



**TOWN OF LOS GATOS  
FINANCE COMMISSION SPECIAL MEETING  
AGENDA  
APRIL 28, 2025  
110 EAST MAIN STREET  
TOWN COUNCIL CHAMBERS  
5:30 PM**

*Linda Reiners, Chair  
Ashby Monk, Vice Chair  
Adam Fischer, Commissioner  
Phil Koen, Commissioner  
Joseph Rodgers, Commissioner  
Matthew Hudes, Mayor  
Rob Moore, Vice Mayor*

**IMPORTANT NOTICE**

This is a hybrid meeting and will be held in-person at the Town Council Chambers at 110 E. Main Street and virtually through Zoom Webinar (log-in information provided below). Members of the public may provide public comments for agenda items in-person or virtually through the Zoom Webinar by following the instructions listed below.

**HOW TO PARTICIPATE**

The public is welcome to provide oral comments in real-time during the meeting in three ways:

- **Zoom Webinar (Online):** Join from a PC, Mac, iPad, iPhone or Android device. Please click this URL to join: <https://losgatosca.gov.zoom.us/j/89999210346?pwd=UduWlKots2kZsktKgFq2QdNe2Pfnm2.1>  
Passcode: 203774 You can also type in 899 9921 0346 in the “Join a Meeting” page on the Zoom website at and use passcode 203774.  
When the Mayor announces the item for which you wish to speak, click the “raise hand” feature in Zoom. If you are participating by phone on the Zoom app, press \*9 on your telephone keypad to raise your hand.
- **Telephone:** Please dial (877) 3361839 for US Toll-free or (636) 651-0008 for US Toll. (Conference code: 686100)  
If you are participating by calling in, press #2 on your telephone keypad to raise your hand.
- **In-Person:** Please complete a “speaker’s card” located on the back of the chamber benches and return it to the Town Clerk before the meeting or when the Chair announces the item for which you wish to speak.

**NOTES:** Comments will be limited to three (3) minutes or less at the Chair’s discretion. If you are unable to participate in real-time, you may email to [Clerk@losgatosca.gov](mailto:Clerk@losgatosca.gov) the subject line “Public Comment Item #\_\_” (insert the item number relevant to your comment). All comments received will become part of the record.

Deadlines for submitting written comments are:

- 11:00 a.m. the Thursday before the Commission meeting for inclusion in the agenda packet.
- 11:00 a.m. the Friday before the Commission meeting for inclusion in an addendum.
- 11:00 a.m. on the day of the Commission meeting for inclusion in a desk item.

## **CALL MEETING TO ORDER**

## **ROLL CALL**

**APPROVE REMOTE PARTICIPATION** *(This item is listed on the agenda in the event there is an emergency circumstance requiring a Commissioner to participate remotely under AB 2449 (Government Code 54953)).*

**CONSENT ITEMS** *(Items appearing on the Consent are considered routine Town business and may be approved by one motion. Members of the public may provide input on any Consent Item(s) when the Chair asks for public comment on the Consent Items.)*

**VERBAL COMMUNICATIONS** *(Members of the public are welcome to address the Commission only on matters listed on the agenda. Each speaker is limited to no more than three (3) minutes or such time as authorized by the Chair.)*

**OTHER BUSINESS** *(Up to three minutes may be allotted to each speaker on any of the following items.)*

1. Review and Discuss the Preliminary Proposed FY 2025-26 Operating and Capital Budget. Provide Preliminary Comments and Recommendations Regarding the Proposed Budget, Including Budget Balancing Approaches
2. Receive the Fiscal Year 2025-26 Through 2029-30 Capital Improvement Program Budget and Provide Comments and Recommendations

## **ADJOURNMENT**

**ADA NOTICE** In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Clerk's Office at (408) 354-6834. Notification at least two (2) business days prior to the meeting date will enable the Town to make reasonable arrangements to ensure accessibility to this meeting [28 CFR §35.102-35.104].

**NOTE:** The ADA access ramp to the Town Council Chambers is under construction and will be inaccessible through June 2025. Persons who require the use of that ramp to attend meetings are requested to contact the Clerk's Office at least two (2) business days prior to the meeting date.

**NOTICE REGARDING SUPPLEMENTAL MATERIALS** - Materials related to an item on this agenda submitted to the Commission after initial distribution of the agenda packets are available for public inspection in the Clerk's Office at Town Hall, 110 E. Main Street, Los Gatos and on Town's website at [www.losgatosca.gov](http://www.losgatosca.gov). Commission agendas and related materials can be viewed online at <https://losgatos-ca.municodemeetings.com/>.



**TOWN OF LOS GATOS**  
**FINANCE COMMISSION REPORT**

MEETING DATE: 04/28/2024

ITEM NO: 1

Item 1.

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DATE: April 24, 2025  
TO: Finance Commission  
FROM: Chris Constantin, Town Manager  
SUBJECT: Review and Discuss the Preliminary Proposed FY 2025-26 Operating and Capital Summary Budget. Provide Preliminary Comments and Recommendations Regarding the Proposed Budget, Including Budget Balancing Approaches

RECOMMENDATION:

Discuss, comment, and begin to make recommendations to the Town Council regarding the Proposed FY 2025-26 Operating and Capital Summary Budget, including budget balancing approaches.

BACKGROUND:

With the passage of Measure A, the Finance Commission has been tasked with several mandated duties as described in the provisions of the adopted Ordinance. Section 2.50.225. – Duties, states that:

(a) The Finance Commission shall:

(2) Review the Town Manager's annual proposed budget prepared in accordance with section 2.30.295(6) of the Town Code and provide written comments and recommendations to the Town Council.

(A) The Finance Commission's comments and recommendations shall include a recommendation about whether the Town Council should approve or disapprove the proposed budget. The Finance Commission may make a recommendation of approval of the budget conditional upon the Town Council's acceptance of one or more of the Finance Commission's recommendations.

PREPARED BY: Gitta Ungvari  
Finance Director

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Reviewed by: Town Manager and Town Attorney

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SUBJECT: Proposed FY 2025-26 Operating and Capital Summary Budget

DATE: April 24, 2025

- (B) The Town Manager must provide a proposed budget to the Finance Commission at least twenty (20) business days before the first meeting at which the proposed budget is considered by the Town Council.

DISCUSSION:

On April 21, 2025, the Proposed FY 2025-26 Operating and Capital Budgets were posted to the Town's website, and the links (listed below) were provided to the Finance Commission. Per Measure A, the Finance Commission received the Proposed Budgets 21 business days before May 20, 2025, the first meeting at which the Town Council will consider the Proposed Budgets.

Proposed Operating Budget:

<https://www.losgatosca.gov/2987/Proposed-FY-2025-26-Operating-Budget>

CIP Budget:

<https://www.losgatosca.gov/2988/Proposed-FY-2025-26-Capital-Budget>

On April 22, 2025, a Town Budget Study session was held where the Town Council discussed direction on the preparation of the budget and potential direction to the Finance Commission for their review of the Proposed Budget, including the budget-balancing approaches. One of the budget-balancing strategies proposed is to use the entire Measure G Proceeds for public safety operations rather than a split between 50% operations and 50% being reserved for future capital as well as tiered reductions prepared by the Town's executive team.

The 2025-26 Budget Staff Report and corresponding Attachments from the Budget Study Session are included as Attachment 1 to this Staff Report.

Attachment 2 includes the FY 2025-26 Five-Year Forecast, including historical information.

The Council discussed how prior-year financial projections vary from actual revenues and expenditures at year-end closure and the desire to understand the Town's shorter-term and longer-range financial condition. Staff recommended hiring an independent outside consultant and started discussing the Scope of such a Study with the Finance Commission earlier this month. Council members also commented on the different tiers of the budget-balancing solutions that are presented in Attachment 1.

Staff is seeking input from the Finance Commission on how much to rely on reserves versus other budget-balancing solutions in the FY 2025–26 budget. It would be beneficial for the Finance Commission to review the financial foundation of the budget, including the revenue and expenditure assumptions, and evaluate them with respect to the prior year's actuals and current estimates.

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SUBJECT: Proposed FY 2025-26 Operating and Capital Summary Budget

DATE: April 24, 2025

Pursuant to Municipal Code Section 2.50.225(6), the Finance Commission shall review proposed expenditures and advise the Town Council whether such expenditures meet the Town Council's objective for the Measure G tax. One of the proposed budget-balancing strategies is to allocate all Measure G proceeds to support public safety operations. This approach supports the following Measure G objectives: (a) maintaining and enhancing neighborhood police patrols and local crime prevention programs, and (d) maintaining the Town's long-term financial stability. Staff requests the Finance Commission's review and recommendation regarding the proposed allocation of Measure G funds.

To further assist the Commission work, staff included Attachment 3 to reconcile the General Fund FY 2021-22, FY 2022-23, and FY 2023-24 **Actual** Revenues and Expenditures (page C-8 of the FY 2025-26 Proposed Budget) to the **Actual Numbers** according to Annual Comprehensive Reports' General Fund Statement of Revenues, Expenditures and Changes in Fund Balances Budget, and Actual (GAAP) for the Fiscal Year ended June 30, 2022, June 30, 2023, and June 30, 2024. The referenced documents are available on the Town's website. The reconciliation schedules and the referenced pages are included in Attachment 3.

In addition, staff included an alternate presentation (Attachment 4) of the forecast based on prior feedback from a Commissioner.

At its special meeting on April 28, 2025, the Finance Commission will begin discussing and identifying comments and recommendations to the Town Council regarding the Proposed Budgets. To facilitate the Commission's work on the Proposed Budgets, the Commission has scheduled an additional special meeting on May 5, 2025, and will continue the discussion at its regular meeting on May 12, 2025.

At the conclusion of the regular Finance Commission meeting on May 12, 2025, the Finance Commission is expected to finalize its comments and recommendations and provide them to the Town Manager, which will be transmitted to the Town Council on the May 20, 2025, public hearing.

A Council and Finance Commission Joint Study Session meeting, led by experts of the Government Finance Officers Association (GFOA), is scheduled for May 19, 2025, to provide Local Government Financial Management Training in budgeting and financial reporting.

CONCLUSION:

Staff looks forward to the Commission's questions, discussion, comments, and recommendations.

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SUBJECT: Proposed FY 2025-26 Operating and Capital Summary Budget

DATE: April 24, 2025

Attachments:

1. Council Budget Study Session April 22, 2025 Staff Report with Attachments
2. FY 2025-26 Forecast including Historical Information
3. Reconciliation to General Fund Budget and ACFR Presentation
4. FY 2025-26 Forecast – Alternative Presentation



**TOWN OF LOS GATOS  
COUNCIL AGENDA REPORT**

MEETING DATE: 04/22/2025

ITEM NO: 1

Item 1.

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DATE: April 22, 2025  
TO: Mayor and Town Council  
FROM: Chris Constantin, Town Manager  
SUBJECT: Discussion and Consideration of Direction for the 2025-26 Budget Including Budget Balancing Approaches

**RECOMMENDATION:**

Staff recommends the Town Council

- Discuss and provide input to staff in developing the budget, and
- Provide direction to the Finance Commission in their review of the 2025-26 budget.

**STRATEGIC PRIORITIES:**

The item relates to all six core goals and all strategic priorities.

**FISCAL IMPACT:**

**None.** The discussion is intended to set direction for budget development and does not in itself result in a fiscal impact.

**BACKGROUND:**

Each year, between January and June, the Town undertakes an extensive process to prepare the fiscal year budget, effective July 1. This comprehensive budget development effort includes evaluating and determining several key components

- **Budget Guidelines and Timeline:** Establish initial guidance and expectations for departments along with a structured calendar of budget development and approval activities.
- **Revenue Projections:** Forecast anticipated revenues utilizing historical data trends, economic indicators, and consultations with external revenue consultants.
- **Personnel Costs:** Project salary, wage adjustments, benefits, and pension obligations for current and proposed staffing levels.

**PREPARED BY:** Chris Constantin  
Town Manager

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Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

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- **Setting Strategic Priorities:** Identify and reaffirm strategic priorities, providing foundational guidance to shape budget formulation and resource allocation.
- **Operating and Capital Expenditures:** Assess and prioritize operational necessities and capital improvement projects, balancing immediate needs and long-term investments.
- **Budget Balancing and Deficit Reduction:** Develop strategies to align expenditures with available resources, actively addressing any structural budget deficits through targeted reductions or revenue enhancements.
- **Public Input:** Engage the community through transparent outreach efforts to gather and incorporate public feedback into the budget development process.
- **Budget Approval:** Finalize and present the recommended budget for Town Council consideration and adoption.

In February 2025, the Town Council set high-level strategic priorities for the period of 2025-2027. This included prioritizing emergency preparedness, particularly with regard to wildfire risks, ensuring prudent financial management, and preserving the unique small-town charm of the community.

Also in February 2025, the Finance Commission reviewed the Town's initial Five-Year Financial Forecast, discussing projected financial conditions and emerging fiscal challenges. Subsequently, in April 2025, the Finance Commission provided input into the development of a Request for Proposal (RFP) aimed at conducting an external Five-Year Forecast and a comprehensive Fiscal Impact Analysis. These efforts are designed to enhance the Town's strategic approach to understanding current financial condition, addressing ongoing structural budget deficits, and projecting the revenue and expenditure needs from future development.

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.

#### DISCUSSION:

The purpose of this special meeting is to provide directions to staff on the approach and considerations for preparing a balanced budget. In two other agenda items presented today, staff also are looking to present a new tiered framework for capital improvement programs and presenting options in how the Town proceeds with community organization funding.



*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.

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.
  - **Council Direction** – determine to what extent the Town budget will use reserves to cover the deficit and what level of reductions and revenue enhancements should be considered in 2025-26.
- **Year 1 – Capital Improvement Planning** – as will be discussed in the Capital Improvement Program budget discussion, move to a three tier program that only appropriates funding for those projects that have staff capacity to perform while leaving remaining funding unallocated.
  - **Council Direction** – to be given during discussion of the next agenda item.
- **Additional Controls on Expenditure Controls** – implement more top-level controls to monitor budget performance and balance operations with cost containment. No formal action is needed, but internal measures are moving forward.
  - **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.
  - **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
<b>TOTAL OPERATING REVENUES &amp; TRANSFERS</b>	<b>\$ 58.1</b>	<b>\$ 58.8</b>	<b>\$ 60.4</b>	<b>\$ 62.0</b>	<b>\$ 62.4</b>	<b>\$ 64.5</b>
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	-	-	-	-	-	-
<b>TOTAL REVENUES, TRANSFERS, AND USE OF RESERVES*</b>	<b>\$ 58.1</b>	<b>\$ 58.8</b>	<b>\$ 60.4</b>	<b>\$ 62.0</b>	<b>\$ 62.4</b>	<b>\$ 64.5</b>
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
<b>TOTAL OPERATING EXPENDITURES</b>	<b>\$ 61.0</b>	<b>\$ 63.0</b>	<b>\$ 65.3</b>	<b>\$ 67.7</b>	<b>\$ 67.9</b>	<b>\$ 69.3</b>
Additional Discretionary Payment - Pension	0.4	0.4	0.4	0.4	0.4	0.4
<b>TOTAL OPERATING &amp; DISCRETIONARY EXPENDITURES</b>	<b>\$ 61.4</b>	<b>\$ 63.4</b>	<b>\$ 65.7</b>	<b>\$ 68.1</b>	<b>\$ 68.3</b>	<b>\$ 69.7</b>
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
<b>TOTAL EXPENDITURES &amp; RESERVE ALLOCATIONS*</b>	<b>\$ 61.8</b>	<b>\$ 63.8</b>	<b>\$ 66.1</b>	<b>\$ 68.5</b>	<b>\$ 68.7</b>	<b>\$ 70.1</b>
<b>NET REVENUES, TRANSFERS IN, USE OF RESERVES LESS EXPENDITURES, TRANSFERS IN, AND RESERVE ALLOCATIONS</b>	<b>\$ (3.7)</b>	<b>\$ (5.0)</b>	<b>\$ (5.7)</b>	<b>\$ (6.5)</b>	<b>\$ (6.3)</b>	<b>\$ (5.6)</b>

\* 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 Attachment 1).

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

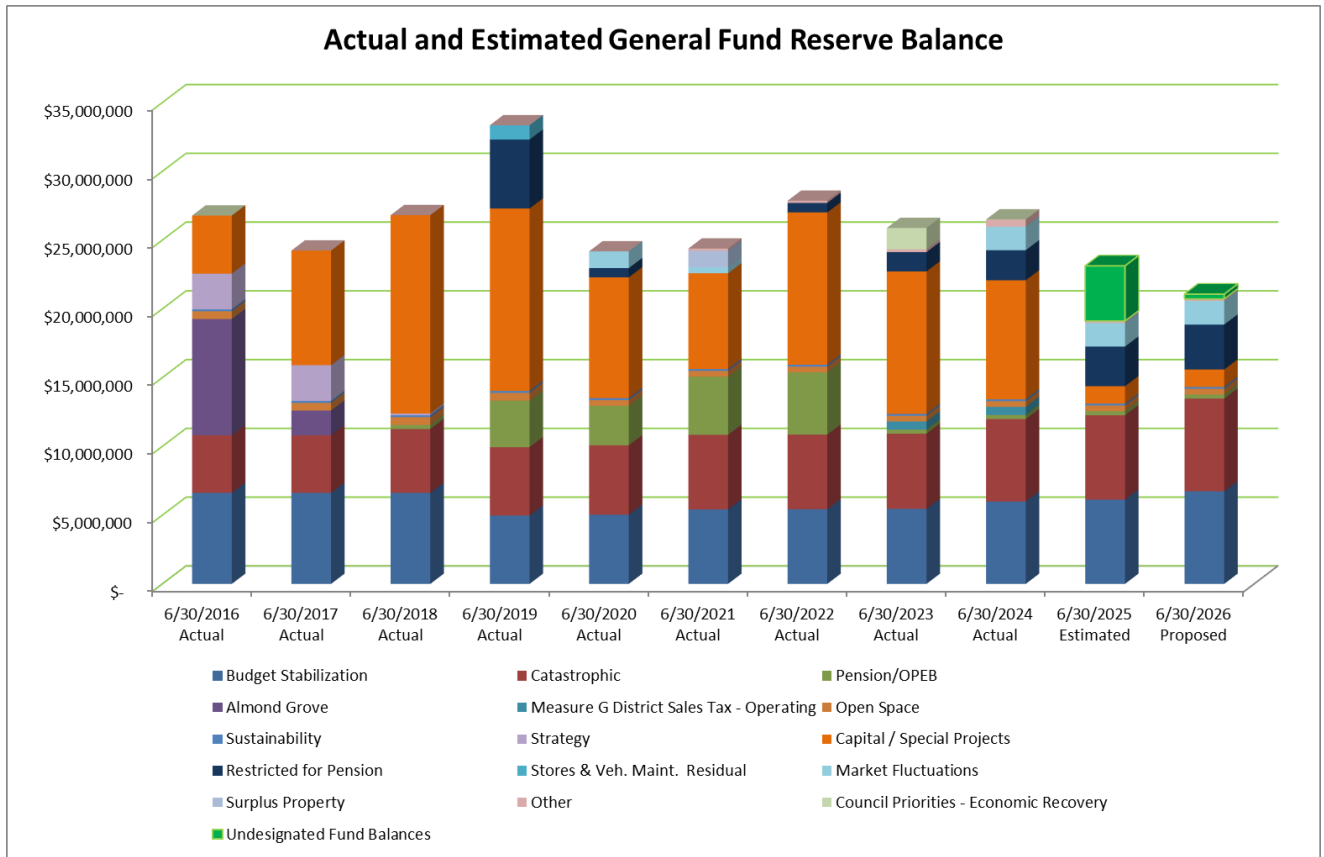
Operating Expenditure Trends

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 in Attachment 2).

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.



