



**TOWN OF LOS GATOS
FINANCE COMMISSION AGENDA
MAY 8, 2023**

**110 EAST MAIN STREET AND TELECONFERENCE
TOWN COUNCIL CHAMBERS
LOS GATOS, CA
5:00 PM**

*Rick Tinsley, Chair
Phil Koen, Vice Chair
Stacey Dell, Commissioner
Andrew Howard, Commissioner
Linda Reiners, Commissioner
Maria Ristow, Mayor
Rob Rennie, 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 the Zoom webinar application (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. The live stream of the meeting may be viewed on television and/or online at www.LosGatosCA.gov/TownYouTube.

The meeting will be teleconferenced pursuant to Government Code Section 54953(b)(3). Commissioner Phil Koen will be participating from a teleconference location at 1101 Farwell Drive, Madison, Wisconsin, 53704. This teleconference location shall be accessible to the public and the agenda will be posted at the teleconference location 72 hours before the meeting.

PARTICIPATION

To provide oral comments in real-time during the meeting:

- **Zoom webinar:** Join from a PC, Mac, iPad, iPhone or Android device: Please click this URL to join: <https://losgatosca.gov.zoom.us/j/84071761435?pwd=dVlsVS8vRzRTYWp3T2ZKQnYrWWxkQT09>
- Passcode: 214575. You can also type in 840 7176 1435 in the "Join a Meeting" page on the Zoom website at <https://zoom.us/join> and use passcode: 214575.
 - 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.
- **Join by telephone:** Join by Telephone: Dial: USA 877 336 1839 US Toll-free or 636 651 0008 US Toll. Conference code: 686100.
 - If you are participating by calling in, press #2 on your telephone keypad to raise your hand.
- **In-Person:** If you wish to speak during the meeting, please complete a "speaker's card" located on the back of the chamber benches and return it to the Town Clerk. If you wish to speak to an item on the agenda, please list the item number. If you wish to speak on an item NOT on the agenda, please list the subject and you may speak during the "Verbal Communications" period. The time allocated to speakers may change to better facilitate the Finance Commission meeting.

When called to speak, you may be asked to provide your full name and your town/city of residence. This identifying information is optional and not a requirement for participation. Please limit your comments to three (3) minutes, or such other time as the Chair may decide, consistent with the time limit for speakers at a Commission meeting. If you wish to speak to an item or items on the Consent Calendar, please state which item number(s) you are commenting on at the beginning of your time.

RULES OF DECORUM AND CIVILITY

To conduct the business of the community in an effective and efficient manner, please follow the meeting guidelines set forth in the Town Code and State law.

The Town does not tolerate disruptive conduct, which includes but is not limited to:

- Addressing the Finance Commission without first being recognized;
- Interrupting speakers, Finance Commissioners, or Town staff;
- Continuing to speak after the allotted time has expired;
- Failing to relinquish the microphone when directed to do so;
- Repetitiously addressing the same subject.

Town Policy does not allow speakers to cede their commenting time to another speaker. Disruption of the meeting may result in a violation of Penal Code Section 403.

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

MEETING CALLED TO ORDER

ROLL CALL

CONSENT ITEMS *(Items appearing on the Consent Items are considered routine Town business and may be approved by one motion. Any member of the Commission may request to have an item removed from the Consent Items for comment and action. Members of the public may provide input on any or multiple Consent Item(s) when the Chair asks for public comments on the Consent Items. If you wish to comment, please follow the Participation Instructions contained on Page 2 of this agenda. If an item is removed, the Chair has the sole discretion to determine when the item will be heard.)*

1. Approve Draft Minutes of the May 1, 2023, Finance Commission Special Meeting
2. Receive the Monthly Financial and Investment Report (March 2023).
3. Receive FY 2021/22 Federal Single Audit Report

VERBAL COMMUNICATIONS *(Members of the public are welcome to address the Finance Commission on any matter that is not listed on the agenda. To ensure all agenda items are heard and unless additional time is authorized by the Chair this portion of the agenda is limited to 30 minutes and no more than three (3) minutes per speaker. 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.)*

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

4. Conclude Recommendations to the Town Council Regarding the Proposed Fiscal Year (FY) 2023/24 Proposed Operating and Capital Budgets

ADJOURNMENT



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

MEETING DATE: 5/08/2023

ITEM NO: 1

Item 1.

