529,410	\$ 292,941	\$ 264,657

* 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 has been no rent forgiveness included since FY 2024-25.

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

Event	Event Type	PPW Staff Hours	PPW Staff Cost	PD Volunteer Hours	PD Staff Hours	PD Staff Cost	Total Staff Hours	Total Staff Cost
Spring into Green	Town Event	103	\$ 14,000	20	24	\$ 5,100	147	\$ 19,100
Music in the Park	Town Event, Contracted to Vendor	55	\$ 7,400	0	20	\$ 5,900	75	\$ 13,300
4th of July	Town Event	82	\$ 11,000	24	11	\$ 2,900	117	\$ 13,900
Screen on the Green	Town Event	8	\$ 2,000	0	3	\$ 300	11	\$ 2,300
Halloween	Road Closures	26	\$ 6,100	30	98	\$ 41,600	154	\$ 47,700
Los Gatos in Lights	Town Event & Holiday Seasonal Light Displays	220	\$ 29,000	48	97	\$ 33,300	365	\$ 62,300
Holiday Parade	Community Event	212	\$ 32,500	288	264	\$ 138,400	764	\$ 170,900
Totals		706	\$102,000	410	517	\$ 227,500	2,339	\$ 329,500

All in-kind expenses for FY 2025-26 are estimated at \$1,416,508.

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 (2025\$)	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 (2025\$)	Construction Impact Fee Eligible Cost
CIP	Street Repair and Resurfacing Projects (5 year-plan)	\$ 9,657,919	\$ 9,657,919
Total		\$ 9,657,919	\$ 9,657,919

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.

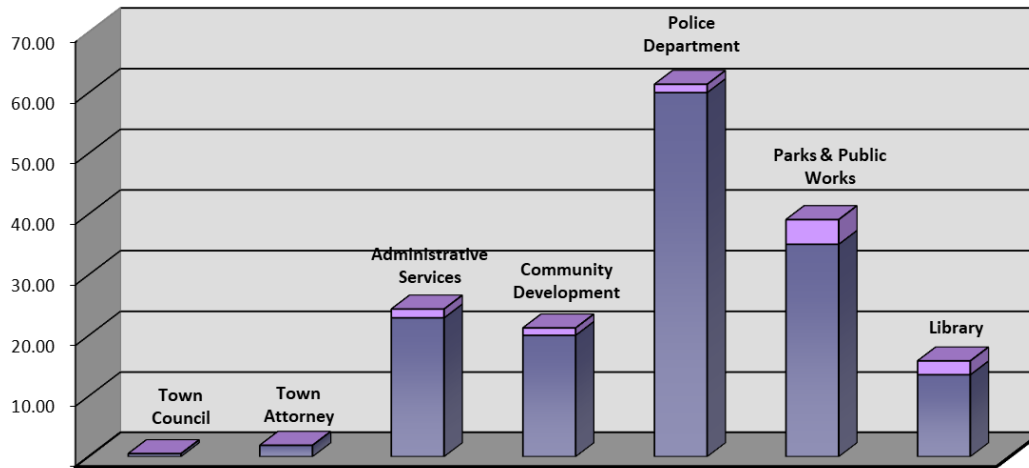
SUMMARY OF POSITIONS
DEPARTMENTAL STAFF BY FUND

SUMMARY OF POSITIONS
Departmental Staff By Fund

	2021-22 Funded	2022-23 Funded	2023-24 Funded	2024-25 Funded	2025-26 Proposed
<i>General Fund</i>					
Town Council	0.50	0.50	0.50	0.50	0.50
Town Attorney	2.13	2.13	1.88	1.88	1.88
Administrative Services*	20.17	20.17	20.42	21.42	22.87
Community Development	20.20	20.20	20.45	20.45	20.00
Police Department	60.00	60.00	60.00	60.00	60.00
Parks & Public Works	33.75	35.75	34.75	33.75	34.30
Library	12.50	13.50	13.50	13.50	13.50
<i>Total General Fund Staff</i>	149.23	152.24	151.49	151.49	153.04
<i>Special Revenue Funds</i>					
Parks & Public Works	1.00	1.00	1.00	1.00	0.70
<i>Total Special Revenue Fund Staff</i>	1.00	1.00	1.00	1.00	0.70
<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	150.25	153.25	152.50	152.50	153.75

**Administrative Services staffing numbers include the following programs: Town Manager's Office; Human Resources; Finance; Clerk Administration; Information Technology Staffing; Economic and Community Vitality; and Emergency Preparedness and Disaster Response Program.*

SUMMARY OF POSITIONS BUDGETED FTEs BY DEPARTMENT



Blue Bar – Authorized/Funded Ongoing Positions

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

FY 2025-26

Budgeted FTEs by Department

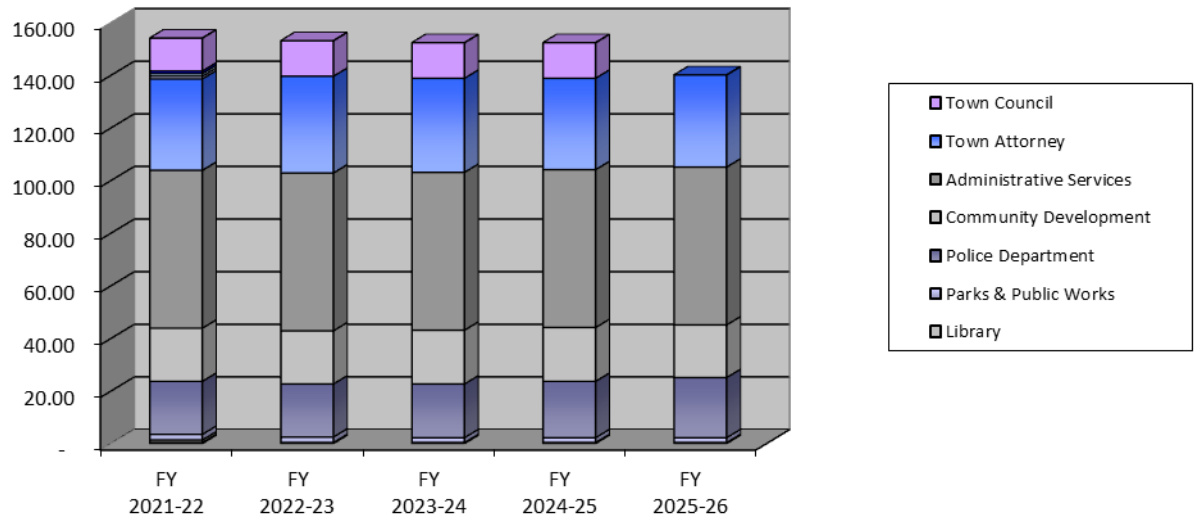
(Includes Converted Hourly Employees)

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	22.88	1.45	24.32
Community Development	20.00	1.21	21.21
Police Department	60.00	1.36	61.36
Parks & Public Works	35.00	4.06	39.06
Library	13.50	2.28	15.78
Total Positions	153.75	10.36	164.11

Administrative Services staffing numbers include the following six programs: Town Manager's Office; Human Resources; Finance; Clerk Administration; Information Technology Staffing; Economic and Community Vitality; and Emergency Preparedness and Disaster Response Program.

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

SUMMARY OF POSITIONS FUNDED FTEs BY DEPARTMENT



Five Year Staffing Trend

Departments	2021-22 Funded	2022-23 Funded	2023-24 Funded	2024-25 Funded	2025-26 Proposed
Town Council	0.50	0.50	0.50	0.50	0.50
Town Attorney	2.13	2.13	1.88	1.88	1.88
Administrative Services	20.18	20.18	20.43	21.43	22.88
Community Development	20.20	20.20	20.45	20.45	20.00
Police Department	60.00	60.00	60.00	60.00	60.00
Parks & Public Works	34.75	36.75	35.75	34.75	35.00
Library	12.50	13.50	13.50	13.50	13.50
Total Budgeted FTEs	150.24	153.26	152.51	152.50	153.75

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 2025-26

The Town's total budgeted personnel costs for FY 2025-26 increased to \$40.3 million (\$38.4 million in FY 2024-25 adjusted budget) and accounts for 49.5% 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 the bargaining units 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 AFSCME MOU includes a 4% salary increase effective the pay period containing July 1, 2024, a 4% increase for FY 2025-26, and a 4% increase for FY 2026-27. The TEA MOU includes a 5% salary increase effective the pay period containing July 1, 2024, a 3% increase for FY 2025-26, and a 3% increase for FY 2026-27. The FY 2025-26 Proposed Budget reflects the increases. Unrepresented groups' compensation changes include a 5% salary increase effective the pay period containing July 1, 2024, a 3% increase for FY 2025-26, and a 3% increase for FY 2026-27. 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 2025, Kaiser rates increased 8.41% 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.

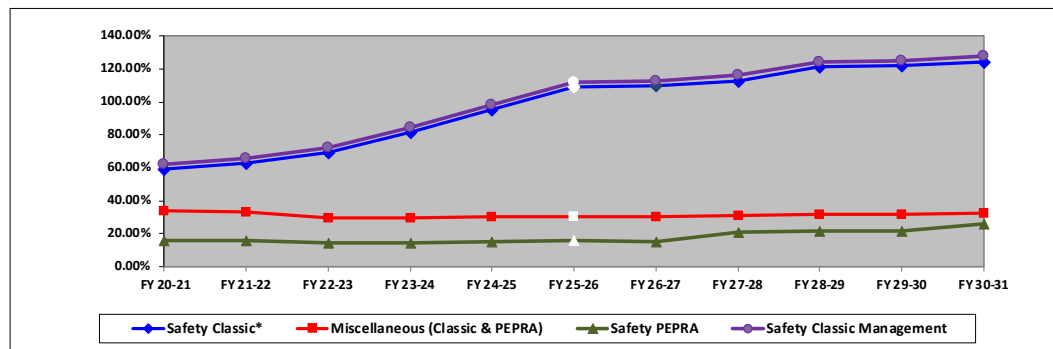
SUMMARY OF PERSONNEL CHANGES FY 2025-26

Pension reform continues to be an important topic regarding cost containment, and staff are 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. Due to the escalation in pension costs, both current and previous Councils have allocated additional discretionary pension funding, totaling \$10.4 million. These additional discretionary payments will yield approximately \$12.7 million in pension contribution savings. In addition to managing 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 established approximately \$28.1 million in OPEB assets from zero in 2009.

While these collective measures have helped slow the growth of 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 2025-26 rate of 109.09% to 124.52% in FY 2030-31 for the pay rate of safety employees, while the FY 2025-26 rate for the miscellaneous groups would change from 30.03% to approximately 32.21% in FY 2030-31.

The following schedule reflects the Town's actual CalPERS pension rate for FY 2025-26 and the expected rates for the following fiscal years. The employer contribution rates reflect percentages of covered payroll. Forecasted FY 2025-26 rates and subsequent years are developed by the Town's actuarial consultant and based on the most recent CalPERS actuarial valuation Reports as adjusted by the impact related to CalPERS actual and assumed earnings, and forecasted payroll.



PERS Pension Plan	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	FY 30-31
Safety Classic*	58.98%	62.94%	69.44%	81.30%	94.98%	109.09%	109.92%	112.95%	121.16%	121.75%	124.52%
Safety Classic Management	61.98%	65.94%	72.44%	84.30%	97.98%	112.09%	112.92%	115.95%	124.16%	124.75%	127.52%
Safety PEPRA	15.95%	15.74%	14.62%	14.50%	15.56%	15.84%	14.96%	20.99%	21.74%	22.04%	25.76%
Miscellaneous (Classic & PEPRA)	34.23%	33.54%	29.92%	29.97%	30.62%	30.02%	30.52%	30.82%	31.78%	31.92%	32.21%

* 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 2025-26

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 2025-26 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 2025-26 Proposed Budget has 164.11 budgeted FTEs, including temporary staff. This reflects a reduction of .95 of FTEs compared to the prior year. This reduction is due to multiple departments reducing their temporary staff hours. The recommended FY 2025-26 staffing levels also reflect the following changes from the prior year's Adopted Budget:

- *Administrative Services and Town Offices* - The FY 2025-26 Budget reflects the addition of an Emergency Preparedness and Disaster Response program, which includes one full-time Emergency Preparedness Division Manager, as well as the continuation of a limited part-time position to assist with the Town's emergency preparedness activities and regional emergency management engagement. The budget also continues funding an additional 1.5-year limited-term Human Resources Analyst position. Additionally, 1,000 one-time temporary hours are allocated for a Senior Services Analyst to assist with Senior programs. The Finance Department budget reclassified two Administrative Analyst positions to Division Manager and Senior Administrative Analyst to better align work duties. The Human Resources Department reclassified one Administrative Analyst to the Division Manager. The IT Manager position has also been reclassified as IT Director. An Economic Vitality program has also been created to separate activities related to Economic and Community Vitality from the Town Manager Program into its own program.
- *Community Development Department (CDD)* – The 2025-26 budget includes 1,560 one-time temporary hours for a part-time Senior Planner and the continuation of the one-time 960 temporary hours for a part time Code Enforcement Officer.
- *Police* – The FY 2025-26 Budget includes 2,080 one-time temporary hours for Community Service Officer Interns and 750 one-time hours for a Temporary Police Officer used for background investigations.
- *Parks and Public Works (PPW)* – The FY 2025-26 budget reflects staffing changes from .75 FTE to 1.0 FTE for an Administrative Assistant.

SUMMARY OF PERSONNEL CHANGES

FY 2025-26

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 and FY 2025-26. In addition to the increased charges, staff estimates that a \$60,000 transfer is needed to ensure a positive fund balance at the FY 2024-25 closure. The Town has a very low fund balance for this Program. Departmental service charges will likely continue to rise to meet the possibility of a future claim. Staff is evaluating and monitoring the performance of the PLAN and searching for alternate providers.

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 kept the rate at the FY 2024-25 level and 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

	2021-22 Funded	2022-23 Funded	2023-24 Funded	2024-25 Funded	2025-26 Proposed	Comments
TOWN ATTORNEY'S OFFICE						
Town Attorney	1.00	1.00	1.00	1.00	1.00	
Administrative Technician	-	-	1.00	1.00	1.00	
Legal Administrative Assistant	1.00	1.00	-	-	-	
TOTAL DEPARTMENT FTEs	2.00	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	
Division Manager	-	-	-	-	1.00	CY Add 1.0
Senior Administrative Analyst	-	-	1.00	1.00	1.00	
Administrative Analyst	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	6.25	
HUMAN RESOURCES						
Human Resources Director	1.00	1.00	1.00	1.00	1.00	
Division Manager	-	-	-	-	1.00	CY Add 1.0 FTE
Administrative Analyst	1.00	1.00	1.00	2.00	1.00	CY Delete 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	4.00	4.00	
FINANCE SERVICES						
Finance Director	1.00	1.00	1.00	1.00	1.00	
Finance & Accounting Manager	-	-	1.00	1.00	1.00	
Finance & Budget Manager	1.00	1.00	-	-	-	
Division Manager	-	-	-	-	1.00	CY Add 1.0 FTE
Senior Administrative Analyst	-	-	-	-	1.00	CY Add 1.0 FTE
Accountant/Finance Analyst	2.00	2.00	2.00	2.00	2.00	
Administrative Analyst	3.00	3.00	3.00	3.00	1.00	CY Delete 2.0 FTE
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	2.00	2.00	2.00	
Administrative Assistant	1.00	1.00	-	-	-	
TOTAL DEPARTMENT FTEs	3.00	3.00	3.00	3.00	3.00	
INFORMATION TECHNOLOGY SERVICES						
IT Director	-	-	-	-	1.00	CY Add 1.0 FTE
IT Manager	1.00	1.00	1.00	1.00	-	CY Delete 1.0 FTE
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

	2021-22 Funded	2022-23 Funded	2023-24 Funded	2024-25 Funded	2025-26 Proposed	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	-	-	
Administrative Technician	-	-	-	1.00	1.00	
Administrative Assistant	1.00	1.00	1.00	1.00	1.00	
Senior Planner	2.00	2.00	2.00	2.00	2.00	
Associate Planner	2.75	2.75	3.00	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	20.00	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	-	-	-	
Senior Administrative Analyst	1.00	1.00	2.00	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	2.00	
Communications Dispatcher	7.00	7.00	5.00	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	1.00	
Senior Records Specialist	-	-	1.00	1.00	1.00	
Police Records Specialist	4.00	4.00	2.00	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

	2021-22 Funded	2022-23 Funded	2023-24 Funded	2024-25 Funded	2025-26 Proposed	Comments
PARKS and PUBLIC WORKS DEPARTMENT						
Parks & Public Works Director	1.00	1.00	1.00	1.00	1.00	
Town Engineer	1.00	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	-	-	
Park & Public Works Operations Mgr	2.00	2.00	2.00	2.00	2.00	
Senior Civil Engineer	2.00	2.00	2.00	3.00	3.00	
Senior Administrative Analyst	1.00	1.00	1.00	1.00	1.00	
Administrative Technician	-	1.00	1.00	1.00	1.00	
Executive Assistant	1.00	-	-	-	-	
Administrative Assistant	2.75	2.75	1.75	1.75	2.00	CY Add .25 FTE
Permit Technician	-	-	1.00	1.00	1.00	
Environmental Programs Specialist	1.00	1.00	1.00	1.00	1.00	
Associate Engineer	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	
Sr Public Works Inspector	1.00	1.00	1.00	1.00	1.00	
Senior Planner	-	-	-	1.00	1.00	
Parks Service Officer	1.00	1.00	1.00	1.00	1.00	
Town Arborist	1.00	1.00	1.00	1.00	1.00	
Lead Parks & Maint. Worker	3.00	4.00	4.00	3.00	3.00	
Facility Technician	-	-	1.00	1.00	1.00	
Parks & Maintenance Worker	9.00	9.00	8.00	8.00	8.00	
Supervising Equipment Mechanic	1.00	1.00	1.00	1.00	1.00	
TOTAL DEPARTMENT FTEs	34.75	36.75	35.75	34.75	35.00	
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	1.00	
Librarian I	-	-	2.00	2.00	2.00	
Librarian	3.00	3.00	-	-	-	
Library Technology Specialist	2.00	2.00	2.00	3.00	3.00	
Library Assistant	-	1.00	1.00	-	-	
Library Specialist	1.75	0.75	0.75	0.75	0.75	
Customer Service Specialist	1.75	1.75	1.75	1.75	1.75	
Sr Library Page	1.00	2.00	2.00	2.00	2.00	
TOTAL DEPARTMENT FTEs	12.50	13.50	13.50	13.50	13.50	
TOTAL TOWN FTEs	150.25	153.25	152.50	152.50	153.75	

TOWN STAFF
POSITIONS BY HOME DEPARTMENT

ELECTED OFFICIALS					
	2021-22 Funded	2022-23 Funded	2023-24 Funded	2024-25 Funded	2025-26 Proposed
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					
	2021-22 Funded	2022-23 Funded	2023-24 Funded	2024-25 Funded	2025-26 Proposed
<i>Temporary Hours by Department</i>					
Administrative Services	4,030	2,860	2,020	2,230	3,010
Community Development	1,760	1,760	1,260	1,320	2,520
Police Department	2,880	5,920	5,420	8,370	2,830
Parks & Public Works	5,917	7,997	7,493	8,973	8,453
Library Department	8,450	5,290	5,290	5,240	4,740
<i>Total Temporary Hours by Department</i>	23,037	23,827	21,483	26,133	21,553
CONVERTED HOURLY EMPLOYEES	11.08	11.47	10.33	12.56	10.36
<i>(1.00 FTE = 2080 hours)</i>					



Departmental Budgets

This Page Intentionally Left Blank

DEPARTMENTAL BUDGET DIRECTORY

FY 2025-26

TOWN OFFICES

Town Offices Overview.....	D-3
1101 Town Council Administration.....	D-7
1301 Town Attorney Administration	D-11
1302 Liability Self-Insurance Fund (ABAG).....	D-17

ADMINISTRATIVE SERVICES

Administrative Services Overview	D-21
2101 Town Manager's Office Administration	D-27
2105 Emergency Preparedness and Disaster Response	D-43
2106 Economic and Community Vitality	D-51
2201 Human Resources	D-61
2301 Finance Services	D-69
2401 Clerk Administration	D-77
2502 Information Technology Staffing	D-83
1201 Non-Departmental Program	D-91
621 Information Technology Fund	D-95
612 Workers' Compensation Fund	D-99

COMMUNITY DEVELOPMENT DEPARTMENT

Community Development Department Overview.....	D-103
3101 Community Development Administration	D-109
3201 Development Review	D-113
3202 Advanced Planning.....	D-121
3301 Building & Inspection Services	D-125
3401 Code Compliance Program.....	D-131
3501 BMP Housing Program	D-135
3999 Pass-Through Accounts.....	D-139

POLICE DEPARTMENT

Police Department Overview	D-141
4101 Police Administration.....	D-153
4201 Records and Communications	D-159
4202 Personnel and Community Services.....	D-165
4301 Patrol.....	D-171
4302 Traffic	D-179
4303 Investigations	D-185
4304 Parking Management.....	D-191
4999 Pass-Through Accounts.....	D-195
4803-4810 Operating Grants.....	D-197

DEPARTMENTAL BUDGET DIRECTORY

FY 2025-26

PARKS & PUBLIC WORKS DEPARTMENT

Parks & Public Works Department Overview	D-203
5101 Parks & Public Works Administration	D-211
5201 Engineering Program Services.....	D-215
5202 Engineering Development Services.....	D-223
5301 Park Services	D-229
5302 Environmental Services.....	D-237
5401 Streets & Signals	D-245
5405 Property Damage	D-251
5406 Vehicle Maintenance Management.....	D-253
5407 Facilities Maintenance Staffing.....	D-259
5999 Pass-Through Accounts.....	D-261
5408 Los Gatos Theatre	D-263
631 Vehicle & Equipment Replacement Fund	D-265
633 Facilities Maintenance Fund	D-269
222 Non-Point Source Program	D-273
Assessment District Funds Overview	D-279
231 Blackwell Drive Assessment District	D-283
232 Kennedy Meadows Assessment District	D-285
233 Gemini Court Assessment District	D-287
234 Santa Rosa Heights Assessment District	D-289
235 Vasona Heights Assessment District	D-291
236 Hillbrook Drive Assessment District	D-293

LIBRARY DEPARTMENT

Library Department Overview	D-295
7101 Library Administration	D-301
7201 Adult Services.....	D-307
7202 Youth Services.....	D-313
7204 Circulation / System Administration	D-319
711 Library Trust Fund	D-323
713 Clelles Ness Trust Fund	D-325
714 Susan McClendon Trust Fund	D-327
716 Barbara Jones Cassin Trust Fund.....	D-329



Town Offices

This Page Intentionally Left Blank

Town Offices

PROGRAM PURPOSE

The Town Offices Program is comprised of 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 2025-26 budget includes increases in salary and benefit premium costs attributed to the cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% vacancy saving factor.

TOWN OFFICES

DEPARTMENTAL SUMMARY OF REVENUES AND EXPENDITURES

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
REVENUES						
Service Charge	\$ 305	\$ -	\$ 20,989	\$ -	\$ -	\$ -
Interest	-	-	-	-	-	-
Fines & Forfeitures	794	1,576	-	-	-	-
Other Revenues	-	7,506	-	-	-	-
TOTAL REVENUES	\$ 1,099	\$ 9,082	\$ 20,989	\$ -	\$ -	\$ -
EXPENDITURES						
Salaries and Benefits*	\$ 640,376	\$ 639,671	\$ 669,364	\$ 727,682	\$ 735,782	\$ 717,514
Operating Expenditures	163,427	230,657	261,964	434,206	527,246	432,654
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	15,701	15,151	18,243	27,837	28,562	36,091
TOTAL EXPENDITURES	\$ 819,504	\$ 885,479	\$ 949,571	\$ 1,189,725	\$ 1,291,590	\$ 1,186,259

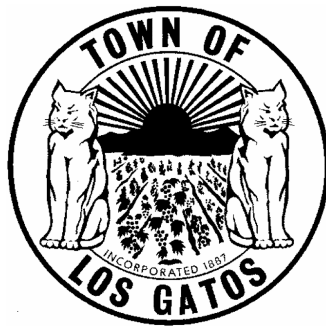
	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
PROGRAM						
Town Council	\$ 189,569	\$ 186,337	\$ 196,366	\$ 210,994	\$ 219,937	\$ 223,367
Town Attorney	629,935	699,142	753,205	978,731	1,071,653	962,892
TOTAL EXPENDITURES	\$ 819,504	\$ 885,479	\$ 949,571	\$ 1,189,725	\$ 1,291,590	\$ 1,186,259

TOWN OFFICES

DEPARTMENT STAFFING

Full Time Equivalents (FTE)

	2021-22	2022-23	2023-24	2024-25	2025-26
<i>General Fund</i>	Funded	Funded	Funded	Funded	Proposed
Town Attorney	1.00	1.00	1.00	1.00	1.00
Deputy Town Attorney	-	-	-	-	-
Administrative Technician	-	-	0.75	0.75	0.75
Deputy Town Clerk	-	-	0.13	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	-	-	-
Legal Administrative Assistant	1.00	1.00	-	-	-
Total General Fund FTEs	2.63	2.63	2.38	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



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 2025-26 budget includes increases in salary and benefit premium costs attributed to the cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% vacancy saving factor. The FY 2025-26 Council budget includes general administrative services, constituent services, elected official support, and official meetings, and events.

TOWN COUNCIL

SUMMARY OF REVENUES AND EXPENDITURES

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
REVENUES						
<i>Service Charge</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Interest</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 173,215	\$ 172,155	\$ 175,376	\$ 187,686	\$ 196,931	\$ 198,547
<i>Operating Expenditures</i>	15,959	13,759	19,926	20,100	19,540	20,100
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	395	423	1,064	3,208	3,466	4,720
TOTAL EXPENDITURES	\$ 189,569	\$ 186,337	\$ 196,366	\$ 210,994	\$ 219,937	\$ 223,367

KEY PROGRAM SERVICES

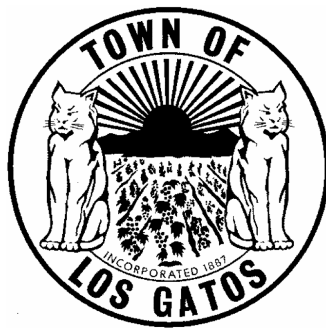
- Represents the residents of Los Gatos.
- Formulates and enacts public policy in response to current and anticipated needs within political, administrative, and fiscal constraints.
- Provides community leadership as the legislative and policy-making body of the municipal government.
- Oversees Town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

TOWN COUNCIL

TOWN COUNCIL STAFFING

Full Time Equivalents (FTE)

	2021-22	2022-23	2023-24	2024-25	2025-26
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Proposed
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



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 2025-26 budget includes increases in salary and benefit premium costs attributed to the cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% vacancy saving factor. Given the need to prioritize planning issues related to pending Builder's Remedy land use applications, the Town Attorney's Office had anticipated adding a new full time benefited Law fellow position to be added at the beginning of the FY 2025-26 for a limited duration appointment of one year. However, the Town's budget is not able to fund this position. As a result, the performance measures for this Office have been adjusted so that the Office can focus on land use matters this year.

TOWN ATTORNEY

FY 2024-25 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Community Character</i> Preserve and enhance the appearance character and environment quality of the community	<ul style="list-style-type: none">• Assisted and advised on the review and processing of planning applications, including review of CEQA documents.• Ordinances: Drafted several Housing Element implementation ordinances, drafted new sidewalk vending ordinance, and updated curfew and sign ordinances.• Assisted with acquisition of a portion of Shannon Road to be able to make necessary road repairs.• Assisted in successful defense of Steer v. Town of Los Gatos.• Assisting with various Code Enforcement matters (after hours construction, home occupation violation, shrub heights).
<i>Good Governance</i> Ensure responsive, accountable and collaborative government	<ul style="list-style-type: none">• Responded to the needs of the Town Council and Town staff.• Continued to explore and implement measures to reduce overall Town liability.• Continued to review Public Records Act requests and respond within statutory timeframes.• Drafting contract with the City of Monte Sereno for police services.• Provided the Town employees with an insurance and contract training.• Updated Town contract templates, including public works construction bid documents.
<i>Fiscal Stability</i> Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community	<ul style="list-style-type: none">• Continued to seek improved efficiencies in providing legal services as necessary to meet budget constraints.• Assisted with obtaining overdue business license tax payments.• 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.

TOWN ATTORNEY

SUMMARY OF REVENUES AND EXPENDITURES

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
REVENUES						
Service Charge	\$ 305	\$ -	\$ 20,989	\$ -	\$ -	\$ -
Interest	-	-	-	-	-	-
Fines & Forfeitures	794	1,576	-	-	-	-
Other Revenues	-	7,506	-	-	-	-
TOTAL REVENUES	\$ 1,099	\$ 9,082	\$ 20,989	\$ -	\$ -	\$ -
EXPENDITURES						
Salaries and Benefits*	\$ 467,161	\$ 467,516	\$ 493,988	\$ 539,996	\$ 538,851	\$ 518,967
Operating Expenditures	147,468	216,898	242,038	414,106	507,706	412,554
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	15,306	14,728	17,179	24,629	25,096	31,371
TOTAL EXPENDITURES	\$ 629,935	\$ 699,142	\$ 753,205	\$ 978,731	\$ 1,071,653	\$ 962,892

FY 2025-26 KEY PROJECTS

Core Goals	Key Projects
Community Character Preserve and enhance the appearance character and environment quality of the community	Policy Development <ul style="list-style-type: none"> • Provide legal advice with regard to processing of Builder's Remedy planning applications. • Assist with drafting of ordinances required as Housing Element implementation programs. • Assist with drafting of ordinance updating Town's SB 9 Ordinance to comply with state law amendments. • Update floodplain ordinance. • Draft Telecommunications ordinance establishing master license agreement program.
	Process Improvements <ul style="list-style-type: none"> • Assist with update to Code of Conduct. • Continue to update Town contract templates as needed. • Update Town purchasing policy. • Monitor federal Executive Orders and advise regarding impacts to Town.
Good Governance Ensure responsive, accountable and collaborative government	

TOWN ATTORNEY

FY 2025-26 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> <ul style="list-style-type: none">• Utilize PLAN JPA for claims review.• Utilize PLAN JPA grant funds for training to reduce liability claims.• Retain outside counsel to assist with review of Public Records Act requests and contracts.

KEY PROGRAM SERVICES

- Serves as the legal advisor for the Town Council, Town staff, and Town Boards and Commissions.
- Represents the Town regarding litigation matters.
- Assists Code Compliance Officer with enforcement of Town Code.
- Drafts and/or reviews all proposed ordinances and resolutions.
- Processes and evaluates all personal injury, property damage, and other monetary claims against the Town.
- Drafts and/or reviews Town staff reports and contracts.
- Negotiates key transactions such as property matters.

TOWN ATTORNEY

TOWN ATTORNEY STAFFING

Full Time Equivalents (FTE)

	2021-22	2022-23	2023-24	2024-25	2025-26
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Proposed
Town Attorney	1.00	1.00	1.00	1.00	1.00
Administrative Technician	-	-	0.75	0.75	0.75
Administrative Assistant	0.13	0.13	-	-	-
Deputy Town Clerk	-	-	0.13	0.13	0.13
Legal Administrative Assistant	1.00	1.00	-	-	-
TOTAL PROGRAM FTEs	2.13	2.13	1.88	1.88	1.88

TOWN ATTORNEY

Performance Objectives and Measures	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 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%	95%	90%	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%	85%	85%	50%
b. Contracts reviewed and signed within 48 hours of receipt:**	90%	95%	85%	<i>Measure Discontinued</i>	<i>Measure Discontinued</i>
c. Staff questions and referrals responded to within 3 working days:**	95%	95%	85%	<i>Measure Discontinued</i>	<i>Measure Discontinued</i>
d. Staff reports reviewed within 72 hours of receipt:***	N/A	N/A	95%	95%	95%
e. Contracts reviewed within one week of receipt:***	N/A	N/A	95%	95%	95%
f. Staff questions and referrals responded to within 10 working days:***	N/A	N/A	90%	90%	90%

Activity and Workload Highlights	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 Estimated
1. Number of incident reports processed:	10	5	17	20	15
2. Number of property loss reports processed:	16	6	5	6	6
3. Number of subpoenas handled:	8	12	17	10	10
4. Number of cases closed:	1	2	1	1	1
5. Number of claims closed:	16	21	15	22	15
6. Number of Town Council and Advisory Body meetings attended:	24	60	49	60	60
7. Number of contract signed:*	<i>Data not available</i>	350	330	325	325
8. Number of Public Record Act (PRA) requests received:*	<i>Data not available</i>	60	40	45	45
9. Number of Community Policing Complaints:***	N/A	N/A	7	8	8

* *New measure effective FY 2022-23*

** *Measure discontinued effective FY 2025-26*

*** *New Measure effective January of FY 2025-26*

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 \$60,000 is needed to ensure a positive fund balance at the close of FY 2024-25. 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

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-22	2022-23	2023-24	2024-25	2024-25	2025-26
	Actuals	Actuals	Actuals	Adjusted	Estimated	Proposed
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	1,021,083	803,293	212,023	177,878	177,878	3,512
Total Beginning Fund Balance	1,021,083	803,293	212,023	177,878	177,878	3,512
Revenues						
<i>Service Charge</i>	\$ 366,134	\$ 397,216	\$ 662,039	\$ 1,507,435	\$ 1,295,990	\$ 1,827,422
<i>Interest</i>	-	-	-	-	-	-
<i>Intergovernmental Revenues</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	5,000	-	-	-
Total Revenues	\$ 366,134	\$ 397,216	\$ 667,039	\$ 1,507,435	\$ 1,295,990	\$ 1,827,422
TRANSFERS IN						
<i>Transfer from General Fund</i>	\$ -	\$ -	\$ 430,000	\$ -	\$ 60,000	\$ -
TOTAL TRANSFERS IN	\$ -	\$ -	\$ 430,000	\$ -	\$ 60,000	\$ -
TOTAL REVENUES & TRANSFERS	366,134	397,216	1,097,039	1,507,435	1,355,990	1,827,422
TOTAL SOURCE OF FUNDS	\$ 1,387,217	\$ 1,200,509	\$ 1,309,062	\$ 1,685,313	\$ 1,533,868	\$ 1,830,934
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	583,924	988,486	1,131,184	1,540,481	1,530,356	1,758,736
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
Total Expenditures	\$ 583,924	\$ 988,486	\$ 1,131,184	\$ 1,540,481	\$ 1,530,356	\$ 1,758,736
Transfers Out						
<i>Transfer to Grant Fund</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	\$ 583,924	\$ 988,486	\$ 1,131,184	\$ 1,540,481	\$ 1,530,356	\$ 1,758,736
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	803,293	212,023	177,878	144,832	3,512	72,198
Total Ending Fund Balance	803,293	212,023	177,878	144,832	3,512	72,198
TOTAL USE OF FUNDS	\$ 1,387,217	\$ 1,200,509	\$ 1,309,062	\$ 1,685,313	\$ 1,533,868	\$ 1,830,934

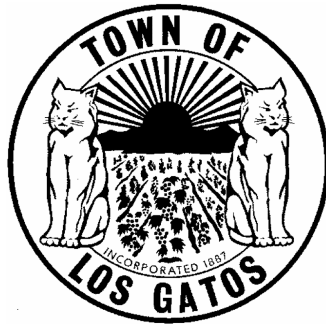
TOWN ATTORNEY
Liability Self-Insurance Program

FY 2025-26 KEY PROJECTS

Core Goals	Key Projects
<i>Good Governance</i> Ensure responsive, accountable, and collaborate government	<i>Premium Management</i> <ul style="list-style-type: none">• 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

This Page Intentionally Left Blank

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 and community vitality, equipment replacement, workers' compensation, records management, customer service management, and other administrative support. For budget purposes, Administrative Services incorporates eight key programs: Town Manager's Office, Clerk Department, Finance Department, Human Resources Department, Information Technology (IT), Emergency Preparedness and Disaster Response, Economic and Community Vitality (including Special Events), and 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 2025-26, revenues captured in Administrative Services reflect positive changes in Property Tax and Transient Occupancy Tax (TOT) and negative changes in Sales Tax. These revenue modifications are informed by the Town's sales tax consultant MuniServices, the Town's property tax consultant HdL, the County Tax Assessor, communications with Los Gatos hoteliers, and other sources.

The FY 2025-26 budget includes increases in salary and benefit premium costs attributed to the cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% vacancy saving factor.