General Fund Reserve	6/30/2016 Actual	6/30/2017 Actual	6/30/2018 Actual	6/30/2019 Actual	6/30/2020 Actual	6/30/2021 Actual	6/30/2022 Actual	6/30/2023 Actual	6/30/2024 Actual	6/30/2025 Estimated	6/30/2026 Proposed
<b>Restricted for:</b>											
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	-	-
<b>Committed to:</b>											
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 - Operating	-	-	-	-	-	-	-	590,581	590,581	-	-
<b>Assigned to:</b>											
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
<b>Total General Fund Reserve</b>	<b>\$ 27,643,429</b>	<b>\$ 27,150,612</b>	<b>\$ 30,428,684</b>	<b>\$ 37,970,527</b>	<b>\$ 29,335,497</b>	<b>\$ 23,914,619</b>	<b>\$ 26,896,789</b>	<b>\$ 29,528,304</b>	<b>\$ 31,062,072</b>	<b>\$ 29,189,524</b>	<b>\$ 25,921,309</b>

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SUBJECT: Pre-Budget Discussion and Direction

DATE: April 22, 2025

*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 that will be referred to as tiers for the purposes of this report. 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 as described in more detail in each tier.

As the Council reviews the tiers, it would be helpful for the Council to provide feedback on anything they would be interested in potentially pursuing and anything they would prefer staff did not pursue further. Staff recommend implementing Tier 1 and potentially portions of Tier 2 if there are items the Council finds tenable, with the remainder of the deficit addressed with revenue solutions as described in the next section, or with reserves. 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.

**Tier 1 (Estimated \$500,000 savings):**

In Tier 1, the team focused on efficiency and reprioritizing time and resources to align with core service delivery and strategic priorities. In this tier, the team was intentional in preserving staff hours and only reduced where part-time positions were either unfilled or currently filled by retired annuitants providing extra help. The reductions may mean that staff may not have funding available to address unusual or unexpected circumstances.

Of note, Tier 1 includes the removal of the \$2,500 Commission Budgets, many of which were first added in May 2023, while the Youth Commission and Parks and Sustainability Commission had some funds prior. This would save approximately \$17,500 annually as well as save staff time in clarifying the appropriate use of the funding. As the funding is primarily for supplies and materials to support commission activities, such as giveaway items at events, the Town plans to bulk purchase giveaway items for commission and staff to use at events and other activities as appropriate. This will save on costs as well as provide consistency. Staff will continue to support commissions in supplying printer materials and other needs within reason.

Tier 1 results in an estimated saving of \$500,000 (\$430,000 annually, \$70,000 one-time). Some of these savings have already been proactively included in the Proposed FY 25-26 Budget. As a result, if Tier 1 is implemented, it would reduce the Proposed Budget expenditures by an estimated \$300,000.

**Tier 2 (Additional estimated \$1M savings):**

Tier 2 contemplates deeper reductions, yet without significantly impacting core service or reducing staff hours. Some strategic priority related funding begins to be impacted in this tier.

- Strategic Priority Impacts
  - In Tier 2, funding related to the unhoused would be reduced by approximately \$26,000, removing the portable restroom and reducing the amount of funding for the Hotel Program. It is important to note that the Hotel Program is still expected to have enough funding to operate appropriately given a typical winter. With increased inclement weather, the budget may be tight but would likely be offset by the reduced number of hotels participating due to redevelopment.
  - Additionally, given the addition of the full-time Emergency Manager position, this tier reduces the number of part-time emergency coordinator hours, saving approximately \$18,000. This would result in fewer hours for the Emergency Manager to spend on expanding the program and strategic action items, but would still allow some part-time hours to continue to support the work. This tier also includes defunding \$500,000 of the \$1,000,000 one-time emergency management funding Council allocated in January 2025.
- Other Service Delivery Impacts
  - Reduces in outside legal services of approximately \$110,000, resulting in delays in Town Attorney response times, possibly by two to four weeks.
  - Removes power washing and decorative tree wrap lighting downtown, saving approximately \$100,000.
  - Turns off the fountains at Civic Center and Plaza Park, saving approximately \$20,000.
  - Removes doggie bags in parks as they often are taken by some members of the public in large quantities for personal use. This would save approximately \$10,000.
  - Reduces Library offerings including film, audiobook, and streaming media; e-resource databases and e-magazines; physical newspaper subscriptions; printed quarterly programs/brochures; and the number of media and book additions and replacements in the Library's collection. These efforts would save approximately \$84,000.
  - Reduces the amount the Town contributes toward utility payments on behalf of third parties.
  - Involves further reductions in staff training and memberships that may cause staff to fall behind in the latest concerns and issues in their fields, potentially impacting service to the public over time.

Tier 2 results in an additional estimated savings of \$1M (\$0.5M annually, \$0.5M one-time).



**Tier 3 (Additional estimated \$1.1M savings):**

Tier 3 includes reductions with more significant impacts, including part-time staff hour reductions, vacant full-time positions, and noticeable service reductions.

- Reorganizing Functions
  - Reorganizes the process for Community Police Complaints from the Town Attorney's Office to the Town Manager's Office, saving approximately \$60,000. This still allows oversight and vetting of the process by the Town Manager, but does not require the Town Attorney's time, resulting in more Town Attorney time for activity currently being contracted out.
- Strategic Priority Impacts
  - Reimagines the Town's transportation demand management functions to deliver services more cost effectively, such as through contracting services, saving approximately \$200,000. This will potentially result in lower levels of service and a reduction in the Town's relationships with funding partners like VTA and MTC, which may impact the Town's ability to secure grant funding for significant transportation projects.
  - Further reduces the number of part-time emergency coordinator hours, saving approximately an additional \$18,000. This would result in fewer hours for the Emergency Manager to spend on expanding the program and strategic action items but would still allow limited part-time hours should an urgent or pressing need arise.
  - Eliminates approximately \$75,000 in funding, including vehicle costs, for volunteer programs such as the Volunteer in Policing Program, Police Explorer Program, Disaster Assistance Response Team (DART), Community Emergency Response Team (CERT), and the Community Police Academy. This has the potential to weaken emergency response readiness; however, some of this could be supplemented by leadership within the volunteer emergency-related volunteer groups. The reduction in Police volunteer programs would lower community participation in crime prevention and safety programs and reduce youth engagement with law enforcement.
  - Tier 3 includes the removal of the remaining funding for the Town's unhoused initiatives, approximately \$34,000. This would remove funding for the Hotel Program and the food pantry and shower programs.
  - Tier 3 contemplates reenvisioning contracts for the visitor center and destination marketing services to reduce costs and focus on the most beneficial deliverables for the businesses and community.
- Other Part-Time Hour Impacts
  - Beyond what has already been mentioned, this tier involves other part-time hour reductions, saving approximately \$300,000. This would result in

fewer hours across several functions and potentially delayed service delivery. As it pertains to the Library, this reduction will translate to the public as a reduction in program offerings, events, and auxiliary services.

- Reductions in Service
  - Further reduces the addition and replacement of Library books and media, saving approximately \$27,000. Including the reductions in Tier 2, this reflects a 30% total reduction, and the public would likely experience increased wait times for popular materials and would see a decrease in the Library collection size over time.
  - Reduces block pruning and tree management by 50%, saving approximately \$100,000. At the current funding of \$200,000, there is difficulty in keeping up with demand. This reduction would result in fewer trees being pruned and requests for service from the public remaining unmet, which could lead to frustration unless expectations are reset.
  - Tier 3 includes the reimagining of Town's events, saving approximately \$13,000. Most notably, a restructuring of the Town's 4th of July event so that it would not fall on the actual holiday every year, which drastically increases costs. For example, it could occur on a Sunday in July to kick off the Music in the Park concert series, reducing the number of years in which the celebration falls on the actual holiday.
  - Tier 3 contemplates that Leadership Los Gatos would be staggered to occur every other year, effectively resulting in a savings of approximately \$5,000 a year (or \$10,000 every other year).
  - Tier 3 includes further reductions in staff training and memberships that may cause staff to fall behind in the latest concerns and issues in their fields, potentially impacting service to the public over time. In addition, it includes reductions or delays in technology replacements.

Tier 3 results in an additional estimated savings of 1.1M (\$1M annually, \$0.1M one-time).

**Tier 4 (Estimated \$2.4+ savings):**

Subsequent tiers beyond Tier 3 would have more significant staffing impacts. If Tier 4 is selected, staff will return with more specifics regarding staffing implications after working with the bargaining units.

In addition, Tier 4 would begin to significantly impact core community services. For example, it would include contemplation of reduction of Library operating hours and Town public counter hours. As Tier 4 considers reductions in these core services, reducing Community Grant funding is included as well. Removing the Leadership Los Gatos program is also considered in this tier, saving approximately \$20,000 annually. In addition, it contemplates removing approximately \$130,000 in Police Department and Parks and Public Works overtime hours to support Town

hosted events, the Holiday Parade, and the Halloween road closures, impacting the types of events the Town can support. If this were to occur, funding for the Halloween and Holiday Parade road closures would also be removed, saving approximately \$54,000. Other potential options include reducing the \$50,000 in crossing guard funding, approximately \$50,000 allocated for ALPR cameras, and the number of cable-broadcast Town Council or Planning Commission meetings.

Tier 4 results in an additional estimated savings of \$2.4M annually.

*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.

To facilitate consideration and decision-making, the following table categorizes revenue-generating options into short-term (one year) and medium-term (two or more years) horizons, highlighting their potential revenue impact. This categorization clearly illustrates how each measure could help address the financial deficit, emphasizing the importance of balancing

immediate affordability concerns against the imperative of long-term financial sustainability. Some of the short-term revenue measures are already factored into the proposed 2025-26 budget such as the recent police services agreement with Monte Sereno—while others illustrate potential avenues like revenue audits, subsidy reductions, and the introduction of entirely new revenue streams.

	Short-term	Medium-term	Grand Total <sup>iii</sup>
<b>Revenue Audit</b>	<b>\$ 150,000</b>		<b>\$ 150,000</b>
Business License Compliance Audit	\$ 60,000		\$ 60,000
Business License Delinquency Services	\$ 50,000		\$ 50,000
Hotel Transient Occupancy Tax Audit	\$ 20,000		\$ 20,000
Property Tax Recovery Services	\$ 20,000		\$ 20,000
<b>Reduce Subsidy</b>	<b>\$ 581,313</b>	<b>\$ 225,000</b>	<b>\$ 806,313</b>
Adjusted Fee – Field Use Team 1	\$ 59,973		\$ 59,973
Adjusted Fee – Field Use Team 2	\$ 13,145		\$ 13,145
Adjusted Fee – Field Use Team 3	\$ 1,890		\$ 1,890
Application fee increase	\$ 50,000		\$ 50,000
Enhanced Cost Recovery for DUI & Special Enforcement Operations		\$ 75,000	\$ 75,000
Increase Fees for Services and Facility Rentals	\$ 100,000		\$ 100,000
Increased and Added Event Fees	\$ 4,500		\$ 4,500
New fee – Library meeting room rental	\$ 12,000		\$ 12,000
Residential Alarm Registration & False Alarm Fee Implementation		\$ 150,000	\$ 150,000
Subsidized rent for Vendor 1			
Subsidized rent for Vendor 2	\$ 50,000		\$ 50,000
Updated Law Enforcement Services Contract for Monte Sereno	\$ 289,805		\$ 289,805
<b>New Revenue</b>	<b>\$ 859,000</b>	<b>\$ 3,084,874</b>	<b>\$ 3,943,874</b>
Charge for License Agreements	\$ 5,000		\$ 5,000
Charge for Parklets		\$ 100,000	\$ 100,000
Contract Adjustment – Charging Stations Vendor 1	\$ 28,000		\$ 28,000
Contract Adjustment – Charging Stations Vendor 2	\$ 22,000		\$ 22,000
Contract HR Services for other entity	\$ 14,000		\$ 14,000
Encroachment Fee from Garbage Haulers	\$ 688,000		\$ 688,000
New Fee – Downtown Paid Parking (Option 3B)		\$ 1,984,874	\$ 1,984,874
New Fee – Oak Meadow Park Parking	\$ 90,000		\$ 90,000
Reduce Current Lessee Leased Premises and Rent to Another Entity	\$ 12,000		\$ 12,000
Sales Tax or Parcel Tax		\$ 1,000,000	\$ 1,000,000
<b>Grand Total</b>	<b>\$ 1,590,313</b>	<b>\$ 3,309,874</b>	<b>\$ 4,900,187</b>

<sup>iii</sup> Note: Savings are estimates and the list is intended to provide examples for consideration. Some options are already included in the preliminary draft budget.

As the Town Council discusses what direction to provide staff, additional revenue is a bucket that can reduce the structural components of the deficit.

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SUBJECT: Pre-Budget Discussion and Direction

DATE: April 22, 2025

ALTERNATIVES:

Not Applicable. Agenda item is a discussion to provide directions to staff.

COORDINATION:

Deficit Reduction and revenue items were coordinated with all department heads, Town Manager, and Town Attorney.

ENVIRONMENTAL ASSESSMENT:

This action does not constitute a project as defined under the California Environmental Quality Act (CEQA), pursuant to CEQA Guidelines Section 15378(b), which states that a project does not include continuing administrative or maintenance activities, general policy and procedure making, or other governmental fiscal activities which do not involve a commitment to any specific project. The recommended action involves only discussion, informational updates, administrative direction, or preliminary policy review, without committing the City to a specific activity or physical change to the environment.

Attachments:

1. Five-Year Financial Revenue Assumptions
2. Five-Year Financial Expenditure Assumptions

**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
<b>Property Tax</b> 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
<b>VLF Backfill</b> 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
<b>Other Property Tax</b> SCC Assessor Office February 2025 Report	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
<b>ERAF</b> 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
<b>Sales Tax</b>	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
<b>Sales Tax - Measure G</b>	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
<b>Franchise Fee</b> 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
<b>Transient Occupancy Tax</b> Current baseline set by FY 2024-25 Year-End Estimates	3%	3%	0%	0%	0%	0%
<b>Business License Tax</b> Current baseline set by FY 2024-25 Year-End Estimates	2%	2%	2%	2%	2%	2%
<b>License &amp; Permits</b> Current baseline set by FY 2024-25 Year-End Estimates	3%	3%	3%	3%	3%	3%
<b>Town Services</b> Current baseline set by FY 2024-25 Year-End Estimates	3%	3%	0%	3%	3%	3%
<b>Fine &amp; Forfeitures</b> Current baseline set by FY 2024-25 Year-End Estimates	1%	Varies	Varies	Varies	Varies	Varies
<b>Interest</b> 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%
<b>Other Sources</b> 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
<b>Safety POA</b>	109.09%	109.92%	112.95%	121.16%	121.75%	124.52%
<b>Safety Management POA</b>	112.09%	112.92%	115.95%	124.16%	124.75%	127.52%
<b>Safety POA - PEPRA</b>	15.84%	14.96%	20.99%	21.74%	22.04%	25.76%
<b>Miscellaneous TEA/Confidential/Management</b>	30.02%	30.52%	30.82%	31.78%	31.92%	32.21%
<b>Miscellaneous TEA/Confidential/Management PEPRA</b>						
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.*

# Budget Balancing Discussion 2025-26 Fiscal Year

Town Council Study Session  
April 22, 2025  
Item 1

# AGENDA and RECOMMENDATION

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1. Five-Year Financial Projection
2. Expenditure Reduction Options
3. Revenue Options
4. Next Steps

Recommendation: Staff recommends the Town Council discuss and provide input to staff in developing the budget and provide direction to the Finance Commission in their review of the 2025-26 budget.

# Budget Development Process

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- Budget Guidelines and Timeline
- Revenue Projections
- Personnel Costs
- Setting Strategic Priorities
- Operating and Capital Expenditures
- Budget Balancing and Deficit Reduction
- Public Input
- Budget Approval

# 2025-26 Budget Development

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- Revenue is projected conservatively using Avenu and HdL for our two top revenue sources
- Expenditures include conservative calculations with input from departments and finance.
- Personnel expenditures include an assumed 4.6% vacancy factor.
- Capital budget switches to Tier system focused on staff capacity and appropriating only Tier 1 projects.

## 2025-26 Budget – Vacancy Factor

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- Personnel expenditures include an assumed 4.6% vacancy factor (\$1.9 million for fiscal year).
- History indicates that we will continue to maintain vacancies, but internal information from departments indicate filling of positions.
  - Differentials in starting steps may help
- Best practice may support calculating a vacancy factor for forecasting, but expenditure controls are necessary

# Five-Year Financial Projection

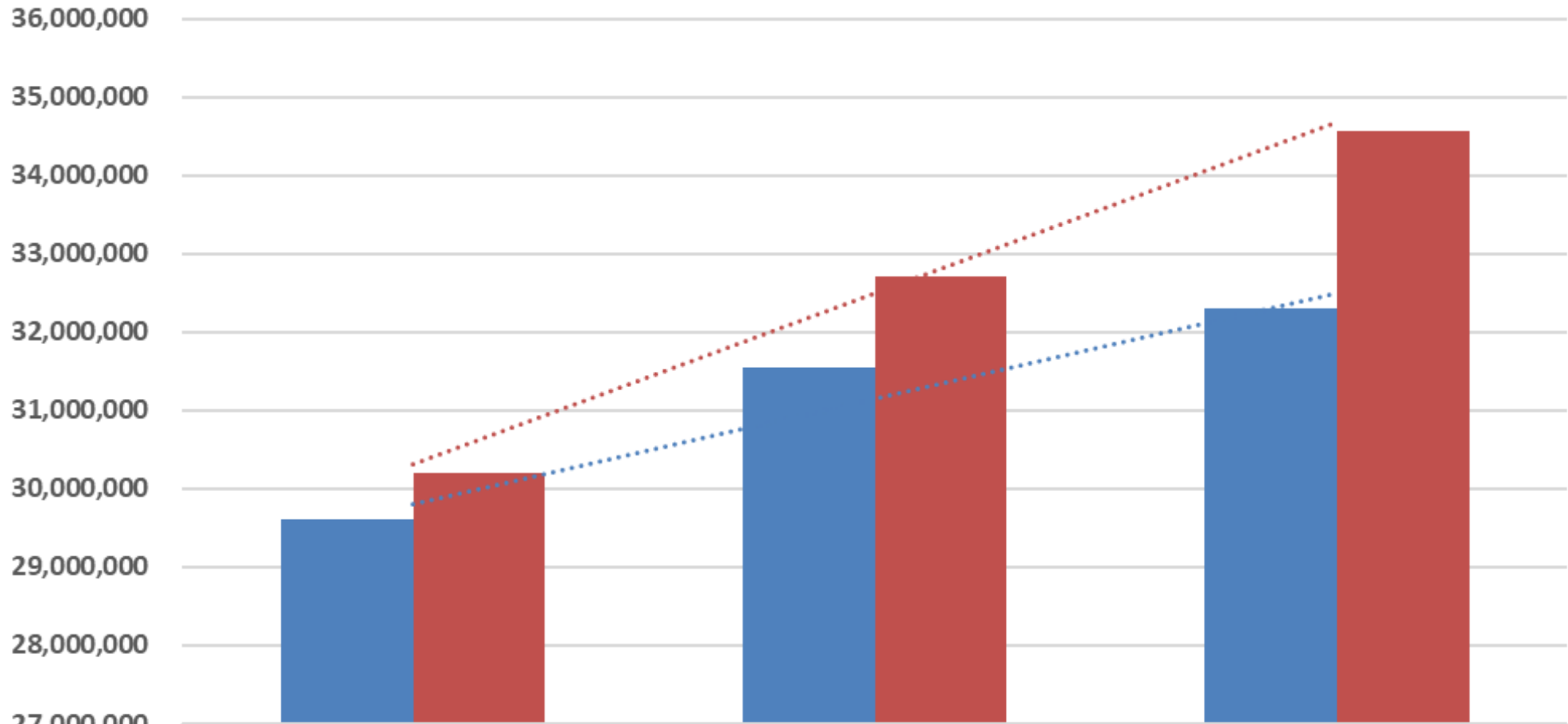
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- Projected structural deficit of \$3.7M in FY 2025-26
- Deficit driven by general cost escalation, including salaries, pension obligations, and cost of supplies
- Forecast period: FY 2025-26 through FY 2030-31
- Revenue not keeping pace with rising expenditures