**DRAFT
Minutes of the Finance Commission Special Meeting
May 1, 2023**

The Finance Commission of the Town of Los Gatos conducted a Special meeting in person and utilizing teleconferencing means on Tuesday, May 1, 2023, at 5:00 p.m.

THE MEETING WAS CALLED TO ORDER AT 5:00 P.M.

ROLL CALL

Present: Chair Rick Tinsley, Vice Chair Phil Koen, Commissioner Stacey Dell, Mayor Maria Ristow, and Council Member Rob Rennie.

Absent: Commissioner Andrew Howard and Commissioner Linda Reiners

Town Staff Present: Town Manager Laurel Prevetti, Finance Director Gitta Ungvari, Public Works Director Nicholle Burnham, and Town Clerk Wendy Wood.

CONSENT ITEM (TO BE ACTED UPON BY A SINGLE MOTION)

1. Approve the Draft Minutes of the April 17, 2023, Finance Commission Special Meeting.
2. Discuss the FY 2022/23 Third Quarter Key Performance Indicators (KPIs).

MOTION: Motion by Vice Chair Koen to approve the consent items. **Seconded** by Commissioner Dell.

VOTE: Motion passed 3-0 (Commissioners Howard and Reiners were absent).

VERBAL COMMUNICATIONS

There were no verbal communications.

OTHER BUSINESS

3. Begin Discussion on the Proposed Fiscal Year (FY) 2023/24 Operating Budget and Proposed FY 2023/24 – 2027/28 Capital Improvement Program

Finance Director Gitta Ungvari introduced the item.

Commissioners discussed the item and asked questions.

Staff addressed Commissioners' questions.

SUBJECT: Draft Minutes of the Finance Commission Regular Meeting of April 17, 2023

DATE: April 18, 2023

Opened Public Comment.

Ron Meyer

- Commented on capital projects and requested that Gantt charts be part of the reporting associated with Capital Improvement Projects.

Rick Kananen

- Commented on providing additional funding for the Chamber of Commerce to help produce more tax revenue by increasing sales tax and Transit Occupancy Tax.

Ellen Manzo, Veterans Memorial, and Support Foundation

- Commented on the services the Foundation provides and requested a grant for \$269,000 to pay off an outstanding construction loan for the Veterans Memorial.

Closed Public Comment.

MOTION: Motion by Chair Tinsley to instruct staff to add a vacancy rate of 4.6% to the budget in order to more realistically forecast expected personnel expenses. **Seconded** by Vice Chair Koen.

VOTE: Motion passed 3-0 (Commissioners Howard and Reiners were absent).

ADJOURNMENT:

The meeting adjourned at 7:07 p.m.

This is to certify that the foregoing is a true and correct copy of the minutes of the May 1, 2023, meeting as approved by the Finance Commission.

Wendy Wood, Town Clerk



TOWN OF LOS GATOS
FINANCE COMMISSION REPORT

MEETING DATE: 05/08/2023

ITEM NO: 2

Item 2.

DATE: May 4, 2023
TO: Finance Commission
FROM: Laurel Prevetti, Town Manager
SUBJECT: Receive the Monthly Financial and Investment Report (March 2023).

RECOMMENDATION:

Receive the Monthly Financial and Investment Report (March 2023).

BACKGROUND:

California Government Code Section 41004 requires that the Town Treasurer submits to the Town Clerk and the legislative body a written report and accounting of all receipts, disbursement, and fund balances. The Finance Director assumes the Town Treasurer role. Attachment 1 contains the March 2023 Monthly Financial and Investment Report which fulfills this requirement.

DISCUSSION:

Attachment 1 includes a Fund Balance Schedule, representing estimated funding available for all funds at the end of the March 2023. The fund balances are estimated at a point in time and will be finalized at the final close of the fiscal year.