The FY 2025-26 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

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adopted	2024-25 Estimated	2025-26 Proposed
REVENUES						
Other Taxes	\$ 1,481,667	\$ 2,361,862	\$ 1,519,960	\$ 2,421,000	\$ 2,839,985	\$ 2,383,992
Licenses and Permits	3,056	6,920	5,149	4,000	4,000	4,100
Intergovernmental Revenues	-	11,560	58,088	182,212	127,905	62,757
Service Charges	99,907	110	10,639	10,000	8,250	9,450
Interest	(1,404,526)	134,171	106,064	73,000	100,000	100,000
Other Revenues	414,452	976,708	3,029,805	2,014,425	1,677,333	1,386,506
TOTAL REVENUES	\$ 594,556	\$ 3,491,331	\$ 4,729,705	\$ 4,704,637	\$ 4,757,473	\$ 3,946,805
EXPENDITURES						
Salaries and Benefits	\$ 4,234,583	\$ 4,075,361	\$ 4,371,637	\$ 5,298,135	\$ 5,258,529	\$ 5,972,231
Operating Expenditures	597,493	597,876	763,077	1,845,965	1,769,767	933,608
Grants	464,610	489,571	582,588	466,912	412,605	269,107
Pass Through Accounts	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	144,920	139,469	160,577	250,614	243,911	351,911
TOTAL EXPENDITURES	\$ 5,441,606	\$ 5,302,277	\$ 5,877,879	\$ 7,861,626	\$ 7,684,812	\$ 7,526,857
	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adopted	2024-25 Estimated	2025-26 Proposed
PROGRAM						
Town Manager's Office	\$ 1,362,014	\$ 1,481,157	\$ 1,646,426	\$ 3,267,912	\$ 3,079,544	\$ 1,617,428
Emergency Management	-	-	-	-	-	403,204
Economic Vitality	-	-	-	-	-	563,454
Community Grants	464,610	489,571	524,500	300,000	300,000	126,800
Human Resources	1,008,583	834,201	845,971	1,211,217	1,184,744	1,418,113
Finance & Admin Services	1,594,731	1,421,711	1,725,531	1,836,497	1,886,231	2,014,171
Clerk Administration	430,781	474,755	488,899	543,890	532,287	605,046
Information Technology Management	580,887	600,882	646,552	702,110	702,006	778,641
Smoking Restriction Implementation	-	-	-	-	-	-
Pass Through	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 5,441,606	\$ 5,302,277	\$ 5,877,879	\$ 7,861,626	\$ 7,684,812	\$ 7,526,857

ADMINISTRATIVE SERVICES

DEPARTMENT STAFFING					
<i>Full Time Equivalents (FTE)</i>					
	2021-22	2022-23	2023-24	2024-25	2025-26
<i>General Fund</i>	Funded	Funded	Funded	Funded	Proposed
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
Division Manager	-	-	-	-	3.00
Senior Administrative Analyst	-	-	1.00	1.00	2.00
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	0.75
Administrative Assistant	0.88	0.88	-	-	-
Human Resources Director	1.00	1.00	1.00	1.00	1.00
Administrative Analyst	5.00	5.00	4.00	5.00	2.00
Administrative Technician	-	-	0.25	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	1.00
Finance & Budget Manager	1.00	1.00	-	-	-
Accountant/Finance Analyst	1.99	1.99	1.99	1.99	1.99
Town Clerk	1.00	1.00	1.00	1.00	1.00
Deputy Town Clerk	1.00	1.00	1.88	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	20.42	21.42	22.87
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

	2021-22 Funded	2022-23 Funded	2023-24 Funded	2024-25 Funded	2025-26 Proposed
<i>Temporary Staff Hours</i>					
Administrative Analyst (Senior Srv)	-	-	-	-	1,000
Office Assistant	1,040	1,040	-	260	260
Facility Attendant	50	50	50	50	50
Mail Room Clerk (Library Dept Temps)	250	250	-	-	-
Emergency Management	1,000	1,000	960	960	1,000
Human Resources Project Manager				350	350
Human Resources Technician	1,040	-	400	-	-
Finance Project Manager	-	-	350	350	350
IT Project Manager	650	520	260	260	-
Total Annual Hours	4,030	2,860	2,020	2,230	3,010



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; provide staff support to all Council standing Committees, the Community Health and Senior Services Commission, Diversity, Equity, and Inclusion (DEI) 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.

The Town Manager’s Office also oversees the Town’s Economic Vitality efforts and Emergency Preparedness and Disaster Response work. Starting in the FY 2025-26 Budget cycle, these two divisions now have their own programs within the Town Budget while still being overseen by the Town Manager’s Office. The FY 2024-25 Town Manager Program Budget included \$1 million appropriated by the Town Council in January 2025 for emergency preparedness and response. Staff will request all unspent budgets to carry forward to FY 2025-26 to the new Emergency Preparedness and Disaster Program.

Other key duties of the Town Manager’s Office 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 2025-26 budget includes increases in salary and benefit premium costs attributed to

ADMINISTRATIVE SERVICES

Town Manager's Office

The cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% vacancy saving factor.

With the addition of an Emergency Preparedness and Disaster Response Program in the FY 2025-26 budget, both the Emergency Manager position (approved by the Town Council in January 2025) and the existing part-time, temporary Emergency Services Coordinator position have moved from the Town Managers Office Program into the Emergency Preparedness and Disaster Response Program.

With the addition of an Economic and Community Vitality Program in the FY 2025-26 budget, both the existing Economic Vitality Manager position and the existing Events and Marketing Specialist position have moved from the Town Managers Office Program into the Economic and Community Vitality Program.

In FY 2024-25, the Town Manager's Office Unhoused Initiatives account included funds for the Pantry Program, Shower Program, Hotel Program, and portable restroom in Plaza Park. Since the Pantry Program and Shower Program are required for the Hotel Program to be able to function successfully by screening and communicating with eligible unhoused community members, the Pantry Program and Shower Program were added to the Town's sustaining grants program.

The Town Manager's Office will continue to direct its attention in managing key special projects and policies as reflected in the 2025-2027 Town Council Strategic Priorities.

ADMINISTRATIVE SERVICES
Town Manager's Office

FY 2024-25 ACCOMPLISHMENTS

Core Goals	Accomplishments
<p><i>Community Character</i> Preserve and enhance the appearance, character, and environmental quality of the community</p>	<ul style="list-style-type: none"> • Provided strategic guidance for the Town's Housing Element, which was certified by the State Housing and Community Development Department in July 2024. • Provided support to the newly established Diversity, Equity, and Inclusion (DEI) Commission as it served in an advisory capacity to Town Council regarding matters pertaining to creating equitable opportunities and a sense of belonging in Los Gatos. • Oversaw work/progress on the Town Council-approved DEI Plan.
<p><i>Good Governance</i> Ensure responsive, accountable, and collaborative government</p>	<ul style="list-style-type: none"> • Supported the Town Council in its decision making. • Led streamlining efforts to improve the efficiency of Town processes. • Provided support to the Council Policy Committee as it evaluated a variety of policies and good government practices. • 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. • Represented the Town in County-wide and regional forums. • Ensured that Council directed the work of commissions by implementing a process for Council approval of commission work plans. • Continued to enhance community awareness and engagement through social media content on the Town's Facebook, Instagram, Nextdoor, LinkedIn, and X accounts. • Promoted community participation in Town matters through the weekly Town newsletter and other notifications with the ability for the community to sign up through a dedicated email, by phone, or on the Town's website. • Provided oversight of the Town's new Enterprise Resource Planning System implementation.

ADMINISTRATIVE SERVICES
Town Manager's Office

FY 2024-25 ACCOMPLISHMENTS

Core Goals	Accomplishments
<p><i>Fiscal Stability</i> Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community</p>	<ul style="list-style-type: none"> • Led the development of a comprehensive, balanced Town-wide budget. • Provided support to the Finance Commission.
<p><i>Quality Public Infrastructure</i> Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure</p>	<ul style="list-style-type: none"> • Supported respective Council Members as they served on regional boards governing transportation, clean energy, and other topics.
<p><i>Civic Engagement</i> Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment</p>	<ul style="list-style-type: none"> • Supported the Arts and Culture Commission in the promotion of the Gateway Art Project and the Utility Art Box Program. • Successfully secured the Town's acceptance into the AARP Network of Age-Friendly Communities. • Continued to provide support for the Community Health and Senior Services Commission and the implementation of the Senior Services Roadmap. • Supported recruitment of a part-time Senior Service Coordinator position. • Provided the community with weekly snapshots of Los Gatos history via social media.

ADMINISTRATIVE SERVICES
Town Manager's Office

FY 2024-25 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Civic Engagement</i> Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	<ul style="list-style-type: none">• Lead work on the Interim Community Center Project (Adult Recreation Center) including identifying non-profit service providers, planning for equipment and furniture needs, and coordinating with Los Gatos-Saratoga Recreation on use of the space.• Continued implementation of the Hotel Program to provide shelter for the unhoused community during inclement weather events.• Continued work with community partners to increase access to showers and food for the unhoused.
<i>Public Safety</i> Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness	<ul style="list-style-type: none">• Led efforts to recruit a full-time Emergency Manager position and earmarked \$1,000,000 for emergency management efforts, which was unanimously approved by the Town Council in January 2025.• Created a new Program for Emergency Preparedness and Disaster Response.• Oversaw the Emergency preparedness and Disaster Response division of the Town Manager's Office.• Managed crisis communications including storm and flooding safety and hot and cold weather resources in coordination with the Emergency Preparedness and Disaster Response division.

ADMINISTRATIVE SERVICES
Town Manager's Office

SUMMARY OF REVENUES AND EXPENDITURES

	2021-22	2022-23	2023-24	2024-25	2024-25	2025-26
	Actuals	Actuals	Actuals	Adjusted	Estimated	Proposed
REVENUES						
<i>Other Taxes</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Licenses and Permits</i>	3,056	6,920	5,149	4,000	4,000	-
<i>Intergovernmental Revenues</i>	-	11,560	58,088	182,212	127,905	54,307
<i>Service Charges</i>	-	100	10,450	10,000	8,250	-
<i>Interest</i>	-	-	-	-	-	-
<i>Other Revenues</i>	69,855	87,383	58,210	-	-	-
TOTAL REVENUES	\$ 72,911	\$ 105,963	\$ 131,897	\$ 196,212	\$ 140,155	\$ 54,307
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 1,161,830	\$ 1,194,118	\$ 1,306,341	\$ 1,699,104	\$ 1,562,700	\$ 1,361,094
<i>Operating Expenditures</i>	129,532	218,252	206,764	1,302,536	1,305,282	80,700
<i>Grants</i>	-	-	58,088	166,912	112,605	54,307
<i>Pass Through Accounts</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	70,652	68,787	75,233	99,360	98,957	121,327
TOTAL EXPENDITURES	\$ 1,362,014	\$ 1,481,157	\$ 1,646,426	\$ 3,267,912	\$ 3,079,544	\$ 1,617,428

ADMINISTRATIVE SERVICES
Town Manager's Office

FY 2025-26 KEY PROJECTS

Core Goals	Key Projects
<p>Community Character Preserve and enhance the appearance, character, and environmental quality of the community</p>	<p><i>Housing Element Update Implementation Programs</i> Provide support to the Community Development Department in engaging all Town Departments and the community in the implementation of Housing Element programs.</p> <p><i>Sustainability</i> Continue to work with all Departments to increase sustainability efforts Town-wide.</p> <p><i>Economic and Community Vitality</i> Oversee the Economic and Community Vitality division of the Town Manager's Office.</p>
	<p><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.</p> <p><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.</p> <p><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.</p> <p><i>IT</i> Oversee implementation of the Town's new Enterprise Resource Planning System and coordinate an ongoing training schedule for website users. Continue management of the agreement with the Town website host and oversight of the Town's Department website users and overall improvements to the site.</p> <p><i>Annual Report</i> Produce the Annual Report in coordination with all Town Departments, highlighting the Town's work and accomplishments during the Fiscal Year in alignment with the Council's Strategic Priorities</p>
<p>Good Governance Ensure responsive, accountable, and collaborative government</p>	

ADMINISTRATIVE SERVICES
Town Manager's Office

FY 2025-26 KEY PROJECTS

Core Goals	Key Projects
<p><i>Good Governance</i> Ensure responsive, accountable, and collaborative government</p>	<p style="text-align: center;"><i>ADA Website Software</i></p> <p>Work with IT and the Town ADA Coordinator (Building Official) to integrate new ADA software with the Town website in order to improve site accessibility and Web Content Accessibility Guidelines (WCAG) compliance.</p> <p style="text-align: center;"><i>Community Survey</i></p> <p>Oversee a scientific community survey to gather resident feedback and measure satisfaction with Town services, quality of life, and other information to help the Town better understand the community's priorities, concerns, needs, and how responses compare to the 2022 Community Survey.</p>
	<p style="text-align: center;"><i>Cost Containment</i></p> <p>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.</p> <p style="text-align: center;"><i>Fiscal Planning</i></p> <p>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.</p> <p style="text-align: center;"><i>Financial Information</i></p> <p>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.</p> <p style="text-align: center;"><i>Objective Analysis</i></p> <p>Engage outside experts to conduct a financial condition analysis and validate the Town's five-year projections in order to ensure that the outlook is balanced.</p> <p style="text-align: center;"><i>Property Asset Management</i></p> <p>Continue to manage the research, analysis, and negotiations regarding the potential sale and/or lease of remaining Town-owned properties.</p>

ADMINISTRATIVE SERVICES
Town Manager's Office

FY 2025-26 KEY PROJECTS

Core Goals	Key Projects
<p>Quality Public Infrastructure Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure</p>	<p style="text-align: center;"><i>Downtown Parking</i></p> <p>Support the Parks and Public Works Department and Police Department in the implementation of the Comprehensive Parking Study.</p> <p style="text-align: center;"><i>Capital Improvement Program for Town Facilities/Assets</i></p> <p>Support the Parks and Public Works Department in defining and implementing a cohesive deferred capital improvement program for the Town facilities and lifecycle assets.</p>
	<p style="text-align: center;"><i>Arts and Culture</i></p> <p>Promote the Arts and Culture Commission's Gateway Art Project and the Parks and Public Works' Outside the Box Utility Box Art Program.</p> <p style="text-align: center;"><i>Cultural and Community Partnerships</i></p> <p>Continue to oversee the ongoing partnerships with the New Museum Los Gatos (NUMU), the Friends of the Los Gatos Library, Los Gatos-Saratoga Recreation, local school districts, KCAT, and other organizations.</p> <p style="text-align: center;"><i>Diversity, Equity, and Inclusion</i></p> <p>Provide support, research, and analysis to the Town Diversity, Equity and Inclusion Commission. Continue to manage progress on the Town's Diversity, Equity, and Inclusion Plan.</p> <p style="text-align: center;"><i>Interim Community Center</i></p> <p>Oversee the Interim Community Center Project, facilitating the use of space at LGS Recreation for community partners to provide services to the public and reconfiguring the space to make it more open and inviting to the community.</p> <p style="text-align: center;"><i>Senior Initiatives</i></p> <p>Support the Community Health and Senior Services Commission in the implementation of the Senior Services Roadmap. Staff and manage a part-time, grant funded Senior Services Coordinator position.</p> <p style="text-align: center;"><i>Farmers' Market</i></p> <p>Oversee the contract of the operator of the Los Gatos Farmers' Market, a valued offering, fresh food resource, and beloved weekly tradition for both Los Gatos residents and visitors alike.</p>

ADMINISTRATIVE SERVICES
Town Manager's Office

FY 2025-26 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>
	Oversee the Emergency Preparedness and Disaster Response division.
	<i>Disaster Preparedness Community Outreach</i>
	Provide outreach to the community regarding general emergency and disaster preparedness and educational opportunities offered by the Santa Clara County Fire Department, PG&E, and other partner agencies in coordination with the Emergency Preparedness and Disaster Response division.
	<i>Services for the Unhoused</i>
	Continue to manage the agreements, funds, and partnerships to provide services for the unhoused residents of Los Gatos, including the shower program, food pantry, and hotel program.

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 the Economic Vitality program.
- Oversees the Emergency Preparedness and Disaster Response 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; Diversity, Equity, and Inclusion Commission; and the Community Health and Senior Services Commission.
- Oversees progress on the Town Diversity, Equity, and Inclusion Plan.
- 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 contracts, partnerships, and funds for services for the unhoused, including the hotel program and the portable restroom in Plaza Park.
- Addresses resident complaints, inquiries, and requests.
- Oversees the contract of the operator of the Los Gatos Theatre, a downtown fixture since 1915.
- 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)

	2021-22	2022-23	2023-24	2024-25	2025-26
	Funded	Funded	Funded	Funded	Proposed
Town Staff					
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	1.00
Administrative Analyst	1.00	1.00	-	-	-
Administrative Technician	-	-	0.25	0.25	0.25
Deputy Town Clerk	0.13	0.13	0.38	0.38	0.25
Executive Asst. to Town Mgr.	0.50	0.50	0.50	0.50	0.50
Administrative Assistant	0.25	0.25	-	-	-
Economic Vitality Manager	0.30	0.30	0.30	0.30	-
Events & Marketing Specialist	0.50	0.50	0.50	0.50	-
Total Manager's Program FTEs	4.68	4.68	4.93	4.93	4.00

	2021-22	2022-23	2023-24	2024-25	2025-26
	Funded	Funded	Funded	Funded	Proposed
Temporary Staff Hours					
Administrative Analyst (Senior Srv)					1,000
Emergency Management	1,000	1,000	960	960	-
Facility Attendant	50	50	50	50	50
Office Assistant	520	520	260	260	260
Total Annual Hours	1,570	1,570	1,270	1,270	1,310

ADMINISTRATIVE SERVICES

Town Manager's Office

Performance Objectives and Measures	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 Estimated
1. Supplement resources for nonprofit agencies providing human services and art, cultural, and educational programming so that residents may maintain or improve their quality of life.					
a. The average percentage of a grantee's budget that comes from the Town's grant contributions:*	1%	Measure Discontinued	Measure Discontinued	Measure Discontinued	Measure Discontinued
2. Foster a comprehensive arts environment in Los Gatos through the support, development, and appreciation of the arts.					
a. Percentage of public art pieces in good to excellent condition:	85%	85%	85%	90%	90%
b. Resident satisfaction with Arts and Cultural opportunities in Los Gatos:	74%	75%	70%	75%	75%

Activity and Workload Highlights	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 Estimated
1. Number of community/customer referrals:	1,056	1,120	1,136	1,156	1,272
2. Grant agreements administered:					
a. Number of One-Time Grants**	8	12	24	23	20
b. Dollar amount of One-Time Grants**	\$75,013	\$81,000	\$229,000	\$205,000	\$205,000
c. Number of Innovation Grants**	0	4	3	0	0
d. Dollar amount of Innovation Grants**	\$0	\$6,000	\$4,500	\$0	\$0
e. Number of Sustaining Grants**	5	4	4	4	4
f. Dollar amount of Sustaining Grants**	\$70,000	\$62,000	\$66,000	\$95,000	\$95,000
3. Total dollar amount of General Fund grant agreements administered:	\$145,013	\$149,000	\$301,000	\$300,000	\$300,000
4. Number of Los Gatos residents directly served by Town grant-funded organizations:	3,800	3,500	3,900	3,950	3,900
5. Number of Art in the Council Chambers exhibitions installed and curated:	0	0	0	2	3
6. Number of businesses receiving general business liaison assistance:***	150	150	Measure Discontinued	Measure Discontinued	Moved to program 2106
7. Commercial Brokers/Property Owner Outreach Communications:***	45	20	Measure Discontinued	Measure Discontinued	Moved to program 2106
8. Approximate number of business stakeholders receiving business liaison assistance including current and prospective businesses, commercial property owners/managers, and commercial brokerage professionals:**	New Measure effective FY 24-25	160	175	150	Moved to program 2106
9. Number of Town Coordinated Special Events: ****	4	4	4	4	Moved to program 2106
10. Number of Special Event Permits processed by the Town: ****	17	33	34	30	Moved to program 2106

*Measure discontinued effective FY 22-23.

**New measure effective FY 20-21.

***Measure discontinued effective FY 24-25. Measure moved to program 2106 FY 25-26.

****New Measure effective FY 24-25. Measure moved to program 2106 FY 25-26.

ADMINISTRATIVE SERVICES
Town Manager's Office

COMMUNITY GRANT PROGRAM

The FY 2025-26 budget for the Community Grant program represents a sustainable level of contribution from the General Fund. 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, while funding in this program in FY 2024-25 was pulled from the General Fund at a level that is not possible to replace with General Fund dollars for this fiscal year. Innovation Grants were sunsetted in FY 2024-25 with the funding shifting to support the one-time and recurring community grants.

ADMINISTRATIVE SERVICES
Town Manager's Office

GRANTS AND ART FUNDING SUMMARY

	<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>Awarded</u>	<u>2025-26</u> <u>Adopted</u>
Grants to Award					
Recurring Grants					
CASSY	10,000	10,000	12,000	13,000	
Live Oak Senior Nutrition	22,000	22,000	22,000	23,000	
Next Door Solutions	5,000	10,000	12,000	13,000	
West Valley Community Services	\$ 20,000	\$ 20,000	\$ 20,000	\$ 21,000	
Total Recurring Grants	57,000	62,000	66,000	70,000	\$ 126,800
One-Time Grants					
Arts Docents of Los Gatos	10,000	-	1,300	4,500	
AWO	-	7,500	5,998	-	
Billy Jones Wildcat Railroad	-	-	-	10,000	
Bay Area Housing Corp	-	7,500	-	-	
Chabad of San Jose	-	-	12,000	-	
Collaborating Agencies' Disaster Relief Effort (CADRE)	-	-	-	10,000	
Daves Avenue Elementary School	-	-	10,500	-	
Friends of the Library	-	600	-	-	
Girls on the Run of Silicon Valley	-	-	12,000	10,000	
History Club of Los Gatos	10,000	-	-	-	
Homenetmen Santa Clara Ani Chapter	-	-	4,320	-	
JCC Los Gatos	-	7,500	12,000	10,000	
KCAT 55+ Program	100,000	-	100,000	-	
Kyle J. Taylor Foundation	-	-	-	10,000	
LGS 55+ Programs	328,500	-	237,000	-	
Live Oak Adult Day Services	13,000	-	12,000	-	
Live Oak Senior Nutrition	-	-	-	25,000	
Los Gatos Chamber	-	-	12,000	-	
Los Gatos Community Concert Association	-	-	6,000	7,500	
Los Gatos Education Foundation	-	-	12,000	10,000	
Los Gatos Foundation for Older Adults to Thrive	-	-	-	1,500	
Los Gatos Methodist Church	5,750	6,000	-	-	
Los Gatos Music and Arts	-	7,000	12,000	10,000	
Los Gatos Public Media, Inc. / KCAT TV	-	7,500	-	10,000	
Los Gatos Youth Park	-	-	-	10,000	
Louise Van Meter Project Cornerstone	-	7,500	12,000	10,000	
Mariposa Montessori School	9,263	-	-	-	
NAMI Santa Clara County	-	7,500	-	-	
New Millennium Foundation	-	-	-	-	
New Museum of Los Gatos (NUMU)	10,000	7,500	12,000	10,000	
Omnivare Networks	-	-	2,500	-	
Parent Helping Parents	10,000	-	12,000	10,000	
Plant Based Advocates	-	-	9,382	-	
Rebuilding Together Silicon Valley	-	-	7,500	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	-	-	12,000	10,000	
St. Luke's Episcopal Church	-	-	6,000	-	
St. Vincent de Paul (housing)	-	-	-	12,500	
St. Vincent de Paul Society (laundry)	-	-	-	4,000	
The Los Gatos Anti-Racism Coalition	-	-	12,000	12,500	
The Rotary Club of Los Gatos	-	-	7,500	-	
Tianmu Education Foundation	-	-	-	10,000	
Veterans' Memorial and Support Foundation	-	7,500	12,000	5,000	
West Valley Community Services	10,000	-	-	10,000	
Youth Theater Alliance	-	7,500	-	-	
Total One-Time Grants	578,013	81,100	554,000	230,000	-

ADMINISTRATIVE SERVICES
Town Manager's Office

GRANTS AND ART FUNDING SUMMARY

	<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>Awarded</u>	<u>2025-26</u> <u>Adopted</u>
Grants to Award					
Innovation Grants					
Arjun Seshadri	-	-	-	-	
Bruce Preville	-	-	-	-	
Cheryl Hansen	-	-	-	-	
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	-	6,000	6,000	-	-
Total Grants to Award	\$ 635,013	\$ 149,100	\$ 626,000	\$ 300,000	\$ 126,800

Administrative Services

EMERGENCY PREPAREDNESS AND DISASTER RESPONSE PROGRAM 2105

PROGRAM PURPOSE

Emergency Preparedness and Disaster Response is a division of the Town Manager's Office and an established, critical strategic priority for the Town. The division's purpose is to ensure the necessary expertise and leadership to effectuate cross-Departmental, Townwide preparedness initiatives including planning, training, and general emergency preparedness. The core services of the Emergency Preparedness and Disaster Response Division are to address implementation needs for various disaster mitigation efforts as outlined in the Local Hazard Mitigation Plan, Community Wildfire Protection Plan, and other plans; pursue emergency preparedness grant funding; explore policy options for improving wildfire prevention; and facilitate the overall preparedness of the Town and community.

BUDGET OVERVIEW

Prior to the FY 2025-26 Budget, Emergency Preparedness and Disaster Response was part of the Town Manager's Office Program 2101. In January 2025, the Town Council approved the addition of a full-time Emergency Manager position and beginning in FY 2025-26, a new program has been created for this Division. The Emergency Preparedness and Disaster Response Budget Program includes the new full-time Emergency Manager position and the existing part-time Emergency Services Coordinator hours (moved from the Town Manager's Office program). The FY 2024-25 Town Manager Program Budget included \$1 million appropriated by the Town Council in January 2025 for emergency preparedness and response. Staff will request all unspent budgets to carry forward to FY 2025-26 to the Emergency Preparedness and Disaster Program.

The FY 2025-26 budget includes increases in salary and benefit premium costs attributed to the cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% vacancy saving factor.

ADMINISTRATIVE SERVICES
Emergency Preparedness and Disaster Response

FY 2024-25 ACCOMPLISHMENTS

Core Goals	Accomplishments
<p><i>Community Character</i> Preserve and enhance the appearance, character, and environmental quality of the community</p>	<ul style="list-style-type: none"> Increased emergency preparedness activities in collaboration with the County Fire Department, County Office of Emergency Management, City of Monte Sereno, and volunteer organizations.
<p><i>Good Governance</i> Ensure responsive, accountable, and collaborative government</p>	<ul style="list-style-type: none"> Oversaw required general emergency management training for all Town employees. Recommended specialized training for employees on the Emergency Operations Team. Continued to implement a comprehensive training plan for all Town staff involved in the activation of the Emergency Operation Center. Continued to enhance messaging regarding wildfire safety and general emergency preparedness to the community.
<p><i>Fiscal Stability</i> Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community</p>	<ul style="list-style-type: none"> Managed the funds earmarked by the Town Council for emergency preparedness and response. Pursued a Community Wildfire Protection grant.
<p><i>Quality Public Infrastructure</i> Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure</p>	<ul style="list-style-type: none"> Supported Parks and Public Works on grant work related to vegetation management.

ADMINISTRATIVE SERVICES
Emergency Preparedness and Disaster Response

FY 2024-25 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Civic Engagement</i> Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	<ul style="list-style-type: none">• Continued to amplify messaging regarding emergency preparedness training opportunities available to the community through Town partners.• Provided community outreach regarding AlertSCC resulting in an increase in community subscriptions.
<i>Public Safety</i> Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness	<ul style="list-style-type: none">• Continued communication and coordination with County Fire and other agencies regarding wildfire prevention and preparedness.• Led efforts regarding updating the Town of Los Gatos Local Hazard Mitigation Plan Annex to the County of Santa Clara Multi-Jurisdictional Hazard Mitigation Plan (MJHMP), which was approved by Council in September 2024.• Led efforts regarding updating the Town of Los Gatos Annex 9 Community Wildfire Protection Plan (CWPP) of the Santa Clara County CWPP, which was adopted by Council in December 2024.• Managed crisis communications including storm and flooding safety and hot and cold weather resources in coordination with the Town Manager's Office.

ADMINISTRATIVE SERVICES

Emergency Preparedness and Disaster Response

SUMMARY OF REVENUES AND EXPENDITURES

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
REVENUES						
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	8,450
Service Charges	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,450
EXPENDITURES						
Salaries and Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 367,547
Operating Expenditures	-	-	-	-	-	22,650
Grants	-	-	-	-	-	-
Pass Through Accounts	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	-	-	-	-	-	13,007
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 403,204

ADMINISTRATIVE SERVICES
Emergency Preparedness and Disaster Response

FY 2025-26 KEY PROJECTS

Core Goals	Key Projects
<i>Community Character</i> Preserve and enhance the appearance, character, and environmental quality of the community	<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.
<i>Good Governance</i> Ensure responsive, accountable, and collaborative government	<i>Staff Training</i> Oversee ongoing emergency management training for all Town employees and specialized training for employees who are part of the Emergency Operations Team. <i>Emergency Operations Center Improvements</i> Continue updating and preparing the Town's Emergency Operations Center for activation when necessary.
<i>Quality Public Infrastructure</i> Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	<i>Infrastructure Resilience</i> Support the Parks and Public Works Department in helping the community reduce hazard risk by supporting infrastructure projects designed to protect buildings and roads in the case of an emergency or disaster.
<i>Civic Engagement</i> Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	<i>Emergency Notifications</i> Work to increase the number of AlertSCC and Nixle subscriptions in Los Gatos so that more community members will receive emergency notifications. <i>CERT and DART</i> In coordination with the Police Department, work with the Community Emergency Response Team (CERT) and Disaster Assistance Response Team (DART) on meetings, workshops, and recruitment.

ADMINISTRATIVE SERVICES
Emergency Preparedness and Disaster Response

FY 2025-26 KEY PROJECTS

Core Goals	Key Projects
<p><i>Civic Engagement</i> Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment</p>	<p><i>Community Outreach</i> Work with the Town Manager’s Office to provide outreach to the community regarding general emergency and disaster preparedness and educational opportunities offered by the Santa Clara County Fire Department, PG&E, and other partner agencies.</p>
<p><i>Public Safety</i> Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness</p>	<p><i>Partnerships</i> Seek new and foster existing partnerships with the Santa Clara County Fire Department and other West Valley cities and government partners regarding regional preparedness efforts.</p> <p><i>Implementation of Various Disaster Mitigation Efforts</i> Address implementation needs for various disaster mitigation efforts as outlined in the Local Hazard Mitigation Plan, Community Wildfire Protection Plan, and Ad Hoc Wildfire Committee Report.</p>

ADMINISTRATIVE SERVICES

Emergency Preparedness and Disaster Response

KEY PROGRAM SERVICES

- Effectuate cross-Departmental, Townwide emergency preparedness initiatives.
- Lead Town efforts to plan and train for emergencies and Town disaster response.
- Participate in County-led Emergency Management training programs and exercises.
- Oversee partnerships with the Santa Clara County Fire Department and other West Valley cities and government partners regarding regional preparedness efforts.
- Manage implementation needs for various disaster mitigation efforts as outlined in the Local Hazard Mitigation Plan, Community Wildfire Protection Plan, and other plans.
- Work with the Town Manager's Office to provide outreach to the community regarding general emergency and disaster preparedness and educational opportunities.
- Oversee and update the Town's Emergency Operations Center.
- Manage funds earmarked for emergency preparedness and response.
- Pursue grant funding for vegetation management, wildfire prevention, and other emergency preparedness initiatives.
- Oversee ongoing emergency management training for all Town employees and specialized training for employees who are part of the Emergency Operations Team.

EMERGENCY PREPAREDNESS PROGRAM STAFFING

Full Time Equivalents (FTE)

	2021-22	2022-23	2023-24	2024-25	2025-26
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Proposed
Division Manager	-	-	-	-	1.00
Total Manager's Program FTEs	-	-	-	-	1.00

	2021-22	2022-23	2023-24	2024-25	2025-26
<i>Temporary Staff Hours</i>	Funded	Funded	Funded	Funded	Proposed
Project Manager	-	-	-	-	1,000
Total Annual Hours	-	-	-	-	1,000

The new Emergency Manager will develop recommendations for Performance Measures for the next budget cycle.



Administrative Services

ECONOMIC AND COMMUNITY VITALITY PROGRAM 2106

PROGRAM PURPOSE

Economic and Community Vitality is a division of the Town Manager's Office that manages the Town's Special Events program and offers a high-level of customer service to businesses, commercial property owners and managers to attract and retain businesses. The division's purpose is to support current and prospective businesses, property owners, and other industry professionals by creating connections between the private sector and Town government. Together with the Community Development Department and other Town Departments, Economic Vitality staff strives to provide high-quality customer assistance and cross-Departmental coordination that is tailored to the needs of individual businesses with the end goal of assisting each business with finding a successful path forward in Los Gatos. Additionally, Economic Vitality staff facilitates the contact for services with the Los Gatos Chamber of Commerce for their implementation of Visit Los Gatos, the Town's visitor's information center, website, and destination marketing program; and coordinates and implements the Town's Leadership Los Gatos program.

Community Vitality goes beyond business success by creating programming and supporting community programming that supports the Town's many vibrant, festive, inclusive, and beloved community events. The Economic and Community Vitality division processes special event permits for the Town's numerous community-organized events, implements the annual Town-hosted events, and manages the contract to keep the tradition of Music in the Park alive on Sunday afternoons at the Civic Center. In addition, Economic and Community Vitality staff supports the road closures implemented on the evening of Halloween and for the Annual Children's Holiday Parade to create a more pedestrian friendly experience in areas known to be heavily visited by the community for these events.

ADMINISTRATIVE SERVICES
Economic and Community Vitality

BUDGET OVERVIEW

The FY 2025-26 budget includes increases in salary and benefit premium costs attributed to the cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% vacancy saving factor.

Prior to the FY 2025-26 Budget, Economic Vitality was part of the Town Manager's Office Program 2101. The Economic Vitality Manager position was funded between the Community Development Department and the Town Managers Office budget. Beginning in FY 2025-26, a new program has been created for this Division. The Economic and Community Vitality Program includes the Economic Vitality Manager and Events and Marketing Specialist positions (moved from the Town Manager's Office and Community Development Department program).

In FY 2023-24, the Leadership Los Gatos program returned after a hiatus during the pandemic. Prior to the pandemic, the Chamber of Commerce managed the program in partnership with the Town. However, since FY 2023-24, the Town has solely managed Leadership Los Gatos. There are revenue and expenditure lines in the Economic Vitality budget to reflect both the tuition and costs to run the program. The Town will continue to lead the program in FY 2025-26.

ADMINISTRATIVE SERVICES
Economic and Community Vitality

FY 2024-25 ACCOMPLISHMENTS

Core Goals	Accomplishments
<p><i>Community Character</i> Preserve and enhance the appearance, character, and environmental quality of the community</p>	<ul style="list-style-type: none"> • Provided individualized support to current and prospective businesses, including business stakeholders such as commercial property owners/managers, and commercial brokers. • Coordinated with the Community Development Department and continued to evaluate the Town’s business-related permitting processes and assisted current and prospective stakeholders with navigating recent business permitting changes related to code amendments to encourage attraction and retention and to promote economic vitality. • Managed partnership with vendor to keep the tradition of Music in the Park alive on Sunday afternoons at the Civic Center during the summer.
<p><i>Good Governance</i> Ensure responsive, accountable, and collaborative government</p>	<ul style="list-style-type: none"> • 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.
<p><i>Fiscal Stability</i> Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community</p>	<ul style="list-style-type: none"> • Worked to increase business activity and employment in Los Gatos, resulting in a larger tax base. • Worked to process special event permits and invoice for appropriate charges for services to ensure events are supported and costs are recovered.

ADMINISTRATIVE SERVICES
Economic and Community Vitality

FY 2024-25 ACCOMPLISHMENTS

Core Goals	Accomplishments
<p><i>Quality Public Infrastructure</i> Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure</p>	<ul style="list-style-type: none"> Supported road closures implemented by a traffic control vendor for Halloween and the annual Children’s Holiday Parade, creating a more pedestrian-friendly experience in areas known to be heavily visited by the community for these events.
<p><i>Civic Engagement</i> Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment</p>	<ul style="list-style-type: none"> Provided four Town Special Events that were free and open to the public including: Spring into Green; 4th of July Symphony in the Park; Screen on the Green; and Los Gatos in Lights, the Town’s annual Winter Celebration. Provided individualized support to over 36 special event applicants. Continued to partner with the Chamber of Commerce to provide Destination Marketing and community vitality efforts. Continued the Leadership Los Gatos Program for community members that live and/or work in the Town of Los Gatos in order to educate, engage, and encourage participants to find leadership roles within the community.
<p><i>Public Safety</i> Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness</p>	<ul style="list-style-type: none"> Ensured public safety was prioritized through special event permit requirements as best practices evolved. Worked cross-departmentally with the Police Department and Parks and Public Works to ensure proper review and consistent implementation of special event components.