Revenue Category	2023-24 Actual	2024-25 Estimated	2025-26 Proposed	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast	2029-30 Forecast	2030-31 Forecast
Total Operating Revenue (OR) and Transfer In	58.5	58.3	\$58.1	\$58.8	\$60.4	\$62.0	\$62.4	\$64.5
OR with Transfers and use of reserves	<b>61.9</b>	<b>60.8</b>	<b>\$58.1</b>	<b>\$58.8</b>	<b>\$60.4</b>	<b>\$62.0</b>	<b>\$62.4</b>	<b>\$64.5</b>
Total Expenditures	53.6	57.4	\$61.4	\$63.4	\$65.7	\$68.1	\$68.3	\$69.7
Exp with Transfers and reserve allocations	<b>57.7</b>	<b>60.8</b>	<b>\$61.8</b>	<b>\$63.8</b>	<b>\$66.1</b>	<b>\$68.5</b>	<b>\$68.7</b>	<b>\$70.1</b>
<b>Net Revenue</b>	<b>4.2</b>	<b>0.0</b>	<b>(\$3.7)</b>	<b>(\$5.0)</b>	<b>(\$5.7)</b>	<b>(\$6.5)</b>	<b>(\$6.3)</b>	<b>(\$5.6)</b>



# Combined Property Tax and Sales Tax Growth Compared to Salaries and Benefits



■ Property Tax & VLF & Sales Tax
■ Salaries and Benefits

	Actuals 2021-22	Actuals 2022-23	Actuals 2023-24
Property Tax & VLF & Sales Tax	29,612,753	31,549,565	32,298,900
Salaries and Benefits	\$30,192,747	\$32,719,665	\$34,570,393

General Fund Reserve	6/30/2016 Actual	6/30/2017 Actual	6/30/2018 Actual	6/30/2019 Actual	6/30/2020 Actual	6/30/2021 Actual	6/30/2022 Actual	6/30/2023 Actual	6/30/2024 Actual	6/30/2025 Estimated	6/30/2026 Proposed
<b>Restricted for:</b>											
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	-	-
<b>Committed to:</b>											
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 - Operating	-	-	-	-	-	-	-	590,581	590,581	-	-
<b>Assigned to:</b>											
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
<b>Total General Fund Reserve</b>	<b>\$ 27,643,429</b>	<b>\$ 27,150,612</b>	<b>\$ 30,428,684</b>	<b>\$ 37,970,527</b>	<b>\$ 29,335,497</b>	<b>\$ 23,914,619</b>	<b>\$ 26,896,789</b>	<b>\$ 29,528,304</b>	<b>\$ 31,062,072</b>	<b>\$ 29,189,524</b>	<b>\$ 25,921,309</b>

# Moving Forward – Internal Controls

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- **Year 1 – Balancing Reserve Fund Use with Operational Reductions**
  - Leaning on reserves to avoid unnecessary reductions to continue assessment
- **Year 1 – Capital Improvement Planning**
  - Tiered structure focuses on staff capacity and improving prioritization
- **Additional Controls on Expenditures – internal by management**
  - **Position Control** – Robust evaluation process balancing operations, financial condition, priorities, and service levels
  - **Expenditure Control** – Vehicle replacement, department budget control, and additional mechanisms

## Moving Forward – Note of Caution

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- The tiered options were created to assist the executive team in assessing general impact with emphasis on protecting core services and permanent staffing.
- Facilitate discussion with Town Council based on the general tenor of the impacts but to protect against alarm for actions which may not be implemented.
  - Until final proposed budget, no reduction, revenue increase, or other measure is a reality.
  - Numbers are estimates
- Current proposed budget built with minimal reductions and could balance budget on reserves.
  - Provides additional time to assess financial condition, conduct five-year external projection, and to determine extent measures implemented address deficit in 2025-26.

# Moving Forward – Experience with Deficits

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- **Resistance** – any reduction or revenue increase can lead to significant opposition and public pressure. *“We like adding but find it challenge to then reduce or eliminate.”*
- **Balancing Essential vs. Non-Essential Services** – there can be difficulty in distinguishing what is essential with valued by less critical services.
- **Levels of Service** – activity may be essential, but there can be difficulty separating service with service level.
- **Uncertainty** – we want more information or more precision where such is not available.
- **Long vs Short Term** – some cuts help in the short term but have long-term implications.

# How do we move forward?

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- **Expenditure and Deficit Reductions** – reducing the annual spend for the Town.
- **Revenue Increases** – identifying and implementing measures increases available revenue to support Town activities.
- **Gaining efficiencies** – optimizing or rethinking service delivery.
- **Innovation and Economic Development** – looking to opportunities to enhance drivers of primary revenue or provision of services.

# Expenditure and Deficit Reduction Options

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- Department Level – Each executive team member considered reduction options for their respective departments.
- Executive Team – The team met to combine the reductions into four tiers that progressively increase the types of reductions and impacts.
- Team presented a variety of revenue options to offset the need for service impacts.

## Tier 1: Efficiency & Strategic Alignment

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- Estimated Savings: \$500,000 (**\$430,000 is ongoing**)
- Focus: **Protect existing full-time staffing levels**; reductions limited to unfilled or retiree-filled part-time positions.
- Some of the items already implement in the budget, so proposed budget would be reduced by \$300,000 in Tier 1.
- Initial round was reductions proposed by departments expecting them to be implemented but still providing core services.
- Example – **Removing \$17,500 in commission budgets** and providing bulk Town giveaways when needed for events.



## Tier 2: Initial Service Reductions

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- Estimated Savings: \$1,000,000 (**\$500,000 is ongoing**)
- Focus: Deeper reductions; **begins to affect strategic priorities** funding
  
- **Unhoused Services:**
  - Reduces portable restroom and some Hotel Program funding (~\$26,000).
  - Hotel Program still operational with adequate support for typical winters; tighter during harsh weather.
  
- **Emergency Management:**
  - Reduces part-time emergency coordinator hours (~\$18,000); limits program expansion efforts.
  - Defunds half of the one-time emergency management allocation (\$500,000).

## Tier 2: Initial Service Reductions

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- **Legal Services:** Reduction (~\$110,000) may delay Town Attorney responses by 2-4 weeks.
- **Downtown Maintenance:** Eliminates power washing and decorative tree lighting (~\$100,000).
- **Civic Features:** Turns off Civic Center and Plaza Park fountains (~\$20,000).
- **Park Amenities:** Removes doggie bags (~\$10,000).
- **Library Services:** Reduces multimedia offerings, e-resources, subscriptions, and new materials (~\$84,000).
- **Utility Subsidies:** Decreased Town contributions toward third-party utility payments.
- **Staff Development:** Additional cuts to training and memberships.

## Tier 3: Significant Service & PT Staffing Impacts

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### **Estimated Additional Savings: \$1.1 Million**

- **Ongoing Savings: \$1,000,000**
- **One-time Savings: \$100,000**

### **Overview:**

- Noticeable reductions in service delivery
- Includes part-time staffing reductions and vacant position eliminations
- Adjustments impacting strategic priorities and community services

## Tier 3: Significant Service & PT Staffing Impacts

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### Reorganize Community Police Complaints Process

- Reassign from **Town Attorney's Office** to **Town Manager's Office** (~60,000)
- Allows Town Attorney to prioritize essential legal functions
- Leverages Town Manager's public safety expertise

### Transportation Management

- Reimagine and potentially contract out transportation demand management (~\$200,0000)
- Potential impacts:
  - Reduced service levels
  - Potential reduction in regional partnerships (VTA, MTC)
  - Potential loss of grant funding opportunities

## Tier 3: Significant Service & PT Staffing Impacts

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### Emergency Management

- Additional reduction of part-time coordinator hours (~\$18,000)
- Limits strategic initiatives; minimal support maintained

### Volunteer Programs

- Eliminate support funding (~\$75,000) for:
  - Volunteers in Policing, Police Explorer Program, Disaster Assistance Response Team (DART), Community Emergency Response Team (CERT), Community Police Academy
- Potential impacts:
  - Reduced emergency response readiness
  - Decreased community and youth engagement

## Tier 3: Significant Service & PT Staffing Impacts

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### Unhoused Initiatives

- Remove remaining support (~34,000) for:
  - Hotel Program
  - Food pantry and shower programs

### Visitor & Marketing Services

- Reevaluation and restructuring of visitor center and destination marketing contracts
- Focus on most impactful deliverables for businesses/community

## Tier 3: Significant Service & PT Staffing Impacts

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### **Additional Part-Time Staffing Reductions**

- Significant part-time hour cuts across multiple services (~\$300,000)
- Potential impacts include delayed service delivery and reduced availability:
  - Library programs, community events, and auxiliary services

### **Library Collection**

- Additional reductions in new media and books (~\$27,000, 30% total reduction including Tiers 2 & 3)
- Increased wait times and decreased collection diversity

## Tier 3: Significant Service & PT Staffing Impacts

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### **Tree Management**

- 50% Reduction (~\$100,0000)
- Likely delays in tree maintenance; potential unmet public service requests

### **Community Events**

- Restructure 4th of July event scheduling (not always on July 4) (~\$13,000)

### **Leadership Los Gatos**

- Program to run every other year (~\$5,000 annually, or \$10,000 every other year)



## Tier 3: Significant Service & PT Staffing Impacts

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### Staff Development & Technology

- Further cuts to training, memberships, and delays in technology replacements
- Potential impacts:
  - Reduced staff capacity to remain updated in professional fields
  - Longer-term impacts on service quality and efficiency

## Tier 4: Major Impacts on Core Services & Staffing

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**Estimated Additional Savings: \$2.4 Million Annually**

### **Overview:**

- Most significant impacts among all tiers
- Direct effects on core community services
- Substantial staffing implications; specifics to follow bargaining discussions

## Tier 4: Major Impacts on Core Services & Staffing

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### **Library and Public Counter Hours**

- Reduction of Library and public counter operating hours
- Direct impact on public access, community resource availability, and in-person counter access

### **Community Grant Funding**

- Reduced financial support to community organizations

### **Leadership Los Gatos Program**

- Remove program (~\$20,000)
- Loss of leadership training and community engagement opportunities

## Tier 4: Major Impacts on Core Services & Staffing

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### Support for Events

- Remove PD and PPW overtime for Town events, Holiday Parade, and Halloween closures (~\$130,000)
- Remove road closures for Parade and Halloween (~\$54,000)

### Public Safety & Traffic

- **Crossing Guard Program:** Reduction or elimination (~\$50,000 savings)
- **ALPR Cameras:** Reduced funding or program elimination (~\$50,000 savings)

### Public Meetings

- Reduced number of cable-broadcasted Town Council and Planning Commission meetings
- Potential reduction in community transparency and engagement opportunities

# Revenue Options

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- **Revenue Audits** - \$150,000 short-term
  - Audits of business license, hotel TOT, Property Tax with recovery services
- **Reducing Subsidies** - \$581,313 short-term (\$225,000 longer)
  - Implement or increase fees for use of various facilities and activities.
    - Field usage, application fees, service and facility rentals, event fees, meeting room rental
  - Reduce subsidized rent for vendors leasing space from Town
  - Updating Law Enforcement Agreement with Monte Sereno (complete)
  - Cost recovery for DUI and special enforcement operations
  - Residential alarm registration and false alarm fee implementation

# Revenue Options

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- **New Revenues** - \$859,000 short-term (\$3,943,874 longer)
  - Vehicle charging stations contract adjustments
  - Charge for parklets, license agreements, encroachment fee for garbage haulers
  - New fees for paid parking – Oak Meadows and/or downtown
  - Sales or Parcel tax
  - Contract to provide services to other governmental agencies

# Efficiencies and Innovation

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- **Internal Operations** – review key activities and services to identify opportunities to improve cost efficiency.
- **Contracting** – consider re-bidding services to obtain better terms where applicable.
- **Driving Economic Development** – invest in activities which can yield increase in revenue drivers: sales tax, TOT, etc.
- **Realignment** – deeply assess core services desired by the public and align services with available ongoing revenue.

# Council Input

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- **Discussion** – discuss the information presented on this agenda.
- **Approach to Final Budget** – advise on what the Finance Commission should review and what staff should consider in developing the final budget.
- **Discuss Barriers to Decision Making** – identify areas Council desires more information or action by staff to facilitate smooth approval of the final budget.



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

Revenue Category	FY 2022/23 Actuals	FY 2023-24 Actuals	FY 2024-25 Adjusted Budget	FY 2024-25 Estimates	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	\$ 18.2	\$ 19.3	\$ 20.2	\$ 20.0	\$ 21.2	\$ 22.2	\$ 23.1	\$ 24.0	\$ 24.9	\$ 25.9
VLF Backfill Property Tax	4.6	4.9	5.0	5.1	5.4	5.7	5.9	6.2	6.5	6.9
Sales & Use Tax	7.5	6.8	6.6	6.4	6.6	6.6	6.8	7.0	7.0	7.1
Measure G District Sales Tax	1.3	1.3	1.3	1.3	1.2	1.3	1.3	1.3	1.4	1.4
Franchise Fees	3.1	2.5	1.0	1.0	1.0	1.1	1.1	1.1	1.2	1.2
Transient Occupancy Tax	2.2	2.4	2.3	2.3	2.4	2.4	2.4	2.4	2.4	2.4
Business License Tax	2.4	1.5	2.4	2.8	2.4	2.5	2.5	2.6	2.7	2.8
Licenses & Permits	3.3	4.0	5.8	6.1	5.4	5.5	5.6	5.7	5.8	5.9
Intergovernmental	1.6	1.2	1.1	1.2	0.8	1.0	1.1	1.1	1.1	1.1
Town Services	4.6	5.9	4.7	5.0	5.6	4.8	4.9	5.1	5.2	5.3
Fines & Forfeitures	0.4	0.5	0.3	0.4	0.3	0.3	0.3	0.3	0.3	0.3
Interest	0.6	2.6	1.8	1.4	1.4	1.1	1.0	0.7	0.6	1.0
Other Sources	8.1	5.0	4.1	4.7	3.8	3.7	3.8	3.9	2.7	2.6
Fund Transfers In	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
<b>TOTAL OPERATING REVENUES &amp;</b>	<b>\$ 58.4</b>	<b>\$ 58.5</b>	<b>\$ 57.2</b>	<b>\$ 58.3</b>	<b>\$ 58.1</b>	<b>\$ 58.8</b>	<b>\$ 60.4</b>	<b>\$ 62.0</b>	<b>\$ 62.4</b>	<b>\$ 64.5</b>
Use of Capital/Special Projects	\$ 2.4	\$ 1.6	\$ 3.7	\$ 2.1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Use of Measure G Sales Tax -	-	-	0.6	0.1	-	-	-	-	-	-
Use of Pension/OPEB Reserve	0.3	0.3	-	0.3	-	-	-	-	-	-
Use of Council Priorities - Economic	-	1.5	-	-	-	-	-	-	-	-
Use of Unassigned Fund Balance	-	-	-	-	-	-	-	-	-	-
<b>TOTAL REVENUES, TRANSFERS, AND USE OF RESERVES*</b>	<b>\$ 61.1</b>	<b>\$ 61.9</b>	<b>\$ 61.5</b>	<b>\$ 60.8</b>	<b>\$ 58.1</b>	<b>\$ 58.8</b>	<b>\$ 60.4</b>	<b>\$ 62.0</b>	<b>\$ 62.4</b>	<b>\$ 64.5</b>
Expenditure Category	FY 2022/23 Actuals	FY 2023-24 Actuals	FY 2024-25 Adjusted Budget	FY 2024-25 Estimates	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	\$ 20.4	\$ 21.5	\$ 25.2	\$ 22.6	\$ 25.4	\$ 26.8	\$ 27.4	\$ 28.0	\$ 28.5	\$ 29.2
Overtime	1.4	1.3	0.6	1.5	0.7	0.7	0.7	0.7	0.7	0.7
CalPERS Benefits	7.1	7.4	8.8	8.3	9.9	10.7	11.4	12.2	12.4	12.7
All Other Benefits	3.8	4.3	5.6	4.9	6.3	6.3	6.7	7.0	7.4	7.0
4.6% Salary and Benefits Savings	-	-	(1.8)	-	(1.9)	(2.0)	(2.1)	(2.2)	(2.3)	(2.3)
OPEB Pay as You Go	1.5	1.6	1.7	2.0	2.1	2.2	2.3	2.4	2.5	2.6
Operating Expenditures	11.7	9.8	10.2	9.8	10.3	9.9	10.0	10.4	10.5	10.9
Grants & Awards	0.6	0.7	0.7	0.7	0.4	0.3	0.3	0.4	0.4	0.4
Utilities	0.6	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.8
Internal Service Charges	2.6	3.2	4.4	4.1	5.0	5.3	5.7	5.9	6.1	6.4
Debt Service	2.0	2.1	2.1	2.1	2.1	2.1	2.1	2.1	0.8	0.8
<b>TOTAL OPERATING EXPENDITURES</b>	<b>\$ 51.8</b>	<b>\$ 52.9</b>	<b>\$ 58.2</b>	<b>\$ 56.7</b>	<b>\$ 61.0</b>	<b>\$ 63.0</b>	<b>\$ 65.3</b>	<b>\$ 67.7</b>	<b>\$ 67.9</b>	<b>\$ 69.3</b>
Pension	0.7	0.7	0.4	0.7	0.4	0.4	0.4	0.4	0.4	0.4
<b>TOTAL OPERATING &amp; DISCRETIONARY EXPENDITURES</b>	<b>\$ 52.5</b>	<b>\$ 53.6</b>	<b>\$ 58.6</b>	<b>\$ 57.4</b>	<b>\$ 61.4</b>	<b>\$ 63.4</b>	<b>\$ 65.7</b>	<b>\$ 68.1</b>	<b>\$ 68.3</b>	<b>\$ 69.7</b>
Capital Transfers Out to GFAR	\$ 2.4	\$ 1.6	\$ 1.1	\$ 1.1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to General Liability	-	0.4	-	0.1	-	-	-	-	-	-
GASB 65	-	0.6	-	-	-	-	-	-	-	-
Fixed Assets/ Equipment	-	0.1	0.5	0.9	-	-	-	-	-	-
1/2 of Measure G Proceeds to Capital	0.6	0.7	0.6	0.6	-	-	-	-	-	-
Allocate to ERAF Risk Reserve	0.7	0.7	-	-	-	-	-	-	-	-
Allocate to Pension Trust	0.7	0.7	0.7	0.7	0.4	0.4	0.4	0.4	0.4	0.4
<b>TOTAL EXPENDITURES &amp; RESERVE NET REVENUES, TRANSFERS IN, USE OF RESERVES LESS EXPENDITURES, TRANSFERS IN, AND RESERVE ALLOCATIONS</b>	<b>\$ 56.2</b>	<b>\$ 57.7</b>	<b>\$ 61.0</b>	<b>\$ 60.8</b>	<b>\$ 61.8</b>	<b>\$ 63.8</b>	<b>\$ 66.1</b>	<b>\$ 68.5</b>	<b>\$ 68.7</b>	<b>\$ 70.1</b>
	\$ 4.9	\$ 4.2	\$ 0.5	\$ -	(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.