Please note that the amount in the Fund Schedule differs from the Portfolio Allocation and Treasurer's Cash Fund Balances Summary schedule because assets and liabilities are components of the fund balance. As illustrated in the summary below, Total Cash is adjusted by the addition of Total Assets less the amount of Total Liabilities to arrive at the Ending Fund Balance – which represents the actual amount of funds available.

As of March 31, 2023, the Town's financial position (Assets \$80.1M, Liabilities \$26.2M and Fund Equity \$53.9M) remains strong and there are no issues meeting financial obligations in the near future.

PREPARED BY: Gitta Ungvari
Finance Director

Reviewed by: Town Manager and Town Attorney

SUBJECT: Monthly Financial and Investment Report (March 2023) for Fiscal Year 2022/23

DATE: May 4, 2023

DISCUSSION (continued):

Reconciling Cash to Fund Balance		
Total Cash	\$	70,079,332
Plus: Assets	\$	10,045,530
Less: Liabilities	\$	(26,237,403)
Estimated Fund Balance	\$	53,887,459

As of March 31, 2023, the Town's weighted portfolio yield for investments under management was 2.71% which was below by 12 basis points the Local Agency Investment Fund (LAIF) yield of 2.83% for the same reporting period. Currently the LAIF portfolio's weighted average maturity (WAM) is 275 days versus the Town's longer WAM of 410 days. The longer maturity (WAM) for Town assets under management reflects the Town's strategy to take advantage of higher yields associated with longer maturities balanced with shorter term yields available on investments held with the State's LAIF. The Town's weighted average rate of return on investments under management of 2.71% at the close of March was 5 basis points higher when compared to the prior months return of 2.66% reported as of February 28, 2023.

Since December 31, 2022, LAIF yields had climbed from 217 basis points (2.17%) to 2.83 basis points (2.83%) through the end of March 2023. In addition, the Town transferred \$5 million to the LAIF account during March, and the increased balance yielded a higher monthly interest earnings.

Staff in coordination with the Town's investment advisor continued primarily replacing maturing investments with shorter to medium term maturities in the two- to three-year maturity range. These investments capture current yields that exceed the rates expected to be earned in the LAIF pool during that same time period. The State LAIF pool typically lags the market when current market yields are either increasing or decreasing.

As of March 2, 2023, the Federal Reserve voted to approve a ¼ percentage basis point increase from 4.75% to 5.00%. This action was followed with further hikes in the following months, the most recent in May 2023 from 5.00% to 5.25%. Through these actions over time, the Federal Open Market Committee's (FOMC) goal is to bring year to year inflation to a its targeted level 2%. Following this announcement from FOMC, labor market data showed that about 311,000 new jobs were added in February, however tech layoffs started to show up in the data as information sector was the largest detractor with employment falling. This in turn affected the unemployment rate which rose to 3.6% from 3.4%.

The Town's investments are in compliance with the Town's Investment Policy dated February 21, 2023 and also in compliance with the requirements of Section 53600 at seq. of the California State Code. Based on the information available, the Town has sufficient funds to meet the cash demands for the next six months.

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SUBJECT: Monthly Financial and Investment Report (March 2023) for Fiscal Year 2022/23

DATE: May 4, 2023

CONCLUSION:

Receive the Monthly Financial and Investment Report (March 2023).

Attachment:

1. Financial and Investment Report (March 2023)

Town of Los Gatos
Summary Investment Information
March 31, 2023

Weighted Average YTM Portfolio Yield on Investments under Management

2.71%

Weighted Average Maturity (days)

