



**TOWN OF LOS GATOS
FINANCE COMMISSION SPECIAL MEETING
AGENDA
APRIL 27, 2026
110 EAST MAIN STREET
TOWN COUNCIL CHAMBERS
5:30 PM**

*Ashby Monk, Chair
Adam Fischer, Vice Chair
Phil Koen, Commissioner
Linda Reiners, Commissioner
Joseph Rodgers, Commissioner
Maria Ristow, Vice Mayor
Matthew Hudes, Council Member*

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 by following the instructions listed below or at the end of the agenda.

To watch and participate via Zoom, please go to:

<https://losgatosca-gov.zoom.us/j/84834011781?pwd=rHVGvPbwjNaaM6U6ZB5AbaZUF1ToV9.1>

Enter passcode: 998589

CALL MEETING TO ORDER

ROLL CALL

VERBAL COMMUNICATIONS *(Members of the public are welcome to address the Commission on any matter that is not listed on the agenda and is within the subject matter jurisdiction of the Commission. During special meetings, members of the public are welcome to address the Commission only on items listed on the agenda. Town resources may not be used to facilitate audio or visual presentations. To ensure all agenda items are heard, this portion of the agenda is limited to 30 minutes. In the event additional speakers were not able to be heard during the initial Verbal Communications portion of the agenda, an additional Verbal Communications will be opened prior to adjournment. Each speaker is limited to no more than three (3) minutes or such time as authorized by the Chair.)*

OTHER BUSINESS *(Each speaker is limited to no more than three (3) minutes or such time as authorized by the Chair.)*

1. Review and Discuss the Preliminary Proposed FY 2026-27 Operating and Capital Summary Budget, and Provide Preliminary Comments and Recommendations Regarding the Proposed Budget

ADJOURNMENT

ADA NOTICE - In compliance with the Americans with Disabilities Act, if you require special assistance to participate in this meeting, please contact the Clerk's Office at (408) 354-6834. Please notify the Clerk's Office at least two (2) business days prior to the meeting so that reasonable arrangements can be made to ensure accessibility in compliance with 28 CFR §35.102-35.104 and related provisions.

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 the Town's website at www.losgatosca.gov. Town Commission agendas and related materials can be viewed online at <https://losgatos-ca.municodemeetings.com/>.

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/84834011781?pwd=rHVGvPbwjNaaM6U6ZB5AbaZUF1ToV9.1>

Passcode: **998589** You can also type in **848 3401 1781** in the "Join a Meeting" page on the Zoom website at zoom.com and use passcode **998589**.

When the Chair 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 1 (855) 758-1310 for US Toll-free or 1 (408) 961-3927 for US Toll. (Meeting ID: 848 3401 1781)

If you are participating by calling in, press *9 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 the subject line "Public Comment Item #__" (insert the item number relevant to your comment). All comments received will become part of the record.

Deadlines to submit written comments are:

-3:00 p.m. the business day 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.



TOWN OF LOS GATOS
FINANCE COMMISSION REPORT

MEETING DATE: 04/27/2026

ITEM NO: 1

Item 1.

DATE: April 21, 2026
TO: Finance Commission
FROM: Chris Constantin, Town Manager
SUBJECT: Review and Discuss the Preliminary Proposed FY 2026-27 Operating and Capital Summary Budget, and Provide Preliminary Comments and Recommendations Regarding the Proposed Budget

RECOMMENDATION:

Discuss, comment, and begin to make recommendations to the Town Council regarding the Proposed FY 2026-27 Operating and Capital Summary Budget.

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 state 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.

(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.

PREPARED BY: Kristina Alfaro
Administrative Services Director

Reviewed by: Town Manager and Town Attorney

PAGE 2 OF 3

SUBJECT: Proposed FY 2026-27 Operating and Capital Summary Budget

DATE: April 21, 2026

DISCUSSION:

On April 20, 2026, the Proposed FY 2026-27 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 19, 2026, the first meeting at which the Town Council will consider the Proposed Budgets.