Town of Los Gatos General Fund Historical Year-End Results (in \$ million)								
Account	Revenue Category	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2020/21 Actuals	FY 2021/22 Actuals
4100	Property Tax	\$ 10.8	\$ 11.5	\$ 12.5	\$ 13.6	\$ 14.5	\$ 15.8	\$ 16.9
4110	VLF Backfill Property Tax	3.0	3.2	3.4	3.7	3.9	4.1	4.2
4200	Sales & Use Tax	7.5	9.2	7.6	8.0	6.5	6.8	7.2
4200	Measure G District Sales Tax	-	-	-	0.2	1.0	1.1	1.3
4250	Franchise Fees	2.3	2.4	2.5	2.5	2.5	2.5	2.8
4251	Transient Occupancy Tax	1.9	2.3	2.6	2.7	1.9	1.0	1.9
4400	Business License Tax	1.5	1.7	1.7	1.5	1.4	1.4	1.5
4400	Licenses & Permits	3.5	3.0	3.0	3.1	2.7	3.1	4.8
4500	Intergovernmental	1.0	0.9	1.0	0.9	1.0	1.6	1.3
4600	Town Services	4.0	3.3	4.4	4.4	4.4	4.6	5.3
4700	Fines & Forfeitures	0.9	0.9	0.7	0.5	0.3	0.1	0.3
4800	Interest	0.6	0.2	0.2	1.4	2.2	0.1	(1.4)
4850	Other Sources	2.3	4.3	3.2	4.6	2.7	3.7	7.0
4900	Fund Transfers In	2.4	0.3	0.8	1.6	0.6	0.7	0.6
<b>TOTAL OPERATING REVENUES &amp; TRANSFERS*</b>		<b>\$ 41.7</b>	<b>\$ 43.2</b>	<b>\$ 43.6</b>	<b>\$ 48.7</b>	<b>\$ 45.6</b>	<b>\$ 46.6</b>	<b>\$ 53.7</b>
	Capital	-	1.4	3.2	2.8	8.0	3.4	0.6
	Use of Pension/OPEB Reserve	-	-	-	-	-	4.5	0.3
	Use of Property Surplus Reserve	-	-	-	-	-	-	1.2
	Use of Almond Grove Reserve	-	5.9	-	-	-	-	-
	Use of Measure G Reserve	-	-	-	-	-	-	1.1
<b>TOTAL REVENUES, TRANSFERS, AND USE OF RESERVES</b>		<b>\$ 41.7</b>	<b>\$ 50.5</b>	<b>\$ 46.8</b>	<b>\$ 51.5</b>	<b>\$ 53.6</b>	<b>\$ 54.5</b>	<b>\$ 56.9</b>
Account	Expenditure Category	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2020/21 Actuals	2021/22 Actuals
5110	Salary	14.5	14.8	16.0	17.9	19.3	20.2	20.0
5120	CalPERS Benefits	3.6	3.9	4.3	5.3	6.1	6.4	6.5
5200	All Other Benefits	3.2	3.2	3.3	3.6	3.6	3.7	3.7
6211	OPEB Pay as You Go	0.9	1.0	1.1	1.2	1.2	1.3	1.4
6000	Operating Expenditures	4.7	4.8	5.0	5.6	5.1	5.7	10.4
7200	Grants & Awards	0.7	0.2	0.2	0.3	0.3	0.3	1.8
7400	Utilities	0.4	0.6	0.5	0.5	0.5	0.6	0.6
8060	Internal Service Charges	3.5	3.6	3.9	2.5	2.2	2.3	2.6
8900	Debt Service	1.9	1.9	1.9	1.9	1.9	2.0	2.1
<b>TOTAL OPERATING EXPENDITURES</b>		<b>\$ 33.6</b>	<b>\$ 34.0</b>	<b>\$ 36.2</b>	<b>\$ 38.8</b>	<b>\$ 40.2</b>	<b>\$ 42.4</b>	<b>\$ 49.0</b>
	GASB 45 Retiree Medical Actuarial	1.5	2.6	1.6	1.1	1.1	0.6	0.1
	Additional Discretionary Payment - Pension	-	-	-	-	-	5.6	0.7
<b>TOTAL OPERATING &amp; DISCRETIONARY EXPENDITURES</b>		<b>\$ 35.1</b>	<b>\$ 36.6</b>	<b>\$ 37.8</b>	<b>\$ 39.9</b>	<b>\$ 41.3</b>	<b>\$ 48.6</b>	<b>\$ 49.8</b>
	Capital Transfers Out to GFAR	0.5	7.3	2.6	2.3	7.0	3.4	1.2
	Operating Transfer Out	0.1	-	0.6	0.5	1.1	-	-
	1/2 of Measure G Proceeds to Capital	-	-	-	-	-	-	0.7
	Fixed Assets/ Equipment	0.4	-	-	-	0.1	-	-
	Fund	-	-	1.2	3.6	0.4	-	-
<b>AMOUNTS AVAILABLE FOR RESERVE ALLOCATIONS</b>		<b>\$ 5.6</b>	<b>\$ 6.6</b>	<b>\$ 4.6</b>	<b>\$ 5.2</b>	<b>\$ 3.7</b>	<b>\$ 2.5</b>	<b>\$ 5.9</b>
	Allocate to Almond Grove Reserve	2.5	-	-	-	-	-	-
	Stabilization/Catastrophic	-	-	-	-	-	0.1	1.1
	Allocate to Compensated Absences	-	-	-	-	-	0.1	(0.2)
	Allocate to Market Fluctuations Reserve	0.3	0.3	-	-	1.2	-	(0.4)
	Allocate to CalPERS/Pension Reserve	-	1.8	-	-	-	0.3	0.3
	Allocate to Measure G Reserve	-	-	-	-	1.2	-	-
	Allocate to VM & Stores Surplus Reserve	-	-	-	1.0	-	-	-
	Allocate to Authorized Carryforwards	0.1	-	-	-	-	-	0.03
	Sales Tax Prior - Year Adjustments	-	0.4	-	-	-	-	-
	Allocate to Property Surplus Reserve	-	-	-	1.9	-	1.2	-
<b>TOTAL EXPENDITURES &amp; RESERVE ALLOCATIONS</b>		<b>\$ 39.0</b>	<b>\$ 46.4</b>	<b>\$ 42.2</b>	<b>\$ 49.2</b>	<b>\$ 52.2</b>	<b>\$ 53.7</b>	<b>\$ 52.2</b>
<b>NET REVENUES RESERVE TRANSFERS LESS EXPENDITURES &amp; RESERVE ALLOCATIONS FOR FINAL ALLOCATION AFTER YEAR END CLOSE</b>		<b>\$ 2.7</b>	<b>\$ 4.1</b>	<b>\$ 4.6</b>	<b>\$ 2.3</b>	<b>\$ 1.4</b>	<b>\$ 0.8</b>	<b>\$ 4.7</b>

\* Due to rounding of individual categories Total Expenditures and Reserve Allocations may include \$0.1 million.  
General Fund (111) Historical presentation does not include Pension Trusts activities.

The following Schedules provide reconciliation between the General Fund Actual FY 2021-22, FY 2022-23, and FY 2023-24 Revenues, Expenditures, and Fund Balances compared as presented in the corresponding Annual Comprehensive Financial Summary General Fund Statement of Revenues, Expenditures and Changes in Fund Balances Budget to Actual (GAAP) for the Fiscal Year Ended June 30, 2022, June 30, 2023, and June 30 2024.

Elimination and differences in presentation and categorization are listed and/or color-coded in the schedules.

Comparing FY 2025-26 Proposed Budget (page C-8) to June 30, 2022 ACFR (page 48).

TOWN OF LOS GATOS, CALIFORNIA  
 GENERAL FUND  
 STATEMENT OF REVENUE, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL (GAAP)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	FY 2021-22 Original Budget	FY 2021-22 Final Budget	FY2021-22 Actual	FY 2021-22 Actual to FY 2021-22 Final Budget \$ Variance
<b>REVENUES</b>				
Property Taxes	20,036,156	20,138,320	21,129,082	990,762
Sales & Use Taxes	8,177,859	8,671,606	8,483,673	(187,933)
Transient Occupancy Taxes				-
Other Taxes	927,040	1,482,000	1,909,816	427,816
Licenses & Permits	3,869,779	4,477,907	5,096,318	618,411
Intergovernmental	3,881,836	1,148,993	1,263,352	114,359
Charges for Services	3,882,490	4,385,547	5,460,613	1,075,066
Fines & Forfeitures	203,450	213,450	319,170	105,720
Franchise Fees	2,597,630	2,514,020	2,822,515	308,495
Developer Fee			1,200,000	1,200,000
Interest	440,833	440,833	(1,404,527)	(1,845,360)
Use of Property	32,400	32,400	32,400	-
Other	290,898	290,898	311,040	20,142
<b>Total Revenues</b>	<b>44,340,371</b>	<b>43,795,974</b>	<b>46,623,452</b>	<b>2,827,478</b>
<i>Subscription - See Under Other Financing Sources</i>				
<i>Debt Service - Entry Eliminated for ACFR</i>			1,899,850	
<i>Unrestricted Fund Tracking - Entry Eliminated for ACFR</i>			556,316	
<i>Pension Trust Income - Entry Eliminated for ACFR</i>			690,000	
<i>Measure G for Operations - Entry Eliminated for ACFR</i>			629,148	
<i>Gains from Sales of Assets</i>			2,151	
<i>Unrestricted Fund Tracking - Part of ACFR Transfer In</i>			3,413,961	
<i>Fund Transfer In</i>			633,352	4,047,313
<i>Rounding</i>			(7)	
<b>Total Actual Revenue - Budgetary Basis</b>			<b>54,448,222</b>	<b>FY2021-22 Actual Total General Fund Revenues (page C-8 of Proposed FY2025-26 Budget)</b>
<b>EXPENDITURES</b>				
Current:				
General Government:				
Town Council	201,499	202,890	189,569	13,321
Town Attorney	660,229	669,733	629,936	39,797
Administrative Services	5,087,207	5,965,803	5,441,604	524,199
Non-Departmental	3,546,680	3,581,965	2,792,859	789,106
<b>Total General Government</b>	<b>9,495,615</b>	<b>10,420,391</b>	<b>9,053,968</b>	<b>1,366,423</b>
Public Safety	17,239,480	17,390,966	16,451,190	939,776
Parks & Public Works	8,494,629	9,080,666	8,605,457	475,209
Community Development	5,395,864	5,461,713	6,313,511	(851,798)
Library Services	3,016,395	3,062,707	2,752,397	310,310
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Principal	-	-	156,034	(156,034)
Interest & Fees	-	-	-	-
<b>Total Expenditures</b>	<b>43,641,983</b>	<b>45,416,443</b>	<b>43,332,557</b>	<b>2,083,886</b>
<i>Debt Service - Entry Eliminated for ACFR</i>				
<i>Unrestricted Fund Tracking - Entry Eliminated for ACFR</i>			1,899,850	
<i>Transfer to Pension Trust Fund - Entry Eliminated for ACFR</i>			556,316	
<i>Measure G Transfer - Entry Eliminated for ACFR</i>			690,000	
<i>Measure G Transfer - Part of ACFR Transfer Out</i>			629,148	
<i>Unrestricted Fund Tracking - Part of ACFR Transfer Out</i>			1,769,057	
<i>Transfer Out ( Budget) - Part of ACFR Transfer Out</i>			837,343	
<i>Rounding</i>			1,751,787	4,358,187
<b>Total Actual Expenditure - Budgetary Basis</b>			<b>51,466,047</b>	<b>FY 2021-22 Actual Total General Fund Expenditures (page C-8 of Proposed FY 2025-26 Budget)</b>
<b>EXCESS (DEFICIT) OF REVENUES</b>				
<b>OVER EXPENDITURES</b>	698,388	(1,620,469)	3,290,895	4,911,364
<b>OTHER FINANCING SOURCES (USES)</b>				
Subscriptions	-	-	-	-
Gain from sale of assets	600	600	2,151	1,551
Transfers In	633,352	4,047,313	4,047,313	-
Transfers Out	-2,456,327	(3,752,608)	(4,358,188)	(605,580)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,822,375)</b>	<b>295,305</b>	<b>(308,724)</b>	<b>(604,029)</b>
<b>ESTIMATED NET CHANGE IN FUND BALANCE</b>	<b>(1,123,987)</b>	<b>(1,325,164)</b>	<b>2,982,171</b>	<b>4,307,335</b>
<b>BEGINNING FUND BALANCE</b>			23,914,618	
<b>ESTIMATED ENDING FUND BALANCE</b>			26,896,788	<b>FY 2021-22 Actuals Year End Fund Balance (page C-8 of Proposed FY 2025-26 Budget)</b>

Comparing  
2025-26 Proposed  
Budget (page C-8)  
to June 30, 2023  
ACFR (page-46).

TOWN OF LOS GATOS, CALIFORNIA  
GENERAL FUND  
STATEMENT OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL (GAAP)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	FY 2022-23 Original Budget	FY 2022-23 Final Budget	FY 2022-23 Actual	FY 2022-23 Actual to FY2022-23 Final Budget \$ Variance
<b>REVENUES</b>				
Property Taxes	\$20,907,894	\$22,484,118	\$22,743,087	258,969
Sales & Use Taxes	9,174,944	8,959,134	8,806,477	(152,657)
Transient Occupancy Taxes				-
Other Taxes	1,649,460	2,355,547	2,234,644	(120,903)
Licenses & Permits	4,122,529	5,140,684	5,630,362	489,678
Intergovernmental	1,051,814	1,273,910	1,553,396	279,486
Charges for Services	4,257,261	5,540,465	4,646,705	(893,760)
Fines & Forfeitures	201,750	226,750	416,950	190,200
Franchise Fees	2,493,870	2,716,470	3,074,624	358,154
Developer Fee				
Interest	432,947	670,021	605,789	(64,232)
Use of Property	41,211	41,211	38,126	(3,085)
Other	1,203,657	863,964	859,571	(4,393)
<b>Total Revenues</b>	<b>45,537,337</b>	<b>50,272,274</b>	<b>50,609,731</b>	<b>337,457</b>
<i>Subscription - See Under Other Financing Sources</i>				
<i>Debt Service - Entry Eliminated for ACFR</i>			1,893,713	
<i>Unrestricted Fund Tracking - Entry Eliminated for ACFR</i>			471,644	
<i>Pension Trust Income - Entry Eliminated for ACFR</i>			690,000	
<i>Measure G for Operations - Entry Eliminated for ACFR</i>			629,065	
<i>Gains from Sales of Assets</i>			2,162	
<i>Unrestricted Fund Tracking - Part of ACFR Transfer In</i>			3,614,872	
<i>Fund Transfer In</i>			538,536	4,153,408
<i>Rounding</i>				
<b>Total Actual Revenue - Budgetary Basis</b>			<b>54,834,851</b>	<b>FY2022-23 Actual Total General Fund Revenues (page C-8 of Proposed FY2025-26 Budget)</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
<b>General Government:</b>				
Town Council	217,238	217,240	186,337	30,903
Town Attorney	707,555	811,427	699,143	112,284
Administrative Services	5,298,494	5,759,393	5,302,281	457,112
Non-Departmental	3,194,526	3,334,931	2,641,018	693,913
<b>Total General Government</b>	<b>9,417,813</b>	<b>10,122,991</b>	<b>8,828,779</b>	<b>1,294,212</b>
Public Safety	19,225,985	19,331,330	18,446,048	885,282
Parks & Public Works	9,798,967	10,368,194	8,998,088	1,370,106
Community Development	5,772,004	6,543,199	5,065,412	1,477,787
Library Services	3,139,449	3,247,730	3,096,486	151,244
Capital Outlay	-	435,416	300,000	135,416
Debt Service				
Principal	-	156,034	156,034	-
Interest & Fees	-	-	-	-
<b>Total Expenditures</b>	<b>47,354,218</b>	<b>50,204,894</b>	<b>44,890,847</b>	<b>5,314,047</b>
<i>Debt Service - Entry Eliminated for ACFR</i>				
<i>Unrestricted Fund Tracking - Entry Eliminated for ACFR</i>				
<i>Transfer to Pension Trust Fund - Entry Eliminated for ACFR</i>				
<i>Measure G Transfer - Entry Eliminated for ACFR</i>				
<i>Measure G Transfer - Part of ACFR Transfer Out</i>				
<i>Unrestricted Fund Tracking - Part of ACFR Transfer Out</i>				
<i>Transfer Out ( Budget) - Part of ACFR Transfer Out</i>				
<i>Rounding</i>				
<b>Total Actual Expenditure - Budgetary Basis</b>			<b>55,818,208</b>	<b>FY 2022-23 Actual Total General Fund Expenditures (page C-8 of Proposed FY 2025-26 Budget)</b>
<b>EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES</b>	<b>(1,816,881)</b>	<b>67,380</b>	<b>5,718,884</b>	<b>5,651,504</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Subscriptions</b>				
Gain from sale of assets	600	600	2,162	1,562
Transfers In	2,183,817	3,381,544	4,153,408	771,864
Transfers Out	-3,006,978	(5,842,011)	(7,242,939)	(1,400,926)
<b>Total Other Financing Sources (Uses)</b>	<b>(822,561)</b>	<b>(2,459,867)</b>	<b>(3,087,369)</b>	<b>(627,502)</b>
<b>ESTIMATED NET CHANGE IN FUND BALANCE</b>	<b>(2,639,442)</b>	<b>(2,392,487)</b>	<b>2,631,515</b>	<b>5,024,002</b>
<b>BEGINNING FUND BALANCE</b>			<b>26,896,789</b>	
<b>ESTIMATED ENDING FUND BALANCE</b>			<b>29,528,304</b>	<b>FY 2022-23 Actuals Year End Fund Balance (page C-8 of Proposed FY 2025-26 Budget)</b>

Comparing FY 2023-24 Proposed Budget (page C-8) to June 30, 2023 ACFR (page-48).