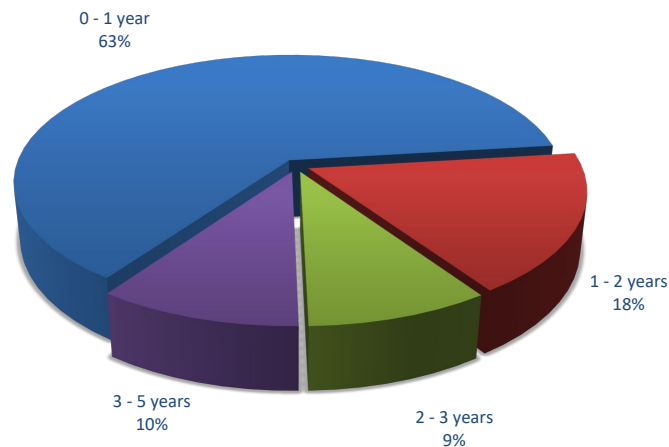
410

	This Month	Last Month	One year ago
Portfolio Allocation & Treasurer's Cash Balances	\$70,079,332	\$69,108,644	\$71,616,902
Managed Investments	\$47,081,480		
Local Agency Investment Fund	\$11,978,204		
Reconciled Demand Deposit Balances	\$11,019,648		
Portfolio Allocation & Treasurer's Cash Balances	<u>\$70,079,332</u>		

Benchmarks/ References:

Town's Average Yield	2.71%	2.66%	1.16%
LAIF Yield for month	2.83%	2.62%	0.37%
3 mo. Treasury	4.80%	4.85%	0.51%
6 mo. Treasury	4.91%	5.18%	1.03%
2 yr. Treasury	4.03%	4.82%	2.34%
5 yr. Treasury (most recent)	3.58%	4.19%	2.46%
10 Yr. Treasury	3.47%	3.93%	2.34%

Portfolio Maturity Profile



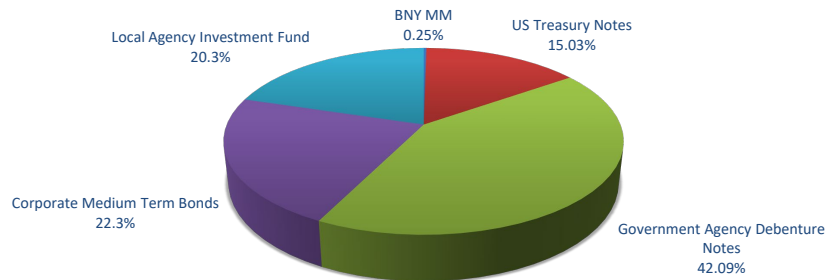
Compliance: The Town's investments are in compliance with the Town's investment policy dated February 21, 2023 and also in compliance with the requirements of Section 53600 at seq. of the California State Code. Based on the information available, the Town has sufficient funds to meet the cash demands for the next six months.

Town of Los Gatos
Portfolio Allocation & Treasurer's Cash Balances
March 31, 2023

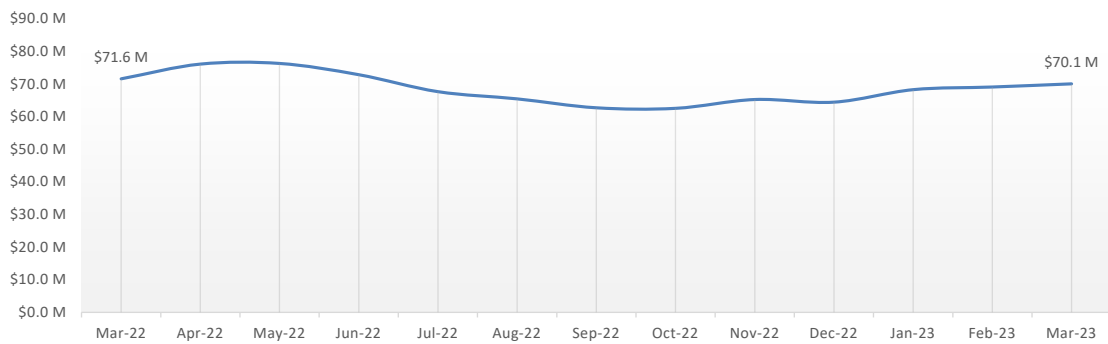
	Month	YTD
Cash & Investment Balances - Beginning of Month/Period	\$ 69,108,644.05	\$72,886,942.83
Receipts	10,573,784.09	47,900,295.03
Disbursements	(9,603,095.73)	(50,707,905.45)
Cash & Investment Balances - End of Month/Period	<u>\$70,079,332.41</u>	<u>\$70,079,332.41</u>