Proposed Operating Budget:

<https://www.losgatosca.gov/3067/Proposed-FY-2026-27-Operating-Budget>

CIP Budget:

<https://www.losgatosca.gov/3068/Proposed-FY-2026-27-Capital-Budget>

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. In the FY 2026-27, all Measure G proceeds are allocated 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.

At its special meeting on April 20, 2026, 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 4, 2026, and will continue the discussion at its regular meeting on May 11, 2026.

At the conclusion of the regular Finance Commission meeting on May 11, 2026, 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 at a public hearing on May 19, 2026.

Based on additional staff review, the following updates are recommended to include in the final FY 2026-27 Operating and Capital Budget and FY 2026-27-FY 2030-31 Capital Improvement Plan (CIP) documents:

Updates to the Proposed Operating & Capital Summary Budget FY 2026-27

Based on additional staff review, the following updates are recommended to include in the final FY 2026-27 Operating and Capital Budget and FY 2026-27-FY 2030-31 Capital Improvement Plan (CIP) documents:

PAGE 3 OF 3

SUBJECT: Proposed FY 2026-27 Operating and Capital Summary Budget

DATE: April 21, 2026

Page C-26 – The General Fund Five-Year Forecast schedule has been updated to correct display issues in the following columns: FY 2024-25 Adjusted Budget, FY 2024-25 Actuals, FY 2025-26 Adjusted Budget, FY 2025-26 Estimates for Operating Expenditures, and the FY 2025-26 Estimates Capital Transfer Out to GFAR. The revised schedule is shown below, with all updated figures highlighted in red.

Please note that the FY 2026-27 Proposed amounts and the remaining Five-Year Forecast figures have not changed.

Page C-52 The salary and benefit 10-year chart has been updated to correct the roll up value for salary and benefit in the FY 2026-27 Proposed and all five years of the forecast. Itemized items add to the correct amount; any slight discrepancies are due to rounding. The chart has been updated to figures highlighted in red.

Page C-54 The grants and awards 10-year chart has been updated to correct the total value from \$0.2 to \$0.3 for FY 2026-27 Proposed. All other values remain unchanged.

CONCLUSION:

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

Attachments:

1. Corrections and clarifications to the Proposed FY 2026-27 Operating and Capital Budgets

Updates to the Proposed FY 2026-27 Budget Documents

Item 1.

Based on additional staff review, the following updates are recommended to include in the final FY 2026-27 Operating and Capital Budget and FY 2026-27-FY 2030-31 Capital Improvement Plan (CIP) documents:

Proposed Operating & Capital Summary Budget FY 2026-27

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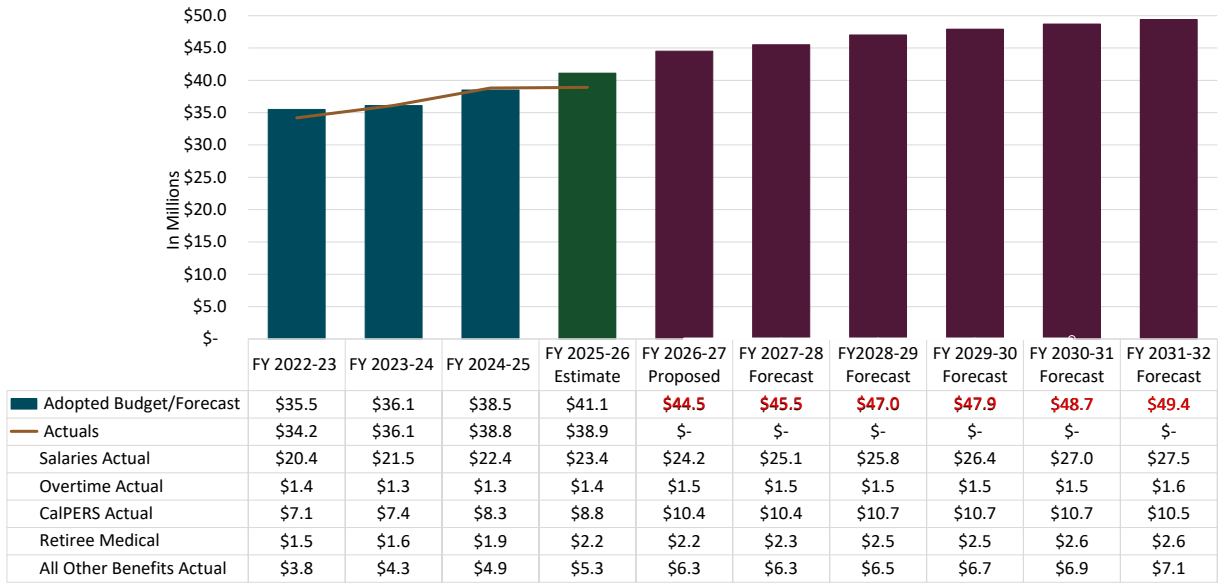
Page C-54 The grants and awards 10-year chart has been updated to correct the total value from \$0.2 to \$0.3 for FY 2026-27 Proposed.