TOWN OF LOS GATOS, CALIFORNIA  
 GENERAL FUND  
 STATEMENT OF REVENUE, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL (GAAP)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	FY 2023-24 Original Budget	FY 2023-24 Final Budget	FY 2023-24 Actual	FY 2023-24 Actual to FY 2023-24 Final Budget \$ Variance
<b>REVENUES</b>				
Property Taxes	23,249,311	23,938,717	24,227,166	288,449
Sales & Use Taxes	9,152,778	7,881,069	8,071,735	190,666
Transient Occupancy Taxes	2,419,000	2,262,528	2,367,653	105,125
Other Taxes	7,000	7,000	5,520	(1,480)
Licenses & Permits	5,365,996	5,684,574	5,513,209	(171,365)
Intergovernmental	913,094	1,362,032	1,157,224	(204,808)
Charges for Services	4,416,250	4,715,797	5,913,520	1,197,723
Fines & Forfeitures	203,450	365,950	480,634	114,684
Franchise Fees	2,116,470	3,308,703	2,547,011	(761,692)
Developer Fee				
Interest	1,035,097	1,566,384	2,698,736	1,132,352
Use of Property	35,811	31,839	34,722	2,883
Other	281,954	622,555	516,082	(106,473)
<b>Total Revenues</b>	<b>49,196,211</b>	<b>51,747,148</b>	<b>53,533,212</b>	<b>1,786,064</b>

Subscription - See Under Other Financing Sources			706,713	
Debt Service - Entry Eliminated for ACFR			1,894,550	
Unrestricted Fund Tracking - Entry Eliminated for ACFR			458,000	
Pension Trust Income - Entry Eliminated for ACFR			690,000	
Measure G for Operations - Entry Eliminated for ACFR			620,044	
Gains from Sales of Assets			223	
Unrestricted Fund Tracking - Part of ACFR Transfer In			564,910	
Fund Transfer In				
Rounding			(3)	
<b>Total Actual Revenue - Budgetary Basis</b>			<b>58,467,649</b>	<b>FY 2023-24 Actual Total General Fund Revenues (page C-8 of Proposed FY 2025-26 Budget)</b>

<b>EXPENDITURES</b>				
<b>Current:</b>				
<b>General Government:</b>				
Town Council	184386	197,260	196,368	892
Town Attorney	771611	947,963	751,614	196,349
Administrative Services	6061730	6,506,131	5,877,879	628,252
Non-Departmental	3157423	3,246,886	2,747,161	499,725
<b>Total General Government</b>	<b>10,175,150</b>	<b>10,898,240</b>	<b>9,573,022</b>	<b>1,325,218</b>
Public Safety	19685259	21,067,571	20,718,781	348,790
Parks & Public Works	10028859	10,401,802	9,789,656	612,146
Community Development	5390623	5,509,852	5,246,729	263,123
Library Services	3175170	3,285,841	3,253,389	32,452
Capital Outlay	-	40,000	708,302	(668,302)
Debt Service				
Principal	156034	156,034	225,370	(69,336)
Interest & Fees	-	-	3,716	(3,716)
<b>Total Expenditures</b>	<b>48,611,095</b>	<b>51,359,340</b>	<b>49,518,965</b>	<b>1,840,375</b>

Debt Service - Entry Eliminated for ACFR			1,894,550	
Unrestricted Fund Tracking - Entry Eliminated for ACFR			458,000	
Transfer to Pension Trust Fund - Entry Eliminated for ACFR			690,000	
Measure G Transfer - Entry Eliminated for ACFR			620,044	
Measure G Transfer - Part of ACFR Transfer Out			620,044	
Unrestricted Fund Tracking - Part of ACFR Transfer Out			1,087,281	
Transfer Out ( Budget) - Part of ACFR Transfer Out			2,045,000	
Rounding			(5)	
<b>Total Actual Expenditure - Budgetary Basis</b>			<b>56,933,879</b>	<b>FY 2023-24 Actual Total General Fund Expenditures (page C-8 of Proposed FY 2025-26 Budget)</b>

<b>EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES</b>	<b>585,116</b>	<b>387,808</b>	<b>4,014,247</b>	<b>3,626,439</b>
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<b>OTHER FINANCING SOURCES (USES)</b>				
Subscriptions	-	-	706,713	706,713
Gain from sale of assets	1000	1,000	223	(777)
Transfers In	571536	595,411	564,910	(30,501)
Transfers Out	-2456327	(3,752,608)	(3,752,325)	283
<b>Total Other Financing Sources (Uses)</b>	<b>(1,883,791)</b>	<b>(3,156,197)</b>	<b>(2,480,479)</b>	<b>675,718</b>

<b>ESTIMATED NET CHANGE IN FUND BALANCE</b>	<b>(1,298,675)</b>	<b>(2,768,389)</b>	<b>1,533,768</b>	<b>4,302,157</b>
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<b>BEGINNING FUND BALANCE</b>			29,528,304	
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<b>ESTIMATED ENDING FUND BALANCE</b>			31,062,072	<b>FY 2023-24 Actuals Year End Fund Balance (page C-8 of Proposed FY 2025-26 Budget)</b>
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**TOTAL TOWN  
REVENUES AND EXPENDITURES**

**GENERAL FUND**

	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Estimated	2025-26 Proposed
<b>REVENUES</b>					
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
<b>TOTAL REVENUES</b>	<b>\$ 54,448,222</b>	<b>\$ 58,449,723</b>	<b>\$ 58,467,649</b>	<b>\$ 58,192,213</b>	<b>\$ 58,080,029</b>
<b>EXPENDITURES</b>					
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	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 51,466,052</b>	<b>\$ 55,818,208</b>	<b>\$ 56,933,879</b>	<b>\$ 60,064,764</b>	<b>\$ 61,348,243</b>
<b>Net Increase (Decrease)</b>	<b>2,982,170</b>	<b>2,631,515</b>	<b>1,533,770</b>	<b>(1,872,551)</b>	<b>(3,268,214)</b>
<b>Beginning Fund Balance</b>	<b>23,914,618</b>	<b>26,896,788</b>	<b>29,528,303</b>	<b>31,062,073</b>	<b>29,189,522</b>
<b>Ending Fund Balance</b>	<b>\$ 26,896,788</b>	<b>\$ 29,528,303</b>	<b>\$ 31,062,073</b>	<b>\$ 29,189,522</b>	<b>\$ 25,921,308</b>

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

**TOWN OF LOS GATOS, CALIFORNIA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL (GAAP)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 20,036,156	\$ 20,138,320	\$ 21,129,082	\$ 990,762
Sales Taxes	8,177,859	8,671,606	8,483,673	(187,933)
Other Taxes	927,040	1,482,000	1,909,816	427,816
Licenses & Permits	3,869,779	4,477,907	5,096,318	618,411
Intergovernmental	3,881,836	1,148,993	1,263,352	114,359
Charges for Services	3,882,490	4,385,547	5,460,613	1,075,066
Fines and Forfeitures	203,450	213,450	319,170	105,720
Franchise Fees	2,597,630	2,514,020	2,822,515	308,495
Developer Fees	-	-	1,200,000	1,200,000
Interest	440,833	440,833	(1,404,527)	(1,845,360)
Use of Property	32,400	32,400	32,400	-
Other	290,898	290,898	311,040	20,142
<b>Total Revenues</b>	<b>44,340,371</b>	<b>43,795,974</b>	<b>46,623,452</b>	<b>2,827,478</b>
<b>EXPENDITURES</b>				
Current:				
General Government:				
Town Council	201,499	202,890	189,569	13,321
Town Attorney	660,229	669,733	629,936	39,797
Administrative Services	5,087,207	5,965,803	5,441,604	524,199
Non-Departmental	3,546,680	3,581,965	2,792,859	789,106
<b>Total General Government</b>	<b>9,495,615</b>	<b>10,420,391</b>	<b>9,053,968</b>	<b>1,366,423</b>
Public Safety	17,239,480	17,390,966	16,451,190	939,776
Parks & Public Works	8,494,629	9,080,666	8,605,457	475,209
Community Development	5,395,864	5,461,713	6,313,511	(851,798)
Library Services	3,016,395	3,062,707	2,752,397	310,310
Debt Service:				
Principal	-	-	156,034	(156,034)
<b>Total Expenditures</b>	<b>43,641,983</b>	<b>45,416,443</b>	<b>43,332,557</b>	<b>2,083,886</b>
<b>EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES</b>	<b>698,388</b>	<b>(1,620,469)</b>	<b>3,290,895</b>	<b>4,911,364</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Gain from sale of assets	600	600	2,151	1,551
Transfers In	633,352	4,047,313	4,047,313	-
Transfers Out	(2,801,047)	(3,833,094)	(4,358,188)	(525,094)
<b>Total Other Financing Sources (Uses)</b>	<b>(2,167,095)</b>	<b>214,819</b>	<b>(308,724)</b>	<b>(523,543)</b>
<b>NET CHANGES IN FUND BALANCE</b>	<b>\$ (1,468,707)</b>	<b>\$ (1,405,650)</b>	<b>2,982,171</b>	<b>\$ 4,387,821</b>
<b>BEGINNING FUND BALANCE</b>			<b>23,914,618</b>	
<b>ENDING FUND BALANCE</b>			<b>\$ 26,896,789</b>	

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



**TOWN OF LOS GATOS, CALIFORNIA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL (GAAP)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 20,907,894	\$ 22,484,118	\$ 22,743,087	\$ 258,969
Sales Taxes	9,174,944	8,959,134	8,806,477	(152,657)
Transient Occupancy Taxes	1,642,460	2,348,547	2,228,190	(120,357)
Other Taxes	7,000	7,000	6,454	(546)
Licenses & Permits	4,122,529	5,140,684	5,630,362	489,678
Intergovernmental	1,051,814	1,273,910	1,553,396	279,486
Charges for Services	4,257,261	5,540,465	4,646,705	(893,760)
Fines and Forfeitures	201,750	226,750	416,950	190,200
Franchise Fees	2,493,870	2,716,470	3,074,624	358,154
Interest	432,947	670,021	605,789	(64,232)
Use of Property	41,211	41,211	38,126	(3,085)
Other	1,203,657	863,964	859,571	(4,393)
<b>Total Revenues</b>	<b>45,537,337</b>	<b>50,272,274</b>	<b>50,609,731</b>	<b>337,457</b>
<b>EXPENDITURES</b>				
Current:				
General Government:				
Town Council	217,238	217,240	186,337	30,903
Town Attorney	707,555	811,427	699,143	112,284
Administrative Services	5,298,494	5,759,393	5,302,281	457,112
Non-Departmental	3,194,526	3,334,931	2,641,018	693,913
<b>Total General Government</b>	<b>9,417,813</b>	<b>10,122,991</b>	<b>8,828,779</b>	<b>1,294,212</b>
Public Safety	19,225,985	19,331,330	18,446,048	885,282
Parks & Public Works	9,798,967	10,368,194	8,998,088	1,370,106
Community Development	5,772,004	6,543,199	5,065,412	1,477,787
Library Services	3,139,449	3,247,730	3,096,486	151,244
Capital Outlay	-	435,416	300,000	135,416
Debt Service:				
Principal	-	156,034	156,034	-
<b>Total Expenditures</b>	<b>47,354,218</b>	<b>50,204,894</b>	<b>44,890,847</b>	<b>5,314,047</b>
<b>EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES</b>	<b>(1,816,881)</b>	<b>67,380</b>	<b>5,718,884</b>	<b>5,651,504</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Gain from sale of assets	600	600	2,162	1,562
Transfers In	2,183,817	3,381,544	4,153,408	771,864
Transfers Out	(3,006,978)	(5,842,011)	(7,242,939)	(1,400,928)
<b>Total Other Financing Sources (Uses)</b>	<b>(822,561)</b>	<b>(2,459,867)</b>	<b>(3,087,369)</b>	<b>(627,502)</b>
<b>NET CHANGES IN FUND BALANCE</b>	<b>\$ (2,639,442)</b>	<b>\$ (2,392,487)</b>	<b>2,631,515</b>	<b>\$ 5,024,002</b>
<b>BEGINNING FUND BALANCE</b>			<b>26,896,789</b>	
<b>ENDING FUND BALANCE</b>			<b>\$ 29,528,304</b>	

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

**TOWN OF LOS GATOS, CALIFORNIA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL (GAAP)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 23,249,311	\$ 23,938,717	\$ 24,227,166	\$ 288,449
Sales Taxes	9,152,778	7,881,069	8,071,735	190,666
Transient Occupancy Taxes	2,419,000	2,262,528	2,367,653	105,125
Other Taxes	7,000	7,000	5,520	(1,480)
Licenses & Permits	5,365,996	5,684,574	5,513,209	(171,365)
Intergovernmental	913,094	1,362,032	1,157,224	(204,808)
Charges for Services	4,416,250	4,715,797	5,913,520	1,197,723
Fines and Forfeitures	203,450	365,950	480,634	114,684
Franchise Fees	2,116,470	3,308,703	2,547,011	(761,692)
Interest	1,035,097	1,566,384	2,698,736	1,132,352
Use of Property	35,811	31,839	34,722	2,883
Other	281,954	622,555	516,082	(106,473)
<b>Total Revenues</b>	<b>49,196,211</b>	<b>51,747,148</b>	<b>53,533,212</b>	<b>1,786,064</b>
<b>EXPENDITURES</b>				
Current:				
General Government:				
Town Council	184,386	197,260	196,368	892
Town Attorney	771,611	947,963	751,614	196,349
Administrative Services	6,061,730	6,506,131	5,877,879	628,252
Non-Departmental	3,157,423	3,246,886	2,747,161	499,725
<b>Total General Government</b>	<b>10,175,150</b>	<b>10,898,240</b>	<b>9,573,022</b>	<b>1,325,218</b>
Public Safety	19,685,259	21,067,571	20,718,781	348,790
Parks & Public Works	10,028,859	10,401,802	9,789,656	612,146
Community Development	5,390,623	5,509,852	5,246,729	263,123
Library Services	3,175,170	3,285,841	3,253,389	32,452
Capital Outlay	-	40,000	708,302	(668,302)
Debt Service:				
Principal	156,034	156,034	225,370	(69,336)
Interest & Fees	-	-	3,716	(3,716)
<b>Total Expenditures</b>	<b>48,611,095</b>	<b>51,359,340</b>	<b>49,518,965</b>	<b>1,840,375</b>
<b>EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES</b>	<b>585,116</b>	<b>387,808</b>	<b>4,014,247</b>	<b>3,626,439</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Subscriptions	-	-	706,713	706,713
Gain from sale of assets	1,000	1,000	223	(777)
Transfers In	571,536	595,411	564,910	(30,501)
Transfers Out	(2,456,327)	(3,752,608)	(3,752,325)	283
<b>Total Other Financing Sources (Uses)</b>	<b>(1,883,791)</b>	<b>(3,156,197)</b>	<b>(2,480,479)</b>	<b>675,718</b>
<b>NET CHANGES IN FUND BALANCE</b>	<b>\$ (1,298,675)</b>	<b>\$ (2,768,389)</b>	<b>1,533,768</b>	<b>\$ 4,302,157</b>
<b>BEGINNING FUND BALANCE</b>			<b>29,528,304</b>	
<b>ENDING FUND BALANCE</b>			<b>\$ 31,062,072</b>	

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

**FY 2026-27 - FY 2030-31 Forecast**  
**(in Thousands)**

	FY 2023-24 Budgeted	FY 2023-24 Actual	FY2024-25 Budgeted	FY 2024-25 Estimated	FY 2025-26 Budgeted	FY 2026-27 Forecasted	FY 2027-28 Forecasted	FY 2028-29 Forecasted	FY 2029-30 Forecasted	FY 2030-31 Forecasted
<b>Revenues</b>										
Property Tax	\$ 23,939	\$ 24,227	\$ 25,205	\$ 25,102	\$ 26,608	\$ 27,869	\$ 28,997	\$ 30,201	\$ 31,462	\$ 32,786
Sales Tax	7,881	8,072	7,886	7,662	7,776	7,922	8,095	8,253	8,393	8,509
Transient Occupancy Tax	2,263	2,368	2,332	2,332	2,402	2,402	2,402	2,402	2,402	2,402
Other Taxes	7	5	7	7	7	7	7	8	8	8
Licenses and Permits	5,685	5,513	8,253	8,934	7,785	7,949	8,118	8,292	8,472	8,657
Intergovernmental	1,362	1,157	1,117	1,203	839	1,041	1,074	1,085	1,095	1,103
Charges for Services	4,716	5,913	4,706	4,982	5,567	4,831	4,941	5,055	5,172	5,292
Fines and Foreitures	366	481	315	385	315	315	311	311	320	330
Franchise Fees	3,309	2,547	1,041	1,013	1,044	1,075	1,107	1,141	1,175	1,210
Interest	1,566	2,699	1,764	1,427	1,387	1,050	978	717	599	983
Use of Property	32	35	46	46	46	46	46	46	46	46
Other	623	516	644	525	233	141	143	146	148	151
Lease Reimbursement (Eliminated for ACFR)	1,895	1,895	1,902	1,902	1,902	1,908	1,916	1,923	668	668
<b>Total Revenues</b>	<b>\$ 53,644</b>	<b>\$ 55,428</b>	<b>\$ 55,218</b>	<b>\$ 55,520</b>	<b>\$ 55,911</b>	<b>\$ 56,556</b>	<b>\$ 58,135</b>	<b>\$ 59,580</b>	<b>\$ 59,960</b>	<b>\$ 62,145</b>
<b>Expenditures</b>										
Wages and Benefits (Includes Vacancy Savings)	\$ 35,612	\$ 34,570	\$ 38,441	\$ 37,298	\$ 40,324	\$ 42,389	\$ 44,040	\$ 45,751	\$ 46,711	\$ 47,303
Other Operating Expenditures	15,552	14,012	16,765	16,705	17,360	17,254	17,810	18,507	18,985	19,704
Capital Outlay	40	708	541	886	-	-	-	-	-	-
Debt Service										
Principal	156	225	156	156	156	156	156	156	156	156
Interest and Fees	-	4	-	-	-	-	-	-	-	-
Lease Payment (Eliminated for ACFR)	1,895	1,895	1,902	1,902	1,902	1,908	1,916	1,923	668	668
<b>Total Expenditures</b>	<b>\$ 53,255</b>	<b>\$ 51,414</b>	<b>\$ 57,805</b>	<b>\$ 56,947</b>	<b>\$ 59,742</b>	<b>\$ 61,707</b>	<b>\$ 63,922</b>	<b>\$ 66,337</b>	<b>\$ 66,520</b>	<b>\$ 67,831</b>
<b>Excess (Deficiency) of Revenues</b>	<b>\$ 389</b>	<b>\$ 4,014</b>	<b>\$ (2,587)</b>	<b>\$ (1,427)</b>	<b>\$ (3,831)</b>	<b>\$ (5,151)</b>	<b>\$ (5,787)</b>	<b>\$ (6,757)</b>	<b>\$ (6,560)</b>	<b>\$ (5,686)</b>
<b>Other Financing Sources (Uses)</b>										
Subscriptions	\$ -	\$ 707	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sale of capital assets	1	-	477	822	1	1	1	1	1	1
Transfers In (Includes ACFR Eliminations)	2,348	2,333	1,629	1,849	2,169	2,251	2,287	2,322	2,356	2,382
Transfers Out (Includes ACFR Eliminations)	(5,506)	(5,520)	(2,788)	(3,118)	(1,607)	(1,689)	(1,725)	(1,760)	(1,794)	(1,820)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (3,157)</b>	<b>\$ (2,480)</b>	<b>\$ (682)</b>	<b>\$ (447)</b>	<b>\$ 563</b>	<b>\$ 563</b>	<b>\$ 563</b>	<b>\$ 563</b>	<b>\$ 563</b>	<b>\$ 563</b>
<b>Net Change In Fund Balances</b>	<b>\$ (2,768)</b>	<b>\$ 1,534</b>	<b>\$ (3,269)</b>	<b>\$ (1,874)</b>	<b>\$ (3,268)</b>	<b>\$ (4,588)</b>	<b>\$ (5,224)</b>	<b>\$ (6,194)</b>	<b>\$ (5,997)</b>	<b>\$ (5,123)</b>
<b>Beginning Fund Balance</b>		<b>\$ 29,528</b>		<b>\$ 31,062</b>	<b>\$ 29,188</b>	<b>\$ 25,920</b>	<b>\$ 21,332</b>	<b>\$ 16,108</b>	<b>\$ 9,914</b>	<b>\$ 3,917</b>
<b>Ending Fund Balance</b>		<b>\$ 31,062</b>		<b>\$ 29,188</b>	<b>\$ 25,920</b>	<b>\$ 21,332</b>	<b>\$ 16,108</b>	<b>\$ 9,914</b>	<b>\$ 3,917</b>	<b>\$ (1,206)</b>



**TOWN OF LOS GATOS**  
**FINANCE COMMISSION REPORT**

MEETING DATE: 04/28/2025

ITEM NO: 2

Item 2.

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DATE: April 25, 2025  
TO: Finance Commission  
FROM: Chris Constantin, Town Manager  
SUBJECT: Receive the Fiscal Year 2025-26 Through 2029-30 Capital Improvement Program Budget and Provide Comments and Recommendations

**RECOMMENDATION:**

Review the proposed Fiscal Year 2025-26 through 2029-30 Capital Improvement Program Budget and provide comments and recommendations for Council’s consideration.

**DISCUSSION:**

On April 22, 2025, Town staff presented a new tiered presentation of CIP projects to align staffing resources with identified and funded projects for 2025-26. The Proposed Capital Improvement Program (CIP) Budget for Fiscal Years 2025-26 through 2029-30 to the Town Council is reflective of this tiered approach. The purpose of the presentation was to provide the Council with an overview of the proposed CIP and to receive input and direction to guide the Finance Commission’s review.

The full Staff Report and attachments from the April 22 Study Session are included as Attachment 1 to this report.

As part of the Finance Commission’s review, staff are requesting input on the proposed tiering of CIP projects (Tiers 1, 2, and 3). These tiers reflect prioritization based on project status, funding availability, and staff capacity. Staff is seeking guidance on how these tiers should be factored into the Town’s financial forecasts and long-term financial planning—particularly with respect to the timing and funding of Tier 2 and Tier 3 projects and their impact on overall budget sustainability.