Portfolio Allocation	Amount	% of Portfolio	Max. % or \$ Allowed per State Law or Policy
BNY MM	\$148,582.33	0.25%	20% of Town Portfolio
US Treasury Notes	\$8,877,414.30	15.03%	No Max. on US Treasuries
Government Agency Debenture Notes	\$24,857,006.60	42.09%	No Max. on Non-Mortgage Backed
Corporate Medium Term Bonds	\$13,198,477.01	22.35%	30% of Town Portfolio
Local Agency Investment Fund	\$11,978,204.02	20.28%	\$75 M per State Law
Subtotal - Investments	59,059,684.26	100.00%	
Reconciled Demand Deposit Balances	<u>11,019,648.15</u>		
Total Portfolio Allocation & Treasurer's Cash Balances	<u>\$70,079,332.41</u>		

Portfolio Investment Allocation



Treasurer's Fund Balances



Town of Los Gatos
Non-Treasury Restricted Fund Balances
March 31, 2023

	Beginning Balance	Mar. 2023 Deposits Realized Gain/Adj.	Mar. 2023 Interest/ Earnings	Mar. 2023 Withdrawals	Ending Balance	
Non-Treasury Funds:						
Cert. of Participation 2002 Series A Reserve Fund	\$ 686,251.00		\$ 2,094.29		\$ 688,345.29	Note 1
Cert. Of Participation 2010 Ser A Lease Pymt Fund	31.60		0.05		31.65	Note 1
Cert. of Participation 2002 Lease Payment Fund	8,506.19		18.62		8,524.81	Note 1
Cert. of Participation 2010 Series Reserve Fund	1,299,754.81		4,355.11		1,304,109.92	Note 2
Total Restricted Funds:	<u>\$ 1,994,543.60</u>	<u>\$ -</u>	<u>\$ 6,468.07</u>	<u>\$ -</u>	<u>\$ 2,001,011.67</u>	
CEPPT IRS Section 115 Trust	<u>673,279.73</u>	<u>690,000.00</u>	<u>28,895.50</u>		<u>\$ 1,392,175.23</u>	
Grand Total COP's and CEPPT Trust	<u>\$ 2,667,823.33</u>	<u>\$ 690,000.00</u>	<u>\$ 35,363.57</u>	<u>\$ -</u>	<u>\$ 3,393,186.90</u>	

These accounts are not part of the Treasurer's fund balances reported elsewhere in this report, as they are for separate and distinct entities.

Note 1: The three original funds for the Certificates of Participation 2002 Series A consist of construction funds which will be expended over the next few years, reserve funds which will guarantee the payment of lease payments, and a third fund for the disbursement of lease payments and initial delivery costs.

Note 2: The 2010 COP Funds are all for the Library construction, reserves to guarantee lease payments, and a lease payment fund for the life of the COP issue. The COI fund was closed in September 2010.

Note 3: The CEPPT Section IRS Section 115 Trust was established as an irrevocable trust dedicated to accumulate resources to fund the Town's unfunded liabilities related to pension and other p

Town of Los Gatos
Statement of Interest Earned
March 31, 2023

Interest by Month		
July 2022	\$	60,107.76
August 2022		61,456.65
September 2022		60,153.38
October 2022		68,965.25
November 2022		68,430.71
December 2022		77,485.61
January 2023		80,998.58
February 2023		79,760.25
March 2023		96,693.30
April 2023		
May 2023		
June 2023		
	\$	<u>654,051.49</u>

**Town of Los Gatos Investment Schedule
March 31, 2023**

Item 2.