ADMINISTRATIVE SERVICES

Economic and Community Vitality

SUMMARY OF REVENUES AND EXPENDITURES

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
REVENUES						
<i>Other Taxes</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Licenses and Permits</i>	-	-	-	-	-	4,100
<i>Intergovernmental Revenues</i>	-	-	-	-	-	-
<i>Service Charges</i>	-	-	-	-	-	9,450
<i>Interest</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,550
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 260,441
<i>Operating Expenditures</i>	-	-	-	-	-	205,650
<i>Grants</i>	-	-	-	-	-	88,000
<i>Pass Through Accounts</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	9,363
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 563,454

Revenue sources for the Economic and Community Vitality program include special event permit fees and Leadership Los Gatos attendee tuition.

The Town processed over 36 special event applications, with 30 requiring a special event permit processing fee to be paid. The Town continues to subsidize non-profit special event permit fees at 75% of actual costs as directed by the Town Council, and nearly all applications received are submitted by a non-profit organization.

Tuition for the Leadership Los Gatos program is paid by individual community participants to offset the cost of the program. The Town subsidizes the costs by about 55-60% depending on the number of applicants. Individual Town departments sponsor the tuition for their employees to attend, which typically includes four to six Town employees per program session.

ADMINISTRATIVE SERVICES
Economic and Community Vitality

FY 2025-26 KEY PROJECTS

Core Goals	Key Projects
<p>Community Character Preserve and enhance the appearance, character, and environmental quality of the community</p>	<p style="text-align: center;"><i>Business Attraction and Retention</i></p>
	<p>Continue to assist businesses, commercial property owner, managers, and brokers with location and zoning assistance and encourage diverse and unique offerings in the downtown. Provide personalized assistance to stakeholders through permit processes and throughout the businesses’ journey in Los Gatos.</p>
	<p style="text-align: center;"><i>Technology</i></p>
	<p>Continue utilizing a software tool that allows staff to gain a better understanding of customer visits and habits within Los Gatos to assist business stakeholders.</p>
	<p style="text-align: center;"><i>Destination Marketing</i></p>
	<p>Support the Chamber of Commerce as the Town’s Destination Marketing partner through Visit Los Gatos efforts.</p>
	<p style="text-align: center;"><i>Collaboration</i></p>
	<p>Continue to identify actions in collaboration with other Town Departments to enhance overall community vitality for Council consideration.</p>
	<p style="text-align: center;"><i>Music in the Park</i></p>
	<p>Oversee the management of the Los Gatos Music in the Park summer concert series.</p>
	<p style="text-align: center;"><i>Special Events</i></p>
	<p>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. Collaborate with Town Departments to ensure Town events and community special events are well-vetted and supported.</p>
	<p style="text-align: center;"><i>Leadership Los Gatos</i></p>
	<p>Continue to coordinate and facilitate the Leadership Los Gatos program.</p>

ADMINISTRATIVE SERVICES
Economic and Community Vitality

FY 2025-26 KEY PROJECTS

Core Goals	Key Projects
<p><i>Good Governance</i> Ensure responsive, accountable, and collaborative government</p>	<p style="text-align: center;"><i>Local Business Support</i></p> <p>Continue assisting 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. Participate in regional Economic Development workgroups to benchmark services and program throughout the Bay Area.</p>
<p><i>Fiscal Stability</i> Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community</p>	<p style="text-align: center;"><i>Increased Business Activity</i></p> <p>Continue working to increase business activity and employment in Los Gatos, resulting in a larger tax base.</p>
<p><i>Quality Public Infrastructure</i> Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure</p>	<p style="text-align: center;"><i>Downtown Parking</i></p> <p>Support the Parks and Public Works Department and Police Department with the implementation of the Comprehensive Parking Study and Employee Parking Permit Program.</p> <p style="text-align: center;"><i>Road Closures</i></p> <p>Provide support for road closures and traffic management for Halloween and the Children’s Holiday Parade as directed by the Town Council.</p>

ADMINISTRATIVE SERVICES
Economic and Community Vitality

FY 2025-26 KEY PROJECTS

Core Goals	Key Projects
<p style="text-align: center;"><i>Civic Engagement</i> Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment</p>	<p style="text-align: center;"><i>Chamber of Commerce</i> Continue to oversee the ongoing partnership with the Chamber of Commerce to generally support the local economy.</p> <p style="text-align: center;"><i>Town Events</i> Continue to implement the beloved and time-honored annual Town events, including 4th of July Symphony in the Park, Spring into Green, and Los Gatos in Lights: the Town’s Winter Celebration.</p>
<p style="text-align: center;"><i>Public Safety</i> Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness</p>	<p style="text-align: center;"><i>Special Event Requirements</i> Collaborate with the Police Department, Parks and Public Works Department, and other stakeholders to continue to ensure public safety is prioritized through special event permit requirements as best practices evolve.</p>

ADMINISTRATIVE SERVICES
Economic and Community Vitality

KEY PROGRAM SERVICES

- Provides ongoing individualized support to current and prospective business and commercial property stakeholders.
- Leads special projects and coordinate stakeholders to assist and mitigate business related concerns or issues.
- Focused support to local business to provide retention and attraction services.
- Continuous monitoring of economic trends and business roadblocks that require consideration of permit streamlining in coordination with the Community Development Department.
- Manages vendor agreement for Music in the Park.
- Manages vendor agreement with the Chamber of Commerce to provide visitor information and destination marketing services.
- Administers the Leadership Los Gatos program.
- Oversees, coordinates and implements Town events, including Spring into Green, 4th of July Symphony in the Park, and Los Gatos in Lights: the Town's annual Winter Celebration.
- Processes all Special Event Permits.
- Support and manage road closures during Halloween and the Annual Children's Holiday Parade to create a safe and pedestrian-friendly experience.
- Oversees the Town's Semi-Permanent Parklet Program.

ECONOMIC VITALITY PROGRAM STAFFING

Full Time Equivalents (FTE)

	2021-22	2022-23	2023-24	2024-25	2025-26
<i>Town Staff</i>	<i>Funded</i>	<i>Funded</i>	<i>Funded</i>	<i>Funded</i>	<i>Proposed</i>
Economic Vitality Manager	-	-	-	-	0.75
Events & Marketing Specialist	-	-	-	-	0.50
Total Manager's Program FTEs	-	-	-	-	1.25

ADMINISTRATIVE SERVICES
Economic and Community Vitality

Activity and Workload Highlights	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 Estimated
1. Number of businesses receiving general business liaison assistance:*	150	150	<i>Measure Discontinued</i>	<i>Measure Discontinued</i>	<i>Measure Discontinued</i>
2. Commercial Brokers/Property Owner Outreach Communications:*	45	20	<i>Measure Discontinued</i>	<i>Measure Discontinued</i>	<i>Measure Discontinued</i>
3. Approximate number of business stakeholders receiving business liaison assistance including current and prospective businesses, commercial property owners/managers, and commercial brokerage professionals:**	<i>New Measure effective FY 24-25.</i>	160	175	150	150
4. Number of Town Coordinated Special Events: **	4	4	4	4	3
5. Number of Special Event Permits processed by the Town: **	17	33	34	30	30

**Measure discontinued effective FY 24-25.*

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

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 2025-26 budget includes increases in salary and benefit premium costs attributed to the cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% vacancy saving factor. The FY 2025-26 budget reflects the proposed continuation of a limited term Human Resource Analyst position through the end of December 2026.

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 2024-25 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Good Governance</i> Ensure responsive, accountable and collaborate government	<ul style="list-style-type: none">• 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 the continuation of the recruitment processes for vacancies.• Continued to improve Personnel Action Form processing to increase efficiency.• Ensured the Town adhered 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.• Successfully negotiated three successor Memoranda of Understandings with the Town's bargaining units.• 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	<ul style="list-style-type: none">• Continued the revision and creation of job classifications to meet the changing needs of the Departments including the creation of flexibly staffed job series.• Conducted cost-benefit analysis to strategically reduce contract costs.

ADMINISTRATIVE SERVICES

Human Resources

SUMMARY OF REVENUES AND EXPENDITURES

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
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>	\$ 681,260	\$ 611,582	\$ 513,782	\$ 909,809	\$ 930,939	\$ 1,023,935
<i>Operating Expenditures</i>	307,810	204,550	312,463	258,729	211,514	335,140
<i>Grants</i>	-	-	-	-	-	-
<i>Pass Through Accounts</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	19,513	18,069	19,726	42,679	42,291	59,038
TOTAL EXPENDITURES	\$ 1,008,583	\$ 834,201	\$ 845,971	\$ 1,211,217	\$ 1,184,744	\$ 1,418,113

ADMINISTRATIVE SERVICES
Human Resources

FY 2025-26 KEY PROJECTS

Core Goals	Key Projects
<p style="text-align: center;">Good Governance</p> <p>Ensure responsive, accountable and collaborate government</p>	<p style="text-align: center;"><i>Personnel Rules and Regulations</i></p>
	<ul style="list-style-type: none"> • 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.
	<p style="text-align: center;"><i>Training and Development</i></p>
	<ul style="list-style-type: none"> • 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.
	<p style="text-align: center;"><i>Records Management</i></p>
	<ul style="list-style-type: none"> • Work with Finance and IT to implement the Enterprise Resource Planning (ERP) software program. • Continue to create and implement electronic HR related forms.
	<p style="text-align: center;"><i>Safety/Health</i></p>
	<ul style="list-style-type: none"> • 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.
<p style="text-align: center;">Fiscal Stability</p> <p>Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community</p>	<p style="text-align: center;"><i>Recruitment/Onboarding</i></p>
	<ul style="list-style-type: none"> • 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. <p style="text-align: center;"><i>Succession Planning</i></p> <p>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.</p>

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)

	2021-22	2022-23	2023-24	2024-25	2025-26
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Proposed
Human Resources Director	1.00	1.00	1.00	1.00	1.00
Division Manager	-	-	-	-	1.00
Administrative Analyst	1.00	1.00	1.00	2.00	1.00
Human Resources Technician	1.00	1.00	1.00	1.00	1.00
Total Human Resources FTEs	3.00	3.00	3.00	4.00	4.00

	2021-22	2022-23	2023-24	2024-25	2025-26
<i>Temporary Staff Hours</i>	Funded	Funded	Funded	Funded	Proposed
Project Manager	-	-	-	350	350
Human Resources Technician	1,040	-	400	-	-
Total Annual Hours	1,040	-	400	-	350

ADMINISTRATIVE SERVICES

Human Resources

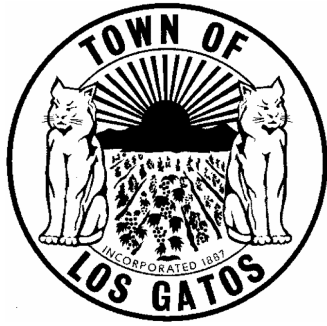
Performance Objectives and Measures	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 Estimated
1. <i>To provide a competitive employee benefit package that contributes to the recruitment and retention of employees.*</i>					
a. Percentage of employees rating benefit program material, products, and services as neutral to excellent:	96%	94%	98%	98%	98%
b. Percentage of employees rating communication of the benefit program as neutral to excellent:*	94%	96%	98%	98%	98%
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:**	<i>Implementing software solution to track this data</i>	<i>Implementing software solution to track this data</i>	<i>Implementing software solution to track this data</i>	<i>Implementing software solution to track this data</i>	<i>Implementing software solution to track this data</i>
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%	94%	89%	89%	96%
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%	33%	100%
b. Percentage of employees rating the availability and timeliness of HR staff response to inquiries as neutral to excellent:*	94%	90%	97%	98%	98%

Activity and Workload Highlights	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 Estimated
1. Number of recruitments conducted:	35	35	35	35	36
2. Number of employment applications reviewed:	2,033	1,974	1,349	1,350	1,400
3. Number of Workers' Compensation claims filed:	17	28	16	20	22
4. Percentage of eligible employees participating in deferred compensation:	68%	53%	45%	55%	50%
5. Number of Personnel Action Forms processed:	231	241	249	225	235
6. Number of employee promotions:*	19	10	12	12	13
7. Number of ergonomic evaluations conducted:*	14	7	38	15	12
8. Number of new employee onboarding sessions conducted (full-time, part-time, and temporary):*	22	38	34	32	33
9. Number of job classifications revised or created:*	5	2	1	5	4
10. Vacancy rate:*	12%	9%	7%	8%	8%
11. Turnover rate: ***	<i>New Measure effective FY23-24</i>	10%	12%	9%	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 2025-26 budget includes increases in salary and benefit premium costs attributed to cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% vacancy saving factor.

ADMINISTRATIVE SERVICES

Finance

FY 2024-25 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Good Governance</i> Ensure responsive, accountable and collaborate government	<ul style="list-style-type: none">• Coordinated the successful development of the FY 2023-24 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 2022-23• Achieved the GFOA's Distinguished Budget Presentation Award for the FY 2024-25 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	<ul style="list-style-type: none">• Managed the coordination and on-time preparation of the FY 2025-26 Operating Budget and FY 2025-26 – 2029-30 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

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
REVENUES						
<i>Other Taxes</i>	\$ 1,481,667	\$ 2,361,862	\$ 1,519,960	\$ 2,421,000	\$ 2,839,985	\$ 2,383,992
<i>Licenses and Permits</i>	-	-	-	-	-	-
<i>Intergovernmental Revenues</i>	-	-	-	-	-	-
<i>Service Charges</i>	99,907	134,171	106,064	73,000	100,000	100,000
<i>Interest</i>	(1,404,526)	583,922	2,596,595	1,764,425	1,427,333	1,386,506
<i>Other Revenues</i>	-	(2)	-	-	-	-
TOTAL REVENUES	\$ 177,048	\$ 3,079,953	\$ 4,222,619	\$ 4,258,425	\$ 4,367,318	\$ 3,870,498
EXPENDITURES						
<i>Salaries and Benefits*</i>	\$ 1,412,811	\$ 1,226,536	\$ 1,453,480	\$ 1,511,325	\$ 1,580,673	\$ 1,656,352
<i>Operating Expenditures</i>	148,291	162,496	230,856	261,300	241,685	269,518
<i>Grants</i>	-	-	-	-	-	-
<i>Pass Through Accounts</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	33,629	32,679	41,195	63,872	63,873	88,301
TOTAL EXPENDITURES	\$ 1,594,731	\$ 1,421,711	\$ 1,725,531	\$ 1,836,497	\$ 1,886,231	\$ 2,014,171

ADMINISTRATIVE SERVICES
Finance

FY 2025-26 KEY PROJECTS

Core Goals	Key Projects
<p><i>Good Governance</i> Ensure responsive, accountable, and collaborative government</p>	<p><i>Enterprise Resource Planning (ERP) System Upgrade</i></p>
	<p>Complete the implementation of the Town’s new enterprise resource planning (ERP) system in a phased approach.</p>
	<p><i>Electronic Filing</i></p>
	<p>Maintain electronic filing across all functions.</p>
<p><i>Fiscal Stability</i> Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community</p>	<p><i>Department Cross Training in Key Functional Areas</i></p>
	<p>Continue cross training in key functional areas of the Finance Department, emphasizing Accountant functions.</p>
	<p><i>Long-Term Budget Development</i></p>
	<p>Provide support, analysis, and recommendations to ensure prudent financial management to result in structurally balanced five-year forecasts and fully funded five-year Capital Improvement Plans, managing liabilities such as pension costs and leveraging the Town’s assets, efficiencies, partnerships, and revenue streams.</p>
	<p><i>Finance Commission</i></p>
	<p>Support the Town Finance Commission as governed by its enabling resolution.</p>

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)

	2021-22	2022-23	2023-24	2024-25	2025-26
Town Staff	Funded	Funded	Funded	Funded	Proposed
Finance Director	1.00	1.00	1.00	1.00	1.00
Finance & Accounting Manager	-	-	1.00	1.00	1.00
Finance & Budget Manager	1.00	1.00	-	-	-
Division Manager	-	-	-	-	1.00
Senior Administrative Analyst	-	-	-	-	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	1.00
Total Finance Services FTEs	6.99	6.99	6.99	6.99	6.99

	2021-22	2022-23	2023-24	2024-25	2025-26
Temporary Staff	Funded	Funded	Funded	Funded	Proposed
Project Manager	-	-	350	350	350
Mail Room Clerk (Library Dept Temps)	250	250	-	-	-
Total Annual Hours	250	250	350	350	350

ADMINISTRATIVE SERVICES

Finance

Performance Objectives and Measures	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 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%	3.19%	4.45%	3.51%	3.45%
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	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 Estimated
1. Quarterly investment reports to Finance Commission and Town Council:**	4	N/A	N/A	N/A	N/A
2. Monthly investment reports to Finance Commission and Town Council:***	N/A	12	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:	7,826	8,041	7,969	8,000	8,000
5. Average number of Accounts Payable checks issued weekly:	64	64	61	60	60
6. Average number of regular and temporary employee payroll checks issued bi-weekly:	182	185	186	185	187
7. Number of Business Licenses issued annually :*	4,237	N/A	N/A	N/A	N/A
8. Number of Business Licenses approved by Town annually (Third Party License Processor):***	N/A	3,469	3,819	3,892	3,856

*Measure discontinued effective January of FY 2022-23 due to business license services outsourcing

**Measure discontinued effective January of FY 2022-23 due to frequency of reporting change

***New Measure effective January of FY 2022-23



Administrative Services

CLERK ADMINISTRATION PROGRAM 2401

PROGRAM PURPOSE

The Clerk Administration Program serves the public by providing information and assistance related to Town records; Town Council actions and legislative 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, insurance certificates, 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 Boards, Commissions, and Committees and assists them with the 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 Town Council and Town Council committees agenda packet preparation, posting, and distribution. The Clerk Administration program also accepts claims, subpoenas, and community complaints; and publishes legal notices.

BUDGET OVERVIEW

The FY 2025-26 budget includes increases in salary and benefit premium costs attributed to the cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% vacancy saving factor.

ADMINISTRATIVE SERVICES
Clerk Administration

FY 2024-25 ACCOMPLISHMENTS

Core Goals	Accomplishments
<p><i>Good Governance</i> Ensure responsive, accountable and collaborative government</p>	<ul style="list-style-type: none"> • 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. • Conducted a comprehensive Brown Act training for all own Board, Commission, and Committee, enhancing their understanding of transparency and open meeting laws. • Conducted a training for commission liaisons on the key topics such as meeting protocols, agendas, reports, minutes, Brown Act compliance, and parliamentary procedures. • Improved accessibility and transparency by centralizing all Boards, Commissions, and Committee agendas, minutes, and recordings to a single webpage. • Provided support to Town Board, Commission, and Committee staff liaisons.
<p><i>Civic Engagement</i> Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment</p>	<ul style="list-style-type: none"> • Managed the annual and mid-year Commission recruitments, appointment, and onboarding processes for 13 Boards, Commissions, and Committees. • Implemented a board and commission recruitment module that streamlined the application process, increased the efficiency of processing applications, and improved the accessibility of commission information through the commission portal. • Provided administrative support for the Hotel Program to help unhoused community members gain access to temporary shelter. • Enhanced the transparency of all agenda addenda and desk items by ensuring they are easily accessible on a single webpage.

ADMINISTRATIVE SERVICES

Clerk Administration

SUMMARY OF REVENUES AND EXPENDITURES

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
REVENUES						
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	-	-	-	-
Service Charges	-	10	189	-	-	-
Interest	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ 10	\$ 189	\$ -	\$ -	\$ -
EXPENDITURES						
Salaries and Benefits	\$ 398,338	\$ 443,198	\$ 454,611	\$ 492,262	\$ 492,824	\$ 548,196
Operating Expenditures	11,860	12,578	12,994	23,400	11,286	19,950
Grants	-	-	-	-	-	-
Pass Through Accounts	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	20,583	18,979	21,294	28,228	28,177	36,900
TOTAL EXPENDITURES	\$ 430,781	\$ 474,755	\$ 488,899	\$ 543,890	\$ 532,287	\$ 605,046

ADMINISTRATIVE SERVICES
Clerk Administration

FY 2025-26 KEY PROJECTS

Core Goals	Key Projects
<p style="text-align: center;"><i>Good Governance</i> Ensure responsive, accountable and collaborate government</p>	<p style="text-align: center;"><i>Records Retention</i></p> <ul style="list-style-type: none"> • Continue to conduct a comprehensive review and update of the Town’s Retention Schedule, policies, and procedures. • Continue to utilize an electronic record archiving process to improve public record accessibility. • 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. <p style="text-align: center;"><i>Public Engagement</i></p> <ul style="list-style-type: none"> • 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.
	<p style="text-align: center;"><i>Public Document Accessibility</i></p> <ul style="list-style-type: none"> • 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, expanding 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)

	2021-22	2022-23	2023-24	2024-25	2025-26
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Proposed
Town Clerk	1.00	1.00	1.00	1.00	1.00
Deputy Town Clerk	0.88	0.88	1.50	1.50	1.63
Administrative Assistant	0.63	0.63	-	-	-
Total Clerk Admin FTEs	2.50	2.50	2.50	2.50	2.63

	2021-22	2022-23	2023-24	2024-25	2025-26
<i>Temporary Staff</i>	Funded	Funded	Funded	Funded	Proposed
Office Assistant	520	520	-	-	-
Total Annual Hours	520	520	-	-	-

ADMINISTRATIVE SERVICES

Clerk Administration

Performance Objectives and Measures	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 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%	99%	98%	100%	100%
3. <i>Oversee the Public Records Act requests in a timely and effective manner.</i>					
a. Percentage of Public Records requests received by the Town Clerk's Office that are completed within 10 days:	90%	90%	95%	95%	95%
4. <i>Percentage of vacancies filled on an annual basis to maximize community participation within the Town's advisory bodies.</i>	90%	90%	95%	95%	95%

Activity and Workload Highlights	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 Estimated
1. <i>Number of Legislative Records indexed:</i>					
a. Number of resolutions indexed:	80	72	69	45	67
b. Number of agreements indexed:	330	307	322	270	307
c. Number of documents recorded:	56	30	39	37	35
d. Number of ordinances indexed:	14	8	19	21	16
2. Number of commission and board applications and appointments processed:	60	53	72	62	62
3. Number of commission and board seats available:*	36	40	43	41	40
4. Number of Legal Notices published within established timelines:	139	115	132	135	130
5. Number of Fair Political Practices Commission (FPPC) Form 700:	149	178	134	130	148
6. Number of bids processed and project files monitored for final action:**	7	5	N/A	N/A	N/A
7. Number of required insurance certificates verified:	279	254	378	324	309
8. Number of Town Council agenda reports processed:	299	300	416	433	425
9. Number of Public Records Act requests processed:	252	272	226	289	260

*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 2025-26 budget includes increases in salary and benefit premium costs attributed to the cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% vacancy saving factor.

ADMINISTRATIVE SERVICES
Information Technology Staffing

FY 2024-25 ACCOMPLISHMENTS

Core Goals	Accomplishments
<p><i>Good Governance</i> Ensure responsive, accountable, and collaborative government</p>	<ul style="list-style-type: none"> • Provided ongoing project management of the new enterprise resource planning (ERP) systems implementation. • Provided ongoing security awareness training for staff. • Provided ongoing staff training on available collaboration tools.
<p><i>Quality Public Infrastructure</i> Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure</p>	<ul style="list-style-type: none"> • Provided ongoing support and maintenance of the Town's IT infrastructure and services. • Implemented an IT infrastructure monitoring system for increased visibility and alerting of the network, server and application stack. • Performed ongoing assessment and review of overall security posture and preparedness to protect against evolving threat landscape. • Upgraded the backend storage appliance hosting the virtual server infrastructure which allowed for increased performance and storage space savings. • Built out the network at the Police Operations Building to ensure ongoing operations in case of fiber outage to Police headquarters. • Setup a Zoom Room video conferencing system along with a secondary TV display in the Council Chambers to provide backup broadcasting capabilities and enhanced audio and visual experience. • Built out the new power network for the Library to support connectivity for new power backup system. • Implemented security measures in our public facing security appliance to better protect against brute force attacks by cyber criminals. • Enhanced the audio-visual system in the Emergency Operations for the multi-input and display system • Performed upgrades of aging staff computer systems.

ADMINISTRATIVE SERVICES

Information Technology Staffing

SUMMARY OF REVENUES AND EXPENDITURES

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
REVENUES						
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	-	-	-	-
Service Charges	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES						
Salaries and Benefits	\$ 580,344	\$ 599,927	\$ 643,423	\$ 685,635	\$ 691,393	\$ 754,666
Operating Expenditures	-	-	-	-	-	-
Grants	-	-	-	-	-	-
Pass Through Accounts	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	543	955	3,129	16,475	10,613	23,975
TOTAL EXPENDITURES	\$ 580,887	\$ 600,882	\$ 646,552	\$ 702,110	\$ 702,006	\$ 778,641

ADMINISTRATIVE SERVICES
Information Technology Staffing

FY 2025-26 KEY PROJECTS

Core Goals	Key Projects
<p>Good Governance Ensure responsive, accountable, and collaborative government</p>	<p style="text-align: center;">ERP Systems Migration</p> <ul style="list-style-type: none"> • Support the Finance and HR Departments in completing a successful migration to the new cloud hosted ERP system for increased efficiencies and improved process workflows. • Implement an advanced scheduling solution for Police and Library Staff. <p style="text-align: center;">Collaboration Systems</p> <ul style="list-style-type: none"> • Expand the use of the Procurement & Contract Management system Townwide. • Perform systems optimization of the permit, code compliance, and land management software solution. • Provide ongoing staff training on available collaboration tools. <p style="text-align: center;">Generative AI Initiatives</p> <ul style="list-style-type: none"> • Develop an AI Use Policy to ensure appropriate use of AI solutions. • Identify and implement GenAI solutions that will increase efficiencies for Staff.
<p>Fiscal Stability Maintain ongoing fiscal stability to provide cost effective core services that meet the needs of the community</p>	<p style="text-align: center;">Continuous Improvement</p> <ul style="list-style-type: none"> • Provide ongoing direction to the Town’s strategic investments in technology to improve Town service delivery, transparency, efficiency, and government access.
<p>Quality Public Infrastructure Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure</p>	<p style="text-align: center;">IT Infrastructure</p> <ul style="list-style-type: none"> • Provide ongoing support and maintenance of the Town’s IT infrastructure and services. • Build out the IT infrastructure located at Police Operations Building and Parks and Public Works to ensure ongoing network operations and disaster resiliency. <p style="text-align: center;">Cyber Security</p> <ul style="list-style-type: none"> • Perform ongoing assessment and review of overall security posture and preparedness to protect against evolving threat landscape. • Strengthen the Town’s email security posture to protect against evolving AI threats targeted through phishing and social engineering attacks. • Provide ongoing security awareness training to staff.

ADMINISTRATIVE SERVICES
Information Technology Staffing

FY 2025-26 KEY PROJECTS

Core Goals	Key Projects
<p><i>Quality Public Infrastructure</i> Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure</p>	<p><i>Equipment Replacement</i></p> <ul style="list-style-type: none"> • Replace and upgrade computer systems, printers and peripherals as part of the replacement program.
<p><i>Civic Engagement</i> Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment</p>	<p><i>Website Accessibility</i></p> <ul style="list-style-type: none"> • Implement a Citizen Request Management (CRM) 311 system to enhance the customer service experience for residents allowing for full 360 view from submission to resolution. • Integrate an accessibility solution for our public website that meet the Web Content Accessibility Guidelines (WCAG) 2.1.
<p><i>Public Safety</i> Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness</p>	<p><i>Police Support Technology</i></p> <ul style="list-style-type: none"> • Assist with maintenance of Police IT systems and upgrades. • Support the implementation of the new next-generation 911 system.

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.

ADMINISTRATIVE SERVICES
Information Technology Staffing

INFORMATION TECHNOLOGY STAFFING

Full Time Equivalent (FTE)

	2021-22	2022-23	2023-24	2024-25	2025-26
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Proposed
IT Director	-	-	-	-	1.00
IT Manager	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

ADMINISTRATIVE SERVICES
Information Technology Staffing

Performance Objectives and Measures	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 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:	94%	96%	98%	98%	98%
c. Percentage of customers rating support as "good" or "excellent" based on quality of service:	94%	96%	98%	98%	98%

Activity and Workload Highlights	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 Estimated
1. Number of PCs/Notebooks maintained:	267	261	265	265	265
2. Number of network servers maintained:	56	53	55	55	55
3. Number of network printers maintained:	45	40	47	47	47
4. Number of service requests received:	1287	1450	1581	1800	1800



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 2025-26, revenues captured in Non-Departmental reflect positive changes in Property Tax and Transient Occupancy Tax (TOT) and slightly negative trend in Sales Tax revenues. These revenue modifications are informed by the Town's sales tax consultant, MuniServices, the Town property tax consultants HdL, 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 2025-26 are either 109.09% or 15.84% for public safety employees, depending on date of entrance into CalPERS, and 30.02% 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):

- \$2,125,000 for the cost of covering the Town's portion of retiree medical insurance premiums. The Town has paid for this expenditure since the Town became a member of the CalPERS medical plan as it is part of the CalPERS agreement.
- \$1,231.225 for the lease payment on the Town's Library building as pledged under the 2010 Certificates of Participation. This payment is offset by a reimbursement from the Successor Agency to the Los Gatos Redevelopment Agency, with a result of no net impact on the Town's General Fund budget.
- \$670,625 for the lease payment on the Town's Corporation Yard property as pledged under the 2002 Certificates of Participation. This payment is offset by a reimbursement from the Successor Agency to the Los Gatos Redevelopment Agency, with a result of no net impact on the Town's General Fund budget.

ADMINISTRATIVE SERVICES

Non-Departmental

- \$390,000 payment toward unfunded pension liability
- \$328,700 for special studies as needed.
- \$247,688 for animal control services.
- \$278,703 for Administration fee for collecting and processing of the Town's property and sales tax receipts.
- \$100,000 for the Town Manager's Contingency and Productivity Funds to address unforeseen situations or opportunities that may arise during the fiscal year.
- \$100,000 for independent investigations of complaints regarding sworn personnel.
- \$70,000 for the KCAT public meetings' broadcasting and video streaming services.

ADMINISTRATIVE SERVICES

Non-Departmental

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	2,604,203	2,724,311	2,207,997	2,256,727	2,256,727	2,187,057
Total Beginning Fund Balance	2,604,203	2,724,311	2,207,997	2,256,727	2,256,727	2,187,057
Revenues						
<i>Service Charge</i>	825,784	628,096	648,042	809,113	803,116	834,692
<i>Other Revenues</i>	172,373	127,002	132,607	105,000	105,000	120,000
Total Revenues	998,157	755,098	780,649	914,113	908,116	954,692
TRANSFERS IN						
<i>From General Fund</i>	-	-	-	-	16,989	-
TOTAL TRANSFERS IN	-	-	-	-	16,989	-
TOTAL REVENUES & TRANSFERS	998,157	755,098	780,649	914,113	925,105	954,692
TOTAL SOURCE OF FUNDS	<u>\$ 3,602,360</u>	<u>\$ 3,479,409</u>	<u>\$ 2,988,646</u>	<u>\$ 3,170,840</u>	<u>\$ 3,181,832</u>	<u>\$ 3,141,749</u>
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	878,049	538,412	731,919	1,118,347	994,775	1,268,257
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
Total Expenditures	878,049	538,412	731,919	1,118,347	994,775	1,268,257
Transfers Out						
<i>Transfer to General</i>	-	-	-	-	-	-
<i>Transfer to Equipment Replacement</i>	-	-	-	-	-	-
<i>Transfer to GFAR</i>	-	733,000	-	-	-	400,000
Total Transfers Out	-	733,000	-	-	-	400,000
Total Expenditures & Transfers Out	878,049	1,271,412	731,919	1,118,347	994,775	\$ 1,668,257
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	2,724,311	2,207,997	2,256,727	2,052,493	2,187,057	1,473,492
Total Ending Fund Balance	2,724,311	2,207,997	2,256,727	2,052,493	2,187,057	1,473,492
TOTAL USE OF FUNDS	<u>\$ 3,602,360</u>	<u>\$ 2,746,409</u>	<u>\$ 2,988,646</u>	<u>\$ 3,170,840</u>	<u>\$ 3,181,832</u>	<u>\$ 2,741,749</u>

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 2025-26 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 2025-26 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

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	2,604,203	2,724,311	2,207,997	2,256,727	2,256,727	2,170,068
Total Beginning Fund Balance	2,604,203	2,724,311	2,207,997	2,256,727	2,256,727	2,170,068
Revenues						
<i>Service Charge</i>	825,784	628,096	648,042	809,113	803,116	834,692
<i>Other Revenues</i>	172,373	127,002	132,607	105,000	105,000	120,000
Total Revenues	998,157	755,098	780,649	914,113	908,116	954,692
TRANSFERS IN						
<i>From General Fund</i>	-	-	-	-	-	-
TOTAL TRANSFERS IN	-	-	-	-	-	-
TOTAL REVENUES & TRANSFERS	998,157	755,098	780,649	914,113	908,116	954,692
TOTAL SOURCE OF FUNDS	<u>\$ 3,602,360</u>	<u>\$ 3,479,409</u>	<u>\$ 2,988,646</u>	<u>\$ 3,170,840</u>	<u>\$ 3,164,843</u>	<u>\$ 3,124,760</u>
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	878,049	538,412	731,919	1,118,347	994,775	1,268,257
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
Total Expenditures	878,049	538,412	731,919	1,118,347	994,775	1,268,257
Transfers Out						
<i>Transfer to General</i>	-	-	-	-	-	-
<i>Transfer to Equipment Replacement</i>	-	-	-	-	-	-
<i>Transfer to GFAR</i>	-	733,000	-	-	-	400,000
Total Transfers Out	-	733,000	-	-	-	400,000
Total Expenditures & Transfers Out	878,049	1,271,412	731,919	1,118,347	994,775	\$ 1,668,257
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	2,724,311	2,207,997	2,256,727	2,052,493	2,170,068	1,456,503
Total Ending Fund Balance	2,724,311	2,207,997	2,256,727	2,052,493	2,170,068	1,456,503
TOTAL USE OF FUNDS	<u>\$ 3,602,360</u>	<u>\$ 2,746,409</u>	<u>\$ 2,988,646</u>	<u>\$ 3,170,840</u>	<u>\$ 3,164,843</u>	<u>\$ 2,724,760</u>



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 were 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

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	1,673,018	1,295,184	514,813	586,245	586,245	314,474
Total Beginning Fund Balance	1,673,018	1,295,184	514,813	586,245	586,245	314,474
Revenues						
<i>Service Charge</i>	896,732	967,013	1,011,814	1,765,154	1,475,794	1,903,079
<i>Intergovernmental</i>	-	2,000	36,297	-	-	-
<i>Interest</i>	5	5	5	-	-	-
<i>Other Revenues</i>	258,474	163,755	356,013	140,000	57,768	-
Total Revenues	1,155,211	1,132,773	1,404,129	1,905,154	1,533,562	1,903,079
TRANSFERS IN						
<i>From General Fund</i>	-	-	-	-	-	-
TOTAL TRANSFERS IN	-	-	-	-	-	-
TOTAL REVENUES & TRANSFERS	1,155,211	1,132,773	1,404,129	1,905,154	1,533,562	\$ 1,903,079
TOTAL SOURCE OF FUNDS	\$ 2,828,229	\$ 2,427,957	\$ 1,918,942	\$ 2,491,399	\$ 2,119,807	\$ 2,217,553
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	1,533,045	1,913,144	1,332,697	1,826,050	1,805,333	1,880,050
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
Total Expenditures	1,533,045	1,913,144	1,332,697	1,826,050	1,805,333	1,880,050
Transfers Out						
<i>Transfer to Grant Funds</i>	-	-	-	-	-	-
<i>Transfer to General Fund</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	1,533,045	1,913,144	1,332,697	1,826,050	1,805,333	1,880,050
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	1,295,184	514,813	586,245	665,349	314,474	337,503
Total Ending Fund Balance	1,295,184	514,813	586,245	665,349	314,474	337,503
TOTAL USE OF FUNDS	\$ 2,828,229	\$ 2,427,957	\$ 1,918,942	\$ 2,491,399	\$ 2,119,807	\$ 2,217,553

ADMINISTRATIVE SERVICES
Workers' Compensation Fund

FY 2025-26 KEY PROJECTS

Core Goals	Key Projects
<i>Good Governance</i> Ensure responsive, accountable, and collaborative government	<i>Accident Reviews</i>
	<ul style="list-style-type: none">• 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>
	<ul style="list-style-type: none">• 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

This Page Intentionally Left Blank

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 and Community 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 2025-26. 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, when compared to average past yearly actuals, 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 and plan check services. Limited funding is provided through the General Fund and General Plan Fund to cover the costs associated with planning services and 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-wide perspective, not on a program-by-program basis.