**PREPARED BY:** Nicolle Burnham  
Parks and Public Works Director

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Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

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PAGE 2 OF 2

SUBJECT: CIP Operating Budget

DATE: April 28, 2025

On April 21, 2025, the Proposed FY 2025-26 Operating and Capital Budgets were posted to the Town's website and links to the documents were provided to the Finance Commission in accordance with Measure A.

The link to the CIP Budget is listed below.

CIP Budget:

<https://www.losgatosca.gov/2988/Proposed-FY-2025-26-Capital-Budget>

Attachments:

1. CIP Staff Report to Town Council with Attachments 1 and 2



**TOWN OF LOS GATOS  
COUNCIL AGENDA REPORT**

MEETING DATE: 04/22/2025

ITEM NO: 2

Item 2.

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DATE: April 17, 2025  
TO: Mayor and Town Council  
FROM: Chris Constantin, Town Manager  
SUBJECT: Receive the Proposed Fiscal Year 2025-26 through 2029-30 Capital Improvement Program Budget and Provide Direction

**RECOMMENDATION:**

Staff recommends that the Town Council receive the proposed Capital Improvement Program (CIP) Budget and provide direction to the Finance Commission for their review of the proposed plan.

**STRATEGIC PRIORITIES:**

This item supports the Core Goals of:

- **Good Governance and Fiscal Stability.**

This item supports the Strategic Priority of:

- **Ensure prudent financial management to result in structurally balanced five-year forecasts and fully funded five-year Capital Improvement Plan...Define and implement cohesive deferred capital improvement programs for Town facilities and lifecycle assets.**

**FISCAL IMPACT:**

The proposed five-year CIP reflects \$1.8 million in ongoing annual Gas Tax dedicated sources to help fund the proposed FY 2025-26 \$6.7 million capital improvements. The balance of CIP funding of \$4.9 million is funded by one-time appropriations from the General Fund Appropriated Reserve (GFAR), Utility Undergrounding Funds, Traffic Mitigation Funds, Grant Funds, and Storm Drain Funds.

**PREPARED BY:** Nicolle Burnham  
Parks and Public Works Director

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Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

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SUBJECT: Receive the Fiscal Year 2025-26 through 2029-30 Capital Improvement Program Budget and Provide Direction for Finance Commission Review  
DATE: April 17, 2025

The proposed CIP consists primarily of carry-forward projects from the prior year (\$16.0 million) as part of the multi-year programming of \$40.1 million. Approximately \$36.8 million (91.8%) is allocated to the streets, sidewalks, and curbs category; \$1.4 million (3.4%) is allocated to parks and trails projects; and \$1.9 million (4.8%) is allocated to public facility projects.

**BACKGROUND:**

Introduction

Town staff develops a five-year CIP each year for review and adoption by Town Council each year. The CIP document defines projects that were closed in the prior fiscal year, proposes new projects as needed, and allocates funding across various projects and programs.

Town-owned assets with improvements funded through the CIP include 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 streetlights, 12 public buildings totaling 139,373 square feet, and 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), storm drainage systems, retaining walls, and traffic signs.

In considering funding priorities for the CIP, staff follows the guidance provided by various Town documents, including: [Council Strategic Priorities](#), [General Plan](#), [Bicycle and Pedestrian Master Plan](#), Pavement Management Program, Stormwater Master Plan, Facilities Condition Assessments, the ADA Transition Plan, and legislative mandates. Project ideas and needs are also identified from field observations by Town staff, input from residents, and ideas from Town Commissions.

Capital Projects are allocated by Programs and Project Types as noted in Table 1.

**Table 1. List of CIP Programs and Project Types**

<b>Program Name</b>	<b>Project Type</b>
Streets	Street Reconstruction and Resurfacing Street Repairs, Maintenance and Safety Street Improvements Bridges
Parks and Trails	Parks Trails
Public Facilities	Town Infrastructure Equipment

PAGE 3 OF 10

SUBJECT: Receive the Fiscal Year 2025-26 through 2029-30 Capital Improvement Program Budget and Provide Direction for Finance Commission Review

DATE: April 17, 2025

In preparing the CIP, consideration is given to the amount of funding available and/or anticipated from a variety of various funding sources – Measure G, Construction Impact Fees, Gas Tax, Utility Undergrounding Fees, Refuse Vehicle Impact Fees, Measure B, Traffic Mitigation Fees, Storm Drainage Fees, Grant Funds and, when available, the General Fund Special/Capital Projects Reserve. The availability of funding from these sources varies from year to year. Many of these have specific dedicated uses and so must be applied to specific projects (e.g., roadway resurfacing or storm drainage improvements).

Projects to be Closed by End of FY 2024-25

The following 14 projects are slated to be completed or consolidated, and closed before the end of the 2024-25 fiscal year:

- Utility Undergrounding Improvements (813-0225)
- Traffic Signal Modernization (813-0227)
- Winchester Class IV Bikeway (813-0240)
- Overlook Road Tree Replacement (813-0244)
- Retaining Wall Repairs (815-9930)
- 333 University Inlet Capacity Improvements (816-0424)
- Parking Lot 4 Repair/Waterproofing (817-0708)
- TMO Roof Repairs (821-2121)
- Building Replacement at Corporation Yard (821-2302)
- Engineering Counter Modification (821-2310)
- ADA Upgrade for Public Restrooms - Adult Recreation Building (821-2601)
- Charter Oaks Trail Improvement (832-4503)
- Trailhead Connector (832-4505)
- Town-Wide Document Imaging Project (841-6003)

The remaining funds in each project were sent to the respective funding source's fund balance.

Changes to the CIP Funding and Document Format for FY 2025-26 through 2029-30

With this proposed CIP budget, significant changes to funding and project priorities are proposed. These changes are made in recognition of the large carryforward that has existed in prior fiscal years and the limited staffing resources available to deliver capital projects.

Regarding funding, the Measure G transfer to the General Fund Appropriated Reserve (GFAR) was eliminated in this project budget. All Measure G funds were retained in the General Fund to support General Fund operations.



PAGE 4 OF 10

SUBJECT: Receive the Fiscal Year 2025-26 through 2029-30 Capital Improvement Program Budget and Provide Direction for Finance Commission Review

DATE: April 17, 2025

As noted above, staff closed and consolidated projects where possible. Details of these projects are provided in the Introduction section of the CIP document. The remaining projects were then categorized as Tier 1 or Tier 2 (Attachment 1). Tier 1 projects are those that are fully funded, include funding with a grant deadline, are ready for construction or are legally required. These projects will be a staff priority for delivery in FY 2025-26. Tier 2 projects are other projects that have had CIP funding in prior years, but are either not fully funded, cannot be supported with current staffing, or both. By taking this action, this CIP presents a more realistic picture of project priorities and of projected capital expenses in the next fiscal year.

If staff resources allow a Tier 2 project to move forward, then Town Council action will be sought to release the required funding to continue the project. Other capital needs that have been identified but not funded are presented in Attachment 2 of this staff report and are included as an appendix to the CIP document. These are called Tier 3 projects, and no funding or staff have been allocated to these at this time.

Within the document, pages for project have been updated to reflect the Tier 1 or Tier 2 status and each project has been identified by its Core Goal of the Town Council.

#### DISCUSSION:

As in prior budgets, CIP projects represent either ongoing work that is funded annually, or one-time projects that achieve specific goals of the Town.

#### One-Time Capital Projects

The current capital plan includes 47 one-time projects, 26 of which are classified as Tier 1 for priority in FY 2025-26. While these one-time projects may span numerous years, the project is still considered one-time in that it has a specific starting and ending point. Table 2 is the Tier 1, one-time projects for this CIP. A complete list of Tier 1 and Tier 2 projects is in Attachment 1.

SUBJECT: Receive the Fiscal Year 2025-26 through 2029-30 Capital Improvement Program Budget and Provide Direction for Finance Commission Review

DATE: April 17, 2025

**Table 2. One-Time Tier 1 Capital Improvement Projects Funded in the FY 2025-26 CIP**

Project Number	Program	Project Name	Strategic Priority
811-0008	Street Safety & Maintenance	Shannon Road Repair	Public Safety / Quality Public Infrastructure
811-0010	Street Safety & Maintenance	Blossom Hill Road – Union to Camden	Public Safety / Quality Public Infrastructure
812-0133	Street Safety & Maintenance	VMT Mitigation Program	Fiscal Stability
813-0218	Street Improvement	Shannon Road Pedestrian and Bikeway Improvements	Quality Public Infrastructure
813-0242	Street Improvement	Parking Program Implementation	Quality Public Infrastructure
816-0418	Street Improvement	Vasona Oaks Drainage Failure Repair	Public Safety
816-0421	Street Improvement	Loma Street Drainage	Quality Public Infrastructure
816-0423	Street Improvement	709 University Avenue Drainage System Replacement	Quality Public Infrastructure
816-0425	Street Improvement	Storm Drainage Mapping	Good Governance
817-0705	Street Improvement	Downtown Parking Lots Seal Coat & Restriping	Quality Public Infrastructure
818-0803	Bridge	Highway 17 Bicycle & Pedestrian Bridge - Design	Public Safety / Quality Public Infrastructure
831-4007	Parks	Oak Meadow Bandstand Area Improvements	Quality Public Infrastructure
831-4611	Parks	Sport Court Resurfacing	Quality Public Infrastructure
821-2009	Town Infrastructure	Public Art Gateway Project	Civic Engagement
821-2012	Town Infrastructure	Emergency Preparedness	Public Safety
821-2117	Town Infrastructure	Civic Center HR Offices	Quality Public Infrastructure
821-2120	Town Infrastructure	Civic Center Plumbing Repair and HVAC Repairs	Quality Public Infrastructure
821-2311	Town Infrastructure	Fleet Service Outdoor Work Area (Design Phase)	Quality Public Infrastructure
821-2404	Town Infrastructure	POB Space Study	Public Safety / Quality Public Infrastructure
821-2505	Town Infrastructure	Battery Power Supply Library	Community Character
841-6101	Equipment	Enterprise Resource Planning (ERP) Upgrade	Good Governance / Fiscal Stability
841-6103	Equipment	EOC Communication Upgrade	Public Safety
841-6104	Equipment	IT Disaster Recovery Improvements	Public Safety

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**Table 2. One-Time Tier 1 Capital Improvement Projects Funded in the FY 2025-26 CIP**

Project Number	Program	Project Name	Strategic Priority
841-6105	Equipment	IT Disaster Resiliency Project	Public Safety
821-2312	Equipment	Auto Gate Replacements – PPW and POB	Public Safety
821-2313	Equipment	EV Chargers at 41 Miles Avenue	Community Character / Legal Requirement

Tier 2 Projects

As discussed above, certain projects presented in past CIP documents were moved to Tier 2 status in recognition of not having adequate staff resources to deliver the project, not having adequate funding, or both. In addition, certain new projects were added with Tier 2 status. The new projects fall into two categories: 1) work that will support the development of a cohesive deferred capital improvement plan for Town facilities and lifecycle assets (Fiscal Stability Strategic Priority); and 2) work required to meet a regulatory requirement or mitigate a risk associated with lack of regulatory compliance (e.g., Village Lane Trash Enclosures). The following new projects were added to the CIP as Tier 2 and detail sheets describing the proposed work are included in the document:

- Traffic / Travel Demand Model
- Village Lane Trash Enclosure
- Parks and Trails Master Plan
- Condition Assessment of Civic Center

In the CIP document funding for all Tier 2 projects is shown in Year 5 (FY 2029-30). Projects will be released as staff resources and funding permit. Staff has divided the Tier 2 projects into four “classes” to provide an indication of what order the work may be released (See Attachment 1). In general, projects that pertain to public safety, fiscal stability, or that have regulatory or grant implications were identified in higher classes than those related to civic engagement or quality infrastructure.

Ongoing and Annually Funded Projects

Each of the ongoing projects noted in Table 3 support various identified strategic initiatives of the Town, such as quality public infrastructure, safety for all modes of travel (motorist, cyclist, and pedestrian), and playground safety. Staff is recommending that these project categories continue to be funded annually.

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The only change to this list from prior years pertains to the Parks Playground Fibar Project, which funds the replacement of engineered safety surface material (which appears to look like wood chips when installed at playgrounds). In prior budgets this was funded with \$20,000 every other year, but the work must be performed annually at a cost of approximately \$19,000. With this proposed CIP budget staff recommends converting this to annual funding of \$15,000 per year, leaving this project slightly underfunded. Staff recommends that in future years consideration be given to converting this expense to the Operating Budget and closing the associated capital project.

**Table 3. Ongoing and Annually Funded Projects in the FY 2025-26 CIP**

Project Number	Program	Project Name	FY2025-26 Tier Status	Strategic Priority
811-9901	Street Reconstruction and Resurfacing	Street Repair & Resurfacing	1	Public Safety / Quality Public Infrastructure
811-9902	Street Safety & Maintenance	Annual Street Restriping	1	Public Safety / Quality Public Infrastructure
811-9904	Street Safety & Maintenance	Unanticipated Repairs – Annual	1	Quality Public Infrastructure
812-0130	Street Safety & Maintenance	Roadside Fire Fuel Reduction	1	Public Safety
812-0134	Street Safety & Maintenance	Measure B Education & Encouragement	1	Public Safety
813-9921	Street Improvement	Curb, Gutter & Sidewalk Maintenance	1	Public Safety
816-0414	Street Improvement	Stormwater System – Pollution Prevention Compliance	1	Community Character / Good Governance
816-0420	Street Improvement	Annual Storm Drain Improvement Project	1	Quality Public Infrastructure
831-4605	Parks	Parks Playground Fibar Project	1	Public Safety
832-4508	Trails	Vegetation Management – Town-wide	1	Public Safety
821-2013	Town Infrastructure	Annual ADA Compliance Work	1	Quality Public Infrastructure

Note that with this proposed budget the Town Beautification Project, which funds the Forbes Mill Pedestrian Bridge Art project has been moved to Tier 2 status.

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Project Specific Highlights

With this proposed CIP staff recommended the following changes to projects:

- Storm Drainage Mapping (816-0425). Past funding for this Tier 1 project was not sufficient to map all storm drainage assets in the Town. Additional funding was added from the Storm Drainage funds and will allow for completion of the project.
- Shannon Road Repair (811-0008). Construction bidding of this Tier 1 project is scheduled for late April and staff plans to award the construction contract in June. Staff anticipates that construction bids may come in higher than the engineer's estimate and proposed to reallocate all of the Retaining Wall Repair (815-9930) funds to this project. Additional required funding will be brought forward after construction bids are opened.
- Roadside Fire Fuel Reduction (812-0130) and Vegetation Management – Townwide (832-4508). Both of these Tier 1 projects continue to have \$100,000 per year allocated to support ongoing wildfire management.
- Sport Court Resurfacing (831-4611). This Tier 1 project has been redefined to fund resurfacing and restriping of the tennis and pickleball court at LaRinconada Court, and to add sound barrier protection at this court.
- Vasona Oaks Drainage Improvement (816-0418). This is a new Tier 1 project funded through the Storm Basin funds to correct the failure of a culvert under University Avenue and through Vasona Park.
- IT Disaster Resiliency (841-6105). This new Tier 1 project will support necessary and vital upgrades to provide system redundancy.
- Auto Gate Replacements POB and PPW (821-2312). The new Tier 1 project will provide funding to replace the automobile access gates at the Police Operations Building and the Parks and Town Corporation Yard at 41 Miles Avenue.
- EV Chargers at 41 Miles Avenue (821-2313). This Tier 1 project was created in March 2025 when the Town accepted a grant from Silicon Valley Clean Energy. Installation of these chargers is required to meet the regulatory mandate for certain vehicles to be zero emission.

Deferred Capital Improvements and Lifecycle Costs

Consistent with the Town Council Strategic Priority of Fiscal Stability, staff has been working to develop “a cohesive, deferred capital improvement program for Town Facilities and lifecycle assets.” Table 4 is a summary table of known needs as it was presented to Town Council during a CIP study session on November 19, 2024.

Staff continues to build on this past work while simultaneously delivering on projects within the deferred list. For example, the Vasona Drainage project was included in the storm drainage plan

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completed in 2019 and its cost is still reflected in Table 4; however, due to imminent failure of the system, the work will be completed in 2025.

Staff has also proposed certain projects that will help develop a more cohesive CIP. These include the Traffic / Travel Demand Model (813-0245), Parks and Trails Master Plan (841-4612) and a Condition Assessment of Civic Center (821-2123). Each of these will need to be completed to provide a holistic assessment of Town assets and complete robust lifecycle and capital improvement planning. These are proposed as Tier 2 projects.

**Table 4. Summary of Current Known Capital and Maintenance Needs**

Items / Need	Current Opinion of Potential Costs (2024 \$)
Town Owned Buildings – Maintenance	\$ 20,278,913
Town Owned Buildings – Capital Needs	\$ 1,490,000
Parks <sup>1</sup>	\$ 28,189,000
Storm Drainage	\$ 23,126,500
Streets and Roads	\$ 166,037,000
IT Needs	\$ 310,000
<b>TOTAL</b>	<b>\$239,431,413</b>

Notes:  
1. Cost does not include restoration plans for Ross Creek and Los Gatos Creek as recommended in General Plan 2040.

CONCLUSION:

Staff is pleased to present this CIP for consideration by the Town Council. The proposed plan seeks to balance the important and ever-changing needs of the Town with the limitations presented by funding and staffing levels.

COORDINATION:

This CIP has been coordinated with the Town Manager, Finance Director, and the Town Attorney.

ENVIRONMENTAL ASSESSMENT:

This action does not constitute a "project" under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b)(5) because it involves an administrative activity of government that will not result in direct or indirect physical changes in the environment.