Institution	CUSIP #	Security	Coupon	Deposit Date	Par Value	Original Cost	Market Value	Market Value Above (Under) Cost	Purchased Interest	Maturity Date or Call Date	Yield to Maturity or Call	Interest Received to Date	Interest Earned Prior Yrs.	Interest Earned Current FY	Days to Maturity
Treasury	91282CAP6	US Treasury Note	0.13%	6/30/2021	1,000,000.00	995,390.63	975,664.06	(19,726.57)		10/15/2023	0.33%	\$ 1,615.44	\$ 3,260.06	\$ 2,447.28	198
Toyota Motor Credit	89236THA6_1	Corporate Bond	1.35%	04/12/21	500,000.00	510,580.00	491,781.58	(18,798.43)		8/25/2023	0.45%	\$ 12,618.75	\$ 2,780.30	\$ 1,715.77	147
Toyota Motor Credit	89236THA6	Corporate Bond	1.35%	1/11/2022	1,100,000.00	1,107,315.00	1,081,919.47	(25,395.53)		8/25/2023	0.94%	\$ 16,665.00	\$ 4,812.29	\$ 7,756.28	147
US Treasury	91282CDD0	US Treasury Note	0.38%	1/13/2022	1,100,000.00	1,090,675.78	1,073,101.57	(17,574.21)		10/31/2023	0.85%	\$ 3,281.77	\$ 4,286.54	\$ 6,991.14	214
US Treasury	91282CCN9	US Treasury Note	0.13%	1/13/2022	1,200,000.00	1,188,375.00	1,181,859.37	(6,515.63)		7/31/2023	0.75%	\$ 1,573.37	\$ 4,153.18	\$ 6,773.63	122
FFCB	3133EKMx1	Gov. Agency Debenture	2.23%	8/2/2019	1,000,000.00	1,014,400.00	978,372.04	(36,027.96)		2/23/2024	1.90%	\$ 84,925.83	\$ 55,756.94	\$ 14,371.97	329
FFCB	3133EMBE1	Gov. Agency Debenture	0.30%	10/8/2020	1,600,000.00	1,598,000.00	1,530,606.70	(67,393.30)		3/28/2024	0.34%	\$ 11,853.34	\$ 9,279.41	\$ 4,035.81	363
FFCB	3133EMCQ3	Gov. Agency Debenture	0.28%	10/16/2020	2,000,000.00	1,998,000.00	1,949,647.98	(48,352.02)		10/13/2024	0.31%	\$ 11,153.33	\$ 10,396.24	\$ 4,579.69	562
Apple	037833DB3	Corporate Bond	2.90%	12/20/2022	1,300,000.00	1,228,591.00	1,244,303.45	15,712.45		6/21/2027	4.19%	\$ 8,587.22	\$ -	\$ 14,819.10	1543
Home Depot	437076BM3	Corporate Bond	3.00%	8/4/2022	1,000,000.00	991,960.00	969,426.94	(22,533.06)		1/1/2026	3.04%	\$ 4,750.00	\$ -	\$ 21,186.02	1007
Home Depot	91282CZW3	US Treasury Note	0.25%	8/9/2022	350,000.00	322,096.88	322,587.89	491.01		6/30/2025	3.16%	\$ 342.39	\$ -	\$ 6,744.04	822
IBM	459200JY8	Corporate Bond	3.00%	3/25/2021	1,000,000.00	1,071,040.00	981,492.37	(89,547.63)		5/15/2024	0.71%	\$ 49,166.67	\$ 9,358.41	\$ 5,550.23	411
US Treasury	912828R28	US Treasury Note	1.63%	7/2/2019	500,000.00	497,246.09	498,840.74	1,594.65		4/30/2023	1.77%	\$ 27,046.54	\$ 26,507.80	\$ 6,639.07	30
Freddie Mac	3137EAEN5	Gov. Agency Debenture	2.75%	7/19/2019	2,000,000.00	2,072,358.00	1,991,124.40	(81,233.60)		6/19/2023	1.79%	\$ 187,916.67	\$ 107,829.55	\$ 27,432.96	80