For FY 2025-26, total Department budgeted revenues are projected to remain relatively flat, when compared to average past yearly actuals, due to an expected consistency of permit activity. The FY 2025-26 expenditures are trending in line with the FY 2024-25 adjusted budget. Budgeted salary and benefit expenditures include the part-time Code Compliance Officer position being continued for another year in FY 2025-26 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 2024-25 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Community Character</i> Preserve and enhance the appearance, character, and environmental quality of the community	<ul style="list-style-type: none">• 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.• Completed the Housing Element update process.• Create an Analytics Dashboard for the Building Division.
<i>Good Governance</i> Ensure responsive, accountable, and collaborative government	<ul style="list-style-type: none">• 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.

COMMUNITY DEVELOPMENT DEPARTMENT

DEPARTMENTAL SUMMARY OF REVENUES AND EXPENDITURES

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
REVENUES						
<i>Licenses and Permits</i>	\$ 3,278,650	\$ 2,171,036	\$ 2,210,818	\$ 2,636,000	\$ 2,936,000	\$ 2,240,000
<i>Intergovernmental Revenue</i>	26,749	379,229	-	-	-	-
<i>Service Charge</i>	2,321,709	1,816,862	2,390,297	1,747,437	1,614,937	1,706,176
<i>Fines & Forfeitures</i>	18,543	10,950	14,702	10,000	20,000	10,000
<i>Other Revenues</i>	33,082	356,596	2,065	486,154	830,542	10,000
TOTAL REVENUES	\$ 5,678,733	\$ 4,734,673	\$ 4,617,882	\$ 4,879,591	\$ 5,401,479	\$ 3,966,176
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 3,432,404	\$ 3,870,650	\$ 3,977,046	\$ 4,274,377	\$ 4,195,394	\$ 4,410,885
<i>Operating Expenditures</i>	2,702,378	1,028,924	1,081,445	1,134,179	1,033,290	1,286,130
<i>Grants</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	300,000	-	476,154	820,542	-
<i>Internal Service Charges</i>	178,723	165,835	188,241	277,114	272,409	361,483
TOTAL EXPENDITURES	\$ 6,313,505	\$ 5,365,409	\$ 5,246,732	\$ 6,161,824	\$ 6,321,635	\$ 6,058,498

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adopted	2024-25 Estimated	2025-26 Proposed
PROGRAM						
<i>Administration</i>	\$ 252,082	\$ 244,096	\$ 282,200	\$ 295,681	\$ 295,813	\$ 375,691
<i>Development Review</i>	1,426,338	1,586,937	1,685,642	1,791,458	1,836,358	2,113,647
<i>Advanced Planning</i>	871,233	707,228	545,340	749,015	597,154	711,047
<i>Inspection Services</i>	1,557,244	1,605,822	1,555,508	1,714,815	1,639,235	1,776,931
<i>Code Compliance</i>	256,780	286,684	317,568	355,117	350,161	353,606
<i>BMP Housing Program</i>	1,369,863	467,743	285,663	683,238	1,030,414	155,076
<i>Pass Thru Accounts</i>	579,965	466,899	574,811	572,500	572,500	572,500
TOTAL EXPENDITURES	\$ 6,313,505	\$ 5,365,409	\$ 5,246,732	\$ 6,161,824	\$ 6,321,635	\$ 6,058,498

COMMUNITY DEVELOPMENT DEPARTMENT

COMMUNITY DEVELOPMENT DEPARTMENT STAFFING

Full Time Equivalent (FTE)

	2021-22	2022-23	2023-24	2024-25	2025-26
	Funded	Funded	Funded	Funded	Proposed
Town Staff					
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	-
Administrative Analyst	1.00	1.00	1.00	1.00	1.00
Executive Assistant	1.00	1.00	1.00	-	-
Administrative Technician	-	-	-	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Senior Planner	2.00	2.00	2.00	2.00	2.00
Associate Planner	2.75	2.75	3.00	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	20.45	20.45	20.00

	2021-22	2022-23	2023-24	2024-25	2025-26
	Funded	Funded	Funded	Funded	Proposed
Temporary Staff Hours					
Senior Planner Temp/Hrly	-	-	-	-	1,560
Associate Planner Temp/Hrly	720	720	360	360	-
Code Compliance Officer Temp/ Hrly	1,040	1,040	900	960	960
Total Annual Hours	1,760	1,760	1,260	1,320	2,520



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 participates in 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 20 regularly 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 the management of the Department, including budget preparation and monitoring. The FY 2025-26 budget includes increases in salary and benefit premium costs attributed to the cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% vacancy saving factor.

COMMUNITY DEVELOPMENT DEPARTMENT
Administration

SUMMARY OF REVENUES AND EXPENDITURES

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
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>	\$ 180,401	\$ 187,972	\$ 223,335	\$ 230,245	\$ 230,079	\$ 302,604
<i>Operating Expenditures</i>	3,336	3,471	3,740	4,350	4,532	4,850
<i>Grants</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	68,345	52,653	55,125	61,086	61,202	68,237
TOTAL EXPENDITURES	\$ 252,082	\$ 244,096	\$ 282,200	\$ 295,681	\$ 295,813	\$ 375,691

**COMMUNITY DEVELOPMENT DEPARTMENT
Administration**

FY 2025-26 KEY PROJECTS

Core Goals	Key Projects
<p><i>Good Governance</i> Ensure responsive, accountable, and collaborative government</p>	<p><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.</p>
<p><i>Civic Engagement</i> Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment</p>	<p><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.</p>
<p><i>Community Character</i> Preserve and enhance the appearance, character, and environmental quality of the community</p>	<p><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.</p> <p><i>Short Term Rental</i> Assist with implementation of the Short-Term Rental ordinance.</p>

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)

	2021-22	2022-23	2023-24	2024-25	2025-26
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Proposed
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	0.50
Administrative Technician	-	-	-	0.30	0.30
Executive Assistant	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	1.30

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.

For FY 2025-26, budgeted revenues are projected to remain relatively flat, when compared to past yearly actuals, due to an expected consistency of permit activity.

The FY 2025-26 budget includes increases in salary and benefit premium costs attributed to the cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% vacancy saving factor.

COMMUNITY DEVELOPMENT DEPARTMENT **Development Review**

SUMMARY OF REVENUES AND EXPENDITURES

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
REVENUES						
<i>Licenses & Permits</i>	\$ 537,721	\$ 522,837	\$ 624,694	\$ 500,000	\$ 800,000	\$ 500,000
<i>Service Charges</i>	231,418	171,458	199,373	177,000	188,000	177,000
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	27,672	7,131	-	-	-	-
TOTAL REVENUES	\$ 796,811	\$ 701,426	\$ 824,067	\$ 677,000	\$ 988,000	\$ 677,000
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 1,310,593	\$ 1,511,364	\$ 1,573,144	\$ 1,652,950	\$ 1,605,532	\$ 1,797,920
<i>Operating Expenditures</i>	85,995	47,850	76,921	73,000	168,500	225,000
<i>Grants</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	29,750	27,723	35,577	65,508	62,326	90,727
TOTAL EXPENDITURES	\$ 1,426,338	\$ 1,586,937	\$ 1,685,642	\$ 1,791,458	\$ 1,836,358	\$ 2,113,647

COMMUNITY DEVELOPMENT DEPARTMENT
Development Review

FY 2025-26 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, Police, and County Fire Departments) will continue: focusing on evaluating processes, procedures, and systems; defining roles and responsibilities; building capacity; and obtaining input and feedback to continue to improve the development review process.
	<i>Process Improvements</i> Continue to enhance the development review process by: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • 110 Wood Road Planned Development.
	<i>SB 330 Formal Applications</i> <ul style="list-style-type: none"> • North 40 Phase II. • 50 Los Gatos-Saratoga Road. • 101 S. Santa Cruz. • 143-151 E. Main Street. • 14849 Los Gatos Boulevard. • 14288 Capri Drive. • 15300 Los Gatos Boulevard. • 178 Twin Oaks Drive. • 15495 Los Gatos Boulevard. • 980 University Avenue. • 647 N. Santa Cruz Avenue.

COMMUNITY DEVELOPMENT DEPARTMENT
Development Review

FY 2025-26 KEY PROJECTS

Core Goals	Key Projects
<i>Community Character</i> Preserve and enhance the appearance, character, and environmental quality of the community	<i>SB 330 Formal Applications (continued)</i> <ul style="list-style-type: none"> • 15349-14367 Los Gatos Boulevard. • 14789 Oaka Road. • 101 Blossom Hill Road. • 15171 Los Gatos Boulevard.
	<i>Preliminary SB 330 Development Applications Pending</i> <ul style="list-style-type: none"> • 15171 Los Gatos Boulevard.
<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> <ul style="list-style-type: none"> • Strive for 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.

COMMUNITY DEVELOPMENT DEPARTMENT
Development Review

KEY PROGRAM SERVICES

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.

Major Development Projects

- 110 Wood Road Planned Development.

SB 330 Formal Applications

- North 40 Phase II.
- 50 Los Gatos-Saratoga Road.
- 101 S. Santa Cruz Avenue.
- 143-151 E. Main Street.
- 14849 Los Gatos Boulevard.
- 14288 Capri Drive.
- 15300 Los Gatos Boulevard.
- 178 Twin Oaks Drive.
- 15495 Los Gatos Boulevard.
- 980 University Avenue.
- 647 N. Santa Cruz Avenue.
- 15349-14367 Los Gatos Boulevard.
- 14789 Oka Road.
- 101 Blossom Hill Road.
- 15171 Los Boulevard.

COMMUNITY DEVELOPMENT DEPARTMENT
Development Review

DEVELOPMENT REVIEW PROGRAM STAFFING

Full Time Equivalent (FTE)

	2021-22	2022-23	2023-24	2024-25	2025-26
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Proposed
Community Development Dir.	0.30	0.30	0.30	0.30	0.30
Planning Manager	0.55	0.55	0.55	0.55	0.60
Chief Building Official	0.10	0.10	0.10	0.10	0.10
Economic Vitality Manager	0.45	0.45	0.45	0.45	-
Administrative Analyst	0.15	0.15	0.15	0.15	0.15
Administrative Technician	-	-	-	0.65	0.65
Executive Assistant	0.65	0.65	0.65	-	-
Administrative Assistant	0.70	0.70	0.70	0.70	0.70
Senior Planner	1.30	1.30	1.50	1.50	1.20
Senior Building Inspector	0.10	0.10	0.10	0.10	0.10
Associate Planner	2.05	2.05	2.10	2.10	2.10
Assistant Planner	0.80	0.80	0.90	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	8.50	8.50	7.80

	2021-22	2022-23	2023-24	2024-25	2025-26
<i>Temporary Staff Hours</i>	Funded	Funded	Funded	Funded	Proposed
Senior Planner Temp/Hrly	-	-	-	-	1,560
Associate Planner Temp/Hrly	720	720	360	360	-
Total Annual Hours	720	720	360	360	1,560

COMMUNITY DEVELOPMENT DEPARTMENT
Development Review

Performance Objectives and Measures	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 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:	11%	15%	10%	15%	15%
b. Percentage of Planning Commission decisions upheld by Town Council:	100%	50%	55%	50%	50%

Activity and Workload Highlights	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 Estimated
1. Number of applications processed:	426	408	408	400	400
2. Number of Planning Commission Meetings:	23	18	20	18	18
3. Number of Public Notices:	6,584	6,895	14,105	7,000	7,000
4. Number of referrals to consulting architect:	21	11	10	40	30



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 2025-26 will be similar to FY 2024-25. The Housing Element Implementation Programs updates are funded through General Plan Fees already collected.

The FY 2025-26 budget includes increases in salary and benefit premium costs attributed to the cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% vacancy saving factor.

COMMUNITY DEVELOPMENT DEPARTMENT
Advanced Planning

SUMMARY OF REVENUES AND EXPENDITURES

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenue</i>	26,749	379,229	-	-	-	-
<i>Service Charges</i>	698,302	429,529	765,320	240,000	120,000	240,000
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ 725,051	\$ 808,758	\$ 765,320	\$ 240,000	\$ 120,000	\$ 240,000
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 368,308	\$ 444,620	\$ 419,398	\$ 471,464	\$ 460,241	\$ 428,767
<i>Operating Expenditures</i>	496,991	256,390	117,911	260,850	120,850	261,350
<i>Grants</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	5,934	6,218	8,031	16,701	16,063	20,930
TOTAL EXPENDITURES	\$ 871,233	\$ 707,228	\$ 545,340	\$ 749,015	\$ 597,154	\$ 711,047

FY 2025-26 KEY PROJECTS

Core Goals	Key Projects
<i>Community Character</i> Preserve and enhance the appearance, character, and environmental quality of the community	<i>General Plan and Housing Element Implementation Programs</i> <ul style="list-style-type: none"> • 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 progress on Housing Element implementation Programs.

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)

	2021-22	2022-23	2023-24	2024-25	2025-26
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Proposed
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	0.05
Executive Assistant	0.05	0.05	0.05	-	-
Administrative Assistant	0.10	0.10	0.10	0.10	0.10
Senior Planner	0.50	0.50	0.30	0.30	0.55
Associate Planner	0.40	0.40	0.60	0.60	0.60
Assistant Planner	0.10	0.10	-	-	-
Total Advanced Planning FTEs	1.80	1.80	1.70	1.70	1.95

COMMUNITY DEVELOPMENT DEPARTMENT
Advanced Planning

Performance Objectives and Measures	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 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	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 Estimated
1. Number of special studies completed:	4	4	12	8	6
2. Number of General Plan implementation measures completed:	2	2	1	1	1
3. Number of General Plan amendments requested:	1	1	5	4	3

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, when compared to average past yearly actuals, 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 2025-26 budget includes increases in salary and benefit premium costs attributed to the cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% vacancy saving factor.

COMMUNITY DEVELOPMENT DEPARTMENT
Building and Inspection Services

SUMMARY OF REVENUES AND EXPENDITURES

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
REVENUES						
<i>Licenses & Permits</i>	\$ 1,540,929	\$ 1,648,199	\$ 1,586,124	\$ 2,136,000	\$ 2,136,000	\$ 1,740,000
<i>Service Charges</i>	642,160	581,233	565,706	553,600	530,100	561,600
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Other Revenues</i>	5,410	5,127	1,490	10,000	10,000	10,000
TOTAL REVENUES	\$ 2,188,499	\$ 2,234,559	\$ 2,153,320	\$ 2,699,600	\$ 2,676,100	\$ 2,311,600
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 1,256,364	\$ 1,376,196	\$ 1,351,257	\$ 1,473,462	\$ 1,455,978	\$ 1,493,064
<i>Operating Expenditures</i>	230,920	155,530	121,870	122,804	64,904	121,305
<i>Grants</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	69,960	74,096	82,381	118,549	118,353	162,562
TOTAL EXPENDITURES	\$ 1,557,244	\$ 1,605,822	\$ 1,555,508	\$ 1,714,815	\$ 1,639,235	\$ 1,776,931

COMMUNITY DEVELOPMENT DEPARTMENT
Building and Inspection Services

FY 2025-26 KEY PROJECTS

Core Goals	Key Projects
<p>Community Character Preserve and enhance the appearance, character, and environmental quality of the community</p>	<p style="text-align: center;"><i>Public Information on Building Codes</i></p> <p>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.</p>
	<p style="text-align: center;"><i>Inspection Services on Larger Projects</i></p> <p>Continue several significant projects into FY 2025-26 including: numerous large custom homes, ADUs, renovations, additions, tenant improvements, and photovoltaic installations. Continue to provide next day inspection services even with the increased inspection workload as the Town has done in years past.</p>
	<p style="text-align: center;"><i>Major Building Projects Pending</i></p> <p>Pending projects include the following:</p> <ul style="list-style-type: none"> • North 40 Junction (4 Commercial Buildings and Gianandrea House TI). • Sporleder Court (4 Single Family Homes). • 15600 Los Gatos Blvd (Whole Foods). • 620 Blossom Hill Rd (LG Luxury Cars). • Numerous large custom homes and tenant improvements.
<p>Good Governance Ensure responsive, accountable, and collaborative government</p>	<p style="text-align: center;"><i>Improvements to Plan Checking Services</i></p> <ul style="list-style-type: none"> • 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)

	2021-22	2022-23	2023-24	2024-25	2025-26
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Proposed
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

COMMUNITY DEVELOPMENT DEPARTMENT
Building and Inspection Services

Performance Objectives and Measures	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 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%

Activity and Workload Highlights	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 Estimated
1. Number of inspections conducted:	14,799	14,782	15,175	14,700	14,000
2. Number of building plan checks completed:	898	924	990	1,000	1,000
3. Number of Building Division permit applications received:	1,806	1,861	1,821	2,000	1,900
4. Number of Building Division permits issued:	1,720	1,753	1,678	1,600	1,600

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 2025-26 budget includes the part-time Code Compliance Officer position which will be continued for another year in FY 2025-26 with one-time funding.

The FY 2025-26 budget includes increases in salary and benefit premium costs attributed to the cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% vacancy saving factor.

COMMUNITY DEVELOPMENT DEPARTMENT
Code Compliance Program

SUMMARY OF REVENUES AND EXPENDITURES

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	18,543	10,950	14,702	10,000	20,000	10,000
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ 18,543	\$ 10,950	\$ 14,702	\$ 10,000	\$ 20,000	\$ 10,000
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 249,852	\$ 279,733	\$ 308,596	\$ 337,884	\$ 333,328	\$ 331,517
<i>Operating Expenditures</i>	2,394	2,034	2,659	4,525	4,875	4,925
<i>Grants</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	4,534	4,917	6,313	12,708	11,958	17,164
TOTAL EXPENDITURES	\$ 256,780	\$ 286,684	\$ 317,568	\$ 355,117	\$ 350,161	\$ 353,606

FY 2025-26 KEY PROJECTS

Core Goals	Key Projects
Good Governance Ensure responsive, accountable, and collaborative government	<i>Process Improvements</i>
	<ul style="list-style-type: none"> 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)

	2021-22	2022-23	2023-24	2024-25	2025-26
Town Staff	Funded	Funded	Funded	Funded	Proposed
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

	2021-22	2022-23	2023-24	2024-25	2025-26
Temporary Staff Hours	Funded	Funded	Funded	Funded	Proposed
Code Compliance Officer Temp/Hrly	1,040	1,040	900	960	960
Total Annual Hours	1,040	1,040	900	960	960

COMMUNITY DEVELOPMENT DEPARTMENT
Code Compliance Program

Activity and Workload Highlights	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 Estimated
1. Number of complaints reported:	715	820	769	450	600
2. Number of complaints abated:	622	720	709	350	500
3. Total number of Administrative Citations:	152	100	83	50	75

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 2025-26 budget includes increases in salary and benefit premium costs attributed to the cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% vacancy saving factor.

COMMUNITY DEVELOPMENT DEPARTMENT
BMP Housing Program

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
REVENUES						
<i>Licenses & Permits</i>	\$ 1,200,000	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Service Charges</i>	169,864	167,743	285,087	204,337	204,337	155,076
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	344,338	575	476,154	820,542	-
TOTAL REVENUES	\$ 1,369,864	\$ 512,081	\$ 285,662	\$ 680,491	\$ 1,024,879	\$ 155,076
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 66,886	\$ 70,765	\$ 101,316	\$ 108,372	\$ 110,236	\$ 57,013
<i>Operating Expenditures</i>	1,302,777	96,750	183,533	96,150	97,129	96,200
<i>Grants</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	300,000	-	476,154	820,542	-
<i>Internal Service Charges</i>	200	228	814	2,562	2,507	1,863
TOTAL EXPENDITURES	\$ 1,369,863	\$ 467,743	\$ 285,663	\$ 683,238	\$ 1,030,414	\$ 155,076

FY 2025-26 KEY PROJECTS

Core Goals	Key Projects
<i>Community Character</i> 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.

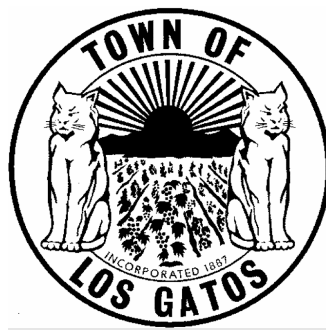
COMMUNITY DEVELOPMENT DEPARTMENT
BMP Housing Program

BMP HOUSING PROGRAM STAFFING

Full Time Equivalent (FTE)

	2021-22	2022-23	2023-24	2024-25	2025-26
Town Staff	Funded	Funded	Funded	Funded	Proposed
Community Development Dir.	0.05	0.05	0.05	0.05	0.05
Planning Manager	0.10	0.10	0.10	0.10	0.05
Administrative Analyst	0.25	0.25	0.25	0.25	0.05
Senior Planner	-	-	-	-	0.05
Total BMP Housing FTEs	0.40	0.40	0.40	0.40	0.20

	2021-22	2022-23	2023-24	2024-25	2025-26
Activity and Workload Highlights	Actual	Actual	Actual	Estimated	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:	120	120	176	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

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Service Charges</i>	579,965	466,899	574,811	572,500	572,500	572,500
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ 579,965	\$ 466,899	\$ 574,811	\$ 572,500	\$ 572,500	\$ 572,500
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	579,965	466,899	574,811	572,500	572,500	572,500
<i>Grants</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 579,965	\$ 466,899	\$ 574,811	\$ 572,500	\$ 572,500	\$ 572,500



Police Department

This Page Intentionally Left Blank

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 18 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 2025-26 budget includes increases in salary and benefit premium costs attributed to the cost-of-living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% vacancy saving factor.

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 2024-25 a revised three-year service agreement was executed. Given the positive and collaborative working relationship between the Town and the elementary and high school districts, contract renewal is through FY 2026-27.

Staff Resource Modifications

Temporary staff funding in the FY 2025-26 budget is from one-time funding for the following purposes:

Two Community Service Officer Interns (CSO) (2,080 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

Background Investigations (750 hours): We are requesting 750 hours for background investigations to support the hiring process for civilian and sworn employees, as well as the review of Concealed Carry Weapons (CCW) permit applications. These background checks are a crucial step in ensuring the integrity and safety of our personnel and the community we serve.

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 2024-25 ACCOMPLISHMENTS

Core Goals	Accomplishments
<p><i>Community Character</i> Preserve and enhance the appearance character and environment quality of the community</p>	<ul style="list-style-type: none">• In FY 2024-25, the Police Department Vulnerable Communities Liaison Officer conducted 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 2024-25, the Police Department was instrumental in the safety coordination, Incident Action Planning, and operational deployment of Officers for significant Town special events, such as Cat's Hill Bike Race, St. Patrick's Day, the Los Gatos in Lights, and the Holiday Parade.• The Police Volunteers Program in partnership with the Los Gatos Lions Club assisted with clean up and graffiti removal on a monthly basis throughout Town.
<p><i>Good Governance</i> Ensure responsive, accountable, and collaborative government</p>	<ul style="list-style-type: none">• In FY 2024-25, the Department conducted an organizational assessment through the external services of Meliora Public Safety Consulting. The assessment consisted of a thorough review of data analytics, job functions, physical site evaluations, and organizational workflow, the department was provided a comprehensive report with recommendations to improve and maintain operational efficiencies and specific functions. The Department has shared this report with the public and has incorporated many of the recommendations provided.• Six Officers, one Dispatcher, one Records Specialist, and three Community Service Officer Interns were hired during FY 2024-25.• Staff attended regional job fairs and recruitment events to promote employment opportunities within the Department; conducted ongoing testing processes for Police Officer and Professional Staff vacant positions. Nine hiring processes were hosted within the last year for (Officer, Dispatcher, Records Specialist, and CSO).• During FY 2024-25, the Department conducted a promotional assessment center testing process for Corporal and Sergeant in anticipation of vacant positions in the upcoming year due to attrition.• In FY 2024-25, the Patrol Division adjusted their patrol schedules which incorporated a hybrid swing shift for increased coverage during peak call times. The new schedule assisted with bridging the gap of vacant positions while still maximizing patrol team operational capabilities during peak times.

POLICE DEPARTMENT

FY 2024-25 ACCOMPLISHMENTS

Core Goals	Accomplishments
Good Governance Ensure responsive, accountable, and collaborative government	<ul style="list-style-type: none">• In coordination with the Parks and Public Works, Town Manager's Office, and the Los Gatos Safe Routes to School Program, the management of the crossing guard services provided by a third-party vendor was redirected to the Safe Routes to School Program from the Police Department. The Town will continue to be a contributing fiduciary partner to these valuable services, but the program and agreement will be managed by Safe Routes to School in conjunction with the schools and Town.• Staff implemented an online application system for Concealed Carry Weapons (CCW) permits in FY 2023-24. From the time of implementation, over thirty CCW applications were processed, twenty-five background checks completed, and twenty-three CCW permits were issued throughout FY 2024-25.• 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.• In FY 2024-25, two newly hired Dispatchers attended a four-week California Peace Officers Standards and Training Dispatcher Academy. Extensive hiring and training efforts for Dispatch were successful in fully staffing 8 FTE Dispatcher positions. This allowed Dispatch to revise their operational schedules and eliminate built-in overtime.• Reinvigorated existing specialty and collateral duty teams, such as Crisis Response Unit (SWAT), Hostage Negotiation Team, 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.• 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.

POLICE DEPARTMENT

FY 2024-25 ACCOMPLISHMENTS

Core Goals	Accomplishments
Good Governance Ensure responsive, accountable, and collaborative government	<ul style="list-style-type: none">• In FY 2024-25, members of the Department Leadership Team (Sergeants, Civilian Supervisors, and Command staff) conducted a follow up training to the Team Building Workshop held last fiscal year. Focal points of the training included the evaluation of accomplishments and goals, promoting a culture of accountability, and succession planning for the next year.• During FY 2024-25, the Police Department worked in conjunction with the Town Manager's Office in the reevaluation of the existing animal services vendor agreement which was set to expire after twenty years. A thorough analysis was conducted, and Council approved a recommendation to join the Silicon Valley Animal Control Authority (SVACA) Joint Powers Authority which allowed SVACA to become the Town's Animal Services provider.• In partnership with the Santa Clara County District Attorney's Office, the Department integrated Court Notify, and application-based software which handles the issuance, notification, and correspondence communications related to Officer court subpoenas.• Implemented 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.
Civic Engagement Foster opportunities for citizen involvement, and cultural, recreational and individual enrichment	<ul style="list-style-type: none">• Hosted the Department's third 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.• In FY 2024-25, the Department launched the renewed version of Citizen Rims, the community version of the Computer Aided Dispatch System. The online portal provides the community with up to date calls for service, call dispositions, crime data, and the ability to search by specific parameters.• The Department partnered with the Los Gatos-Monte Sereno Police Foundation for the funding and deployment of a new Explosives Ordinance Device (EOD) and tracking trained canine assigned to Patrol.

POLICE DEPARTMENT

FY 2024-25 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Civic Engagement</i> Foster opportunities for citizen involvement, and cultural, recreational and individual enrichment	<ul style="list-style-type: none">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.In 2024, the Department hosted the first Town-wide National Night Out Event at Town Plaza Park. In the spirit of NNO and building community relationships and encouraging public engagement, staff hosted interactive activities, demonstrations, and promoted department programs and resources.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: "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 deployed during several traumatic incidents.The Volunteers in Policing Program (VIP) assisted with Community Outreach and Crime Prevention Programs, conducted over 1,000 residential vacation home checks, distributed new resident welcome packets, and assisted with the Community Police Academy.Collaborated with the Youth Commission in several community wellness events and developed community and youth preventative outreach initiatives to promote the risks of substance abuse through awareness and education.As a part of the Meliora Organizational Study, several community meetings were hosted to include community members and receive their feedback related to police services.

POLICE DEPARTMENT

FY 2024-25 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Public Safety</i> Ensure public safety through proactive community policing, affective emergency response, and community-wide emergency preparedness	<ul style="list-style-type: none">• 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 CERT Program updated three Neighborhood Incident Command Post (NICP) structures and supplies and implemented a new communications system.• In FY 2024-25, the Department 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, and proving to be beneficial in establishing investigative leads for successful prosecution of cases.• Continued the 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. Additional drone equipment was allocated and integrated into the program.• Department staff collaborated with regional law enforcement partners in burglary suppression and investigative information sharing related to high-profile and regionalized criminal activity. The collaboration increased the Department's ability to solve outstanding cases, prevent local victimization, and seek joint prosecutorial efforts for organized crime across jurisdictional lines.• In October 2024, Officers attended an Active Shooter Response training which incorporated response and rescue tactical movements and policy/protocol reviews. This scenario-based training allowed officers to experience a simulated incident with active stimulus and necessary actions to be taken.

POLICE DEPARTMENT

FY 2024-25 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Public Safety</i> Ensure public safety through proactive community policing, affective emergency response, and community-wide emergency preparedness	<ul style="list-style-type: none">• The Community Service Officer (CSO) Intern Program assisted patrol with fielding low level calls for service, conducted traffic control for major events, and documented incidents of crime without any investigative leads. In FY 2024-25, three new CSO Interns were hired to assist the Operations and Support Services Bureau.• Collaborated with the Town of Los Gatos and City of Monte Sereno Community Emergency Response Teams (CERT) in emergency preparedness and management. In FY 2024-25, CERT personnel hosted a Neighborhood Incident Command Post ribbon-cutting for three new NICP locations.• 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, volunteered over 1500 hours during FY 2024-25.• Grant funding from FY 2023-24 was allocated to the purchase of two new Police Utility Terrain Vehicles (UTV's-side by side). In FY 2024-25, the UTV's were outfitted and implemented as a part of the Patrol Division for increased trail and rural terrain access. In addition, grant funds were also used for the replacement of ballistic helmets and gas masks for officers.

POLICE DEPARTMENT

DEPARTMENTAL SUMMARY OF REVENUES AND EXPENDITURES

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
REVENUES						
<i>Licenses and Permits</i>	\$ 112,288	\$ 77,260	\$ 70,465	\$ 44,170	\$ 53,216	\$ 35,170
<i>Interest</i>	-	249	1,128	-	-	-
<i>Intergovernmental Revenues</i>	1,138,703	1,002,316	915,828	946,426	962,955	731,100
<i>Service Charge</i>	1,180,189	1,322,842	1,434,921	1,322,487	1,328,439	1,664,161
<i>Fines & Forfeitures</i>	280,802	398,775	449,927	305,200	365,200	305,200
<i>Other Revenues</i>	4,070,443	4,356,002	1,442,462	733,890	656,332	1,326,408
TOTAL REVENUES	\$ 6,782,425	\$ 7,157,444	\$ 4,314,731	\$ 3,352,173	\$ 3,366,142	\$ 4,062,039
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 13,913,968	\$ 15,799,541	\$ 17,206,945	\$ 18,773,598	\$ 17,482,086	\$ 19,306,307
<i>Operating Expenditures</i>	1,229,720	1,289,401	1,734,788	1,723,673	1,671,041	1,844,013
<i>Grants</i>	16,838	65,854	58,931	55,000	55,000	55,000
<i>Interest Expense</i>	-	-	73,052	-	-	-
<i>Fixed Assets</i>	-	-	706,713	65,000	65,000	-
<i>Internal Service Charges</i>	1,290,664	1,291,243	1,718,113	2,278,577	2,068,743	2,452,422
TOTAL EXPENDITURES	\$ 16,451,190	\$ 18,446,039	\$ 21,498,542	\$ 22,895,848	\$ 21,341,870	\$ 23,657,742
TOTAL EXPENDITURES & TRANSFERS OUT	\$ 16,451,190	\$ 18,446,039	\$ 21,498,542	\$ 22,895,848	\$ 21,341,870	\$ 23,657,742

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adopted	2024-25 Estimated	2025-26 Proposed
PROGRAM						
<i>Administration</i>	\$ 1,412,229	\$ 1,604,078	\$ 1,695,857	\$ 1,867,774	\$ 1,944,563	\$ 2,037,632
<i>Records & Communications</i>	2,205,889	2,423,195	2,861,168	2,960,849	2,863,620	3,190,221
<i>Patrol</i>	7,725,035	9,119,685	11,473,008	10,943,239	10,710,004	10,725,369
<i>Traffic</i>	937,506	1,140,320	996,166	1,255,288	1,007,267	1,510,794
<i>Investigations</i>	2,610,044	2,408,417	2,421,044	3,606,457	2,574,791	3,753,570
<i>Personnel & Community Services</i>	1,058,453	1,210,834	1,376,739	1,410,214	1,390,431	1,540,260
<i>Parking</i>	477,441	524,423	585,976	638,266	656,339	701,896
<i>Operating Grants</i>	19,962	11,881	68,931	184,326	194,855	148,000
<i>Pass -Through Accounts</i>	4,631	3,206	19,653	29,435	-	50,000
TOTAL EXPENDITURES	\$ 16,451,190	\$ 18,446,039	\$ 21,498,542	\$ 22,895,848	\$ 21,341,870	\$ 23,657,742

POLICE DEPARTMENT

DEPARTMENT STAFFING

Full Time Equivalents (FTE)

	2021-22 Funded	2022-23 Funded	2023-24 Funded	2024-25 Funded	2025-26 Proposed
General Fund					
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	-	-	-
Senior Administrative Analyst	1.00	1.00	2.00	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	2.00
Communications Dispatcher	7.00	7.00	5.00	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	1.00
Senior Records Specialist	-	-	1.00	1.00	1.00
Police Records Specialist	4.00	4.00	2.00	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					
Community Service Officer Intern	2,080	3,120	3,120	3,120	2,080
Police Officer	300	500	500	750	750
Parking Control Manager	500	500	-	-	-
Police Trainee	-	1,800	1,800	4,500	-
Total Annual Hours	2,880	5,920	5,420	8,370	2,830



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 2025-26 budget includes increases in salary and benefit premium costs attributed to the cost-of-living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% vacancy saving factor.

POLICE DEPARTMENT
Police Administration

SUMMARY OF REVENUES AND EXPENDITURES

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
REVENUES						
<i>Licenses & Permits</i>	\$ 830	\$ 3,214	\$ 3,279	\$ 670	\$ 3,262	\$ 670
<i>Intergovernmental Revenue</i>	-	-	76	-	-	-
<i>Service Charges</i>	-	-	-	-	-	-
<i>Grants</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	17,175	70,195	59,553	55,000	55,000	55,000
TOTAL REVENUES	\$ 18,005	\$ 73,409	\$ 62,908	\$ 55,670	\$ 58,262	\$ 55,670
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 1,157,644	\$ 1,340,911	\$ 1,350,545	\$ 1,477,983	\$ 1,549,444	\$ 1,645,501
<i>Operating Expenditures</i>	30,192	19,341	95,396	102,763	103,652	84,139
<i>Grants</i>	16,838	65,854	58,931	55,000	55,000	55,000
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	207,555	177,972	190,985	232,028	236,467	252,992
TOTAL EXPENDITURES	\$ 1,412,229	\$ 1,604,078	\$ 1,695,857	\$ 1,867,774	\$ 1,944,563	\$ 2,037,632
TRANSFERS OUT						
<i>Transfer to Equipment Replacement</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL TRANSFERS OUT	-	-	-	-	-	-
TOTAL EXPENDITURES & TRANSFERS OUT	1,412,229	1,604,078	1,695,857	1,867,774	1,944,563	\$ 2,037,632

POLICE DEPARTMENT
Police Administration

FY 2025-26 KEY PROJECTS

Core Goals	Key Projects
<p style="text-align: center;">Good Governance Ensure responsive, accountable, and collaborative government</p>	<p style="text-align: center;"><i>Career Development Plan</i></p> <p>The Department is focusing on individual staff growth opportunities, cross-training of assignments, and innovative techniques and methods to provide career development opportunities.</p>
	<p style="text-align: center;"><i>Leadership Development & Succession Planning</i></p> <p>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. Identify anticipated staff vacancies due to attrition, seek early recruitment and hiring plans for replacements to allow for transitional training.</p>
	<p style="text-align: center;"><i>Budget Oversight</i></p> <p>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.</p>
	<p style="text-align: center;"><i>Grant Award Management</i></p> <p>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. Staff will continue to seek out other grant funding opportunities.</p>
	<p style="text-align: center;"><i>Legislative & Policy Updates</i></p> <p>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.</p>
	<p style="text-align: center;"><i>Officer and Professional Staff Wellness</i></p> <p>Continue to promote staff wellness by exploring external wellness and health services to enhance staff physical and emotional well-being.</p>

POLICE DEPARTMENT
Police Administration

FY 2025-26 KEY PROJECTS

Core Goals	Key Projects
<p style="text-align: center;">Good Governance Ensure responsive, accountable, and collaborative government</p>	<p style="text-align: center;"><i>Implement Action Items – Meliora Organizational Assessment</i></p>
	<p>The Department will continue to evaluate and implement the recommendations which resulted from the Meliora Organizational Assessment Study. Some of the recommendations are long-term and ongoing which will require extended project periods.</p>
	<p style="text-align: center;"><i>Professional Standards Software System</i></p>
	<p>Continue to evaluate professional standards software systems which offer early intervention indicators, audit and risk-management organization features, and interface technology ability with existing software systems for administrative review and management.</p>
	<p style="text-align: center;"><i>Police Department Facility Spatial Study & Design</i></p>
	<p>In coordination with PPW, a spatial assessment will be conducted of the Police Operations Building which will include the integration of all police personnel into one building. A construction design and options will be researched and brought forward to Town Council for further discussion.</p>
<p style="text-align: center;">Community Character Preserve and enhance the appearance, character, and environment quality of the community</p>	<p style="text-align: center;"><i>Youth Commission – Nicotine Education & Pedestrian Safety</i></p>
	<p>Continue to guide the Youth Commission in the development and promotion of its projects, including the promoting safety and awareness campaigns targeting nicotine use and pedestrian crosswalk safety.</p>

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)

	2021-22	2022-23	2023-24	2024-25	2025-26
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Proposed
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 2025-26 budget includes increases in salary and benefit premium costs attributed to the cost-of-living increases approved in the negotiated Memoranda of Understanding,

POLICE DEPARTMENT
Records and Communications

anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% vacancy saving factor.