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Attachments:

- 1. Tier 1 / Tier 2 Projects
- 2. Tier 3 Projects

## Fiscal Year 25/26 Capital Improvement Projects

Project Number	Program	Project Name	Strategic Priority	Annual / One-Time	FY2025/26 Tier Status	Tier 2 Priority
811-9901	Street Reconstruction and Resurfacing	Street Repair & Resurfacing	Public Safety / Quality Public Infrastructure	Annual	1	
811-9902	Street Safety & Maintenance	Annual Street Restriping	Public Safety / Quality Public Infrastructure	Annual	1	
811-9904	Street Safety & Maintenance	Unanticipated Repairs – Annual	Quality Public Infrastructure	Annual	1	
811-0008	Street Safety & Maintenance	Shannon Road Repair	Public Safety / Quality Public Infrastructure	One-Time	1	
811-0010	Street Safety & Maintenance	Blossom Hill Road – Union to Camden	Public Safety / Quality Public Infrastructure	One-Time	1	
812-0130	Street Safety & Maintenance	Roadside Fire Fuel Reduction	Public Safety	Annual	1	
812-0133	Street Safety & Maintenance	VMT Mitigation Program	Fiscal Stability	One-Time	1	
812-0134	Street Safety & Maintenance	Measure B Education & Encouragement	Public Safety	Annual	1	
813-9921	Street Improvement	Curb, Gutter & Sidewalk Maintenance	Public Safety	Annual	1	
813-0218	Street Improvement	Shannon Road Pedestrian and Bikeway Improvements	Quality Public Infrastructure	One-Time	1	
813-0242	Street Improvement	Parking Program Implementation	Quality Public Infrastructure	One-Time	1	
816-0414	Street Improvement	Stormwater System – Pollution Prevention Compliance	Community Character / Good Governance	Annual	1	
816-0418	Street Improvement	Vasona Oaks Drainage Failure Repair	Public Safety	One-Time	1	
816-0420	Street Improvement	Annual Storm Drain Improvement Project	Quality Public Infrastructure	Annual	1	
816-0421	Street Improvement	Loma Street Drainage	Quality Public Infrastructure	One-Time	1	
816-0423	Street Improvement	709 University Avenue Drainage System Replacement	Quality Public Infrastructure	One-Time	1	
816-0425	Street Improvement	Storm Drainage Mapping	Good Governance	One-Time	1	
817-0705	Street Improvement	Downtown Parking Lots Seal Coat & Restriping	Quality Public Infrastructure	One-Time	1	
818-0803	Bridge	Highway 17 Bicycle & Pedestrian Bridge - Design	Public Safety / Quality Public Infrastructure	One-Time	1	
831-4007	Parks	Oak Meadow Bandstand Area Improvements	Quality Public Infrastructure	One-Time	1	
831-4605	Parks	Parks Playground Fibar Project	Public Safety	Annual	1	
831-4611	Parks	Sport Court Resurfacing	Quality Public Infrastructure	One-Time	1	
832-4508	Trails	Vegetation Management – Town-wide	Public Safety	Annual	1	
821-2009	Town Infrastructure	Public Art Gateway Project	Civic Engagement	One-Time	1	
821-2012	Town Infrastructure	Emergency Preparedness	Public Safety	One-Time	1	
821-2013	Town Infrastructure	Annual ADA Compliance Work	Quality Public Infrastructure	Annual	1	
821-2117	Town Infrastructure	Civic Center HR Offices	Quality Public Infrastructure	One-Time	1	
821-2120	Town Infrastructure	Civic Center Plumbing Repair and HVAC Repairs	Quality Public Infrastructure	One-Time	1	
821-2311	Town Infrastructure	Fleet Service Outdoor Work Area (Design Phase)	Quality Public Infrastructure	One-Time	1	
821-2404	Town Infrastructure	POB Space Study	Public Safety / Quality Public Infrastructure	One-Time	1	
821-2505	Town Infrastructure	Battery Power Supply Library	Community Character	One-Time	1	
821-2312	Town Infrastructure	Auto Gate Replacements – PPW and POB	Public Safety	One-Time	1	
821-2313	Town Infrastructure	EV Chargers at 41 Miles Avenue	Community Character / Legal Requirement	One-Time	1	
841-6101	Equipment	Enterprise Resource Planning (ERP) Upgrade	Good Governance / Fiscal Stability	One-Time	1	
841-6103	Equipment	EOC Communication Upgrade	Public Safety	One-Time	1	
841-6104	Equipment	IT Disaster Recovery Improvements	Public Safety	One-Time	1	
841-6105	Equipment	IT Disaster Resiliency Project	Public Safety	One-Time	1	



**Fiscal Year 25/26 Capital Improvement Projects**

Project Number	Program	Project Name	Strategic Priority	Annual / One-Time	FY2025/26 Tier Status	Tier 2 Priority
813-0245	Street Improvement	Traffic / Travel Demand Model	Fiscal Stability / Quality Public Infrastructure	One-Time	2	1
813-0246	Street Improvement	Village Lane Trash Enclosure	Community Character / Good Governance	One-Time	2	1
841-4612	Parks	Parks and Trails Master Plan	Fiscal Stability / Quality Public Infrastructure	One-Time	2	1
832-4510	Trails	Lynn Ave Pedestrian Path Design	Civic Engagement / Public Safety	One-Time	2	1
821-2123	Town Infrastructure	Condition Assessment of Civic Center	Fiscal Stability / Quality Public Infrastructure	One-Time	2	1
821-2504	Town Infrastructure	Library Improvements	Civic Engagement	One-Time	2	1
812-0131	Street Safety & Maintenance	East Main Street Crosswalk Improvements	Quality Public Infrastructure	One-Time	2	2
812-0135	Street Safety & Maintenance	Town-wide Speed Studies	Good Governance	One-Time	2	2
813-0241	Street Improvement	Kennedy Sidewalk & Bike Lanes – LGB to Englewood	Quality Public Infrastructure	One-Time	2	2
818-0804	Bridge	Timber Bridge Inspection	Quality Public Infrastructure	One-Time	2	2
831-4404	Parks	Creekside Turf Replacement	Quality Public Infrastructure	One-Time	2	2
832-4504	Trails	Open Space Trail Upgrades	Public Safety / Civic Engagement	One-Time	2	2
813-0235	Street Improvement	Downtown Streetscape Revitalization / Economic Recovery Efforts (Montebello Bollards)	Civic Engagement	One-Time	2	3
816-0422	Street Improvement	Harwood/Belridge Drainage Study	Quality Public Infrastructure	One-Time	2	3
831-4008	Parks	Oak Meadow Park Plane Recoating	Quality Public Infrastructure	One-Time	2	3
831-4610	Parks	Pinehurst Community Garden	Civic Engagement	One-Time	2	3
821-2002	Town Infrastructure	Town Beautification	Civic Engagement	Annual	2	3
821-2122	Town Infrastructure	Civic Center Monument Sign	Community Character	One-Time	2	3
813-0237	Street Improvement	State Route 17 Corridor Congestion Relief Project	Quality Public Infrastructure	One-Time	2	4
818-0801	Bridge	Quito Road - Bridge Replacement	Quality Public Infrastructure	One-Time	2	4
831-4202	Parks	Town Plaza Turf Repairs	Community Character	One-Time	2	4
821-2208	Town Infrastructure	ARC Interim Community Center	Community Character	One-Time	2	4

**Tier 3 - Town of Los Gatos Facility Needs Projection**

Location/Building	Project/System Type	Project Name	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	TOTALS
Civic Center	Parking Lots/Sidewalks	Replace exposed aggregate walkway		\$ 110,000				\$ 110,000
Civic Center	Parking Lots/Sidewalks	Pavement maintenance / restriping			\$ 16,000			\$ 16,000
Civic Center	Building Envelope	Replace sealant between plaza deck and police	\$ 30,000					\$ 30,000
Civic Center	Building Envelope	Annual sealant maintenance	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 20,000
Civic Center	Building Envelope	Plaza deck and fountain waterproofing		\$ 1,800,000				\$ 1,800,000
Civic Center	Roof Systems	Annual maintenance	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 12,500
Civic Center	Mechanical Systems	Replace terminal units and valves, piping, and abate asbestos insulation	\$ 1,680,000					\$ 1,680,000
Civic Center	Mechanical Systems	Replace police dispatch AHU	\$ 60,000					\$ 60,000
Civic Center	Mechanical Systems	Replace chiller and cooling tower						\$ -
Civic Center	Mechanical Systems	Replace Building controls		\$ 225,000				\$ 225,000
Civic Center	Mechanical Systems	Replace unit 2 in Council Chamber IT room		\$ 15,000				\$ 15,000
Civic Center	Mechanical Systems	Insulate boiler room piping	\$ 7,500					\$ 7,500
Civic Center	Electrical Systems	Replace original electrical equipment			\$ 475,000			\$ 475,000
Civic Center	Plumbing Systems	Replace sanitary sewer line in police dispatch			\$ 160,000			\$ 160,000
Civic Center	Fire/Life Safety Systems	Replace fire sprinkler heads				\$ 10,000		\$ 10,000
Civic Center	Interiors	Replace carpet			\$ 180,000			\$ 180,000
Civic Center	Interiors	Paint Interior Walls			\$ 24,000			\$ 24,000
Civic Center	Interiors	Replace interior door closers	\$ 96,000					\$ 96,000
Civic Center	Conveyance Systems	Overhaul staff elevator in NUMU				\$ 160,000		\$ 160,000
Civic Center	Accessibility Issues	DAC Accessibility Compliance	\$ 109,871	\$ 109,871	\$ 109,871	\$ 109,871	\$ 109,871	\$ 1,208,582
Adult Recreation Center	Parking Lots/Sidewalks	Parking lot reconstruction / correct slope / correct entrance					\$ 550,000	\$ 550,000
Adult Recreation Center	Building Envelope	Paint exterior				\$ 65,000		\$ 65,000
Adult Recreation Center	Building Envelope	Replace single pane windows	\$ 220,000					\$ 220,000
Adult Recreation Center	Roof Systems	Roof replacement						\$ -
Adult Recreation Center	Roof Systems	Roof Maintenance	\$ 5,000			\$ 5,000		\$ 10,000
Adult Recreation Center	Mechanical Systems	Replace AHU's in mechanical room						\$ -
Adult Recreation Center	Mechanical Systems	Replace roof mounted air handler						\$ -
Adult Recreation Center	Mechanical Systems	Replace kitchen exhaust fan						\$ -
Adult Recreation Center	Electrical Systems	Overhaul electrical system					\$ 200,000	\$ 200,000
Adult Recreation Center	Fire/Life Safety Systems	Replace fire sprinkler monitoring system			\$ 25,000			\$ 25,000
Adult Recreation Center	Accessibility Issues	DAC Accessibility Compliance	\$ 39,337	\$ 39,337	\$ 39,337	\$ 39,337	\$ 39,337	\$ 432,711
Library	Parking Lot/Sidewalks	Parking lot maintenance		\$ 8,500				\$ 8,500
Library	Parking Lot/Sidewalks	Bioswale maintenance	\$ 10,000					\$ 10,000
Library	Roof Systems	Roof maintenance	\$ 5,000					\$ 5,000
Library	Mechanical systems	Replace rooftop Unit RTU-1						\$ -
Library	Mechanical systems	Replace EF-1						\$ -

## Tier 3 - Town of Los Gatos Facility Needs Projection

Location/Building	Project/System Type	Project Name	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	TOTALS
Library	Mechanical systems	Replace boiler B-1						\$ -
Library	Mechanical systems	Replace VRV heat pump system HP-1						\$ -
Library	Mechanical systems	Replace fan powered terminal units						\$ -
Library	Electrical Systems	Replace Lutron Lighting Controls				\$ 400,000		\$ 400,000
Library	Electrical Systems	Replace "saucer-style" LED lights			\$ 18,000			\$ 18,000
Library	Electrical Systems	Test and Certify Main Electric Panel	\$ 50,000					\$ 50,000
Library	Electrical Systems	Replace PV Inverters	\$ 40,000					\$ 40,000
Library	Fire/Life Safety Systems	Replace/Upgrade fire alarm system						\$ -
Library	Interiors	Replace floor coverings (carpet)		\$ 60,000			\$ 80,000	\$ 140,000
Library	Interiors	Replace interior door closers						\$ -
Library	Accessibility Issues	DAC Accessibility Compliance	\$ 19,059	\$ 19,059	\$ 19,059	\$ 19,059	\$ 19,059	\$ 209,650
Library	Conveyance Systems	Elevators						\$ -
Youth Recreation Center	Parking Lot/Sidewalks	Parking lot maintenance		\$ 6,500				\$ 6,500
Youth Recreation Center	Building Envelope	Paint exterior			\$ 15,000			\$ 15,000
Youth Recreation Center	Building Envelope	Replace single pane windows						\$ -
Youth Recreation Center	Mechanical Systems	Replace 5-ton split system and furnace					\$ 24,000	\$ 24,000
Youth Recreation Center	Mechanical Systems	Replace 4-ton split system and furnace						\$ -
Youth Recreation Center	Plumbing System	Replace 40-Gal, 40-MBH domestic water heater						\$ -
Youth Recreation Center	Electrical Systems	Overhaul electrical system						\$ -
Youth Recreation Center	Interiors	Test vinyl tile for asbestos and replace						\$ -
Youth Recreation Center	Interiors	Paint interiors				\$ 12,000		\$ 12,000
Youth Recreation Center	Accessibility Issues	DAC Accessibility Compliance	\$ 17,539	\$ 17,539	\$ 17,539	\$ 17,539	\$ 17,539	\$ 192,926
Police Operations Building	Parking Lots/Sidewalks	Parking lot maintenance		\$ 12,000				\$ 12,000
Police Operations Building	Parking Lots/Sidewalks	Replace/Maintain electric gates	\$ 50,000				\$ 2,000	\$ 52,000
Police Operations Building	Building Envelope	Paint exterior			\$ 55,000			\$ 55,000
Police Operations Building	Building Envelope	Repair expansion joint gap between original building and addition	\$ 55,000					\$ 55,000
Police Operations Building	Roof Systems	Replace roof				\$ 510,000		\$ 510,000
Police Operations Building	Roof Systems	Roof Maintenance		\$ 4,000				\$ 4,000
Police Operations Building	Mechanical Systems	Replace packaged rooftop units					\$ 335,000	\$ 335,000
Police Operations Building	Mechanical Systems	Replace two split systems			\$ 30,000			\$ 30,000
Police Operations Building	Electrical Systems	Replace automatic transfer switch						\$ -
Police Operations Building	Plumbing Systems	Replace 120-Gal, 300 MBH domestic water heater		\$ 35,000				\$ 35,000
Police Operations Building	Fire/Life Safety Systems	Replace fire alarm control panel and initiation devices					\$ 20,000	\$ 20,000
Police Operations Building	Interiors	Paint interior walls				\$ 18,000		\$ 18,000
Police Operations Building	Interiors	Replace carpet/vinyl flooring				\$ 50,000		\$ 50,000
Police Operations Building	Accessibility Issues	DAC Accessibility Compliance	\$ 9,078	\$ 9,078	\$ 9,078	\$ 9,078	\$ 9,078	\$ 99,854
PPW - Equipment Building	Parking Lots/Sidewalks	Mill and overlay parking lot		\$ 190,000				\$ 190,000
PPW - Equipment Building	Building Envelope	Paint exterior		\$ 20,000				\$ 20,000
PPW - Equipment Building	Mechanical Systems	Replace 1.5-ton split system						\$ -

## Tier 3 - Town of Los Gatos Facility Needs Projection

Location/Building	Project/System Type	Project Name	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	TOTALS
PPW - Equipment Building	Mechanical Systems	Replace 4-ton packaged unit						\$ -
PPW - Equipment Building	Mechanical Systems	Replace suspended unit heaters						\$ -
PPW - Equipment Building	Mechanical Systems	Replace exhaust fans						\$ -
PPW - Equipment Building	Electrical Systems	Replace exterior fused disconnect and panel board					\$ 10,000	\$ 10,000
PPW - Equipment Building	Electrical Systems	Replace automatic transfer switch						\$ -
PPW - Equipment Building	Electrical Systems	Allowance for replacing 60 KW emergency generator with 200 KW						\$ -
PPW - Equipment Building	Plumbing Systems	Replace water heater			\$ 10,000			\$ 10,000
PPW - Equipment Building	Interiors	Paint interiors				\$ 12,000		\$ 12,000
PPW - Equipment Building	Interiors	Replace vinyl tile and repaint floors						\$ -
PPW - Equipment Building	Accessibility Issues	DAC Accessibility Compliance	\$ 8,732	\$ 8,732	\$ 8,732	\$ 8,732	\$ 8,732	\$ 96,053
PPW - Engineering Building	Building Envelope	Paint exterior		\$ 9,000				\$ 9,000
PPW - Engineering Building	Plumbing Systems	Plumbing - renovated 2022				\$ 25,000		\$ 25,000
PPW - Engineering Building	Interiors	Paint interiors						\$ -
PPW - Engineering Building	Accessibility Issues	DAC Accessibility Compliance	\$ 4,790	\$ 4,790	\$ 4,790	\$ 4,790	\$ 4,790	\$ 52,685
PPW - Corp Yard White House	Parking Lots/Sidewalks	Maintenace	\$ 7,000					\$ 7,000
PPW - Corp Yard White House	Mechanical Systems	Replace upstairs HVAC system						\$ -
PPW - Corp Yard White House	Mechanical Systems	Replace downstairs HVAC system						\$ -
PPW - Corp Yard White House	Electrical Systems	Replace 200-amp main electrical panel						\$ -
PPW - Corp Yard White House	Plumbing Systems	Replace 40-MBH, 30-Gal domestic water heater				\$ 6,000		\$ 6,000
PPW - Corp Yard White House	Interiors	Paint interiors				\$ 15,000		\$ 15,000
PPW - Corp Yard White House	Interiors	Refinish wood floors and replace carpet				\$ 44,000		\$ 44,000
PPW - Corp Yard White House	Accessibility Issues	DAC Accessibility Compliance	\$ 21,612	\$ 21,612	\$ 21,612	\$ 21,612	\$ 21,612	\$ 237,730
PPW - Corp Yard	Parking Lots/Sidewalks	Paint Carport	\$ 25,000					\$ 25,000
Forbes Mill Museum	Parking Lots/Sidewalks	Parking lot maintenance			\$ 6,500			\$ 6,500
Forbes Mill Museum	Building Envelope	Repaint external masonry walls						\$ -
Forbes Mill Museum	Building Envelope	Refurbish historic barn door and replace broken windows		\$ 4,500				\$ 4,500
Forbes Mill Museum	Roof Systems	Roof replacement			\$ 92,000			\$ 92,000
Forbes Mill Museum	Roof Systems	Roof maintenance		\$ 5,000				\$ 5,000
Forbes Mill Museum	Mechanical Systems	Replace HVAC system			\$ 50,000			\$ 50,000
Forbes Mill Museum	Mechanical Systems	Replace exhaust fans			\$ 2,000			\$ 2,000
Forbes Mill Museum	Electrical Systems	Overhaul electrical system			\$ 50,000			\$ 50,000
Forbes Mill Museum	Plumbing Systems	Replace 2-KW, 6-Gal domestic water heater			\$ 1,500			\$ 1,500
Forbes Mill Museum	Plumbing Systems	Replace 'private' restroom fixtures			\$ 4,000			\$ 4,000
Forbes Mill Museum	Fire/Life Safety Systems	Replace security system						\$ -
Forbes Mill Museum	Interiors	Repair trip hazard	\$ 500					\$ 500
Forbes Mill Museum	Interiors	Replace flooring			\$ 7,500			\$ 7,500
Forbes Mill Museum	Interiors	Paint interiors			\$ 22,000			\$ 22,000
Forbes Mill Museum	Accessibility Issues	DAC Accessibility Compliance	\$ 13,900	\$ 13,900	\$ 13,900	\$ 13,900	\$ 13,900	\$ 152,900
Tait Museum	Parking Lots/Sidewalks	Ramp and railing repainting			\$ 2,500			\$ 2,500
Tait Museum	Parking Lots/Sidewalks	Mill and overlay parking lot		\$ 10,500				\$ 10,500

**Tier 3 - Town of Los Gatos Facility Needs Projection**

Location/Building	Project/System Type	Project Name	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	TOTALS
Tait Museum	Building envelope	Patch stucco walls		\$ 2,500				\$ 2,500
Tait Museum	Building envelope	Paint exterior		\$ 15,000				\$ 15,000
Tait Museum	Building envelope	Replace/refinish exterior doors		\$ 10,500				\$ 10,500
Tait Museum	Building envelope	Replace windows while retaining historic glass		\$ 30,000				\$ 30,000
Tait Museum	Roof Systems	Roof (2) maintenance & (1) replacement		\$ 2,000				\$ 2,000
Tait Museum	Mechanical Systems	Replace 120-MBH Furnace and 5-ton split system			\$ 20,000			\$ 20,000
Tait Museum	Plumbing Systems	Replace or install water heater						\$ -
Tait Museum	Plumbing Systems	Replace galvanized piping				\$ 10,000		\$ 10,000
Tait Museum	Plumbing Systems	Replace kitchen sink				\$ 2,000		\$ 2,000
Tait Museum	Fire/Life Safety Systems	Replace security system						\$ -
Tait Museum	Interiors	Paint interiors				\$ 15,000		\$ 15,000
Tait Museum	Interiors	Modernize kitchen				\$ 20,000		\$ 20,000
Tait Museum	Accessibility Issues	DAC Accessibility Compliance	\$ 14,690	\$ 14,690	\$ 14,690	\$ 14,690	\$ 14,690	\$ 161,585
Los Gatos Theatre	Site/Parking Lots/Sidewalks	Asphalt and drainage improvements						\$ -
Los Gatos Theatre	Site/Parking Lots/Sidewalks	Curbing repair						\$ -
Los Gatos Theatre	Site/Parking Lots/Sidewalks	Gate latch repair						\$ -
Los Gatos Theatre	Building Envelope	Window replacement						\$ -
Los Gatos Theatre	Building Envelope	Doors replacement						\$ -
Los Gatos Theatre	Building Envelope	Entrance door operator						\$ -
Los Gatos Theatre	Building Envelope	Balcony and entrance terazzo			\$ 150,000			\$ 150,000
Los Gatos Theatre	Building Envelope	Marquee maintenance						\$ -
Los Gatos Theatre	Building Envelope	Paint exterior						\$ -
Los Gatos Theatre	Roof Systems	Downspout maintenance						\$ -
Los Gatos Theatre	Roof Systems	Leakage repair				\$ 1,500		\$ 1,500
Los Gatos Theatre	Roof Systems	Roof replacement						\$ -
Los Gatos Theatre	Mechanical Systems	Interior lighting controls						\$ -
Los Gatos Theatre	Mechanical Systems	HVAC system improvements						\$ -
Los Gatos Theatre	Electrical Systems	Overhaul electrical system						\$ -
Los Gatos Theatre	Fire/Life Safety Systems	Phone line - Fire alarm		\$ 50,000				\$ 50,000
Los Gatos Theatre	Fire/Life Safety Systems	Large equipment bracing		\$ 20,000				\$ 20,000
Los Gatos Theatre	Interiors	Paint interior						\$ -
Los Gatos Theatre	Interiors	Baseboard repair						\$ -
Los Gatos Theatre	Interiors	Flooring replacement						\$ -
Los Gatos Theatre	Interiors	Main theatre seating						\$ -
Los Gatos Theatre	Interiors	Replacement lighting fixtures						\$ -
Los Gatos Theatre	Interiors	Concessions equipment						\$ -
Los Gatos Theatre	Interiors	PA system			\$ 5,000			\$ 5,000
Los Gatos Theatre	Accessibility Issues	DAC Accessibility Compliance	\$ 36,071	\$ 36,071	\$ 36,071	\$ 36,071	\$ 36,071	\$ 396,784
Los Gatos Theatre	Conveyance Systems	Phone line - Elevator			\$ 50,000			\$ 50,000
Underground Parking Garage	Parking Lots/Sidewalks	Lot restriping						\$ -
Underground Parking Garage	Electrical Systems	Refinish pole lights			\$ 45,000			\$ 45,000