FFCB	3133EN5V8	Gov. Agency Debenture	4.13%	1/17/2023	236,000.00	239,174.20	237,751.04	(1,423.16)	162.25	1/11/2027	3.76%	\$ (162.25)	\$ -	\$ 1,787.74	1382
Treasury	91282CBT7	US Treasury Note	0.75%	9/30/2022	800,000.00	712,565.18	731,906.25	19,341.07		3/31/2026	4.14%	\$ 3,000.00	\$ -	\$ 15,443.37	1096
FFCB	3133ENP95	Gov. Agency Debenture	4.25%	9/30/2022	900,000.00	900,939.60	904,092.60	3,153.00		9/30/2025	4.14%	\$ 19,125.00	\$ -	\$ 18,916.57	914
US Treasury	91282CDA6	Gov. Agency Debenture	0.25%	1/31/2022	1,100,000.00	1,085,222.44	1,076,367.18	(8,855.26)		9/30/2023	1.07%	\$ 3,195.74	\$ 4,781.92	\$ 8,734.98	183
US Treasury	91282CAW1	Gov. Agency Debenture	0.25%	7/15/2021	1,200,000.00	1,199,437.50	1,167,046.87	(32,390.63)		11/15/2023	0.27%	\$ 4,002.72	\$ 3,107.52	\$ 2,432.74	229
American Honda	02665WC22	Corporate Bond	2.40%	11/27/2019	1,000,000.00	1,012,410.01	970,313.60	(42,096.41)		6/27/2024	2.12%	\$ 84,733.34	\$ 55,189.68	\$ 15,985.17	454
JP Morgan Chase	46625HRS1	Gov. Agency Debenture	3.20%	9/23/2022	500,000.00	474,660.00	479,131.91	4,471.91		3/15/2026	4.70%	\$ 3,644.44	\$ -	\$ 12,058.97	1080
Honeywell Int'l.	438516BW5	Corporate Bond	2.30%	11/20/2019	1,000,000.00	1,014,660.00	970,987.12	(43,672.88)		7/15/2024	1.64%	\$ 73,983.33	\$ 51,828.99	\$ 14,901.52	472
Caterpillar Financial Serv	14913Q2V0	Corporate Bond	2.85%	2/23/2021	1,000,000.00	1,077,370.00	979,904.28	(97,465.72)		5/17/2024	0.44%	\$ 49,400.00	\$ 6,129.72	\$ 3,413.71	413
FNMA	3135G0V75	Gov. Agency Debenture	1.75%	10/17/2019	1,100,000.00	1,105,833.30	1,061,284.24	(44,549.06)		7/2/2024	1.63%	\$ 62,081.25	\$ 48,706.74	\$ 13,521.43	459
US Bancorp	91159HIV5	Corporate Bond	3.38%	12/24/2019	1,000,000.00	1,049,040.00	980,920.97	(68,119.03)		1/5/2024	2.12%	\$ 105,093.75	\$ 54,380.13	\$ 16,213.44	280
FHLB	3133834G3	Gov. Agency Debenture	2.13%	3/11/2021	1,400,000.00	1,460,522.00	1,392,411.76	(68,110.24)		6/9/2023	0.19%	\$ 51,897.22	\$ 3,664.98	\$ 2,109.67	70
FFCB	3133EKQA7	Gov. Agency Debenture	2.08%	10/21/2019	1,000,000.00	1,019,780.00	966,598.94	(53,181.06)		9/10/2024	1.66%	\$ 70,431.11	\$ 45,130.78	\$ 12,579.69	529
PNC Financial	69349LAM0	Corporate Bond	3.80%	2/7/2022	1,000,000.00	1,033,470.00	993,565.77	(39,904.23)		6/25/2023	1.49%	\$ 36,733.33	\$ 5,372.34	\$ 10,293.86	86
FHLB	3135G0SX7	Gov. Agency Debenture	0.38%	6/10/2022	1,200,000.00	1,102,952.40	1,098,641.87	(4,310.53)		8/25/2025	3.04%	\$ 3,187.50	\$ 1,902.68	\$ 26,066.68	878
Treasury	912828ZL7	Gov. Agency Debenture	0.38%	4/12/2022	1,700,000.00	1,583,927.57	1,576,750.00	(7,177.57)		4/30/2025	2.72%	\$ 3,504.49	\$ 9,611.14	\$ 33,334.85	761