For FY 2025-26 the realignment below aims to enhance operational efficiency, improve service delivery, and respond to evolving organizational needs. The Community Service Officer and Administrative Analyst will be programmed as follows.

Community Service Officer Position (1.0 FTE)

Current Budget: Investigations (4303)

New Budget: Records and Communications (4201)

Administrative Analyst Position (1.0 FTE)

Current Budget: Records and Communications (4201)

New Budget: Investigations (4303)

SUMMARY OF REVENUES AND EXPENDITURES

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenue</i>	-	-	272	-	-	-
<i>Service Charges</i>	2,491	2,316	3,610	2,000	2,000	2,000
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	3,377	3,372	3,872	3,372	3,372	3,372
TOTAL REVENUES	\$ 5,868	\$ 5,688	\$ 7,754	\$ 5,372	\$ 5,372	\$ 5,372
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 1,800,782	\$ 1,991,438	\$ 2,270,139	\$ 2,406,043	\$ 2,320,924	\$ 2,570,809
<i>Operating Expenditures</i>	273,096	283,521	339,986	311,485	301,792	308,885
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	132,011	148,236	251,043	243,321	240,904	310,527
TOTAL EXPENDITURES	\$ 2,205,889	\$ 2,423,195	\$ 2,861,168	\$ 2,960,849	\$ 2,863,620	\$ 3,190,221

POLICE DEPARTMENT
Records and Communications

FY 2025-26 KEY PROJECTS

Core Goals	Key Projects
<p>Good Governance Ensure responsive, accountable, and collaborative government</p>	<p style="text-align: center;"><i>Public Records Act Requests - Training</i></p>
	<p>Provide formal Public Records Act (PRA) requests training for additional Records Division staff members due to an increase in PRA requests.</p>
	<p style="text-align: center;"><i>Records Division Operational Manual Update</i></p>
	<p>Records Division will continue to work on updating the existing Records Operational Procedures and manual to include workflow, report review and redactions, data entry, database training, NIBRS and CIBRS data collection, and legislative updates.</p>
	<p style="text-align: center;"><i>Communications Training – Succession Planning</i></p>
	<p>The Communications Division continues to enhance its training for in-service Dispatchers to include specialized dispatch tactics, crisis intervention and crisis communications, Communications Trainer courses.</p>
	<p style="text-align: center;"><i>NextGen 911 Telecommunications System Upgrade</i></p>
	<p>In FY 2025-26, the Communications Division will integrate a new Next Generation 911 Communications System funded by the State Office of Emergency Services. This new 911 phone system will replace the existing emergency telecommunications system and allow additional features.</p>
	<p style="text-align: center;"><i>P25 Radio Equipment Replacement</i></p>
	<p>During FY 2025-26, Department staff will begin evaluating potential options to replace existing digital radio system equipment in future years.</p>
	<p style="text-align: center;"><i>Online Reporting Software System</i></p>
	<p>The Department will continue to evaluate the existing third-party online reporting software to determine if the system provides enhances operational efficiencies based on report volume and interface capabilities.</p>

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

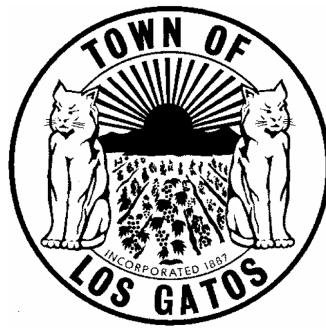
Full Time Equivalents (FTE)

	2021-22	2022-23	2023-24	2024-25	2025-26
	Funded	Funded	Funded	Funded	Proposed
Town Staff					
Police Records & Com Manager	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	2.00
Communications Dispatcher	7.00	7.00	5.00	5.00	5.00
Community Service Officer	-	-	-	-	1.00
Police Records Specialist Lead	-	-	1.00	1.00	1.00
Police Records Specialist	3.00	3.00	2.00	2.00	2.00
Total Records & Comm. FTEs	12.00	12.00	12.00	12.00	12.00

	2021-22	2022-23	2023-24	2024-25	2025-26
Performance Objectives and Measures	Actual	Actual	Actual	Estimated	Estimated
1. <i>Provide efficient delivery of department statistics by the 15th of every month.</i>					
a. Statistics completed on or before the 15th day of the month or nearest working date:	100%	100%	100%	100%	100%

	2021-22	2022-23	2023-24	2024-25	2025-26
Activity and Workload Highlights	Actual	Actual	Actual	Estimated	Estimated
1. Total number of CAD events created:*	35,440	43,605	44,472	44,442	45,000
2. Total landline and wireless calls received by dispatch (does not include 911 calls):	33,904	33,012	30,712	28,886	30,000
3. Number of 911 calls received:	10,772	10,353	9,655	10,336	10,000
4. Number of stored and/or impounded vehicles processed:	174	236	278	232	225
5. Number of police reports processed:	2,299	2,158	2,066	2,384	2,400
6. Number of citations processed:	1,423	1,433	2,047	1,952	2,200

*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 2025-26 budget includes increases in salary and benefit premium costs attributed to the cost-of-living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% vacancy saving factor.

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.

SUMMARY OF REVENUES AND EXPENDITURES

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenue</i>	526,481	510,783	465,837	537,000	513,100	528,100
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	1,400	377	1,000	-	-
TOTAL REVENUES	\$ 526,481	\$ 512,183	\$ 466,214	\$ 538,000	\$ 513,100	\$ 528,100
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 907,431	\$ 1,058,153	\$ 1,141,560	\$ 1,193,502	\$ 1,181,763	\$ 1,277,107
<i>Operating Expenditures</i>	32,800	50,268	123,439	69,413	67,891	96,427
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	118,222	102,413	111,740	147,299	140,777	166,726
TOTAL EXPENDITURES	\$ 1,058,453	\$ 1,210,834	\$ 1,376,739	\$ 1,410,214	\$ 1,390,431	\$ 1,540,260

POLICE DEPARTMENT
Personnel and Community Services

FY 2025-26 KEY PROJECTS

Core Goals	Key Projects
<i>Civic Engagement</i> Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	<p style="text-align: center;"><i>Community Police Academy</i></p> <p>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.</p>
	<p style="text-align: center;"><i>Neighborhood Watch Program</i></p> <p>Continue to expand the Neighborhood Watch program, targeting crime prevention, awareness, and education.</p>
	<p style="text-align: center;"><i>Community Engagement – Community Policing</i></p> <p>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.</p>
	<p style="text-align: center;"><i>Senior Community Outreach and Education</i></p> <p>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.</p>
	<p style="text-align: center;"><i>Police Department Volunteer Opportunities</i></p> <p>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.</p>

POLICE DEPARTMENT
Personnel and Community Services

FY 2025-26 KEY PROJECTS

Core Goals	Key Projects
<p><i>Good Governance</i> Ensure responsive, accountable, and collaborative government</p>	<p style="text-align: center;"><i>Recruitment and Hiring Events</i></p> <p>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.</p> <p style="text-align: center;"><i>Patrol and Professional Staff Training Development</i></p> <p>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.</p>
<p><i>Public Safety</i> Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness</p>	<p style="text-align: center;"><i>Community Emergency Response Team (CERT)</i></p> <p>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.</p>

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)

	2021-22	2022-23	2023-24	2024-25	2025-26
	Funded	Funded	Funded	Funded	Proposed
<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	1.00
Administrative Analyst	1.00	1.00	-	-	-
Total Personnel & CS FTEs	4.00	4.00	4.00	4.00	4.00

	2021-22	2022-23	2023-24	2024-25	2025-26
	Funded	Funded	Funded	Funded	Proposed
<i>Temporary Staff Hours</i>					
Police Officer	300	500	500	750	750
Total Annual Hours	300	500	500	750	750

POLICE DEPARTMENT
Personnel and Community Services

Performance Objectives and Measures	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 Estimated
1. <i>Preparing resident volunteers to assist in an emergency.*</i>					
a. Number of Town sponsored trainings offered for emergency preparedness volunteers:	8	7	9	11	11
2. <i>Training community members in neighborhood emergency preparedness.**</i>					
b. Number of citizens trained in neighborhood emergency preparedness:	105	134	157	165	161

Activity and Workload Highlights	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 Estimated
1. Average hours of training for per sworn officer:	87	109	171	150	150
2. Average hours of training for non-sworn personnel:	34	19	48	25	25
3. Total number of hours volunteered Town-wide (not including VIP):***	10,359	<i>Measure Discontinued</i>	<i>Measure Discontinued</i>	<i>Measure Discontinued</i>	<i>Measure Discontinued</i>
4. Total value of volunteer hours (not including VIP):***	\$248,823	<i>Measure Discontinued</i>	<i>Measure Discontinued</i>	<i>Measure Discontinued</i>	<i>Measure Discontinued</i>
5. Number of hours of volunteer (VIP) service:	962	1,753	2,550	2,000	2,000
6. Dollar value of total annual volunteer (VIP) hours of service:	\$23,107	\$55,342	\$84,533	\$66,300	\$66,300
7. Number of CERT personnel trained this year:	20	19	17	19	19
8. Total number of active trained CERT personnel:	244	263	282	280	280

*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 2024-25, 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 ten-year agreement effective July 1, 2015; to provide Law Enforcement Services to the City of Monte Sereno. The agreement expires June 30, 2025. Anticipated contract renewal is pending with proposed agreement value for FY 2025-26 being projected at \$1,425,319.

The FY 2025-26 budget includes increases in salary and benefit premium costs attributed to the cost-of-living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% vacancy saving factor.

Additional temporary staff hours (2,080 hours) are included for two 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.

**POLICE DEPARTMENT
Patrol Program**

SUMMARY OF REVENUES AND EXPENDITURES

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
REVENUES						
<i>Licenses & Permits</i>	\$ 37,855	\$ 17,591	\$ 13,756	\$ 12,000	\$ 10,569	\$ 9,500
<i>Intergovernmental Revenue</i>	174,568	179,747	121,077	110,000	110,000	10,000
<i>Service Charges</i>	984,201	1,039,905	1,099,806	1,148,764	1,154,639	1,443,569
<i>Fines & Forfeitures</i>	28,245	21,270	19,210	15,000	15,000	15,000
<i>Other Revenues</i>	4,043,109	4,257,016	1,330,019	644,083	596,666	1,217,036
TOTAL REVENUES	\$ 5,267,978	\$ 5,515,529	\$ 2,583,868	\$ 1,929,847	\$ 1,886,874	\$ 2,695,105
Transfers In						
<i>Transfer from GFAR</i>	\$ 94,816	\$ -	\$ -	\$ -	\$ -	\$ -
Total Transfers In	94,816	-	-	-	-	-
TOTAL REVENUES & TRANSFERS IN	\$ 5,362,794	\$ 5,515,529	\$ 2,583,868	\$ 1,929,847	\$ 1,886,874	\$ 2,695,105
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 6,760,531	\$ 8,129,094	\$ 9,323,878	\$ 9,179,885	\$ 9,044,425	\$ 8,890,673
<i>Operating Expenditures</i>	418,385	418,585	550,410	658,806	661,940	701,425
<i>Interest Expense</i>	-	-	73,052	-	-	-
<i>Fixed Assets</i>	-	-	706,713	-	-	-
<i>Internal Service Charges</i>	546,119	572,006	818,955	1,104,548	1,003,639	1,133,271
TOTAL EXPENDITURES	\$ 7,725,035	\$ 9,119,685	\$11,473,008	\$10,943,239	\$10,710,004	\$10,725,369

FY 2025-26 KEY PROJECTS

Core Goals	Key Projects
<i>Good Governance</i> Ensure responsive, accountable, and collaborative government	<i>Patrol Staffing & Schedules</i> 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 2025-26 KEY PROJECTS

Core Goals	Key Projects
<p>Public Safety Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness</p>	<p style="text-align: center;"><i>Automated License Plate Reader Technology</i></p>
	<p>Continue to evaluate the Automate License Plate Reader (ALPR) technology program, with the implementation of the additional cameras funded by the City of Monte Sereno and private residents.</p>
	<p style="text-align: center;"><i>Drone Technology and Drone First Responder Program</i></p>
	<p>Continue the use of drone technology to enhance emergency tactical and disaster deployment and assessment capabilities. Patrol Drone Operators will continue to evaluate the Drone for First Responder Program and develop potential policies and operational procedures for implementation.</p>
	<p style="text-align: center;"><i>Field Training for New Officers</i></p>
	<p>Continue to incorporate revisions to the Field Training Officer Program to include the integration of new technology and systems, new legislative updates, and patrol supervisory expectations and accountability.</p>
	<p style="text-align: center;"><i>Specialized & Collateral Duty Assignments</i></p>
	<p>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.</p>
	<p style="text-align: center;"><i>DUI Enforcement</i></p>
	<p>Continue to focus on proactive enforcement of driving under the influence of alcohol or drugs. The Department will seek to identify directed DUI enforcement shifts over the next year to minimize the risks and reduce collisions as result of impaired driving.</p>
	<p style="text-align: center;"><i>Specialized Training</i></p>
	<p>During FY 2025-26, the program will focus on specific training related to mobile field force, civil unrest, gas mask operations, and mutual aid assistance. In anticipation of major special events in FY 2024-25 in the region, inter-agency collaboration and response may be necessary.</p>
	<p style="text-align: center;"><i>Burglary Suppression Plans</i></p>
	<p>Patrol will continue to work collaboratively with the Investigations Program in strategizing a burglary suppression plan which focuses on deterrence, prevention, interdiction and investigation related to residential burglaries.</p>

**POLICE DEPARTMENT
Patrol Program**

FY 2025-26 KEY PROJECTS

Core Goals	Key Projects
<i>Community Character</i> Preserve and enhance the appearance, character, and environment quality of the community	<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.

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.

POLICE DEPARTMENT
Patrol Program

PATROL PROGRAM STAFFING

Full Time Equivalents (FTE)

	2021-22	2022-23	2023-24	2024-25	2025-26
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Proposed
Police Captain	0.50	0.50	0.50	0.50	0.50
Police Sergeant	4.00	4.00	4.00	4.00	4.00
Police Corporal	4.00	4.00	4.00	4.00	4.00
Police Officer	17.00	17.00	17.00	17.00	17.00
Total Patrol Program FTEs	25.50	25.50	25.50	25.50	25.50

	2021-22	2022-23	2023-24	2024-25	2025-26
<i>Temporary Staff Hours</i>	Funded	Funded	Funded	Funded	Proposed
Community Service Officer Intern	2,080	3,120	3,120	3,120	2,080
Police Trainee	-	1,800	1,800	4,500	-
Total Annual Hours	2,080	4,920	4,920	7,620	2,080

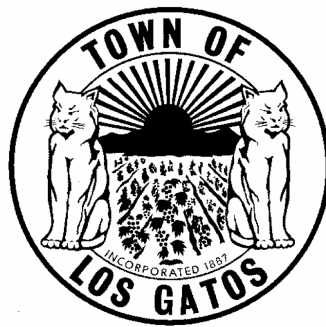
POLICE DEPARTMENT Patrol Program

Performance Objectives and Measures	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 Estimated
1. Provide safe environment through timely response and police assistance.					
a. Average response time - Priority I calls: (Goal: 5 or fewer minutes)	4:39	4:38	4:55	5:00	5:00
b. Average response time - Priority II calls: (Goal: 10 or fewer minutes)	6:21	6:44	7:04	6:52	10:00
c. Average response time - Priority III calls: (Goal: 15 or fewer minutes)	7:07	7:14	7:04	7:01	15:00

Activity and Workload Highlights	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 Estimated
1. Number of Priority I incidents (immediate emergency with threat of life and public safety hazard):*	143	162	207	284	245
2. Number of Priority II incidents (urgent emergency that requires immediate response):*	6,129	6,505	6,273	6,352	6,312
3. Number of Priority III incidents (non-emergency):*	10,428	10,999	10,003	10,728	10,365
4. Total number of Incidents:*	35,440	43,605	44,422	44,398	44,410
5. Hours of Volunteer Reserve Officer hours used:	405	418	360	815	450
6. Dollar value of total Reserve Officer hours used:	\$27,204	\$28,077	\$24,912	\$60,050	\$33,156
7. Hours of Disaster Aid Response Team service used:	1269	1671	1753	1564	1564
8. Dollar value of total Disaster Aid Response Team service used:	\$38,895	\$52,753	\$58,112	\$51,847	\$51,847
9. Number of hours patrolling Monte Sereno: (Per agreement - 4160 hrs. patrol + 416 traffic/annually)	4,821	4,912	4,961	4,576	4,000
10. Total number of arrests by Los Gatos/ Monte Sereno Police Department:	497	522	670	620	645
11. Total number of reports written by Community Service Officer intern:	135	143	167	80	175

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.

The FY 2025-26 budget includes increases in salary and benefit premium costs attributed to the cost-of-living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% vacancy saving factor.

POLICE DEPARTMENT
Traffic

BUDGET OVERVIEW

SUMMARY OF REVENUES AND EXPENDITURES

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
REVENUES						
<i>Licenses & Permits</i>	\$ 11,015	\$ 5,770	\$ 5,700	\$ 7,000	\$ 3,985	\$ 3,500
<i>Intergovernmental Revenue</i>	258,904	206,106	300,432	145,000	145,000	45,000
<i>Service Charges</i>	155,672	153,093	165,743	-	-	-
<i>Fines & Forfeitures</i>	3,679	4,520	3,716	2,200	2,200	2,200
<i>Other Revenues</i>	-	-	2,500	-	-	-
TOTAL REVENUES	\$ 429,270	\$ 369,489	\$ 478,091	\$ 154,200	\$ 151,185	\$ 50,700
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 676,435	\$ 843,499	\$ 686,797	\$ 1,030,807	\$ 804,883	\$ 1,280,106
<i>Operating Expenditures</i>	189,928	217,787	223,996	80,353	80,543	82,045
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	71,143	79,034	85,373	144,128	121,841	148,643
TOTAL EXPENDITURES	\$ 937,506	\$ 1,140,320	\$ 996,166	\$ 1,255,288	\$ 1,007,267	\$ 1,510,794

POLICE DEPARTMENT
Traffic

FY 2025-26 KEY PROJECTS

Core Goals	Key Projects
<i>Civic Engagement</i> Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment	<i>Safe Routes to Schools – Board Representative</i> A Department representative will participate in the Safe Routes to School Program board meeting as a board representative of the Town, 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>Preliminary Alcohol Screening Devices</i> Conduct a review of Preliminary Alcohol Screening Devices (PASD) equipment available for patrol officers to utilize when conducting their Standard Field Sobriety Tests.

POLICE DEPARTMENT
Traffic

FY 2025-26 KEY PROJECTS

Core Goals	Key Projects
Public Safety Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness	Motor Officer Training and Regional Traffic Enforcement Identify and develop an in-service motor officer training plan which enhances motorcycle riding abilities while reducing the risk and liability. Participate in the regional Santa Clara County law enforcement agency traffic enforcement campaigns which provide an opportunity for motor officers to work with other agencies and leverage assistance in directed enforcement of problematic hazardous traffic areas.
	Event Planning Safety Management Oversee Town special event planning and review for safety coordination and incident action planning when necessary.

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)

	2021-22	2022-23	2023-24	2024-25	2025-26
	Funded	Funded	Funded	Funded	Proposed
Town Staff					
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	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 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:	13.3%	8.6%	11.8%	10.0%	10.0%
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:	7.1	12.3	4.06	6.01	7.33
<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	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 Estimated
1. Total number of traffic citations issued (excludes courtesy citations):*	744	826	1,248	1,194	1,221
2. Number of hazardous citations:	494	481	386	506	550
3. Number of courtesy citations issued:	243	607	781	574	427
4. Number of DUI arrests:*	49	40	58	72	65
5. Number of traffic collision reports:*	198	205	219	188	203
6. Number of injury collisions:	71	88	95	82	75

**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 2024-25, 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, 2027.

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 2025-26 budget includes increases in salary and benefit premium costs attributed to the cost-of-living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% vacancy saving factor.

For FY 2025-26 the realignment below aims to enhance operational efficiency, improve service delivery, and respond to evolving organizational needs. The Community Service Officer and Administrative Analyst will be programmed as follows.

Community Service Officer Position (1.0 FTE)

Current Budget: Investigations (4303)

New Budget: Records and Communications (4201)

Administrative Analyst Position (1.0 FTE)

Current Budget: Records and Communications (4201)

New Budget: Investigations (4303)

SUMMARY OF REVENUES AND EXPENDITURES

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
REVENUES						
<i>Licenses & Permits</i>	\$ 6,680	\$ 3,719	\$ 1,267	\$ 1,000	\$ -	\$ 500
<i>Intergovernmental Revenue</i>	121,611	93,799	-	-	-	-
<i>Service Charges</i>	37,918	127,528	165,762	171,723	171,800	218,592
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	2,151	2,162	214	1,000	1,294	1,000
TOTAL REVENUES	\$ 168,360	\$ 227,208	\$ 167,243	\$ 173,723	\$ 173,094	\$ 220,092
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 2,309,448	\$ 2,118,890	\$ 2,080,078	\$ 3,095,298	\$ 2,160,599	\$ 3,207,860
<i>Operating Expenditures</i>	139,100	136,801	151,544	186,065	171,241	193,915
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	161,496	152,726	189,422	325,094	242,951	351,795
TOTAL EXPENDITURES	\$ 2,610,044	\$ 2,408,417	\$ 2,421,044	\$ 3,606,457	\$ 2,574,791	\$ 3,753,570

POLICE DEPARTMENT
Investigations

FY 2025-26 KEY PROJECTS

Core Goals	Key Projects
<p>Good Governance Ensure responsive, accountable, and collaborative government</p>	<p><i>Evidence & Property Room Upgrade</i> Identify and develop a plan to upgrade property and evidence room which will enhance facility management, evidence and property accountability, and storage best practices in accordance with State laws and Peace Officer Standards and Training guidelines.</p> <p><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.</p> <p><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.</p> <p><i>Major Incident & Task Force Integration</i> Coordinate major incident investigative training in collaboration with other agencies in accordance with the Santa Clara County Protocols. Dependent on staffing and existing workload, staff may coordinate dedicated resources to a county-wide task force for temporary assignment to provide investigative and case management experience.</p>
<p>Public Safety Ensure public safety through proactive community policing, effective emergency response, and community-wide emergency preparedness</p>	<p><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.</p> <p><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.</p>

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)

	2021-22	2022-23	2023-24	2024-25	2025-26
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Proposed
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
Administrative Analyst	-	-	-	-	1.00
Community Services Officer	1.00	1.00	1.00	1.00	-
Senior Records Specialist	-	-	1.00	1.00	1.00
Police Records Specialist	1.00	1.00	-	-	-
Total Investigation FTEs	9.50	9.50	9.50	9.50	9.50

POLICE DEPARTMENT Investigations

Performance Objectives and Measures	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 Estimated
-------------------------------------	-------------------	-------------------	-------------------	----------------------	----------------------

1. To divert local youth from the criminal justice system.

a. Percentage of youthful offenders diverted from the criminal justice system:	0%	0%	Measure Discontinued	Measure Discontinued	Measure Discontinued
--	----	----	-------------------------	-------------------------	-------------------------

Activity and Workload Highlights	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 Estimated
----------------------------------	-------------------	-------------------	-------------------	----------------------	----------------------

1. Number of cases investigated:	1,429	1,607	1,449	1,300	1,350
2. Number of criminal complaints requested for review at District Attorney's Office:	388	369	422	425	475
3. Annual number of public school visits by the School Resource Officer:	202	305	249	300	350

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 2025-26 budget includes increases in salary and benefit premium costs attributed to the cost-of-living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% vacancy saving factor.

SUMMARY OF REVENUES AND EXPENDITURES

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
REVENUES						
<i>Licenses & Permits</i>	\$ 55,908	\$ 46,966	\$ 46,463	\$ 23,500	\$ 35,400	\$ 21,000
<i>Intergovernmental Revenue</i>	-	-	-	-	-	-
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	248,878	372,985	427,001	288,000	348,000	288,000
<i>Other Revenues</i>	-	18,900	4,140	-	-	-
TOTAL REVENUES	\$ 304,786	\$ 438,851	\$ 477,604	\$ 311,500	\$ 383,400	\$ 309,000
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 301,697	\$ 317,556	\$ 353,948	\$ 390,080	\$ 420,048	\$ 434,251
<i>Operating Expenditures</i>	121,626	148,011	161,433	166,027	154,127	179,177
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	54,118	58,856	70,595	82,159	82,164	88,468
TOTAL EXPENDITURES	\$ 477,441	\$ 524,423	\$ 585,976	\$ 638,266	\$ 656,339	\$ 701,896

**POLICE DEPARTMENT
Parking Management**

FY 2025-26 KEY PROJECTS

Core Goals	Key Projects
<i>Good Governance</i> Ensure responsive, accountable, and collaborative government	<i>Parking Program and 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>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)

	2021-22	2022-23	2023-24	2024-25	2025-26
	Funded	Funded	Funded	Funded	Proposed
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	1.00
Parking Control Officer	1.00	1.00	1.00	1.00	1.00
Total Parking Mgmt. FTEs	2.30	2.30	2.30	2.30	2.30
	2021-22	2022-23	2023-24	2024-25	2025-26
	Funded	Funded	Funded	Funded	Proposed
Temporary Staff Hours					
Parking Control Manager	500	500	-	-	-
Total Annual Hours	500	500	-	-	-

	2021-22	2022-23	2023-24	2024-25	2025-26
Performance Objectives and Measures	Actual	Actual	Actual	Estimated	Estimated
1. Promote pedestrian and vehicular safety while providing improved traffic flow and increased parking availability on residential streets.					
a. Percentage of parking citations paid with initial notices:**	92%	93%	Measure Discontinued	Measure Discontinued	Measure Discontinued
2. Enforce timed limit, residential and employee zoned permit parking.					
a. During enforcement hours respond to community reported parking problems within 20 minutes:	Yes	Yes	Yes	Yes	Yes

	2021-22	2022-23	2023-24	2024-25	2025-26
Activity and Workload Highlights	Actual	Actual	Actual	Estimated	Estimated
1. Number of parking citations issued:	4,958	8,569	8,649	8,600	8,600
2. Number of residential and employee parking permits issued:	2,047	3,588	3,589	3,589	3,589
3. Number of stored and abandoned vehicles marked:*	122	78	156	117	119
4. Number of stored and abandoned vehicles removed from public streets:*	17	22	20	18	18
5. Revenue received on parking permits issued:	\$55,908	\$46,965	\$46,463	\$33,000	\$33,000
6. Revenue received on parking citations issued:	\$204,713	\$328,246	\$356,278	\$342,000	\$342,000

*Revised to reflect new policies from Abandoned Vehicle Abatement Service Authority (AVASA)

**Metric no longer applicable

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. Funds from the California Opioid Settlements are intended to support opioid remediation activities. As defined in the National Opioid Settlement Agreements, opioid remediation is the “care, treatment, and other programs and expenditures designed to (1) address the misuse and abuse of opioid products, (2) treat or mitigate opioid use or related disorders, or (3) mitigate other alleged effects of, including on those injured as a result of, the opioid crisis.”

In the beginning of FY 2024-25, revenue and expenditures reflect a pass-through of Citizens Office of Public Safety (COPS) California Supplemental Law Enforcement Service Fund (SLESF).

On January 21, 2025, Council voted to move Citizens Office of Public Safety (COPS) California Supplemental Law Enforcement Service Fund (SLESF) funds from a Pass-Through Program “4999”

POLICE DEPARTMENT
Pass-Through Accounts

to be reclassified into Grant Program “4818”. The allocation of SLESF funds will be maintained in an annual grant program in FY 2025-26 Police Department Operating Budget with a corresponding revenue and expenditure line to manage the funds.

SUMMARY OF REVENUES AND EXPENDITURES

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenue</i>	-	-	-	-	-	-
<i>Interest</i>	-	249	1,128	-	-	-
<i>Service Charges</i>	(93)	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	4,631	2,957	41,787	29,435	-	50,000
TOTAL REVENUES	\$ 4,538	\$ 3,206	\$ 42,915	\$ 29,435	\$ -	\$ 50,000
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	4,631	3,206	19,653	29,435	-	50,000
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 4,631	\$ 3,206	\$ 19,653	\$ 29,435	\$ -	\$ 50,000

Police Department

OPERATING GRANTS

4803-4818

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 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 2025-26 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 was brought to successful conclusion in FY 2024-25.

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's, and partial funding to supplement the costs and allocation of new gas masks and ballistic riot helmets for sworn officers. This grant was brought to successful conclusion in FY 2024-25 with the purchase and outfitting of two UTV's, and replacement of ballistic helmets and gas masks for officers.

POLICE DEPARTMENT
Operating Grants

In FY 2024-25, the Citizens Office of Public Safety (COPS) California Supplemental Law Enforcement Service Fund (SLESF) funds were transferred from a Pass-Through Program “4999” and reclassified into Grant Program “4818”. The Police Department receives two allocated payments of COPS SLESF funding for the Town of Los Gatos and City of Monte Sereno. State General Fund distribution to local law enforcement agencies is 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. The Los Gatos portion (\$100,000) of SLESF funds in FY 2025-26 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 used as contractually outlined in the anticipated contract renewal planned for July 2025. Any additional fiscal year growth SLESF funds will reside in the Grant program.

BSCC OFFICER WELLNESS

SUMMARY OF REVENUES AND EXPENDITURES						
	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenue</i>	-	-	20,774	7,726	4,226	3,000
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ 20,774	\$ 7,726	\$ 4,226	\$ 3,000
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	20,774	7,726	4,226	3,000
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ 20,774	\$ 7,726	\$ 4,226	\$ 3,000

**POLICE DEPARTMENT
Operating Grants**

DEPARTMENT OF JUSTICE TOBACCO ENFORCEMENT GRANT

SUMMARY OF REVENUES AND EXPENDITURES

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenue</i>	7,000	6,500	2,000	-	-	-
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ 7,000	\$ 6,500	\$ 2,000	\$ -	\$ -	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 7,000	\$ 6,500	\$ 2,000	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 7,000	\$ 6,500	\$ 2,000	\$ -	\$ -	\$ -

OFFICE OF TRAFFIC SAFETY GRANT

SUMMARY OF REVENUES AND EXPENDITURES

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenue</i>	-	-	-	76,700	34,470	-
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ 76,700	\$ 34,470	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	40,797	106,600	34,470	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ 40,797	\$ 106,600	\$ 34,470	\$ -

**POLICE DEPARTMENT
Operating Grants**

PEACE OFFICER STANDARDS AND TRAINING (POST) GRANT

SUMMARY OF REVENUES AND EXPENDITURES

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
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>	6,902	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 6,902	\$ -	\$ -	\$ -	\$ -	\$ -

BVP GRANT

SUMMARY OF REVENUES AND EXPENDITURES

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenue</i>	6,060	5,381	5,360	5,000	5,000	5,000
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ 6,060	\$ 5,381	\$ 5,360	\$ 5,000	\$ 5,000	\$ 5,000
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	6,060	5,381	5,360	5,000	5,000	5,000
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 6,060	\$ 5,381	\$ 5,360	\$ 5,000	\$ 5,000	\$ 5,000

**POLICE DEPARTMENT
Operating Grants**

HOMELAND SECURITY GRANT

SUMMARY OF REVENUES AND EXPENDITURES

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenue</i>	-	-	-	65,000	65,000	-
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ 65,000	\$ 65,000	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	65,000	65,000	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ 65,000	\$ 65,000	\$ -

CALIFORNIA SUPPLEMENTAL LAW ENFORCEMENT SERVICE FUND (SLESF) GRANT

SUMMARY OF REVENUES AND EXPENDITURES

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
REVENUES						
<i>Licenses & Permits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Intergovernmental Revenue</i>	-	-	-	-	86,159	140,000
<i>Service Charges</i>	-	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ 86,159	\$ 140,000
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	86,159	140,000
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ 86,159	\$ 140,000



Parks & Public Works

This Page Intentionally Left Blank

Parks & Public Works Department

DEPARTMENT PURPOSE

The Parks and Public Works Department envisions Los Gatos as a safe destination with a thriving community of people who live, work, play and grow in well maintained public spaces and facilities for generations to come. 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 2025-26 Budget proposes certain increases and changes. Adjustments have been made in certain areas to more effectively operate the Department and support the needs of the Town. These include the addition of operating budget line items for on-call land survey services, on-call traffic count services, and consultant support for management of the parking program.

The FY 2025-26 budget includes increases in salary and benefit premium costs attributed to the cost of living increases approved in the negotiated Memoranda of Understanding,

PARKS & PUBLIC WORKS DEPARTMENT

anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% vacancy saving factor.

The budget reflects staffing changes including a hire-ahead one-time flexibly staffed Senior Engineering Technician position, one new Senior Engineering Technician and one Associate Engineer to support the two Engineering Programs (CIP and Development Services), and one new Equipment Mechanic to enhance safety and provide redundancy in fleet operations.

FY 2024-25 ACCOMPLISHMENTS

Core Goals	Accomplishment
<i>Community Character</i> Preserve and enhance the appearance character and environment quality of the community	<ul style="list-style-type: none">• Supported events throughout Town by providing and/or directing traffic control, and provided logistical support for the Los Gatos in Lights event.• 8,900 tasks completed across the department.• Implemented and managed the Town's Vegetation Management for Open Spaces and Roadsides Programs.• Reviewed 87 land use, grading and building permit applications for consistency with local ordinances, state law, and standard engineering practice.• Managed the town tree ordinance as it pertains to trees on private properties and managed street trees to create a healthy and thriving urban forest.• Implemented the Wayfinding and Signage Project for the downtown area as recommended by the Downtown Parking Roadmap.• Served as liaison to the Complete Streets and Transportation Commission and the Parks and Sustainability Commission, supported their volunteer members and their contributions to the Town.
<i>Good Governance</i> Ensure responsive, accountable, and collaborative government	<ul style="list-style-type: none">• Implemented OpenGov software to position the Town to better meet its bid and contract goals, optimized resource allocation, and drove continuous improvement in governance and public service delivery.• Implemented a comprehensive vendor use agreement, established clear guidelines and expectations for vendor providing services within our parks for private events. This initiative streamlined vendor onboarding, reduced risks, and improved vendor accountability.

PARKS & PUBLIC WORKS DEPARTMENT

FY 2024-25 ACCOMPLISHMENTS

Core Goals	Accomplishment
Good Governance Ensure responsive, accountable, and collaborative government	<ul style="list-style-type: none">• Developed and implemented a comprehensive Vendor Permit Program to regulate and manage vendor activities within public park spaces. This initiative balanced vendor operations with community needs, ensured compliance with local regulations while enhancing the visitor experience.• Created a comprehensive park and field use policy, aimed at promoting equitable access, safety, and sustainability within public park and recreational spaces. The policy serves as a framework for managing park and field usage, addressing key concerns such as scheduling, permits, maintenance, and community engagement.• Reviewed, issued, and inspected 825 encroachment permit applications for work in the public right-of-way.• Completed a comprehensive fleet assessment including documenting the number and type of vehicles and equipment assets owned by the Town.• Vehicle procurement policy updated and brought to Town Council for adoption that extends the life of Town vehicles promotes, the use of hybrid and zero emission vehicles, and defined the methodology for adding assets to the Town's vehicle inventory.• Drafted Standard Conditions of Approval for use in land development activities. Comprehensive conditions will allow staff to be consistent and thorough in our preparation for Planning Commission and Town Council review of larger projects.• Developed a thorough application checklist to ensure applicants understand the Parks and Public Works submittal requirements for land development projects.• Established regular on-going meetings with various utility companies, including PG&E, San Jose Water, West Valley Sanitation, and several telecommunication companies, to ensure permit processing and construction activities are coordinated.• Installed 10 new full capture devices with 13 more in progress (as of 1/31/25). These will capture trash at drain inlets prior to entering our storm drain system. With these additions, we will have approximately 60 devices in place this Fiscal Year.• Completed construction of an ADA compliant restroom in the Adult Recreation Center.• Served 570 residents with walk-in requests for engineering, park or other public works services.