General Fund 5-Year Forecast
Updated 4-12-2026
(in \$ million)

Revenue Category	FY 2024-25 Adjusted Budget	FY 2024-25 Actuals	FY 2025-26 Adjusted Budget	FY 2025-26 Estimates	FY 2026-27 Proposed	FY 2027-28 Forecast	FY 2028-29 Forecast	FY 2029-30 Forecast	FY 2030-31 Forecast	FY 2031-32 Forecast
Property Tax	\$ 20.0	\$ 20.2	\$ 21.5	\$ 21.5	\$ 22.6	\$ 23.5	\$ 24.4	\$ 25.4	\$ 26.4	\$ 27.3
VLF Backfill Property Tax	5.1	5.1	5.4	5.4	5.7	6.0	6.3	6.6	6.9	7.2
Sales & Use Tax	6.5	7.0	7.9	7.9	8.4	8.6	8.9	9.2	9.4	9.7
Measure G District Sales Tax	1.3	1.3	1.3	1.3	1.3	1.4	1.4	1.4	1.5	1.5
Franchise Fees	1.0	1.1	1.0	1.0	1.1	1.1	1.1	1.1	1.2	1.2
Transient Occupancy Tax	2.3	2.4	2.3	2.3	2.3	2.3	2.3	2.3	2.4	2.4
Business License Tax	2.8	3.0	2.6	2.6	2.7	2.8	2.8	2.9	3.0	3.1
Licenses & Permits	6.2	6.7	7.0	7.0	7.5	7.1	7.2	7.4	7.5	7.6
Intergovernmental	1.2	1.3	1.5	1.3	0.7	0.8	0.8	0.8	0.8	0.9
Town Services	5.2	5.7	6.9	6.9	5.4	5.5	5.6	5.8	5.9	6.1
Fines & Forfeitures	0.3	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4
Interest	1.4	3.1	1.9	1.9	1.9	2.0	2.0	2.1	2.2	2.3
Other Sources	4.2	3.6	7.2	7.0	4.3	4.6	4.0	2.8	2.7	2.7
Fund Transfers In	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
TOTAL OPERATING REVENUES &	\$ 58.1	\$ 61.5	\$ 67.4	\$ 67.0	\$ 64.8	\$ 66.6	\$ 67.7	\$ 68.7	\$ 70.9	\$ 73.0
Use of Capital/Special Projects	\$ 3.7	\$ 1.1	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Use of Measure G Sales Tax -	0.6		-		-	-	-	-	-	-
Use of Pension/OPEB Reserve	-	0.3	-		-	-	-	-	-	-
TOTAL REVENUES, TRANSFERS, AND USE OF RESERVES*	\$ 62.4	\$ 62.9	\$ 67.4	\$ 67.0	\$ 64.8	\$ 66.6	\$ 67.7	\$ 68.7	\$ 70.9	\$ 73.0
Expenditure Category	FY 2024-25 Adjusted Budget	FY 2024-25 Actuals	FY 2025-26 Adjusted Budget	FY 2025-26 Estimates	FY 2026-27 Proposed	FY 2027-28 Forecast	FY 2028-29 Forecast	FY 2029-30 Forecast	FY 2030-31 Forecast	FY 2031-32 Forecast