**Tier 3 - Town of Los Gatos Facility Needs Projection**

Location/Building	Project/System Type	Project Name	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	TOTALS
Underground Parking Garage	Fire/Life Safety Systems	Replace sprinkler system						\$ -
Underground Parking Garage	Fire/Life Safety Systems	Replace sprinkler monitoring system		\$ 10,000				\$ 10,000
Underground Parking Garage	Accessibility Issues	DAC Accessibility Compliance - Parking Lot 4	\$ 7,025	\$ 7,025	\$ 7,025	\$ 7,025	\$ 7,025	\$ 77,277
Balzer Field (Restrooms Bldg.)	Parking Lots/Sidewalks	Parking lot maintenance		\$ 7,000				\$ 7,000
Balzer Field (Restrooms Bldg.)	Building Envelope	Paint exterior			\$ 8,000			\$ 8,000
Balzer Field (Restrooms Bldg.)	Roof Systems	Roof replacement						\$ -
Balzer Field (Restrooms Bldg.)	Mechanical Systems	Replace ceiling mounted exhaust fans			\$ 2,000			\$ 2,000
Balzer Field (Restrooms Bldg.)	Plumbing Systems	Replace 5-Gal electric domestic water heater			\$ 2,000			\$ 2,000
Balzer Field (Restrooms Bldg.)	Interiors	Paint interiors				\$ 3,000		\$ 3,000
Balzer Field (Restrooms Bldg.)	Accessibility Issues	DAC Accessibility Compliance	\$ 2,420	\$ 2,420	\$ 2,420	\$ 2,420	\$ 2,420	\$ 26,621
Belgatos Park (Restrooms Bldg.)	Parking Lots/Sidewalks	Parking lot maintenance		\$ 6,000				\$ 6,000
Belgatos Park (Restrooms Bldg.)	Building Envelope	Paint exterior		\$ 4,500				\$ 4,500
Belgatos Park (Restrooms Bldg.)	Roof Systems	Replace roof						\$ -
Belgatos Park (Restrooms Bldg.)	Mechanical Systems	Replace exhaust fans		\$ 2,000				\$ 2,000
Belgatos Park (Restrooms Bldg.)	Electrical Systems	Replace 225-amp main electrical panel				\$ 5,000		\$ 5,000
Belgatos Park (Restrooms Bldg.)	Electrical Systems	Replace 10-hp motor controller				\$ 4,000		\$ 4,000
Belgatos Park (Restrooms Bldg.)	Plumbing Systems	Replace restroom fixtures				\$ 8,000		\$ 8,000
Belgatos Park (Restrooms Bldg.)	Interiors	Paint interiors						\$ -
Belgatos Park (Restrooms Bldg.)	Accessibility Issues	DAC Accessibility Compliance	\$ 2,089	\$ 2,089	\$ 2,089	\$ 2,089	\$ 2,089	\$ 22,976
Blossom Hill Park (Restrooms Bldg.)	Building Envelope	Paint exterior				\$ 4,500		\$ 4,500
Blossom Hill Park (Restrooms Bldg.)	Roof Systems	Replace roof						\$ -
Blossom Hill Park (Restrooms Bldg.)	Electrical Systems	Upgrade 200-amp main electrical panel					\$ 10,000	\$ 10,000
Blossom Hill Park (Restrooms Bldg.)	Electrical Systems	Replace tennis court time clocks					\$ 14,000	\$ 14,000
Blossom Hill Park (Restrooms Bldg.)	Plumbing Systems	Replace 20-Gal electric domestic water heater					\$ 2,000	\$ 2,000
Blossom Hill Park (Restrooms Bldg.)	Interiors	Paint interiors, including walls, floors, and ceilings				\$ 7,500		\$ 7,500
Blossom Hill Park (Restrooms Bldg.)	Accessibility Issues	DAC Accessibility Compliance	\$ 3,218	\$ 3,218	\$ 3,218	\$ 3,218	\$ 3,218	\$ 35,401
Creekside Sports Park	Parking Lots/Sidewalks	Parking lot maintenance		\$ 10,500				\$ 10,500
Creekside Sports Park	Building Envelope	Paint Exterior	\$ 4,500					\$ 4,500
Creekside Sports Park	Building Envelope	Replace and paint wood fascia boards		\$ 30,000				\$ 30,000
Creekside Sports Park	Mechanical Systems	Replace exhaust fan			\$ 3,000			\$ 3,000
Creekside Sports Park	Plumbing Systems	Replace 20-Gal, 4.5 KW domestic water heater			\$ 4,000			\$ 4,000
Creekside Sports Park	Plumbing Systems	Replace diaphragm pressure booster system			\$ 10,000			\$ 10,000
Creekside Sports Park	Interiors	Paint interiors		\$ 6,500				\$ 6,500
Creekside Sports Park	Accessibility Issues	DAC Accessibility Compliance	\$ 830	\$ 830	\$ 830	\$ 830	\$ 830	\$ 9,127

**Tier 3 - Town of Los Gatos Facility Needs Projection**

Location/Building	Project/System Type	Project Name	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	TOTALS
Oak Meadow Park Restrooms	Parking Lots/Sidewalks	Parking lot maintenance (including ADA markings)		\$ 15,000				\$ 15,000
Oak Meadow Park Restrooms	Building Envelope	Paint exterior privacy fence		\$ 2,000				\$ 2,000
Oak Meadow Park Restrooms	Roof Systems	Roof replacement						\$ -
Oak Meadow Park Restrooms	Mechanical Systems	Replace direct drive propeller exhaust fans						\$ -
Oak Meadow Park Restrooms	Interiors	Paint Interiors			\$ 7,000			\$ 7,000
Oak Meadow Park Restrooms	Accessibility Issues	DAC Accessibility Compliance	\$ 3,285	\$ 3,285	\$ 3,285	\$ 3,285	\$ 3,285	\$ 36,133
<b>Annual Total 2022 Dollars<sup>2</sup></b>			<b>\$ 2,665,545</b>	<b>\$ 3,058,545</b>	<b>\$ 1,872,045</b>	<b>\$ 1,732,545</b>	<b>\$ 1,567,045</b>	<b>\$ 12,776,995</b>
<b>Annual Total Escalated to Fiscal Year Dollars at 4%</b>			<b>\$ 2,998,376</b>	<b>\$ 3,578,065</b>	<b>\$ 2,277,629</b>	<b>\$ 2,192,222</b>	<b>\$ 2,062,124</b>	<b>\$ 13,108,416</b>

Notes:

1. Projections are based on information developed by Facility Engineering Associates in Fiscal Year 2021/22, information developed by Disability Access Consultants in 2022 and staff recommendations
2. Annual totals are on 2022 dollars. 2024 escalation provided for discussion. Future development of this projection will escalate all costs to year of projected expense.

Tier 3 Projects - Streets, Parks and Other Needs

Funding Program	Project Location	Project	Preliminary Opinion of Potential Costs (2024\$)	Safety	Equity	Quality of Life	Regulatory Mandate
Park Improvement	All Parks	Town-wide drinking fountain to hydration station	\$ 50,000	x		x	
Park Improvement	All Parks	ADA Compliance Work	\$ 1,750,000	x	x	x	x
Park Improvement	Blossom Hill Park	Turf Rehabilitation	\$ 200,000	x		x	
Park Improvement	Civic Center Lawn	Irrigation System Replacement	\$ 200,000			x	
Park Improvement	LaRinconada Park	Playground Replacement	\$ 300,000	x		x	
Park Improvement	LaRinconada Park	Irrigation System, Furniture and General Upgrades	\$ 50,000			x	
Park Improvement	LaRinconada Park	Turf Renovation + Irrigation system upgrades	\$ 200,000			x	
Park Improvement	Live Oak Manor	Turf Rehabilitation	\$ 200,000			x	
Park Improvement	Los Gatos Creek	Develop Los Gatos Creek Restoration Plan (per General Plan 2024)	TBD				
Park Improvement	Oak Hill Play Lot	Play Structure Replacement / Hardscape Upgrades	\$ 350,000	x		x	
Park Improvement	Oak Meadow Park	Playground Replacement	\$ 500,000	x		x	
Park Improvement	Oak Meadow Park	Bocce Courts Reconstruction	\$ 50,000		x	x	
Park Improvement	Oak Meadow Park	Fencing Replacement	\$ 75,000	x		x	
Park Improvement	Oak Meadow Park	General Improvements and Upkeep	\$ 250,000	x	x	x	
Park Improvement	Oak Meadow Park	Parking Kiosk to reinstate paid parking	\$ 25,000				
Park Improvement	Oak Meadow Park	Oak Meadow Park Restroom Expansion	\$ 750,000		x	x	
Park Improvement	Plaza Park	Event Lighting	\$ 50,000			x	
Street Improvement	Roberts Road at Los Gatos Creek Trail	New trail access from Blossom Hill Road (to support Highway Overcrossing)	\$ 125,000	x		x	
Park Improvement	Townwide	Townwide Park Master Plan	\$ 250,000		x	x	
Park Improvement / Trail	Along Highway 17	Add Trail along Highway 17 from Los Gatos Creek Trail to Lodge (from BPMP)	\$ 1,189,000				
Park Improvement / Trail	Farley Road	New Highway 17 Overcrossing from Farley Road to Los Gatos Creek Trail through Vasona Park (from BPMP)	\$ 8,400,000				
Park Improvement / Trail	Guadalupe River Trail	Guadalupe River Trail near Hicks Road	\$ 6,600,000	x		x	
Park Improvement / Trail	Highway 85 Rail Trail	Southern Pacific Rail Trail (Hwy 85 Corridor)	\$ 5,840,000	x		x	
Park Improvement / Trail	Los Gatos Creek Trail	Trail Pavement Rehab	\$ 580,000	x		x	
Park Improvement / Trail	Los Gatos Creek Trail	Trail Access, Signage and Wayfinding (per General Plan 2040)	\$ 10,000	x		x	
Park Improvement / Trail	Los Gatos Creek Trail	Lighting at Undercrossings; BHR and Hwy 85	\$ 175,000	x			
Park Improvement / Trail	Los Gatos Creek Trail	LGCT repair wooden bridge on LG Creek Trail	\$ 20,000	x		x	
Park Improvement / Trail	Ross Creek	Develop a Ross Creek Restoration Plan (per General Plan 2040)	TBD				
Storm Drainage	Ashler Avenue	Add drainage structures and piping to eliminate dead end systems (2019 Study)	\$ 4,774,000	x		x	
Storm Drainage	Bachman at Massol	Replace trash rack and improve culvert inlet (2019 Study)	\$ 84,000	x		x	



**Tier 3 Projects - Streets, Parks and Other Needs**

Funding Program	Project Location	Project	Preliminary Opinion of Potential Costs (2024\$)	Safety	Equity	Quality of Life	Regulatory Mandate
Storm Drainage	Bayview Court / Bayview Avenue @ Main; Penn Ave at Peralta / Fairview	Upgrade trash rack and culvert ; add parallel drainage pipe along Main Street, install drainage in Fairview Plaza; replace concrete channel along Pennsylvania with pipe (2019 Study)	\$ 3,542,000	x		x	
Storm Drainage	Euclid Avenue	Upgrade and extend system to convey 10% annual chance event (2019 Study)	\$ 1,386,000	x		x	
Storm Drainage	Foster Road	Add inlets and or curb (2019 Study)	\$ 282,800	x		x	
Storm Drainage	Kennedy between Englewood and LGB	Extend drainage system on Kennedy from Vista del Monte to Gem Avenue (2019 Study)	\$ 1,044,400	x		x	
Storm Drainage	Los Gatos -Almaden Road	Install drainage on Los Gatos Almaden Road near Gardenia and Longwood; upsize pipes from Camino del Cerro to south of Escobar Ave; connect system from Cherry Blossom / Lester to south system; requires construction on private property (2019 Study)	\$ 7,302,400	x		x	
Storm Drainage	Los Gatos Creek Trail at Forbes Mill	Correct deficiencies in two systems (2019 Study)	\$ 316,400	x		x	
Storm Drainage	Replace Frames and Grates on structures	Replace frames and grates on structures throughout Town	\$ 49,500	x			
Storm Drainage	Replace Manholes of Blossom Hill Road	Replace Manholes of Blossom Hill Road	\$ 169,200	x			
Storm Drainage	Shannon Road at Short Road	Extend drainage on Shannon Road to provide inlets; excavate Short Creek Channel to reduce drain back up when creek is full.(2019 Study)	\$ 455,000	x		x	
Storm Drainage	Roberts Road / University	Add drainage on University Ave from Roberts Road to Blossom Hill Road HR + 150' east on BHR to connect to existing system(2019 Study)	\$ 2,340,800	x		x	
Storm Drainage	195 Jackson	Repair failing drainage pipe on private property	\$ 200,000	x		x	
Storm Drainage	Kennedy Meadows	Eliminate misaligned pipe and replace with open channel	\$ 220,000	x		x	
Storm Drainage	Overlook Road Drainage	Add inlets and piping	\$ 960,000	x		x	
Street Improvement	Blossom Hill Road	Highway 17 Overcrossing Grant Match	\$ 1,400,000	x	x	x	
Street Improvement	Downtown	Replace Tree Wrap Lights and Upgrade Electrical	\$ 150,000	x		x	
Street Improvement	Grays Lane	Traffic Bollards to protect pedestrian space	\$ 35,000	x		x	
Street Improvement	North and South Santa Cruz from Highway 9 to Broadway	Streetscape Project	\$ 980,000	x		x	
Street Improvement	North Santa Cruz from Blossom Hill Road to Highway 9	Pavement Rehabilitation	\$ 910,000	x		x	

**Tier 3 Projects - Streets, Parks and Other Needs**

Funding Program	Project Location	Project	Preliminary Opinion of Potential Costs (2024\$)	Safety	Equity	Quality of Life	Regulatory Mandate
Street Improvement	Pollard Road	Complete Streets Improvements from Knowles Drive to Quito Road (per BPMP)	\$ 2,900,000				
Street Improvement	Townwide	Comprehensive Bike Rack Installations	\$ 17,000			x	
Street Improvement	Townwide	Town-wide Traffic Study Model	\$ 250,000	x		x	
Street Improvement	Winchester Blvd	Complete Streets Improvements from Knowles Drive to Blossom Hill Road (per BPMP)	\$ 74,000,000				
Street Repair/ Maintenance / Safety	Blossom Hill Road at Cherry Blossom	Traffic signal replacement and intersection improvement	\$ 4,970,000	x		x	
Street Repair/ Maintenance / Safety	Blossom Hill Road at Francis Oaks Way	Evaluate hillside for potential stabilization	\$ 35,000	x			
Street Repair/ Maintenance / Safety	Blossom Hill Road from Union to Meadowbrook	Sidewalk gap closure	\$ 3,550,000	x	x	x	
Street Repair/ Maintenance / Safety	Dittos Lane Slope Assessment	Assess slope stability and recommend potential modifications	\$ 100,000				
Street Repair/ Maintenance / Safety	Downtown	Upgrade street lights to LED's	\$ 350,000				
Street Repair/ Maintenance / Safety	Downtown	Sign Management Project	\$ 50,000			x	
Street Repair/ Maintenance / Safety	Wildfire - Assess and Improve WUI Access (LG.FR.1)	Assess WUI Roads and create passing areas where possible					
Street Repair/ Maintenance / Safety	Fisher Avenue	Sidewalk gap closure (from BPMP)	\$ 600,000	x	x		
Street Repair/ Maintenance / Safety	Heritage Grove Area	Replace asphalt sidewalks	\$ 80,000	x	x	x	
Street Repair/ Maintenance / Safety	Highway 17 at Route 9	Interchange Reconstruction - Town cost share is 10%	\$ 11,000,000				
Street Repair/ Maintenance / Safety	Los Gatos Almaden Road	Sidewalk gap closure along Los Gatos Almaden Road: Peach Blossom Lane to Camine del Cerro (from BPMP)	\$ 9,100,000	x	x	x	
Street Repair/ Maintenance / Safety	Public Parking Lots	Pavement Repair	\$ 500,000	x		x	
Street Repair/ Maintenance / Safety	Quito Road at Bicknell	Repair eroding stream embankment	\$ 400,000	x			
Street Repair/ Maintenance / Safety	Townwide	Identify evacuation routes for wildfire zones and design for pull offs to ensure emergency access (from General Plan 2040 and CWPP)	\$ 200,000	x	x	x	
Street Repair/ Maintenance / Safety	Townwide	Green Infrastructure Improvements	TBD				x
Street Repair/ Maintenance / Safety	Townwide	Townwide Traffic Signal Replacements	\$ 30,450,000	x			
Street Repair/ Maintenance / Safety	Townwide	ADA Compliance Work	\$ 20,330,000	x	x	x	x
Street Repair/ Maintenance / Safety	Townwide	Townwide Traffic Signal Safety Upgrades	\$ 660,000	x			
Street Repair/ Maintenance / Safety	Union Avenue Blossom Hill to Lynn Avenue	Sidewalk gap filling, add bike lanes	\$ 2,500,000	x	x	x	

**Tier 3 Projects - Streets, Parks and Other Needs**

Funding Program	Project Location	Project	Preliminary Opinion of Potential Costs (2024\$)	Safety	Equity	Quality of Life	Regulatory Mandate
Town Infrastructure and Facilities	Corp Yard	Replace Switch Gear and Generator	\$ 500,000	x		x	
Town Infrastructure and Facilities	Corp Yard	CNG station decommissioning	\$ 200,000	x			
Town Infrastructure and Facilities	Corp Yard	Charging Station for Town Vehicles	\$ 250,000				x
Town Infrastructure and Facilities	Downtown	New restroom design and construction	\$ 500,000		x	x	
Town Infrastructure and Facilities	Police Operations Building	Charging Stations (2) (employee use)	\$ 40,000			x	
Information Technology	Police Operations Building	Secondary Backup Replication System	\$ 70,000				

- Notes:
- 1. BPMP = Bicycle and Pedestrian Master Plan
  - 2. CWPP = Community Wildfire Protection Plan
  - 3. 2019 Study = Drainage Assessment complete for critical areas