PARKS & PUBLIC WORKS DEPARTMENT

FY 2024-25 ACCOMPLISHMENTS

Core Goals	Accomplishment
<p><i>Good Governance</i> Ensure responsive, accountable, and collaborative government</p>	<ul style="list-style-type: none"> • Constructed new offices for Town staff in the lower level of the Civic Center, and upgraded accessible access to the lower level of Civic Center. • Installed 2 publicly accessible AED stations at Creekside Sports Park and Blossom Hill Park mostly funded by the Kyle J. Taylor Foundation.
<p><i>Quality Public Infrastructure</i> Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure</p>	<ul style="list-style-type: none"> • Replaced eight Town vehicles including buildup of vehicles for safe, efficient, and technical operational use. Equipped two parking enforcement vehicles with automatic license plate readers to allow for more effective management of Downtown Parking Spaces. • Improved EV fleet charging infrastructure by securing grant funding from PG&E and SVCE to install the required transformer, service panel, and five charging stations at the Corporation Yard. • Increased storm flood and pollution prevention by continuing ongoing preventive maintenance of storm catch basins townwide and cleaning of the Town's Full Capture Device Program. • Finalized design and began construction on the Shannon Road Pedestrian and Bicycle Project. When complete, the project will provide new sidewalk, a planter strip with trees, and a protected bicycle lane on Shannon Road. • Completed construction of the Annual 2024 Street Repair & Resurfacing Project which paved 20.8 miles of streets in Town. • Completed construction of the Annual 2024 Curb, Gutter, and Sidewalk Maintenance Project which included replacement of 3,639 square feet of sidewalk, 1,633 feet of curb and gutter, and 42 new ADA curb ramps. • Completed construction of the Highway 9 Trailhead Connector Project which provides significant new access to the Los Gatos Creek Trail. • Completed the Smart Signal Project which included the upgrade of 31 town-owned traffic signal systems that allows staff to better coordinate signals along the arterials, reduce signal intersection delay, and achieve higher overall signal performance. The project also developed a traffic management system that allows staff to monitor and manage the Town's signals from the office.

PARKS & PUBLIC WORKS DEPARTMENT

FY 2024-25 ACCOMPLISHMENTS

Core Goals	Accomplishment
<p><i>Quality Public Infrastructure</i> Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure</p>	<ul style="list-style-type: none"> • Completed landscaping enhancements at Howes Playlot which included irrigation and planting along the northside of the park. • Completed resurfacing of the tennis/pickleball court at La Rinconada (projected completion June 2025). • Completed numerous improvements at the Civic Center campus including replacing a transfer switch to enhance back up power capability for the complex; replacing the DVR for the PD Dispatch camera system; replacing the roof in the TMO area of the building; and installing a new water heater and a back flow preventer. • Replaced the roof and painted the historic administrative building and water tower at the PPW yard. • Added seven economizers to the HVAC system at the POB to improve heating and cooling control capability. • Replaced the water heater at the library and completed commissioning on the electrical battery back up for that building.
<p><i>Civic Engagement</i> Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment</p>	<ul style="list-style-type: none"> • Fostered citizen volunteer involvement through efforts such as Adopt-A-Highway, creek trail clean ups, roadside clean ups, and in park improvements such as native plantings in Oak Hill Playlot native plantings, and Santa Cruz Mountain Trails Stewardship Day. • Began the process, working with the Parks and Sustainability Commission, to develop a policy and update Town ordinances with regard the use of electric bicycles in parks and on trails. The policy ensures safety, sustainability, and accessibility, providing clear guidelines for riders while promoting eco-friendly transportation options. • Processed 907 park reservations, ensuring smooth scheduling and resource allocation for park facilities. This achievement reflects excellent coordination and customer service, allowing individuals and groups to easily secure park spaces for their events and activities. • Successful development and launching of interactive GIS maps showcasing all parks within town limits. This map allows users to explore park locations, amenities, and other essential details in a user-friendly format. It provides a dynamic tool for residents and visitors to easily access park information and plan their activities. • Coordinated with the Rotary Club of Los Gatos for the 100th anniversary project: A Native Oak Grove in Live Oak Manor Park.

*Data points are projected based on the available fiscal year data through 1/31/25.

PARKS & PUBLIC WORKS DEPARTMENT

DEPARTMENTAL SUMMARY OF REVENUES AND EXPENDITURES

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
REVENUES						
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	\$ 1,445,495	1,045,694	980,625	816,764	837,978	859,166
Intergovernmental	46,106	57,969	44,060	45,163	36,529	36,529
Service Charges	1,702,080	1,345,780	\$ 1,786,389	1,398,670	1,797,778	1,955,243
Fines & Forfeitures	19,024	5,650	16,005	-	-	-
Other Revenues	99,550	116,345	211,777	19,811	34,970	23,321
TOTAL REVENUES	\$ 3,312,255	\$ 2,571,438	\$ 3,038,856	\$ 2,280,408	\$ 2,707,255	\$ 2,874,259
Transfers In						
Transfer from GFAR	315,616	315,616	339,491	339,491	339,491	339,491
Total Transfers In	315,616	315,616	339,491	339,491	339,491	339,491
TOTAL REVENUES & TRANSFERS IN	\$ 3,627,871	\$ 2,887,054	\$ 3,378,347	\$ 2,619,899	\$ 3,046,746	\$ 3,213,750
EXPENDITURES						
Salaries and Benefits	\$ 5,966,735	\$ 6,230,686	\$ 6,057,900	\$ 7,002,661	\$ 7,175,637	\$ 7,334,224
Operating Expenditures	1,777,173	2,006,827	2,553,900	2,225,457	2,334,496	2,519,003
Fixed Assets	-	-	125,225	-	-	-
Pass Thru Account	448,573	321,525	455,314	565,000	765,000	785,000
Internal Service Charges	412,975	439,045	597,316	860,866	862,269	987,663
TOTAL EXPENDITURES	\$ 8,605,456	\$ 8,998,083	\$ 9,789,655	\$10,653,984	\$11,137,402	\$11,625,890

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
PROGRAM						
Administration	\$ 628,200	\$ 600,210	\$ 541,208	\$ 480,913	\$ 496,480	\$ 510,562
Engineering Prog Svcs	1,467,361	1,529,039	1,322,130	1,607,231	1,733,751	1,125,139
Engineering Dev Svcs	832,149	728,696	977,920	1,240,587	1,285,412	1,946,694
Park Services	2,029,309	2,304,310	2,168,474	2,523,670	2,560,540	2,715,213
Environmental Services	466,658	393,119	632,587	415,675	389,335	376,902
Streets Signals & Sidewalks	2,090,776	2,308,597	2,663,672	3,009,085	3,033,336	3,121,435
Property Damage	3,543	42,500	274,393	25,000	38,008	25,700
Vehicle Maintenance Management	268,728	337,913	312,156	323,742	349,667	431,359
Facilities Maintenance Management	361,594	432,174	441,801	463,081	485,873	587,886
Pass Through	457,138	321,525	455,314	565,000	765,000	785,000
TOTAL EXPENDITURES	\$ 8,605,456	\$ 8,998,083	\$ 9,789,655	\$10,653,984	\$11,137,402	\$11,625,890

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)

	2021-22	2022-23	2023-24	2024-25	2025-26
	Funded	Funded	Funded	Funded	Proposed
General Fund					
Parks & Public Works Director	1.00	1.00	1.00	1.00	0.90
Town Engineer	1.00	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	-	-
Senior Civil Engineer	2.00	2.00	2.00	3.00	3.00
Senior Administrative Analyst	0.75	0.75	0.75	0.75	0.90
Administrative Technician	-	1.00	1.00	1.00	1.00
Executive Assistant	1.00	-	-	-	-
Administrative Assistant	2.75	2.75	1.75	1.75	2.00
Permit Technician	-	-	1.00	1.00	1.00
Environmental Programs Specialist	1.00	1.00	1.00	1.00	0.50
Associate Engineer	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	1.00
Senior Planner	-	-	-	1.00	1.00
Parks Service Officer	1.00	1.00	1.00	1.00	1.00
Town Arborist	1.00	1.00	1.00	1.00	1.00
Lead Parks & Maintenance Worker	3.00	4.00	4.00	3.00	3.00
Facility Technician	-	-	1.00	1.00	1.00
Parks & Maintenance Worker	8.75	8.75	7.75	7.75	8.00
Supervising Equipment Mechanic	1.00	1.00	1.00	1.00	1.00
Total General Fund FTEs	33.75	35.75	34.75	33.75	34.30
Non-General Fund FTEs (in Parks & Public Works Department programs unless otherwise noted)					
Non-Point Source					
	Funded	Funded	Funded	Funded	Proposed
Parks & Public Works Director	-	-	-	-	0.10
Senior Administrative Analyst	0.25	0.25	0.25	0.25	0.10
Environmental Programs Specialist	-	-	-	-	0.50
Senior Public Works Inspector	0.50	0.50	0.50	0.50	-
Parks & Maint Worker	0.25	0.25	0.25	0.25	-
Total Non-Point Source FTEs	1.00	1.00	1.00	1.00	0.70
Total PPW Department FTE's	34.75	36.75	35.75	34.75	35.00
Temporary Staff Hours					
	Funded	Funded	Funded	Funded	Proposed
Senior Administrative Analyst	-	-	-	520	-
Senior Civil Engineer	-	2,080	-	-	-
Associate Civil Engineer	256	256	-	-	-
Grant Administrator	-	-	960	960	960
Intern 1	-	-	960	960	-
Equipment Mechanic	-	-	960	960	960
Engineering Technician	-	-	-	960	960
Maintenance Assistant	5,661	5,661	4,613	4,613	5,573
Total Annual Hours	5,917	7,997	7,493	8,973	8,453



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 of capital projects and development review; 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 in this program continues to seek ways to grow and train staff to provide opportunities for growth within the Town of Los Gatos and to enhance operations to improve service delivery and efficiency. Staff in this Program also manage complex federal and state grant fund documentation and delivery of the Town's wildfire mitigation projects.

Staff in this Program also supports the administrative management and oversight of the Municipal Regional Storm Water Permit (MRP). 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.

The FY 2025-26 budget includes increases in salary and benefit costs attributed to the result of union negotiations with the Town Employee Association and American Federation of State, County and Municipal Employees, anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% vacancy saving factor.

PARKS & PUBLIC WORKS DEPARTMENT
Administration

SUMMARY OF REVENUES AND EXPENDITURES

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
REVENUES						
<i>Other Taxes</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Licenses and Permits</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	86	-	-	-
<i>Service Charges</i>	-	20,306	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	727	-	2,276	-	1,107	-
TOTAL REVENUES	\$ 727	\$ 20,306	\$ 2,362	\$ -	\$ 1,107	\$ -
 Transfers In						
<i>Transfer from GFAR</i>	\$ 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	\$ 218,535	\$ 238,114	\$ 220,170	\$ 217,808	\$ 218,915	\$ 217,808
 EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 564,197	\$ 530,089	\$ 412,476	\$ 364,280	\$ 396,680	\$ 386,758
<i>Operating Expenditures</i>	24,895	32,992	90,710	68,058	50,467	64,675
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	39,108	37,129	38,022	48,575	49,333	59,129
TOTAL EXPENDITURES	\$ 628,200	\$ 600,210	\$ 541,208	\$ 480,913	\$ 496,480	\$ 510,562

PARKS & PUBLIC WORKS DEPARTMENT
Administration

FY 2025-26 KEY PROJECTS

Core Goals	Key Projects
Community Character 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, permit 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.
	<i>Optimize Park Operations</i> Continue to review and recommend necessary changes to the Town's park operations with regard to e-bikes, field use, and rental of park spaces

KEY PROGRAM 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 the Parks and Sustainability Commission.
- Implements wildfire mitigation projects.
- Supports the recruitment and hiring of all Department staff.
- Provides support for Town-wide Committees, such as Town-wide Health and Safety Committee, Beautification Committee, Town Outreach Team, 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)

	2021-22	2022-23	2023-24	2024-25	2025-26
	Funded	Funded	Funded	Funded	Proposed
<i>Town Staff</i>					
Parks & Public Works Director	0.40	0.40	0.40	0.40	0.20
Transporation & Mobility Manager	1.00	1.00	1.00	-	-
Senior Administrative Analyst	0.30	0.30	0.30	0.30	0.20
Senior Engineering Technician	-	-	-	-	0.60
Administrative Technician	-	0.10	0.25	0.25	0.25
Permit Technician	-	-	0.10	0.10	-
Executive Assistant	0.25	-	-	-	-
Administrative Assistant	0.60	0.60	0.40	0.40	0.40
TOTAL PROGRAM FTE's	2.55	2.40	2.45	1.45	1.65
	2021-22	2022-23	2023-24	2024-25	2025-26
	Funded	Funded	Funded	Funded	Proposed
<i>Temporary Staff Hours</i>					
Senior Administrative Analyst	-	-	-	156	-
Grant Administrator	-	-	960	960	960
TOTAL PROGRAM FTE's	-	-	960	1,116	960

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.

For FY 2025-26, 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; completion of the Shannon Road Repair Project; and construction of the Shannon Road

PARKS & PUBLIC WORKS DEPARTMENT
Engineering Program Services

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.

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 and this work is managed through the Engineering Program Services Team.

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 2025-26 Proposed Budget also includes an annual fee for an online procurement platform.

The FY 2025-26 budget includes increases in salary and benefit premium costs attributed to the cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% vacancy saving factor.

PARKS & PUBLIC WORKS DEPARTMENT
Engineering Program Services

SUMMARY OF REVENUES AND EXPENDITURES

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
REVENUES						
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Service Charges	143,021	124,781	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	\$ 143,021	\$ 124,781	\$ -	\$ -	\$ -	\$ -
Transfers In						
Transfer from GFAR	97,808	97,808	121,683	121,683	121,683	121,683
Total Transfers In	97,808	97,808	121,683	121,683	121,683	121,683
TOTAL REVENUES & TRANSFERS IN	\$ 240,829	\$ 222,589	\$ 121,683	\$ 121,683	\$ 121,683	\$ 121,683
EXPENDITURES						
Salaries and Benefits	\$ 1,400,017	\$ 1,461,390	\$ 1,236,762	\$ 1,494,501	\$ 1,567,500	\$ 870,371
Operating Expenditures	32,793	31,966	42,039	42,306	91,004	180,632
Fixed Assets	-	-	-	-	-	-
Pass Throughs	-	-	-	-	-	-
Internal Service Charges	34,551	35,683	43,329	70,424	75,247	74,136
TOTAL EXPENDITURES	\$ 1,467,361	\$ 1,529,039	\$ 1,322,130	\$ 1,607,231	\$ 1,733,751	\$ 1,125,139

PARKS & PUBLIC WORKS DEPARTMENT
Engineering Program Services

FY 2025-26 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.
	<i>Los Gatos Travel Demand Model</i> Secure the services of a consultant to develop a traffic model of the Town to evaluate the impacts of proposed developments and assess potential improvements to reduce the impact of beach traffic.
<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)

	2021-22	2022-23	2023-24	2024-25	2025-26
Town Staff	Funded	Funded	Funded	Funded	Proposed
Parks & Public Works Director	-	-	-	-	0.10
Town Engineer	0.80	0.80	0.80	0.80	0.50
Construction Project Mgr	0.60	0.60	0.60	0.60	0.85
Senior Civil Engineer	1.00	1.00	0.80	1.00	1.10
Senior Administrative Analyst	0.15	0.15	0.15	0.15	0.10
Administrative Technician		0.20	0.20	0.20	0.20
Executive Assistant	0.20	-	-	-	-
Administrative Assistant	0.50	0.50	0.20	0.20	0.20
Permit Technician	-	-	0.20	0.20	-
Associate Engineer	-	-	0.20	-	-
Assistant Engineer	1.80	1.80	1.80	1.00	1.00
Senior Engineering Technician	1.00	1.00	1.00	1.00	0.10
Senior Planner	-	-	-	1.00	1.00
Senior Public Works Inspector	0.15	0.15	0.15	0.15	-
TOTAL PROGRAM FTEs	6.20	6.20	6.10	6.30	5.15

	2021-22	2022-23	2023-24	2024-25	2025-26
Temporary Staff Hours	Funded	Funded	Funded	Funded	Proposed
Senior Administrative Analyst	-	-	-	78	-
Intern 1	-	-	960	960	-
Senior Civil Engineer	-	2,080	-	-	-
Associate Civil Engineer	204.75	204.75	-	-	-
TOTAL ANNUAL HOURS	204.75	2,284.75	960	1,038	-

PARKS & PUBLIC WORKS DEPARTMENT
Engineering Program Services

Performance Objectives and Measures	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 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	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 Estimated
1. Number of traffic calming requests received:	4	1	0	1	1
2. Number of traffic calming projects in progress:	3	1	3	1	1
3. Number of traffic calming projects closed:	1	1	0	1	1
4. Number of CIP projects completed:	8	16	9	14	12



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 2025-26 budget includes increases in salary and benefit premium costs attributed to the cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% vacancy saving factor.

PARKS & PUBLIC WORKS DEPARTMENT
Engineering Development Services

SUMMARY OF REVENUES AND EXPENDITURES

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
REVENUES						
<i>Other Taxes</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Licenses and Permits</i>	701,619	464,398	199,358	329,000	329,000	338,000
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Service Charges</i>	1,064,314	831,682	1,166,279	715,500	792,500	1,018,000
<i>Fines & Forfeitures</i>	18,624	-	-	-	-	-
<i>Other Revenues</i>	5,218	1,325	1,271	-	-	-
TOTAL REVENUES	\$ 1,789,775	\$ 1,297,405	\$ 1,366,908	\$ 1,044,500	\$ 1,121,500	\$ 1,356,000
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 718,385	\$ 620,843	\$ 863,425	\$ 1,089,630	\$ 1,129,478	\$ 1,743,117
<i>Operating Expenditures</i>	71,739	61,960	50,085	72,850	71,446	76,416
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Pass Thru Account</i>	(8,565)	-	-	-	-	-
<i>Internal Service Charges</i>	50,590	45,893	64,410	78,107	84,488	127,161
TOTAL EXPENDITURES	\$ 832,149	\$ 728,696	\$ 977,920	\$ 1,240,587	\$ 1,285,412	\$ 1,946,694

PARKS & PUBLIC WORKS DEPARTMENT
Engineering Development Services

FY 2025-26 KEY PROJECTS

Core Goals	Key Projects
<p style="text-align: center;">Good Governance Ensure responsive, accountable and collaborate government</p>	<i>Development Projects</i>
	<p>The Development Team (Community Development, Parks and Public Works, County Fire, and the Police Department) continues to work on several key private development projects. The North 40 Phase 1 development project is nearing completion and staff are continuing to provide oversight and review of project construction. Projects submitted under SB 330 require meeting specific timelines and are larger projects, including but not limited to the North 40 Phase 2, the downtown Post Office project, the Ace Hardware project, the New Town project, and the Luxe project. Key projects moving into design and/or construction include the Los Gatos Lodge, Greenridge Terrace, and the Whole Foods relocation project at Los Gatos Boulevard and Los Gatos-Almaden Road. 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, updating the submittal checklist, establishing standard conditions of approval, developing 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.</p>
	<i>Standard Plans and Details Update</i>
	<p>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.</p>

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)

	2021-22	2022-23	2023-24	2024-25	2025-26
	Funded	Funded	Funded	Funded	Proposed
Town Staff					
Parks & Public Works Director	0.20	0.20	0.20	0.20	0.10
Asst PPW Dir/Town Engineer	0.20	-	-	-	-
Town Engineer	-	0.20	0.20	0.20	0.50
Senior Administrative Analyst	-	-	-	-	0.10
Construction Project Mgr	0.14	0.14	0.14	0.14	0.15
Senior Civil Engineer	0.80	1.00	1.20	2.00	1.90
Executive Assistant	0.05	0.05	-	-	-
Administrative Technician	-	-	0.05	0.05	0.05
Administrative Assistant	0.10	0.10	-	-	-
Permit Technician	-	-	0.50	0.50	0.70
Associate Engineer	1.20	1.00	0.80	-	-
Assistant Engineer	0.20	0.20	0.20	1.00	1.00
Senior Public Works Inspector	0.35	0.35	0.35	0.35	1.00
TOTAL PROGRAM FTEs	3.24	3.24	3.64	4.44	5.50

	2021-22	2022-23	2023-24	2024-25	2025-26
	Funded	Funded	Funded	Funded	Proposed
Temporary Staff Hours					
Associate Civil Engineer	-	51.25	-	-	-
TOTAL ANNUAL HOURS	-	51.25	-	-	-

PARKS & PUBLIC WORKS DEPARTMENT
Engineering Development Services

Performance Objectives and Measures	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 Estimated
1. To provide an effective and efficient encroachment and grading/improvement permit approval process:					
a. Percentage of encroachment permits that are processed by Engineering staff within 5 business days:	70%	90%	Measure Discontinued	Measure Discontinued	Measure Discontinued
a1. Percentage of encroachment permits that are processed by Engineering staff within 10 business days:**	New Measure effective FY23-24	New Measure effective FY23-24	25%	30%	50%
b. Percentage of grading/improvement permits that are reviewed by Engineering staff within 10 business days:*	80%	85%	Measure Discontinued	Measure Discontinued	Measure Discontinued
b1. Percentage of initial Architectural & Site plan submittals reviewed by Engineering staff within 15 business days:**	New Measure effective FY24-25	New Measure effective FY24-25	75%	40%	40%
b2. Percentage of initial Building Permit plan submittals reviewed by Engineering staff within 20 business days:**	New Measure effective FY24-25	New Measure effective FY24-25	80%	80%	80%

Activity and Workload Highlights	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 Estimated
1. Number of encroachment permits processed:	450	586	619	895	638
2. Number of grading permits processed:	15	18	22	22	19
3. Total encroachment permit revenue:	\$ 665,852	\$ 425,482	\$ 425,482	\$ 300,000	\$ 300,000
4. Total grading permit revenue:	\$ 154,889	\$ 130,985	\$ 219,266	\$ 140,000	\$ 200,000

* 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 2025-26, 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 Department continues to enhance irrigation systems in parks, median islands, and downtown planter boxes to reduce the use of potable water.

PARKS & PUBLIC WORKS DEPARTMENT

Park Services

The Park Services Program staff coordinates with Streets Program staff to provide Standby Duty during the months of November through March to respond to after hours calls. In the past Standby Duty was provided year-round but was cut back for budget savings in FY24-25. 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 in-house maintenance projects. In FY 2025-26, 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 as well as utilize volunteer groups to expand native gardens. Aging drinking fountains throughout the Town will continue to be 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.

The FY 2025-26 budget includes increases in salary and benefit premium costs attributed to the cost-of-living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% vacancy saving factor.

PARKS & PUBLIC WORKS DEPARTMENT
Park Services

SUMMARY OF REVENUES AND EXPENDITURES

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
REVENUES						
<i>Other Taxes</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Licenses and Permits</i>	208,128	192,093	167,795	110,000	131,214	143,402
<i>Intergovernmental</i>	-	14,733	938	-	-	-
<i>Service Charges</i>	7,495	38,986	62,314	64,540	81,648	92,605
<i>Fines & Forfeitures</i>	400	5,650	16,005	-	-	-
<i>Other Revenues</i>	80,755	92,762	7,224	19,811	17,045	23,321
TOTAL REVENUES	\$ 296,778	\$ 344,224	\$ 254,276	\$ 194,351	\$ 229,907	\$ 259,328
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 1,353,709	\$ 1,511,509	\$ 1,264,705	\$ 1,471,911	\$ 1,515,376	\$ 1,622,225
<i>Operating Expenditures</i>	583,155	682,594	795,896	882,184	874,886	872,411
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	92,445	110,207	107,873	169,575	170,278	220,577
TOTAL EXPENDITURES	\$ 2,029,309	\$ 2,304,310	\$ 2,168,474	\$ 2,523,670	\$ 2,560,540	\$ 2,715,213

PARKS & PUBLIC WORKS DEPARTMENT
Park Services

FY 2025-26 KEY PROJECTS

Core Goals	Key Projects
Quality Public Infrastructure Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure	<i>Park Upgrades and Improvements</i>
	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.
	<i>Landscape and Lighting Districts</i>
	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.
	<i>Open Space Trail Upgrades</i>
	Park Services staff continues to rehabilitate the Town's Heintz, St. Joseph's, and Santa Rosa Open Space areas to improve the trail infrastructure.

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.
- 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.

PARKS & PUBLIC WORKS DEPARTMENT

Park Services

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, Los Gatos in Lights 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)

	2021-22	2022-23	2023-24	2024-25	2025-26
Town Staff	Funded	Funded	Funded	Funded	Proposed
Parks & Public Works Director	0.20	0.20	0.20	0.20	0.10
Superintendent	0.40	0.40	0.40	0.40	0.40
Construction Project Mgr	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	0.10
Administrative Technician	-	0.40	0.25	0.25	0.25
Executive Assistant	0.25	-	-	-	-
Administrative Assistant	0.55	0.55	0.65	0.65	0.90
Permit Technician	-	-	-	-	0.10
Senior Engineering Technician	-	-	-	-	0.15
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	3.00	4.00	4.00
TOTAL PROGRAM FTE's	8.28	8.43	7.38	8.38	8.60

	2021-22	2022-23	2023-24	2024-25	2025-26
Temporary Staff Hours	Funded	Funded	Funded	Funded	Proposed
Senior Administrative Analyst	-	-	-	78	-
Maintenance Assistant	5,033	5,033	4,613	4,613	4,613
TOTAL ANNUAL HOURS	5,033	5,033	4,613	4,691	4,613

PARKS & PUBLIC WORKS DEPARTMENT
Park Services

Performance Objectives and Measures	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 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	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 Estimated
1. Total number of acres of Town parks, open space, and median islands maintained:	250	228	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:	847	901	887	818	863
4. Total number of special use permits for parks issued annually:	76	39*	33	32	47
5. Total number of parks service requests within Town parks received and completed:	99	119	99	75	98

** In FY22-23, the Town stopped issuing special use permits to Los Gatos Saratoga Recreation.*



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) Stormwater permit compliance
- 2) Recycling and organics waste diversion
- 3) Sustainability initiatives and water conservation
- 4) Energy reduction

The Environmental Services Program staff works with West Valley Joint Powers Authorities (JPAs) to ensure the Town complies with environmental regulations, including water quality, 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). MRP 3.0 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. MRP 3.0 also mandates minor changes to municipal operations, and other topics while adding new requirements for discharges associated with unsheltered residents, cost reporting, and asset management.

Additionally, West Valley Stormwater Authority (WVSA) educates and raises awareness about

PARKS & PUBLIC WORKS DEPARTMENT
Environmental Services

environmental issues through various community education activities and events. Town staff continues to partner with WVSA, Silicon Valley Clean Energy, Pacific Gas & Electric, and West Valley Collection & Recycling, to raise community awareness about environmental sustainability, waste prevention, and resource conservation.

The California Integrated Waste Management Act of 1989 (AB 939) mandated the Town to divert a minimum of 50% of its waste from landfills. In 2011, the California Integrated Waste Management Act (AB 341) was approved increasing the statewide diversion goal to 75%, requiring several solid waste disposal policies to be implemented. In September 2016, Governor Brown signed into law SB 1383, establishing methane emissions reduction targets in a Statewide effort to reduce emissions of short-lived climate pollutants in various sectors of California's economy. Town staff, working with the West Valley Solid Waste Management Authority (WVSWMA), 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

A new solid waste hauling contract for West Valley cities and towns became effective July 1, 2024, with WVSWMA executing a contract with West Valley Collection and Recycling. The decision to execute a contract with West Valley Collection and Recycling was based on cost, flexibility, continuity of service, early implementation, adherence to specifications, and mitigation of historic issues.

The WVSWMA approves new solid waste related fees annually. The Town charges the waste hauler certain fees for the impact of heavy trucks on its roadways, the placement of trash collection bins in the right of way (encroachment), household hazardous waste collection management, and administrative fees for coordination of the waste hauling program. These revenues are paid to various programs within the Town.

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.

The Town's Outside the Box Program was created to enhance the character of the community by adding artwork to utility boxes. 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

PARKS & PUBLIC WORKS DEPARTMENT
Environmental Services

new ones. The installation of the wraps is funded through the Town's Capital Improvement program.

In FY 2025-26, 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 and the Town has received a grant of approximately \$173,000 from SVCE to offset the cost of the construction.

The FY 2025-26 budget includes increases in salary and benefit premium costs attributed to the cost-of-living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% vacancy saving factor.

PARKS & PUBLIC WORKS DEPARTMENT
Environmental Services

SUMMARY OF REVENUES AND EXPENDITURES

	2021-22	2022-23	2023-24	2024-25	2024-25	2025-26
	Actuals	Actuals	Actuals	Adjusted	Estimated	Proposed
REVENUES						
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	302,197	256,599	474,047	236,078	236,078	236,078
Intergovernmental	46,106	43,236	42,939	45,163	36,529	36,529
Service Charges	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
TOTAL REVENUES	\$ 348,303	\$ 299,835	\$ 516,986	\$ 281,241	\$ 272,607	\$ 272,607
Transfers In						
Transfer from General Fund	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
TOTAL REVENUES & TRANSFERS IN	\$ 348,303	\$ 299,835	\$ 516,986	\$ 281,241	\$ 272,607	\$ 272,607
EXPENDITURES						
Salaries and Benefits	\$ 206,117	\$ 234,503	\$ 237,278	\$ 239,406	\$ 191,116	\$ 206,761
Operating Expenditures	259,882	157,836	393,327	170,326	194,408	163,418
Fixed Assets	-	-	-	-	-	-
Internal Service Charges	659	780	1,982	5,943	3,811	6,723
TOTAL EXPENDITURES	\$ 466,658	\$ 393,119	\$ 632,587	\$ 415,675	\$ 389,335	\$ 376,902
Transfers Out						
Transfer to General Fund	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
TOTAL EXPENDITURES & TRANSFERS OUT	\$ 466,658	\$ 393,119	\$ 632,587	\$ 415,675	\$ 389,335	\$ 376,902

PARKS & PUBLIC WORKS DEPARTMENT
Environmental Services

FY 2025-26 KEY PROJECTS

Core Goals	Key Projects
<p>Community Character Preserve and enhance the appearance, character, and environmental quality of the community</p>	<p style="text-align: center;"><i>Waste Collection Services</i></p>
	<p>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 2025-26, staff will continue to work actively with the JPA and West Valley Collection and Recycling with an emphasis on SB 1383 implementation and recordkeeping.</p>
	<p style="text-align: center;"><i>Keep Los Gatos Beautiful</i></p>
	<p>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.</p>
	<p style="text-align: center;"><i>Stormwater Management and Compliance</i></p>
	<p>Coordinate activities required to comply with the Town’s stormwater permit, MRP 3.0. This includes work with the West Valley Stormwater Authority to implement to various unfunded mandates associated with the permit.</p>
	<p style="text-align: center;"><i>Green Business Certification</i></p>
	<p>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.</p>
	<p style="text-align: center;"><i>Household Hazardous Waste</i></p>
	<p>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.</p>

PARKS & PUBLIC WORKS DEPARTMENT
Environmental Services

KEY PROGRAM SERVICES

- Works with the West Valley Stormwater Authority Joint Powers Agency to develop and implement the myriad improvements required to comply with the Town's stormwater permit, MRP 3.0.
- 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.
- Supports 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)

	2021-22	2022-23	2023-24	2024-25	2025-26
Town Staff	Funded	Funded	Funded	Funded	Proposed
Parks & Public Works Director	-	-	-	-	0.10
Superintendent	-	-	-	-	0.20
Park & Public Works Operation Mgr	0.40	0.40	0.40	0.40	-
Senior Administrative Analyst	-	-	-	-	0.10
Environmental Programs Specialist	1.00	1.00	1.00	1.00	0.50
Total General Fund FTE	1.40	1.40	1.40	1.40	0.90

	2021-22	2022-23	2023-24	2024-25	2025-26
Performance Objectives and Measures	Actual	Actual	Actual	Estimated	Estimated
1. <i>Maximize diversion from landfills in order to protect public health and safety, and the environment.</i>					
a. Disposal per capita by calendar year (target is ≤ 5.2 lbs./person/day): *	3.3	3.2	2.9	1.3	1.3
2. <i>Monitor and evaluate existing waste collection and recycling programs.</i>					
a. Percentage of solid waste collection calls received and resolved within 2 days:	99%	97%	93%	92%	92%
b. Diversion Rate**:	42%	46%	48%	49%	49%

	2021-22	2022-23	2023-24	2024-25	2025-26
Activity and Workload Highlights	Actual	Actual	Actual	Estimated	Estimated
1. Number of Los Gatos households participating in the Household Hazardous Waste Disposal Program:	1,099	1,138	1,300	1,300	1,300
2. Town solar usage (Megawatts generated):	222	222	210	196	196
3. Number of Electric Vehicle Charging Stations:	16	16	16	16	16
4. Total kWh used by Electric Vehicle Chargers:	197,755	115,035	141,486	187,478	187,478

* 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. This program also funds the Town Arborist who manages tree removal permits and the street tree program.

BUDGET OVERVIEW

In FY 2025-26, the Streets and Signals Program continues to provide tree maintenance via a contract service. This is done as a cost savings measure, and it allows staff to focus on other day-to-day operational responsibilities. Day to day operations include cleaning the storm drainage system, including the maintenance and operations of the trash capture devices, required to meet a requirement of the San Francisco Bay Area Storm Water Municipal Regional Permit; painting of curbing and crosswalks to support regulatory enforcement by the Los Gatos Monte Sereno Police Department, and managing all the road and traffic control signs throughout the Town.

FY 2025-26 budget includes increases in salary and benefit premium costs attributed to the cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% vacancy saving factor. Overtime costs are contained by continuing to only operate the "Stand-By" program

PARKS & PUBLIC WORKS DEPARTMENT
Streets & Signals Program

during November through March, instead of year-round.

SUMMARY OF REVENUES AND EXPENDITURES

	2021-22	2022-23	2023-24	2024-25	2024-25	2025-26
	Actuals	Actuals	Actuals	Adjusted	Estimated	Proposed
REVENUES						
<i>Other Taxes</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Licenses and Permits</i>	233,551	132,604	139,425	141,686	141,686	141,686
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Service Charges</i>	30,112	8,500	102,482	53,630	53,630	59,638
<i>Other Revenues</i>	-	-	54,696	-	-	-
TOTAL REVENUES	\$ 263,663	\$ 141,104	\$ 296,603	\$ 195,316	\$ 195,316	\$ 201,324
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 1,068,397	\$ 1,118,506	\$ 1,307,764	\$ 1,611,520	\$ 1,590,596	\$ 1,567,344
<i>Operating Expenditures</i>	833,687	996,979	1,041,970	959,970	1,009,514	1,130,612
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	188,692	193,112	313,938	437,595	433,226	423,479
TOTAL EXPENDITURES	\$ 2,090,776	\$ 2,308,597	\$ 2,663,672	\$ 3,009,085	\$ 3,033,336	\$ 3,121,435

PARKS & PUBLIC WORKS DEPARTMENT
Streets & Signals Program

FY 2025-26 KEY PROJECTS

Core Goals	Key Projects
<p style="text-align: center;"><i>Good Governance</i> Ensure responsive, accountable and collaborate government</p>	<p style="text-align: center;"><i>Ongoing Maintenance</i></p>
	<p>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.</p>
	<p style="text-align: center;"><i>Inter-Program Work Projects</i></p>
	<p>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.</p>
	<p style="text-align: center;"><i>Partnership with Other Municipalities</i></p>
	<p>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.</p>
<p><i>Quality Public Infrastructure</i> Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure</p>	<p style="text-align: center;"><i>Capital Improvement Program Projects</i></p>
	<p>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.</p>

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 service 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)

	2021-22	2022-23	2023-24	2024-25	2025-26
	Funded	Funded	Funded	Funded	Proposed
Town Staff					
Park & Public Works Director	0.20	0.20	0.20	0.20	0.10
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	
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	0.10
Administrative Technician	-	0.30	0.25	0.25	0.25
Executive Assistant	0.25	-	-	-	-
Administrative Assistant	0.60	0.60	0.40	0.40	0.40
Senior Engineering Technician	-	-	-	-	0.15
Permit Technician	-	-	0.20	0.20	0.20
Town Arborist	1.00	1.00	1.00	1.00	1.00
Lead Parks & Maint Worker	1.00	2.00	2.00	1.00	1.00
Parks & Maint Worker	3.75	3.75	4.75	3.75	4.00
TOTAL PROGRAM FTEs	7.98	10.03	9.98	7.98	8.10

	2021-22	2022-23	2023-24	2024-25	2025-26
	Funded	Funded	Funded	Funded	Proposed
Temporary Staff Hours					
Senior Administrative Analyst	-	-	-	78	-
Engineering Technician	-	-	-	960	960
TOTAL ANNUAL HOURS	-	-	-	1,038	960

PARKS & PUBLIC WORKS DEPARTMENT
Streets & Signals Program

Performance Objectives and Measures	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 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):	68	73	78	82	82

Activity and Workload Highlights	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 Estimated
1. Number of Town street lights:	1,797	1,797	1,797	1,797	1,797
2. Number of street light malfunctions reported:	35	52	64	69	55
3. Annual number of Town street lights repaired:	79	95	109	84	92
4. Number of signalized intersections maintained:	31	31	31	31	31
5. Miles of street maintained:	113	113	113	113	113
6. Number of traffic signs repaired/replaced:	99	275	463	405	311
7. Total number of traffic related work orders received and completed:	88	142	121	65	104
8. Total number of tree-related maintenance requests received, requiring inspection by staff:	319	360	248	226	288
9. Total number of staff hours for tree-related work, including, but not limited to, inspections or pruning:	630	725	223	310	310
10. Number of public trees pruned or maintained at industry standard:	418	510	752	700	750
11. Square feet of sidewalks removed and replaced:	340	628	3639**	660	660
12. Miles of street resurfaced:*	19.5	20	20.8	4.9	4.9
13. Number of new ADA curb ramps/upgraded ADA curb ramps constructed:*	59	51	42	14	14
14. Town-wide Linear feet of bike lanes:	166,538	166,538	166,538	166,538	166,538

* New Measure as of FY 2020-21.