Salary	\$ 25.2	\$ 22.4	\$ 25.6	\$ 23.4	\$ 26.2	\$ 27.2	\$ 27.9	\$ 28.6	\$ 29.2	\$ 29.8
Overtime	0.6	1.3	0.7	1.4	1.5	1.5	1.5	1.5	1.6	1.6
CalPERS Benefits	8.8	8.3	9.9	8.8	10.4	10.4	10.7	10.7	10.7	10.5
All Other Benefits	5.6	4.9	6.3	5.3	6.3	6.3	6.5	6.7	6.9	7.1
4.6% Salary and Benefits Savings	(1.5)	-	(2.2)	-	(2.0)	(2.1)	(2.1)	(2.2)	(2.2)	(2.3)
OPEB Pay as You Go	2.0	1.9	2.2	2.2	2.2	2.3	2.5	2.5	2.6	2.6
Operating Expenditures	10.6	8.1	13.0	11.6	10.2	10.2	10.6	10.8	11.1	11.3
Grants & Awards	0.7	0.7	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Utilities	0.7	0.8	0.7	0.7	0.8	0.8	0.9	0.9	0.9	0.9
Internal Service Charges	4.4	4.2	4.9	4.7	6.6	6.8	7.0	7.2	7.4	7.6
Debt Service	2.1	2.1	2.1	2.1	2.1	2.1	2.1	0.8	0.8	0.8
TOTAL OPERATING EXPENDITURES	\$ 59.2	\$ 54.6	\$ 63.5	60.5	\$ 64.5	\$ 65.7	\$ 67.8	\$ 67.9	\$ 69.2	\$ 70.4
Pension	0.4	0.7	0.7	0.7	0.4	0.4	0.4	0.4	0.4	0.4
TOTAL OPERATING & DISCRETIONARY EXPENDITURES	\$ 59.6	\$ 55.3	\$ 64.2	\$ 61.2	\$ 64.9	\$ 66.1	\$ 68.2	\$ 68.3	\$ 69.6	\$ 70.8
Capital Transfers Out to GFAR	\$ 1.1	\$ 1.1	\$ 0.3	\$ 0.3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to General Liability	-	0.1	-	-	-	-	-	-	-	-
GASB 65	-	-	-	-	-	-	-	-	-	-
Fixed Assets/ Equipment	0.4	-	-	0.2	-	-	-	-	-	-
1/2 of Measure G Proceeds to Capital	0.6	0.6	-	-	-	-	-	-	-	-
Allocate to ERAF Risk Reserve	-	-	-	-	-	-	-	-	-	-
Allocate to GASB 31 Reserve	-	1.2	-	-	-	-	-	-	-	-
Allocate to Pension Trust	0.7	0.7	0.4	0.6	0.4	0.4	0.4	0.4	0.4	0.4
TOTAL EXPENDITURES & RESERVE	\$ 62.1	\$ 59.0	\$ 64.9	62.3	\$ 65.3	\$ 66.5	\$ 68.6	\$ 68.7	\$ 70.0	\$ 71.2
NET REVENUES, TRANSFERS IN, USE OF RESERVES LESS EXPENDITURES, TRANSFERS IN, AND RESERVE ALLOCATIONS	\$ 0.3	\$ 3.9	\$ 2.5	\$ 4.7	\$ (0.5)	\$ 0.1	\$ (0.9)	\$ -	\$ 0.9	\$ 1.8

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

Historical Actuals, Budget and Forecasted Salary and Benefits



Historical Actuals, Budget and Forecasted Grants