** In FY 23-24, the sidewalk replacements were supported by an increased budget to address specific community concerns.

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 2025-26 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 \$25,700 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

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
REVENUES						
<i>Other Taxes</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Licenses and Permits</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Service Charges</i>	-	-	-	-	-	-
<i>Other Revenues</i>	12,850	22,258	146,281	-	16,818	-
TOTAL REVENUES	\$ 12,850	\$ 22,258	\$ 146,281	\$ -	\$ 16,818	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	3,543	42,500	158,463	25,000	38,008	25,700
<i>Fixed Assets</i>	-	-	115,930	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 3,543	\$ 42,500	\$ 274,393	\$ 25,000	\$ 38,008	\$ 25,700

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 recent 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.

The FY 2025-26 budget includes 960 hours of part time mechanic hours. 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 2025-26 budget includes increases in salary and benefit premium costs attributed to the cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% vacancy saving factor.

SUMMARY OF REVENUES AND EXPENDITURES

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
REVENUES						
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Service Charges	-	-	-	-	-	-
Other Revenues	-	-	29	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ 29	\$ -	\$ -	\$ -
EXPENDITURES						
Salaries and Benefits	\$ 298,835	\$ 333,168	\$ 309,709	\$ 301,710	\$ 327,415	\$ 407,081
Operating Expenditures	(32,521)	-	(18,590)	-	-	-
Fixed Assets	-	-	9,295	-	-	-
Internal Service Charges	2,414	4,745	11,742	22,032	22,252	24,278
TOTAL EXPENDITURES	\$ 268,728	\$ 337,913	\$ 312,156	\$ 323,742	\$ 349,667	\$ 431,359

PARKS & PUBLIC WORKS DEPARTMENT
Vehicle Maintenance Management

FY 2025-26 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, medium, and heavy-duty alternate fuel vehicles as the replacement schedule, Town budget, and functionality requirements allow. The Pursue 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 to 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)

	2021-22	2022-23	2023-24	2024-25	2025-26
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Proposed
Park & Public Works Director	-	-	-	-	0.10
Superintendent	0.20	0.20	0.20	0.20	-
Parks & Public Works Operation Mgr	-	-	-	-	0.40
Senior Administrative Analyst	-	-	-	-	0.10
Administrative Assistant	0.40	0.40	0.10	0.10	0.10
Administrative Technician	-	0.20	-	-	-
Supervising Equipment Mechanic	1.00	1.00	1.00	1.00	1.00
Total Vehicle Maint. FTEs	1.60	1.80	1.30	1.30	1.70

Temporary Staff Hours

	2021-22	2022-23	2023-24	2024-25	2025-26
	Funded	Funded	Funded	Funded	Proposed
Equipment Mechanic	-	-	960	960	960
TOTAL PROGRAM FTE's		-	960	960	960

PARKS & PUBLIC WORKS DEPARTMENT
Vehicle Maintenance Management

Performance Objectives and Measures	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 Estimated
1. <i>To provide safe and functional vehicles and equipment.</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:	\$0.75	\$0.78	\$0.85	\$0.89	\$1.19
General Fleet - light:	\$1.31	\$0.72	\$0.74	\$0.76	\$1.00
General Fleet - heavy:	\$3.18	\$3.64	\$3.50	\$3.14	\$4.06
c. Percentage of fleet that is alternate fuel vehicles:	17%	25%	33%	31%	31%

Activity and Workload Highlights	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 Estimated
1. Number of police vehicles maintained:	36	36	37	41	41
2. Number of heavy-duty vehicles maintained:	4	4	4	4	4
3. Number of light-duty (non-police) vehicles maintained:	40	40	29	29	29
4. Pieces of equipment maintained (light and heavy duty):	45	45	40	40	40
5. Hybrid vehicles:	12	18	21	21	21
6. Electric vehicles:	2	2	2	2	2



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 2025-26 budget includes increases in salary and benefit premium costs attributed to the cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% vacancy saving factor.

PARKS & PUBLIC WORKS DEPARTMENT
Facilities Maintenance Staffing

SUMMARY OF REVENUES AND EXPENDITURES

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
REVENUES						
<i>Other Taxes</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Licenses and Permits</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	97	-	-	-
<i>Service Charges</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ 97	\$ -	\$ -	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 357,078	\$ 420,678	\$ 425,781	\$ 429,703	\$ 457,476	\$ 530,567
<i>Operating Expenditures</i>	-	-	-	4,763	4,763	5,139
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	4,516	11,496	16,020	28,615	23,634	52,180
TOTAL EXPENDITURES	\$ 361,594	\$ 432,174	\$ 441,801	\$ 463,081	\$ 485,873	\$ 587,886

FACILITIES MAINTENANCE PROGRAM STAFFING

Full Time Equivalent (FTE)

	2021-22 Funded	2022-23 Funded	2023-24 Funded	2024-25 Funded	2025-26 Proposed
Town Staff					
Park & Public Works Director	-	-	-	-	0.10
Park & Public Works Operations Manager	0.50	0.50	0.50	0.50	0.50
Senior Administrative Analyst	-	-	-	-	0.10
Lead Parks & Maint Worker	1.00	1.00	1.00	1.00	1.00
Facility Technician	-	-	1.00	1.00	1.00
Parks & Maint Worker	1.00	1.00	-	-	-
Total Building Maint. FTEs	2.50	2.50	2.50	2.50	2.70
Temporary Staff Hours					
Maintenance Assistant	628	628	-	-	960
TOTAL ANNUAL HOURS	628	628	-	-	960

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, geotechnical reviews, encroachment reviews, and land development 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. Additional funds are requested of the applicant if needed. Any remaining balance is returned to the applicant. Accounting for these activities in a separate program allows the true cost of operations to be tracked, while the cost for development related services are tracked separately. 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

	2021-22	2022-23	2023-24	2024-25	2024-25	2025-26
	Actuals	Actuals	Actuals	Adjusted	Estimated	Proposed
REVENUES						
<i>Other Taxes</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Licenses and Permits</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Service Charges</i>	457,138	321,525	455,314	565,000	870,000	785,000
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ 457,138	\$ 321,525	\$ 455,314	\$ 565,000	\$ 870,000	\$ 785,000
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Pass Thru Account</i>	457,138	321,525	455,314	565,000	765,000	785,000
<i>Internal Service Charges</i>	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 457,138	\$ 321,525	\$ 455,314	\$ 565,000	\$ 765,000	\$ 785,000

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 of the theater and the 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. Rent revenue funds the Program's expenditures.

PARKS & PUBLIC WORKS DEPARTMENT
Los Gatos Theatre

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	-	19,500	74,991	-	171,035	170,414
Total Beginning Fund Balance	-	19,500	74,991	-	171,035	170,414
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Service Charge</i>	-	-	-	-	-	-
<i>Service Charges</i>	-	-	-	-	-	-
<i>Interest</i>	-	10,960	19,172	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Other Revenues</i>	19,500	97,277	152,323	57,960	119,064	121,100
Total Revenues	19,500	108,237	171,495	57,960	119,064	121,100
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	171,495	57,960	119,064	121,100
TOTAL SOURCE OF FUNDS	\$ 19,500	\$ 127,737	\$ 246,486	\$ 57,960	\$ 290,099	\$ 291,514
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	52,746	75,451	119,685	119,685	121,916
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
Total Expenditures	-	52,746	75,451	119,685	119,685	121,916
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	75,451	119,685	119,685	121,916
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	19,500	74,991	171,035	(61,725)	170,414	169,598
Total Ending Fund Balance	19,500	74,991	171,035	(61,725)	170,414	169,598
TOTAL USE OF FUNDS	\$ 19,500	\$ 127,737	\$ 246,486	\$ 57,960	\$ 290,099	\$ 291,514

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.
- Mileage to track annual usage.
- 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 2025-26 replacement schedule identifies eight pieces of equipment and five 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
Vehicle and Equipment Replacement Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
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>	1,681,706	2,014,565	2,205,888	3,078,721	3,078,721	2,109,388
Total Beginning Fund Balance	1,889,537	2,222,396	2,413,719	3,286,552	3,286,552	2,317,219
Revenues						
<i>Service Charge</i>	540,957	639,367	1,026,738	1,123,659	1,093,620	1,167,544
<i>Interest</i>	-	-	-	-	-	-
<i>Other Revenues</i>	48,484	78,916	33,418	-	39,534	20,000
Total Revenues	589,441	718,283	1,060,156	1,123,659	1,133,154	1,187,544
Transfers In						
<i>Transfer from Capital Projects</i>	-	-	-	-	-	-
<i>Transfer from General Fund</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
Total Revenues & Transfers In	589,441	718,283	1,060,156	1,123,659	1,133,154	1,187,544
TOTAL SOURCE OF FUNDS	\$ 2,478,978	\$ 2,940,679	\$ 3,473,875	\$ 4,410,211	\$ 4,419,706	\$ 3,504,763
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	4,005	-	-	-	-	-
<i>Fixed Assets</i>	157,761	526,960	187,323	2,105,936	2,102,487	2,105,936
<i>Internal Service Charges</i>	-	-	-	-	-	-
Total Expenditures	161,766	526,960	187,323	2,105,936	2,102,487	2,105,936
Transfers Out						
<i>Transfer to General Fund</i>	94,816	-	-	-	-	-
<i>Transfer to Capital Projects</i>	-	-	-	-	-	-
<i>Transfer to Building Maintenance</i>	-	-	-	-	-	-
Total Transfers Out	94,816.00	-	-	-	-	-
Total Expenditures & Transfers Out	256,582	526,960	187,323	2,105,936	2,102,487	2,105,936
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>	2,014,565	2,205,888	3,078,721	2,096,444	2,109,388	1,190,996
Total Ending Fund Balance	2,222,396	2,413,719	3,286,552	2,304,275	2,317,219	1,398,827
TOTAL USE OF FUNDS	\$ 2,478,978	\$ 2,940,679	\$ 3,473,875	\$ 4,410,211	\$ 4,419,706	\$ 3,504,763

PARKS & PUBLIC WORKS DEPARTMENT
Vehicle and Equipment Replacement Fund

FY 2025-26 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 (Program 5407)

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

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-22	2022-23	2023-24	2024-25	2024-25	2025-26
	Actuals	Actuals	Actuals	Adjusted	Estimated	Proposed
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	156,342	928,482	927,701	981,784	960,526	937,607
Total Beginning Fund Balance	156,342	928,482	927,701	981,784	960,526	937,607
Revenues						
<i>Other Taxes</i>	66,382	28,322	24,838	40,000	40,000	40,000
<i>Service Charge</i>	878,128	938,492	916,324	1,052,961	1,052,961	1,280,980
<i>Interest</i>	-	-	21,511	-	-	-
<i>Intergovernmental</i>	-	-	57,398	-	-	-
<i>Other Revenues</i>	1,048,623	366,630	386,763	303,587	303,587	303,587
Total Revenues	1,993,133	1,333,444	1,406,834	1,396,548	1,396,548	1,624,567
Transfers In						
<i>Transfer from General Fund</i>	1,787	-	-	-	-	-
<i>Transfer from Equipment Replacemer</i>	-	-	-	-	-	-
Total Transfers In	1,787	-	-	-	-	-
Total Revenues & Transfers In	1,994,920	1,333,444	1,406,834	1,396,548	1,396,548	1,624,567
TOTAL SOURCE OF FUNDS	\$ 2,151,262	\$ 2,261,926	\$ 2,334,535	\$ 2,378,332	\$ 2,357,074	\$ 2,562,174
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	1,222,780	1,334,225	1,347,670	1,437,206	1,419,467	1,474,567
<i>Fixed Assets</i>	-	-	26,339	-	-	-
<i>Internal Service Charges</i>	-	-	-	8,119	-	-
Total Expenditures	1,222,780	1,334,225	1,374,009	1,445,325	1,419,467	1,474,567
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	1,222,780	1,334,225	1,374,009	1,445,325	1,419,467	1,474,567
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	928,482	927,701	960,526	933,007	937,607	1,087,607
Total Ending Fund Balance	928,482	927,701	960,526	933,007	937,607	1,087,607
TOTAL USE OF FUNDS	\$ 2,151,262	\$ 2,261,926	\$ 2,334,535	\$ 2,378,332	\$ 2,357,074	\$ 2,562,174

PARKS & PUBLIC WORKS DEPARTMENT
Facilities Maintenance Fund

FY 2025-26 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>Oversight of Capital Improvement Projects</i>
	Assist in the oversight of all facility improvement projects most notably, assessment of the Police Operations Building to consolidate operations of the Department.
	<i>Ongoing Maintenance</i> Continue day to day management of the Town owned buildings, providing repairs and upgrades as needed.

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.
- Monitors and maintains Forbes Mill Footbridge lights.
- Manages essential preventative maintenance for the Los Gatos Theatre.

PARKS & PUBLIC WORKS DEPARTMENT
Facilities Maintenance Fund

Performance Objectives and Measures	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 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:	79%	74%	67%	68%	72%
Activity and Workload Highlights	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 Estimated
1. Total square footage of facilities maintained:	197,949	197,949	201,033	201,033	201,033
2. Total square footage of facilities maintained per FTE:	98,975	98,975	100,517	100,517	100,517
3. Cost per square foot:	\$3.50	\$4.00	\$4.00	\$4.50	\$5.63
4. Total number of facility requests received and completed:	333	360	353	320	342

Parks & Public Works Department

NON-POINT SOURCE PROGRAM FUND 222

PROGRAM PURPOSE

The principal objective of the Non-Point Source Program is to ensure compliance with the Town's National Pollutant Discharge Elimination System (NPDES) Permit requirements. This unfunded mandate requires that the Town prevent debris and pollution from entering the Town's storm drain system, which discharge directly into local creeks and ultimately to 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. Engineering Development Program staff, in coordination with Community Development Department staff, review the development applications to ensure projects comply with requirements for treatment of stormwater before it is discharged to the storm drain system.

BUDGET OVERVIEW

Funding in this Program supports work required under the Federal Clean Water Act, Environmental Protection Agency regulations, and respective NPDES permits. The NPDES permit is issued by the San Francisco Regional Water Quality Control Board (RWQCB). The unfunded mandates required in this Permit are extensive. The West Valley cities of Saratoga, Monte Sereno, Campbell, and Los Gatos participate with the West Valley Stormwater Authority (WVSA), which represents these communities at the County and regional level on policy permit issues. Additionally, the WVSA guides staff with regard to permit and fee administration, collects revenue through tax assessments, compiles data, and prepares the required annual reporting for the West Valley cities. The services of this joint powers authority provide invaluable support to staff, but the Town remains the permit holder and is responsible for compliance.

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.

Effective July 1, 2022, MRP 2.0 was replaced with MRP 3.0 requiring 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 100% of all litter and waste from entering MS4 systems. Staff continued to move toward compliance in FY 24-25, by installing full capture devices (FDCs) and/or source control measures. With the installations completed in Fiscal Year 2024-25 the Town now has 80 locations FCD installations, to comply with the MS4 Permit. Each of these locations require inspection and cleaning three times per year. This work is completed by the Town's Streets crew (see Operating Budget Program 5401). Additional funding or staffing was not added to the Streets Program to represent this additional maintenance burden. At this time, there are no additional trash capture devices planned for installation in FY 2025-26.

As a result of the MRP 3.0 regulations, staff are required to perform construction inspections for new development projects to ensure permit requirements, such as the installation and maintenance of Low Impact Development (LID) design features, are met. This is another aspect of the Permit program that demands staff time but for which staff has not been added. The numerous unfunded mandates have 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 measures required as part of the NPDES permit requirements.

The Town's NPDES program activities also include managing 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 West Valley Clean Water Program (WVCWP).

The FY 2025-26 budget includes increases in salary and benefit premium costs attributed to the cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% vacancy saving factor.

PARKS & PUBLIC WORKS DEPARTMENT
Non-Point Source Program

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-22	2022-23	2023-24	2024-25	2024-25	2025-26
	Actuals	Actuals	Actuals	Adjusted	Estimated	Proposed
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	371,239	451,557	629,842	754,133	754,133	611,595
Total Beginning Fund Balance	371,239	451,557	629,842	754,133	754,133	611,595
Revenues						
<i>Licenses and Permits</i>	231,323	359,950	359,951	163,690	163,690	163,690
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Service Charge</i>	-	-	-	-	-	-
<i>Other Revenues</i>	43,967	22,431	16,942	-	-	-
Total Revenues	275,290	382,381	376,893	163,690	163,690	163,690
Transfers In						
<i>Transfer from General Fund</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
Total Revenues & Transfers In	275,290	382,381	376,893	163,690	163,690	163,690
TOTAL SOURCE OF FUNDS	\$ 646,529	\$ 833,938	\$ 1,006,735	\$ 917,823	\$ 917,823	\$ 775,285
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ 154,426	\$ 158,603	\$ 206,605	\$ 218,701	\$ 243,932	\$ 150,201
<i>Operating Expenditures</i>	37,054	41,402	38,698	58,855	47,855	67,308
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	3,492	4,091	7,299	6,872	14,441	4,756
Total Expenditures	194,972	204,096	252,602	284,428	306,228	222,265
Transfers Out						
<i>Transfer to General Fund</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	194,972	204,096	252,602	284,428	306,228	222,265
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	451,557	629,842	754,133	633,395	611,595	553,020
Total Ending Fund Balance	451,557	629,842	754,133	633,395	611,595	553,020
TOTAL USE OF FUNDS	\$ 646,529	\$ 833,938	\$ 1,006,735	\$ 917,823	\$ 917,823	\$ 775,285

PARKS & PUBLIC WORKS DEPARTMENT
Non-Point Source Program

FY 2025-26 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. Program staff partners with the West Valley Stormwater 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)

	2021-22	2022-23	2023-24	2024-25	2025-26
	Funded	Funded	Funded	Funded	Proposed
Town Staff					
Park & Public Works Director	-	-	-	-	0.10
Senior Administrative Analyst	0.25	0.25	0.25	0.25	0.10
Environmental Programs Specialist	-	-	-	-	0.50
Senior Public Works Inspector	0.50	0.50	0.50	0.50	-
Parks & Maint Worker	0.25	0.25	0.25	0.25	-
Total Non-Point Source FTEs	1.00	1.00	1.00	1.00	0.70

Temporary Staff Hours

	2021-22	2022-23	2023-24	2024-25	2025-26
	Funded	Funded	Funded	Funded	Proposed
Senior Administrative Analyst	-	-	-	130	-
TOTAL ANNUAL HOURS	-	-	-	130	-

Performance Objectives and Measures	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 Estimated
1. Prevent street debris from entering the storm drain system.					
a. Number of cubic yards of debris removed annually:	1,330	981	542	2000*	2000*

Activity and Workload Highlights	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 Estimated
1. Number of Los Gatos curb and parking lot miles swept annually:	3,150	2,493	1,154	3900*	3900*
2. Number of stormwater inspections:	1,163	679	872	682	900



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

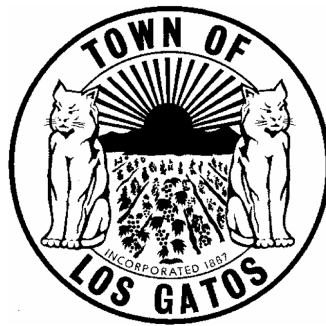
Fiscal Year 2025-26

Annual Special District Assessments

Fund #	Assessment Districts	Number of Parcels	Parcel Assessment	Total Assessment	Rate in effect prior to Prop 218
231	Blackwell Drive	5	\$ 632	\$ 3,160	Yes
232	Kennedy Meadows	15	685	10,275	Yes
233	Gemini Court	18	230	4,140	Yes
234	Santa Rosa	15	300	4,500	Yes
235	Vasona Heights	33	295	9,735	Yes
236	Hillbrook	34	50	5,950	Yes
Total Landscape & Lighting Assessment:				\$ 37,760	

PARKS & PUBLIC WORKS DEPARTMENT
Landscape & Lighting Districts

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	166,363	168,245	170,975	176,637	176,637	175,467
Total Beginning Fund Balance	166,363	168,245	170,975	176,637	176,637	175,467
REVENUES						
Property Tax Assessments	38,611	38,161	38,407	38,220	38,220	38,220
Interest	1,836	3,058	6,122	1,010	1,010	1,010
Other Revenues	29	-	30	-	-	-
Total Revenues	40,476	41,219	44,559	39,230	39,230	39,230
TOTAL SOURCE OF FUNDS	\$ 206,839	\$ 209,464	\$ 215,534	\$ 215,867	\$ 215,867	\$ 214,697
EXPENDITURES						
Salaries and Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenditures	33,674	33,569	33,977	35,480	35,480	35,480
Fixed Assets	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 33,674	\$ 33,569	\$ 33,977	\$ 35,480	\$ 35,480	\$ 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	38,594	38,489	38,897	40,400	40,400	40,400
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	168,245	170,975	176,637	175,467	175,467	174,297
Total Ending Fund Balance	168,245	170,975	176,637	175,467	175,467	174,297
TOTAL USE OF FUNDS	\$ 206,839	\$ 209,464	\$ 215,534	\$ 215,867	\$ 215,867	\$ 214,697



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 2025-26 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

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	14,085	13,741	14,156	15,048	15,048	15,186
Total Beginning Fund Balance	14,085	13,741	14,156	15,048	15,048	15,186
Revenues						
<i>Property Tax Assessments</i>	3,160	3,160	3,192	3,160	3,160	3,160
<i>Interest</i>	150	243	499	50	50	50
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	<u>3,310</u>	<u>3,403</u>	<u>3,691</u>	<u>3,210</u>	<u>3,210</u>	<u>3,210</u>
TOTAL SOURCE OF FUNDS	<u>\$ 17,395</u>	<u>\$ 17,144</u>	<u>\$ 17,847</u>	<u>\$ 18,258</u>	<u>\$ 18,258</u>	<u>\$ 18,396</u>
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	3,194	2,528	2,339	2,612	2,612	2,612
<i>Fixed Asset</i>	-	-	-	-	-	-
Total Expenditures	<u>3,194</u>	<u>2,528</u>	<u>2,339</u>	<u>2,612</u>	<u>2,612</u>	<u>2,612</u>
Transfers Out						
<i>Transfer to General Fund</i>	460	460	460	460	460	460
Total Transfers Out	<u>460</u>	<u>460</u>	<u>460</u>	<u>460</u>	<u>460</u>	<u>460</u>
Total Expenditures & Transfers Out	<u>3,654</u>	<u>2,988</u>	<u>2,799</u>	<u>3,072</u>	<u>3,072</u>	<u>3,072</u>
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	13,741	14,156	15,048	15,186	15,186	15,324
Total Ending Fund Balance	<u>13,741</u>	<u>14,156</u>	<u>15,048</u>	<u>15,186</u>	<u>15,186</u>	<u>15,324</u>
TOTAL USE OF FUNDS	<u>\$ 16,935</u>	<u>\$ 16,684</u>	<u>\$ 17,387</u>	<u>\$ 17,798</u>	<u>\$ 17,798</u>	<u>\$ 17,936</u>

Parks & Public Works Department

KENNEDY MEADOWS ASSESSMENT DISTRICT FUND 232

FUND PURPOSE

The Kennedy Meadows Assessment District consists of 15 homes surrounded by eight acres of open space area. 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 2025-26, maintenance expenditures are anticipated to remain constant. The fund balance surplus is held for current or future repair/replacement costs related to the asphalt pathway, tree trimming, and streetlights.

PARKS & PUBLIC WORKS DEPARTMENT
Kennedy Meadows Assessment District

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	20,415	21,340	19,938	18,097	18,097	16,827
Total Beginning Fund Balance	20,415	21,340	19,938	18,097	18,097	16,827
Revenues						
<i>Property Tax Assessments</i>	10,378	10,344	10,412	10,275	10,275	10,275
<i>Interest</i>	215	367	630	330	330	330
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	10,593	10,711	11,042	10,605	10,605	10,605
TOTAL SOURCE OF FUNDS	\$ 31,008	\$ 32,051	\$ 30,980	\$ 28,702	\$ 28,702	\$ 27,432
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	8,158	10,603	11,373	10,365	10,365	10,365
<i>Fixed Assets</i>	-	-	-	-	-	-
Total Expenditures	8,158	10,603	11,373	10,365	10,365	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	9,668	12,113	12,883	11,875	11,875	11,875
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	21,340	19,938	18,097	16,827	16,827	15,557
Total Ending Fund Balance	21,340	19,938	18,097	16,827	16,827	15,557
TOTAL USE OF FUNDS	\$ 29,498	\$ 30,541	\$ 29,470	\$ 27,192	\$ 27,192	\$ 25,922

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 2025-26 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

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	34,415	36,800	39,961	44,208	44,208	47,216
Total Beginning Fund Balance	34,415	36,800	39,961	44,208	44,208	47,216
Revenues						
<i>Property Tax Assessments</i>	4,612	4,382	4,612	4,600	4,600	4,600
<i>Interest</i>	380	659	1,433	150	150	150
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	<u>4,992</u>	<u>5,041</u>	<u>6,045</u>	<u>4,750</u>	<u>4,750</u>	<u>4,750</u>
TOTAL SOURCE OF FUNDS	\$ 39,407	\$ 41,841	\$ 46,006	\$ 48,958	\$ 48,958	\$ 51,966
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	1,997	1,270	1,188	1,132	1,132	1,132
<i>Fixed Assets</i>	-	-	-	-	-	-
Total Expenditures	<u>1,997</u>	<u>1,270</u>	<u>1,188</u>	<u>1,132</u>	<u>1,132</u>	<u>1,132</u>
Transfers Out						
<i>Transfer to General Fund</i>	610	610	610	610	610	610
Total Transfers Out	<u>610</u>	<u>610</u>	<u>610</u>	<u>610</u>	<u>610</u>	<u>610</u>
Total Expenditures & Transfers Out	<u>2,607</u>	<u>1,880</u>	<u>1,798</u>	<u>1,742</u>	<u>1,742</u>	<u>1,742</u>
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	36,800	39,961	44,208	47,216	47,216	50,224
Total Ending Fund Balance	<u>36,800</u>	<u>39,961</u>	<u>44,208</u>	<u>47,216</u>	<u>47,216</u>	<u>50,224</u>
TOTAL USE OF FUNDS	\$ 38,797	\$ 41,231	\$ 45,396	\$ 48,348	\$ 48,348	\$ 51,356

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 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. 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 2025-26 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

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	45,970	40,708	36,370	32,757	32,757	29,151
Total Beginning Fund Balance	45,970	40,708	36,370	32,757	32,757	29,151
Revenues						
<i>Property Tax Assessments</i>	4,710	4,545	4,745	4,500	4,500	4,500
<i>Interest</i>	465	690	1,187	50	50	50
<i>Other Revenues</i>	29	-	30	-	-	-
Total Revenues	5,204	5,235	5,962	4,550	4,550	4,550
TOTAL SOURCE OF FUNDS	\$ 51,174	\$ 45,943	\$ 42,332	\$ 37,307	\$ 37,307	\$ 33,701
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	9,806	8,913	8,915	7,496	7,496	7,496
<i>Fixed Assets</i>	-	-	-	-	-	-
Total Expenditures	9,806	8,913	8,915	7,496	7,496	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	10,466	9,573	9,575	8,156	8,156	8,156
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	40,708	36,370	32,757	29,151	29,151	25,545
Total Ending Fund Balance	40,708	36,370	32,757	29,151	29,151	25,545
TOTAL USE OF FUNDS	\$ 50,514	\$ 45,283	\$ 41,672	\$ 36,647	\$ 36,647	\$ 33,041

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.

BUDGET OVERVIEW

A portion of the fund balance surplus will be recommended for improvements such as landscaping and irrigation. The FY 2025-26 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

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	34,728	37,511	40,266	43,772	43,772	44,828
Total Beginning Fund Balance	34,728	37,511	40,266	43,772	43,772	44,828
Revenues						
<i>Property Tax Assessments</i>	9,765	9,735	9,750	9,735	9,735	9,735
<i>Interest</i>	380	673	1,445	340	340	340
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	10,145	10,408	11,195	10,075	10,075	10,075
TOTAL SOURCE OF FUNDS	\$ 44,873	\$ 47,919	\$ 51,461	\$ 53,847	\$ 53,847	\$ 54,903
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	5,932	6,223	6,259	7,589	7,589	7,589
<i>Fixed Assets</i>	-	-	-	-	-	-
Total Expenditures	5,932	6,223	6,259	7,589	7,589	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	7,362	7,653	7,689	9,019	9,019	9,019
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	37,511	40,266	43,772	44,828	44,828	45,884
Total Ending Fund Balance	37,511	40,266	43,772	44,828	44,828	45,884
TOTAL USE OF FUNDS	\$ 43,443	\$ 46,489	\$ 50,031	\$ 52,417	\$ 52,417	\$ 53,473

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 2025-26 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

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	22,744	24,139	26,278	28,749	28,749	28,253
Total Beginning Fund Balance	22,744	24,139	26,278	28,749	28,749	28,253
Revenues						
<i>Property Tax Assessments</i>	5,986	5,995	5,696	5,950	5,950	5,950
<i>Interest</i>	246	426	928	90	90	90
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	6,232	6,421	6,624	6,040	6,040	6,040
TOTAL SOURCE OF FUNDS	\$ 28,976	\$ 30,560	\$ 32,902	\$ 34,789	\$ 34,789	\$ 34,293
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	4,587	4,032	3,903	6,286	6,286	6,286
<i>Fixed Assets</i>	-	-	-	-	-	-
Total Expenditures	4,587	4,032	3,903	6,286	6,286	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	4,837	4,282	4,153	6,536	6,536	6,536
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	24,139	26,278	28,749	28,253	28,253	27,757
Total Ending Fund Balance	24,139	26,278	28,749	28,253	28,253	27,757
TOTAL USE OF FUNDS	\$ 28,726	\$ 30,310	\$ 32,652	\$ 34,539	\$ 34,539	\$ 34,043



Library Department

This Page Intentionally Left Blank

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 2025-26 budget is built as closely as possible to a status quo level of service while taking into account 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.

LIBRARY DEPARTMENT

The FY 2025-26 budget includes increases in salary and benefit premium costs attributed to the cost of living increases approved in the negotiated Memoranda of Understanding, anticipated merit step increases, higher benefit and CalPERS pension rates, and a 4.6% vacancy saving factor.

An increase in projected cost for Part-time/Temporary Staffing is attributed to temporary hours pool shifting from a lower classification with a narrow job description (Temp Library Page) to a pool of temporary hours with a wide range of abilities listed in the job description (Temp Library Assistant), which will allow for more agile use of temporary staff

FY 2024-25 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Good Governance</i> Ensure responsive, accountable and collaborate government	<ul style="list-style-type: none">• 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 community science kits, State Parks kits, induction cooktops, stargazing telescopes, and more.• Utilized grant funding to launch a cabinet of free supplies for the unhoused and those in need, such as personal hygiene items, warming blankets, gloves and hats, clean socks, and similar life needs.• Partnered with County Behavioral Health Navigators to offer assistance navigating County programs.• Added feminine hygiene dispensers in Library bathrooms to provide free pads and tampons.
<i>Civic Engagement</i> Foster opportunities for citizen involvement, and cultural, recreational and individual enrichment	<ul style="list-style-type: none">• Continued to provide access to computers and broadband internet.• 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.• 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.• Worked in coordination with other libraries in California to support the Palace Project, a new ebook platform that provides access to 150,000 new ebook titles for our community.

LIBRARY DEPARTMENT

FY 2024-25 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Civic Engagement</i> Foster opportunities for citizen involvement, and cultural, recreational and individual enrichment	<ul style="list-style-type: none">• 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.• Fostered partnerships with local organizations such as Grassroots Ecology, Safe Routes to School, Aspire, Girls Who Code, NUMU, Q Corner, Parents Helping Parents, Cancer Care Point, 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 2024-25 ACCOMPLISHMENTS

Core Goals	Accomplishments
<i>Civic Engagement</i> Foster opportunities for citizen involvement, and cultural, recreational and individual enrichment	<ul style="list-style-type: none">• 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 assessment software to continue evaluating our collections and programs to increase representation.• 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	<ul style="list-style-type: none">• Increased Narcan/Naloxone distribution and training for the public through special events, and with Town staff in other departments through HR events.• 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.• Continued Emergency Operations training with all full-time staff to assist the Town during emergency activations.

LIBRARY DEPARTMENT

DEPARTMENTAL SUMMARY OF REVENUES AND EXPENDITURES

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adopted	2024-25 Estimated	2025-26 Proposed
REVENUES						
<i>Intergovernmental Revenues</i>	\$ 9,000	\$ 63,046	\$ 43,892	\$ -	\$ 36,000	\$ -
<i>Service Charge</i>	514	2,039	2,514	500	1,000	800
<i>Fines & Forfeitures</i>	7	-	-	-	-	-
<i>Other Revenues</i>	35,000	35,000	35,000	35,000	41,585	35,000
TOTAL REVENUES	\$ 44,521	\$ 100,085	\$ 81,406	\$ 35,500	\$ 78,585	\$ 35,800
Transfers In						
<i>Transfers In from Trust(s)</i>	-	-	-	-	-	-
<i>Transfers In from General Fund</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
TOTAL REVENUES & TRANSFERS IN	\$ 44,521	\$ 100,085	\$ 81,406	\$ 35,500	\$ 78,585	\$ 35,800
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 1,865,875	\$ 2,096,762	\$ 2,285,300	\$ 2,364,620	\$ 2,450,420	\$ 2,581,950
<i>Operating Expenditures</i>	333,002	470,959	432,140	445,100	440,600	464,500
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	553,525	528,764	535,948	648,938	651,163	778,365
TOTAL EXPENDITURES	\$ 2,752,402	\$ 3,096,485	\$ 3,253,388	\$ 3,458,658	\$ 3,542,183	\$ 3,824,815

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)

	2021-22	2022-23	2023-24	2024-25	2025-26
	Funded	Funded	Funded	Funded	Proposed
<i>Town Staff</i>					
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	-	-
Librarian II	-	-	-	1.00	1.00
Librarian I	-	-	-	2.00	2.00
Library Technology Specialist	2.00	2.00	2.00	3.00	3.00
Library Assistant	-	-	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 PROGRAM FTE's	12.50	12.50	13.50	13.50	13.50

	2021-22	2022-23	2023-24	2024-25	2025-26
	Funded	Funded	Funded	Funded	Proposed
<i>Temporary Staff Hours</i>					
Librarian Temp	350	350	140	140	140
Library Clerk	800	800	650	650	300
Library Page	5,300	5,300	3,000	3,000	1,500
Library Assistant	1,200	1,200	1,100	1,450	2,800
Library Teen Services Specialist	800	800	400	-	-
TOTAL ANNUAL HOURS	8,450	8,450	5,290	5,240	4,740

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 2025-26 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 2025-26 show nominal increases to continue to cover the cost to stock supplies for basic needs for unhoused residents, as well as increases to line items for training and conference due to rising costs in those areas. This program also includes line items for the Art in the Council Chambers program and the Arts and Culture Commission's discretionary fund.

LIBRARY DEPARTMENT

Library Administration

SUMMARY OF REVENUES AND EXPENDITURES

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
REVENUES						
<i>Intergovernmental Revenue</i>	\$ -	\$ -	\$ 7,193	\$ -	\$ -	\$ -
<i>Service Charges</i>	50	-	-	-	-	-
<i>Fines & Forfeitures</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
TOTAL REVENUES	\$ 50	\$ -	\$ 7,193	\$ -	\$ -	\$ -
Transfers In						
<i>Transfers In from Trust(s)</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
TOTAL REVENUES & TRANSFERS IN	\$ 50	\$ -	\$ 7,193	\$ -	\$ -	\$ -
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 384,355	\$ 404,354	\$ 422,357	\$ 423,953	\$ 450,984	\$ 467,643
<i>Operating Expenditures</i>	32,817	46,062	46,516	64,100	59,600	72,000
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	88,272	94,404	94,320	118,727	119,254	148,647
TOTAL EXPENDITURES	\$ 505,444	\$ 544,820	\$ 563,193	\$ 606,780	\$ 629,838	\$ 688,290

LIBRARY DEPARTMENT
Library Administration

FY 2025-26 KEY PROJECTS

Core Goals	Key Projects
<p>Good Governance Ensure responsive, accountable and collaborate government</p>	<p style="text-align: center;"><i>Emergency Community Resources Services</i></p> <ul style="list-style-type: none"> • 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 Department of Health to continue public distribution of Narcan. • Continue to research and add services and resource opportunities for the most vulnerable populations. <p style="text-align: center;"><i>Regional and State Library Networks</i></p> <ul style="list-style-type: none"> • 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.
	<p style="text-align: center;"><i>Long-term building maintenance</i></p> <ul style="list-style-type: none"> • 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.
<p>Quality Public Infrastructure Maintain the condition and availability of public facilities, transportation systems, and other public infrastructure</p>	<p style="text-align: center;"><i>Arts Commission Projects</i></p> <ul style="list-style-type: none"> • Complete the Town Public Arts Master Plan to provide a framework for short and long-term public arts development. • Complete installation of the fifth Gateway project sculpture at a location to be determined. • Continue working in collaboration with Silicon Valley Creates to expand the opportunities of the Commission. • Continue 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

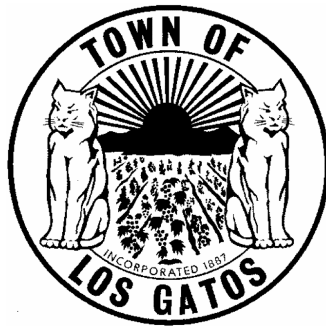
Full Time Equivalent (FTE)

	2021-22	2022-23	2023-24	2024-25	2025-26
Town Staff	Funded	Funded	Funded	Funded	Proposed
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

	2021-22	2022-23	2023-24	2024-25	2025-26
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:	96%	97%	96%	96%	96%

	2021-22	2022-23	2023-24	2024-25	2025-26
Activity and Workload Highlights	Actual	Actual	Actual	Estimated	Estimated
1. Door Count:	175,478	220,928	249,120	250,000	250,000
2. Volunteer hours contributed:	6,200	3,056	3,270	3,400	3,500
3. Number of public service hours: (open hours)	2,740	2,800	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 FY2025-26 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.

LIBRARY DEPARTMENT
Adult Services

SUMMARY OF REVENUES AND EXPENDITURES

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
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	35,000
TOTAL REVENUES	\$ 35,000	\$ 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	\$ 35,000
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 456,109	\$ 570,830	\$ 650,055	\$ 660,617	\$ 699,985	\$ 787,806
<i>Operating Expenditures</i>	153,925	173,676	174,216	178,000	178,000	183,000
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	88,793	95,132	96,352	124,246	125,433	158,533
TOTAL EXPENDITURES	\$ 698,827	\$ 839,638	\$ 920,623	\$ 962,863	\$ 1,003,418	\$ 1,129,339

LIBRARY DEPARTMENT
Adult Services

FY 2025-26 KEY PROJECTS

Core Goals	Key Projects
<p><i>Civic Engagement</i> Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment</p>	<p style="text-align: center;"><i>High-quality Programming</i></p> <ul style="list-style-type: none"> Continue to offer high-quality programs in both in-person and on-line formats to cater to a variety of community interests.
	<p style="text-align: center;"><i>Alternate Collection Services</i></p> <ul style="list-style-type: none"> Continue to introduce non-traditional materials for lending for public use, including activity kits, games, tool kits, digitization equipment, and State Parks Passes.
	<p style="text-align: center;"><i>Historical Digitization</i></p> <ul style="list-style-type: none"> Continue adding items to the Library’s online archive for public access.
	<p style="text-align: center;"><i>Equity and Inclusion Efforts</i></p> <ul style="list-style-type: none"> 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

- Provides access to the Internet and training for the public in basic searching and navigational skills, and more specialized skills such as genealogy searches.
- Maintains a Library mobile application for use with smartphones and mobile devices.

ADULT SERVICES PROGRAM STAFFING

Full Time Equivalent (FTE)

	2021-22	2022-23	2023-24	2024-25	2025-26
	Funded	Funded	Funded	Funded	Proposed
Town Staff					
Division Manager	0.30	0.30	0.30	0.30	0.30
Librarian	1.50	1.50	1.50	-	-
Librarian II	-	-	-	0.75	0.25
Librarian I	-	-	-	0.75	1.25
Library Technology Specialist	0.70	0.70	0.70	1.70	1.70
Library Assistant	-	1.00	1.00	-	-
Sr Library Page	0.60	1.20	1.20	1.20	1.20
Total Adult Services FTEs	3.10	4.70	4.70	4.70	4.70

	2021-22	2022-23	2023-24	2024-25	2025-26
	Funded	Funded	Funded	Funded	Proposed
Temporary Staff					
Librarian Temp	175	70	70	70	70
Library Assistant	600	550	550	900	1,400
Library Teen Specialist	800	400	400	-	-
Total Annual Hours	1,575	1,020	1,020	970	1,470

LIBRARY DEPARTMENT

Adult Services

Performance Objectives and Measures	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 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:	98%	98%	97%	98%	98%
2. <i>Assure delivery of quality service to customers.</i>					
a. Percentage of customers rating staff interactions as good/excellent:	95%	99%	96%	97%	98%

Activity and Workload Highlights	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 Estimated
1. Number of adult reference questions received:	1,558	8,237	8,321	8,500	8,500
2. Number of adult programs offered:	292	239	258	250	250
3. Total attendance at adult programs:	3,752	2,228	4,200	4,000	4,000
4. Total number of adult outreach programs:	8	13	15	15	15
5. Total attendance at adult outreach programs:	72	501	598	600	600



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 FY2025-26. 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, FY 2025-26 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

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
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>	\$ 398,028	\$ 447,833	\$ 513,165	\$ 501,407	\$ 543,949	\$ 610,570
<i>Operating Expenditures</i>	60,221	61,367	66,385	70,000	70,000	72,000
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	88,528	94,757	95,219	120,362	121,602	152,635
TOTAL EXPENDITURES	\$ 546,777	\$ 603,957	\$ 674,769	\$ 691,769	\$ 735,551	\$ 835,205

LIBRARY DEPARTMENT

Youth Services

FY 2025-26 KEY PROJECTS

Core Goals	Key Projects
Civic Engagement Foster opportunities for citizen involvement, and cultural, recreational, and individual enrichment.	High-Quality Programming <ul style="list-style-type: none">• Continue to produce high-quality programs for children and families covering a wide variety of interests and learning levels.• Increase options for children with differential needs.
	Teen Services <ul style="list-style-type: none">• 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.
	Equity and Inclusion Efforts <ul style="list-style-type: none">• 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.
- 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.
- Provides field trips to the Library and Librarian visits to schools and community events.
- Provides resources to assist with local educator needs.
- 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)

	2021-22	2022-23	2023-24	2024-25	2025-26
	Funded	Funded	Funded	Funded	Proposed
Town Staff					
Division Manager	0.50	0.50	0.50	0.50	0.50
Librarian	1.50	1.50	1.50	-	-
Librarian II	-	-	-	0.75	0.75
Librarian I	-	-	-	0.75	0.75
Library Technology Specialist	0.40	0.40	0.40	0.40	0.40
Sr Library Page	0.40	0.80	0.80	0.80	0.80
Total Youth Services FTEs	2.80	3.20	3.20	3.20	3.20

	2021-22	2022-23	2023-24	2024-25	2025-26
	Funded	Funded	Funded	Funded	Proposed
Temporary Staff					
Librarian Temp	175	70	70	70	70
Library Assistant	600	550	550	550	1,400
Total Annual Hours	775	620	620	620	1,470

LIBRARY DEPARTMENT
Youth Services

Performance Objectives and Measures	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 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:	99%	99%	98%	99%	99%
2. <i>Assure the delivery of quality service to youth customers.</i>					
a. Percentage of customers rating interactions as good/excellent:	95%	99%	97%	99%	99%

Activity and Workload Highlights	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 Estimated
1. Number of youth programs per year:	296	312	273	275	300
2. Total attendance at youth programs:	4,854	14,597	12,462	13,000	14,000
3. Annual number of youth reference questions received:	879	2,187	8,631	8,000	8,000
4. Number of teens using library resources per year:	9,572	18,051	16,320	16,500	17,000
5. Number of youth outreach programs:	9	13	18	15	15
6. Total attendance at youth outreach programs:	718	525	631	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 FY2025-26 due to inflationary costs of software licenses and support.

LIBRARY DEPARTMENT
Circulation and Systems Administration

SUMMARY OF REVENUES AND EXPENDITURES

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
REVENUES						
<i>Intergovernmental Revenue</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Service Charges</i>	464	2,039	2,514	500	1,000	800
<i>Fines & Forfeitures</i>	7	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	6,585	-
TOTAL REVENUES	\$ 471	\$ 2,039	\$ 2,514	\$ 500	\$ 7,585	\$ 800
Transfers In						
<i>Transfers In from Trust(s)</i>	-	-	-	-	-	-
Total Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES & TRANSFERS IN	\$ 471	\$ 2,039	\$ 2,514	\$ 500	\$ 7,585	\$ 800
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 627,383	\$ 673,745	\$ 699,723	\$ 778,643	\$ 755,502	\$ 715,931
<i>Operating Expenditures</i>	75,654	105,480	108,324	133,000	133,000	137,500
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	287,932	244,471	250,057	285,603	284,874	318,550
TOTAL EXPENDITURES	\$ 990,969	\$ 1,023,696	\$ 1,058,104	\$ 1,197,246	\$ 1,173,376	\$ 1,171,981

FY 2025-26 KEY PROJECTS

Core Goals	Key Projects
<i>Good Governance</i> Ensure responsive, accountable, and collaborative government	<ul style="list-style-type: none"> 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. Continue to replace equipment as identified in the IT replacement schedule. Configure software to enhance communications, notifications, and newsletters.

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)

	2021-22	2022-23	2023-24	2024-25	2025-26
	Funded	Funded	Funded	Funded	Proposed
<i>Town Staff</i>					
Division Manager	0.80	0.80	0.80	0.80	0.80
Library Specialist	1.50	0.50	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	3.95	3.95	3.95	3.95

	2021-22	2022-23	2023-24	2024-25	2025-26
	Funded	Funded	Funded	Funded	Proposed
<i>Temporary Staff</i>					
Library Clerk	800	650	650	650	300
Library Page	5,300	3,000	3,000	3,000	1,500
Total Annual Hours	6,100	3,650	3,650	3,650	1,800

LIBRARY DEPARTMENT
Circulation and Systems Administration

Performance Objectives and Measures		2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 Estimated
1.	<i>Percentage of customers stating the Library has a good/excellent collection:</i>	90%	91%	90%	90%	90%
2.	<i>Assure access to library online services.</i>					
	a. Number of databases available online:	34	44	59	50	50
	b. Number of electronic materials available for loan:	1,993,447	2,889,436	3,934,491	4,000,000	4,050,000
	c. Number of items in-house for loan:	106,750	109,457	106,739	108,000	108,000
Activity and Workload Highlights		2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 Estimated
1.	Total Circulation:	351,444	398,090	457,813	475,000	490,000
2.	Number of new patrons registered:	4,580	4,865	4,479	4,500	4,500
3.	Number of Library Card holders:	30,755	29,607	34,086	33,000	33,000
4.	Number of periodical subscriptions available for public:	86	112	100	106	100
5.	Use of public internet computers:	1,907	2,541	4,068	4,500	5,000
6.	Circulation of non-English materials:	3,055	9,323	9,246	9,500	10,000
7.	Electronic Content Use:	101,703	127,312	99,098	104,000	110,000

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 \$60,000 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 2025. The FY2025-26 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 mid-year budget review.

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 2025-26 budget anticipates no contributions from this source.

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	76,746	77,210	49,495	64,533	64,533	45,705
Total Beginning Fund Balance	76,746	77,210	49,495	64,533	64,533	45,705
Revenues						
<i>Interest</i>	1,119	1,709	3,826	500	500	500
<i>Other Revenues</i>	70,958	76,617	88,411	70,500	60,672	70,500
<i>Intergovernmental</i>	-	-	-	-	-	-
Total Revenues	72,077	78,326	92,237	71,000	61,172	71,000
TOTAL SOURCE OF FUNDS	\$ 148,823	\$ 155,536	\$ 141,732	\$ 135,533	\$ 125,705	\$ 116,705
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	71,613	106,041	77,199	80,000	80,000	74,000
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
Total Expenditures	71,613	106,041	77,199	80,000	80,000	74,000
Transfers Out						
<i>Transfer to General Fund</i>	-	-	-	-	-	-
<i>Transfer to History Trust Fund</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
TOTAL EXPENDITURES & TRANSFERS OUT	71,613	106,041	77,199	80,000	80,000	74,000
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	77,210	49,495	64,533	55,533	45,705	42,705
Total Ending Fund Balance	77,210	49,495	64,533	55,533	45,705	42,705
TOTAL USE OF FUNDS	\$ 148,823	\$ 155,536	\$ 141,732	\$ 135,533	\$ 125,705	\$ 116,705

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 2025-26 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

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	21,593	21,832	22,217	88,679	23,003	401
Total Beginning Fund Balance	21,593	21,832	22,217	88,679	23,003	401
Revenues						
<i>Interest</i>	239	385	786	400	400	400
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	<u>\$ 239</u>	<u>\$ 385</u>	<u>\$ 786</u>	<u>\$ 400</u>	<u>\$ 400</u>	<u>\$ 400</u>
TOTAL SOURCE OF FUNDS	<u>\$ 21,832</u>	<u>\$ 22,217</u>	<u>\$ 23,003</u>	<u>\$ 89,079</u>	<u>\$ 23,403</u>	<u>\$ 801</u>
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Fixed Assets</i>	-	-	-	23,002	23,002	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,002</u>	<u>23,002</u>	<u>-</u>
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	21,832	22,217	23,003	66,077	401	801
Total Ending Fund Balance	<u>21,832</u>	<u>22,217</u>	<u>23,003</u>	<u>66,077</u>	<u>401</u>	<u>801</u>
TOTAL USE OF FUNDS	<u>\$ 21,832</u>	<u>\$ 22,217</u>	<u>\$ 23,003</u>	<u>\$ 89,079</u>	<u>\$ 23,403</u>	<u>\$ 801</u>

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 2025-26 for the enhancement of children's specialty collections.

LIBRARY DEPARTMENT
Susan McClendon Trust Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	87,256	87,510	88,028	98,020	90,194	88,194
Total Beginning Fund Balance	87,256	87,510	88,028	98,020	90,194	88,194
Revenues						
<i>Interest</i>	954	1,518	3,066	1,000	1,000	2,000
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	<u>\$ 954</u>	<u>\$ 1,518</u>	<u>\$ 3,066</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 2,000</u>
TOTAL SOURCE OF FUNDS	\$ 88,210	\$ 89,028	\$ 91,094	\$ 99,020	\$ 91,194	\$ 90,194
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	700	1,000	900	1,000	3,000	2,000
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
Total Expenditures	<u>\$ 700</u>	<u>\$ 1,000</u>	<u>\$ 900</u>	<u>\$ 1,000</u>	<u>\$ 3,000</u>	<u>\$ 2,000</u>
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	87,510	88,028	90,194	98,020	88,194	88,194
Total Ending Fund Balance	<u>87,510</u>	<u>88,028</u>	<u>90,194</u>	<u>98,020</u>	<u>88,194</u>	<u>88,194</u>
TOTAL USE OF FUNDS	\$ 88,210	\$ 89,028	\$ 91,094	\$ 99,020	\$ 91,194	\$ 90,194

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 2025-26 for the enhancement the collection per the trust agreements.

LIBRARY DEPARTMENT
Barbara Jones Cassin Trust Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	357,765	359,184	360,914	369,601	369,601	361,601
Total Beginning Fund Balance	357,765	359,184	360,914	369,601	369,601	361,601
Revenues						
<i>Interest</i>	3,919	6,230	12,587	4,000	4,000	6,000
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	<u>\$ 3,919</u>	<u>\$ 6,230</u>	<u>\$ 12,587</u>	<u>\$ 4,000</u>	<u>\$ 4,000</u>	<u>\$ 6,000</u>
TOTAL SOURCE OF FUNDS	<u>\$ 361,684</u>	<u>\$ 365,414</u>	<u>\$ 373,501</u>	<u>\$ 373,601</u>	<u>\$ 373,601</u>	<u>\$ 367,601</u>
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	2,500	4,500	3,900	4,000	12,000	6,000
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
Total Expenditures	<u>2,500</u>	<u>4,500</u>	<u>3,900</u>	<u>4,000</u>	<u>12,000</u>	<u>6,000</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>\$ 2,500</u>	<u>\$ 4,500</u>	<u>\$ 3,900</u>	<u>\$ 4,000</u>	<u>\$ 12,000</u>	<u>\$ 6,000</u>
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	359,184	360,914	369,601	369,601	361,601	361,601
Total Ending Fund Balance	<u>359,184</u>	<u>360,914</u>	<u>369,601</u>	<u>369,601</u>	<u>361,601</u>	<u>361,601</u>
TOTAL USE OF FUNDS	<u>\$ 361,684</u>	<u>\$ 365,414</u>	<u>\$ 373,501</u>	<u>\$ 373,601</u>	<u>\$ 373,601</u>	<u>\$ 367,601</u>



Capital Improvement Program

This Page Intentionally Left Blank

**The Capital Improvement section
is presented in the CIP Document**





Successor Agency

This Page Intentionally Left Blank

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)

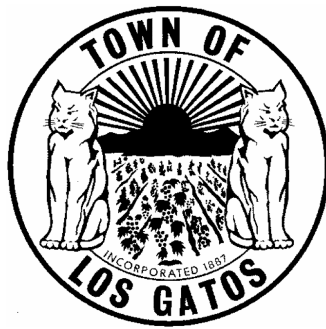
	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Adjusted	2024-25 Estimated	2025-26 Proposed
SOURCES OF FUNDS						
Beginning Budgetary Fund Balance						
<i>Designated</i>	\$ 1,963,657	\$ 1,963,755	\$ 1,963,660	\$ 1,967,496	\$ 1,967,496	\$ 1,963,327
<i>Undesignated</i>	1,917,697	1,928,698	1,993,530	2,130,443	2,130,443	2,215,056
Total Beginning Fund Balance	3,881,354	3,892,453	3,957,190	4,097,939	4,097,939	4,178,383
Revenues						
<i>Property Tax</i>	-	-	-	-	-	-
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Lease Income - COP's</i>	1,899,850	1,893,713	1,894,550	1,902,300	1,902,300	1,901,850
<i>County RPTTF Reimbursement</i>	1,937,791	1,942,119	1,952,104	1,911,300	1,951,721	1,960,412
<i>Interest</i>	3,897	69,129	122,074	3,000	70,000	50,000
<i>Other Revenues</i>	11,665	11,664	11,664	11,664	11,664	11,664
Total Revenues	3,853,203	3,916,625	3,980,392	3,828,264	3,935,685	3,923,926
Transfers In						
<i>Transfer from SA Administration</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
Total Revenues and Transfer Ins	\$ 3,853,203	\$ 3,916,625	\$ 3,980,392	\$ 3,828,264	\$ 3,935,685	\$ 3,923,926
TOTAL SOURCE OF FUNDS	\$ 7,734,557	\$ 7,809,078	\$ 7,937,582	\$ 7,926,203	\$ 8,033,624	\$ 8,102,309
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	1,675	1,813	1,860	1,484	1,554	1,664
<i>Operating Expenditures</i>	105,213	124,413	111,513	111,713	113,388	11,695
<i>RDA - Loss on Sale</i>	-	-	-	-	-	-
<i>Debt Service</i>	3,735,211	3,725,656	3,726,257	3,740,259	3,740,259	3,803,701
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	5	6	13	40	40	62
Total Expenditures	3,842,104	3,851,888	3,839,643	3,853,496	3,855,241	3,817,122
Transfers Out						
<i>Transfer to Capital Projects</i>	-	-	-	-	-	-
<i>Transfer to General Funds</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	3,842,104	3,851,888	3,839,643	3,853,496	3,855,241	3,817,122
Ending Fund Balance						
<i>Designated</i>	1,963,755	1,963,660	1,967,496	1,963,327	1,963,327	1,963,327
<i>Undesignated</i>	1,928,698	1,993,530	2,130,443	2,109,380	2,215,056	2,321,860
Total Ending Fund Balance	3,892,453	3,957,190	4,097,939	4,072,707	4,178,383	4,285,187
TOTAL USE OF FUNDS	\$ 7,734,557	\$ 7,809,078	\$ 7,937,582	\$ 7,926,203	\$ 8,033,624	\$ 8,102,309

SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY

SUCCESSOR AGENCY TO THE LOS GATOS RDA PROGRAM STAFFING

Full Time Equivalent (FTE)

	2021-22	2022-23	2023-24	2024-25	2025-26
<i>Town Staff</i>	Funded	Funded	Funded	Funded	Proposed
Accountant/Finance Analyst	0.01	0.01	0.01	0.01	0.01
Total SA FTEs	0.01	0.01	0.01	0.01	0.01



Successor Agency to the Town of Los Gatos Redevelopment Agency

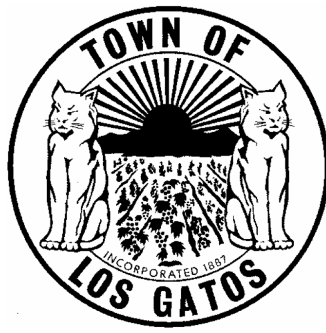
ADMINISTRATION PROGRAM 9403

PROGRAM PURPOSE

The Successor Agency's Administration Fund encompasses administrative functions related to operational and fiscal matters of the Successor Agency, in conjunction with the Finance Department. Prior to the dissolution of the Redevelopment Agency, this fund also supported capital project development, management, and construction oversight; and economic vitality activities to enhance revenues through business promotion and retention. While there will be no future capital projects, with the exception of Almond Grove reconstruction project in the former Redevelopment Area, economic vitality efforts continue and are now supported by the General Fund.

BUDGET OVERVIEW

The FY 2025-26 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

<u>Fiscal Year</u>	<u>Principal Maturing August 1st</u>	<u>Interest Due August 1st</u>	<u>Interest Due February 1st</u>	<u>Total Debt Service</u>	<u>Principal Balance</u>
<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 2025-26

Assessed Secured Property Valuation for FY 2024-25		\$	18,476,773,592
Debt Limitation (15% of assessed value)			15%
Bonded Debt Limit		\$	2,771,516,039
Outstanding Bonded Debt at 6/30/2025			
2002 Certificates of Participation	3,955,000		
2010 Certificates of Participation	4,575,000		
TOTAL Outstanding Debt	\$ 8,530,000		
LESS Debt not subject to limit:			
Special Assessment Bonds	-		
Special Revenue Bonds	-		
Certificate of Participation Debt	8,530,000		
Amounts held in Sinking Funds	-		
TOTAL Debt not subject to limit:	\$ 8,530,000		
Amount of Debt Subject to Limit:	\$ -	\$	-
LEGAL DEBT MARGIN		\$	2,771,516,039



Reference Materials

This Page Intentionally Left Blank

LIST OF FUNDS

GENERAL FUND 111

SPECIAL REVENUE FUNDS

HCD – Housing Rehabilitation Fund (Administrative Services) 211
HCD – CDBG Fund (Administrative Services)..... 212
Non-Point Source Maintenance Fund (Parks and Public Works) 222
Assessment District Funds (Parks and Public Works)..... 231-237
American Rescue Plan Act (ARPA) 241
Los Gatos Theatre..... 251
Library Trust (Library) 711
Clelles Ness Trust (Library) 713
Susan McClendon Trust (Library) 714
Barbara J Cassin Trust Fund (Library) 716

INTERNAL SERVICE FUNDS

Liability Self-Insurance Fund (Administrative Services) 611
Workers’ Compensation Fund (Administrative Services)..... 612
Information Technology Fund (Administrative Services) 621
Equipment Replacement Fund (Parks and Public Works) 631
Facilities Maintenance Fund (Parks and Public Works)..... 633

TRUST AND AGENCY FUNDS

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

CAPITAL PROJECT FUNDS

General Fund Appropriated Reserves (GFAR) 411
Adult Recreational Center Interim Community Center..... 412
Grant Funded Projects Fund..... 421
Storm Drain Basin Project Funds 461-463
Traffic Mitigation Fund 471
Utility Undergrounding Fund..... 472
Gas Tax 481

SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY FUNDS

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

LIST OF PROGRAMS

GENERAL FUND

Town Offices

Town Council	1101
Town Attorney.....	1301

Administrative Services

Non-Departmental	1201
Town Manager's Office	2101
Emergency Preparedness and Disaster Response.....	2105
Economic and Community Vitality	2106
Human Resources.....	2201
Finance Services	2301
Clerk Administration	2401
Information Technology Management	2502
Operating Grants	2801

Community Development Department

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

Police Department

Administration.....	4101
Records & Communication.....	4201
Personnel & Community Services	4202
Patrol	4301
Traffic	4302
Investigations	4303
Parking Management	4304
Operating Grants	4803 - 4815

Parks & Public Works Department

Administration	5101
Engineering Program	5201
Engineering Development Services.....	5202
Parks & Forestry	5301
Conservation, Recycling and Sustainability.....	5302
Streets & Signals	5401
Property Damage.....	5405
Vehicle Maintenance Management	5406
Facility Maintenance Management.....	5407
Los Gatos Theatre.....	5408

LIST OF PROGRAMS

GENERAL FUND CONTINUED

Library Services Department

Administration	7101
Adult Services / Reference	7201
Youth Services	7202
Acquisitions / Cataloging.....	7203
Circulation / Systems Administration.....	7204

INTERNAL SERVICE FUNDS

PLAN Liability Self-Insurance.....	1302
Workers Compensation	2202
Information Technology.....	2501
Equipment Replacement	5402
Building Maintenance	5404

SPECIAL REVENUE FUNDS

Non-Point Source Program	5203
HCD – Housing Rehabilitation	6501
HCD – CDBG Reimbursable Administration	6502
HCD – Community Development Block Grant	6503
ARPA.....	1241
Library Trust.....	7301
Clelles Ness Trust	7302
Susan McClendon Trust	7304
Barbara J Cassin Trust Fund	7305

Assessment Districts

Blackwell District	5501
Kennedy Meadows District	5502
Gemini Court District.....	5503
Santa Rosa Heights District.....	5504
Vasona Heights District	5505
Hillbrook District.....	5506

TRUST AND AGENCY FUNDS

Successor Agency to the Town of Los Gatos RDA Trust Fund.....	9403
---	------

CAPITAL PROJECT FUNDS

GFAR

GFAR Administration	8011
ADA Restrooms and HR Offices.....	411-821-2117
ADA 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

Annual ADA Compliance Work	411-821-2013
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
Creskide 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
Pinehurst Community Garden.....	411-831-4610
POB Space Study.....	411-821-2404
Public Arts Gateway Project	411-821-2009
Sport Court Resurfacing	411-831-4611
Quito Road - Bridge Replacement.....	411-818-0803
Retaining Wall & Guardrail Repairs.....	411-815-9930
Roadside Fire Fuel Reduction	411-812-0130
Shannon Road Ped & Bikeway Improvements.....	411-813-0218
Shannon Road Repair	411-811-0008
Storm Related Repairs	411-813-0243

LIST OF PROGRAMS

CAPITAL PROJECT FUNDS CONTINUED

Stormwater System – Pollution Prevention Compliance	411-816-0414
Street Repair & Resurfacing	411-811-9901
State Route 17 Corridor Congestion Relief Project	411-813-0237
Termite Abatement at Water Tower.....	411-821-2309
Timber Bridge Inspection	411-818-0804
Town Beautification	411-821-2002
Town Manger Roof Repair	411-821-2121
Town Plaza Turf Repairs	411-831-4202
Town-wide Document Imaging Project.....	411-841-6003
Unanticipated Repairs - Annual.....	411-811-9904
Vegetation Management – Town-wide	411-832-4508
VMT Mitigation Program.....	411-812-0133
Winchester Boulevard Complete Streets Final Design.....	411-831-0238
Winchester Class IV Bikeway.....	411-813-0240

Traffic Mitigation

Traffic Mitigation Administration.....	8041
Highway 17/9 Interchange and Capacity Improvements.....	471-813-0237
Town-wide Speed Studies	471-812-0135
Traffic Signal Modernization	471-813-0227
Utility Undergrounding Improvements	471-813-0225

GRANT FUNDED CIP PROJECTS

Grant Administration Program.....	8021
ADA Transition Plan.....	421-812-0129
ADA Upgrade Public Restrooms – Adult Recreation Building	421-821-2601
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
Street Repair & Resurfacing	421-811-9901
Traffic Signal Modernization	421-813-0227
Winchester Class IV Bikeway.....	411-813-0240

LIST OF PROGRAMS

CAPITAL PROJECT FUNDS CONTINUED

Storm Drain Basin Projects

Storm Drain #1 Administration Program.....	8031
Storm Drain #2 Administration Program.....	8032
Storm Drain #3 Administration Program.....	8033
Annual Storm Drain Improvements	461-816-0420
333 University Avenue Inlet Capacity Improvements.....	462-816-0424
709 University Avenue Drainage System Replacement	463-816-0423
Harwood/Belridge Drainage Study.....	461-816-0422
Loma Street Drainage	463-816-0421
Storm Drainage Mapping	461-816-0425

Utility Undergrounding Projects

Utility Undergrounding Administration	8042
Highway 17/9 Interchange and Capacity Improvements.....	471-813-0237
Shannon Road Ped & Bikeway Improvements.....	472-813-0218
Town-wide Speed Studies	472-812-0135
Utility Undergrounding Improvements	472-813-0225

GAS TAX FUND PROJECTS

Gas Tax Administration	8051
Street Repair & Resurfacing	481-811-9901

SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY FUNDS

Successor Agency to the Los Gatos RDA Capital Projects

Other	9402
Program Administration.....	9403

SUCCESSOR AGENCY TO THE LOS GATOS REDEVELOPMENT AGENCY FUNDS CONTINUED

Successor Agency (SA) to the Los Gatos RDA Debt Service program

SA Debt for 2002 COPs	9404
SA Debt for 2010 COPs	9405

Successor Agency Affordable Housing Program

Program Administration.....	9301
-----------------------------	------

LIST OF DEPARTMENT PROGRAMS BY FUNDING SOURCE

Program		Fund
1101 Town Council	111	General Fund
1301 Town Attorney	111	General Fund
1302 Liability Self Insurance	611	Liability Self Insurance Fund - Internal Service Fund
Administrative Services Department		
Program		Fund
1201 Non-Departmental	111	General Fund
2101 Town Manager Administration	111	General Fund
2102 Community Grants	111	General Fund
2105 Emergency Preparedness and Disaster Response	111	General Fund
2106 Economic and Community Vitality	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
5202 Engineering Development Svcs	111	General Fund
5203 Non-Point Source Fund	222	Non-Point Source Fund - Special revenue Fund
5301 Park Services	111	General Fund
5302 Environmental Services	111	General Fund
5401 Street & Signals	111	General Fund
5402 Equipment Replacement	631	Equipment Replacement - Internal Service Fund
5404 Facilities Maintenance	633	Facilities Maintenance Fund - Internal Service Fund
5405 Property Damage	111	General Fund
5406 Vehicle Maintenance Staffing	111	General Fund
5407 Facilities Maintenance Staffing	111	General Fund
5408 Los Gatos Theatre	251	Los Gatos Theatre - Special Revenue Fund
5501 Lighting & Landscape Districts	231-237	Lighting & Landscaping - Special Revenue Fund
5999 Pass Thru Accounts	111	General Fund
8011 GFAR	411	General Fund Appropriated Reserve Fund
412-821-2208	412	Community Center Development Fund
8021 Grant Funded Capital Projects	421	Grant Funded Capital Projects Fund
8030 Storm Drain Basin Funds 1-3	461-463	Storm Drain Funds 1-3 - Capital Project Funds
8041 Traffic Mitigation	471	Traffic Mitigation Fund - Capital Project Fund
8042 Utility Undergrounding	472	Utility Undergrounding Fund - Capital Projects Fund
8051 Gas Tax - Street & Signals	482	Gas Tax Fund - Capital Projects Fund
Library Department		
Program		Fund
7101 Administration	111	General Fund
7201 Adult Services	111	General Fund
7202 Children's Services	111	General Fund
7203 Acquisitons & Cataloging	111	General Fund
7204 Circulation Services	111	General Fund
7801 Operating Grant	111	General Fund
7301 Library Trust	711	Library Trust - Trust Fund
7302 Clelles Ness Bequest Trust	713	Clelles Ness Bequest Trust - Trust Fund
7304 Betty McClendon Trust	714	Betty McClendon Trust -Trust Fund
7305 Barbara J Cassin Trust	716	Barbara J Cassin Trust -Trust Fund
Successor Agency to the Los Gatos RDA		
Program		Fund
9403 SA- Admin Services	942	Successor Agency to the Los Gatos RDA Find -Trust Fund
9404 SA- Debt to 2002 COP	942	Successor Agency to the Los Gatos RDA Find -Trust Fund
9405 SA-Debt to 2010 COP	942	Successor Agency to the Los Gatos RDA Find -Trust Fund

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

INDEX

Acronyms	G-19
Administrative Services Overview	D-21
Annual Budget Resolution	A-71
Budget Award	A-25
Budget Calendar	A-62
Budget Message	A-1
Budget Process Overview	A-59
Capital Improvement Program	
<i>Gas Tax Fund</i>	E-33
<i>General Fund Appropriated Reserve Fund (GFAR)</i>	E-7
<i>Grants and Awards Project Fund</i>	E-19
<i>Storm Drain Funds</i>	E-23
<i>Traffic Mitigation Fund</i>	E-15
<i>Utility Underground Fund</i>	E-29
Clerk Administration	D-77
Community Development Department Overview	D-103
Core Goals and Strategic Priorities	A-3
Department/Program List	D-1
Economic and Community Vitality	D-51
Emergency Preparedness and Disaster Response	D-43
Equipment Replacement Fund	D-265
Facilities Maintenance Fund	D-269
Facilities Maintenance Staffing	D-259
Fee Related Project List	C-44
Finance	D-69
Financial Practices	A-31
Financial Summaries	C-1
<i>Departmental Budget Revenues & Expenditures</i>	C-37
<i>Fund Balance</i>	C-33
<i>General Fund Revenues and Expenditures</i>	C-29
<i>Operating Transfers</i>	C-32
<i>Staffing</i>	C-46
<i>Total Revenues and Expenditures</i>	C-3
Fiscal Year Surplus Flow of Funds	A-65
Forecast Assumptions	A-25
Fund Descriptions	A-31
Gann Appropriation Limit	A-67
Gann Appropriation Limit Resolution	A-70
General Fund Reserve Policy	A-41
Glossary	G-9
History and Culture of Los Gatos	B-1

INDEX

Human Resources	D-61
Index	G-21
Information Technology Fund	D-95
Information Technology Staffing	D-83
In-Kind Donations	C-43
Investment Policy	A-45
IRS Section 115 Pension Trust and OPEB Trust Investment Policy	A-55
Liability Self-Insurance Fund	D-17
Library Department	D-295
Library Trust Fund	D-323
List of Department Programs by Funding Source	G-7
List of Funds	G-1
List of Programs	G-2
Long-Term Debt Policy	A-41
Non-Departmental Program	D-91
Non-Point Source Program	D-273
Organizational Structure Chart	B-14
Parks & Public Works Department Overview	D-203
Police Department Overview	D-141
Special Assessment Districts	
<i>Blackwell Drive Assessment District</i>	D-283
<i>Gemini Court Assessment District</i>	D-287
<i>Hillbrook Drive Assessment District</i>	D-293
<i>Kennedy Meadows Assessment District</i>	D-285
<i>Santa Rosa Heights Assessment District</i>	D-289
<i>Vasona Heights Assessment District</i>	D-291
Successor Agency to the Los Gatos RDA Debt Administration Fund	
<i>2002 COP Debt Schedule</i>	F-11
<i>2010 COP Debt Schedule</i>	F-13
<i>Computation of Legal Debt Margin</i>	F-14
Successor Agency to the Los Gatos Redevelopment Agency Overview	F-1
Town Commissions, Committees, and Advisory Boards	B-15
Town Management Team List	B-13
Town Offices Overview	D-3
<i>Town Attorney Administration</i>	D-11
<i>Town Council Administration</i>	D-7
Town Demographics	B-6
Town Economic Statistics	B-8
Vehicle Maintenance Management	D-253
Workers' Compensation Fund	D-99

This Page Intentionally Left Blank