JP Morgan Chase	46625HJT8	Corporate Bond	3.88%	9/23/2019	1,400,000.00	1,485,414.00	1,382,226.01	(103,187.99)		2/1/2024	2.39%	\$ 182,038.89	\$ 96,022.89	\$ 26,024.01	307
American Honda	02665WDH1	Corporate Bond	1.95%	2/14/2020	600,000.00	603,756.00	598,043.24	(5,712.76)		5/10/2023	1.75%	\$ 33,995.00	\$ 25,034.14	\$ 7,911.60	40
Treasury	912828V23	US Treasury Note	2.25%	11/29/2021	1,000,000.00	1,032,933.04	981,914.06	(51,018.98)		12/31/2023	0.66%	\$ 24,456.52	\$ 3,924.44	\$ 5,048.35	275
Treasury	91282CBE0_2	Gov. Agency Debenture	0.13%	10/7/2021	1,000,000.00	994,768.98	964,687.50	(30,081.48)		1/15/2024	0.36%	\$ 1,589.67	\$ 2,587.41	\$ 2,665.22	290
FHLB	3130ALH98	Gov. Agency Debenture	0.25%	2/26/2021	1,000,000.00	997,610.00	959,663.09	(37,946.91)		2/26/2024	0.33%	\$ 5,000.00	\$ 4,416.63	\$ 2,474.76	332
FHLB	3130AQF65	Gov. Agency Debenture	1.25%	11/30/2022	1,300,000.00	1,160,559.40	1,183,888.51	23,329.11		12/21/2026	4.15%	\$ 947.92	\$ -	\$ 16,771.81	1361
Treasury	912828U57	US Treasury Note	2.13%	7/31/2019	1,000,000.00	1,011,875.00	983,203.12	(28,671.88)		11/30/2023	1.84%	\$ 70,833.33	\$ 54,014.24	\$ 13,896.62	244
Treasury	912828XT2	US Treasury Note	2.20%	12/30/2019	1,000,000.00	1,010,589.29	972,539.06	(38,050.23)		4/30/2024	1.75%	\$ 62,703.30	\$ 48,922.73	\$ 14,682.18	396
Treasury	912828XT2	US Treasury Note	2.00%	10/31/2019	1,000,000.00	1,015,667.41	971,953.12	(43,714.29)		5/31/2024	1.64%	\$ 61,639.34	\$ 44,208.50	\$ 12,449.26	427
American Honda	02665WCQ0	Corporate Bond	3.63%	9/14/2021	950,000.00	1,012,871.00	942,308.81	(70,562.19)		10/10/2023	0.41%	\$ 36,924.65	\$ 3,323.93	\$ 3,065.13	193
FFCB	3133EJ3Q0	Gov. Agency Debenture	2.88%	8/28/2019	1,500,000.00	1,587,503.75	1,477,258.89	(110,244.86)		12/21/2023	2.12%	\$ 142,911.46	\$ 64,945.24	\$ 17,160.07	265
Treasury	91282CBE0	Gov. Agency Debenture	0.13%	9/15/2021	650,000.00	647,615.46	627,046.88	(20,568.58)		1/15/2024	0.28%	\$ 1,081.87	\$ 1,447.14	\$ 1,376.79	290
FHLB	3130APH9	Gov. Agency Debenture	0.75%	1/17/2023	1,000,000.00	907,010.00	914,740.97	7,730.97	1,645.83	10/28/2026	4.17%	\$ (1,645.83)	\$ -	\$ 6,419.04	1307
FFCB	3133EN5N6	Gov. Agency Debenture	4.00%	2/8/2023	1,700,000.00	1,706,732.00	1,714,071.63	7,339.63	6,044.44	1/6/2028	3.91%	\$ (6,044.44)	\$ -	\$ 9,309.89	1742
Subtotal					\$ 46,886,000.00	\$ 46,932,897.91	\$ 45,531,947.84	\$ (1,400,950.07)	\$ 7,852.52						
BNY MM						148,582.33	148,582.33	0.00			0.00%				1
LAIF						11,978,204.02	11,816,621.99	(161,582.03)			2.83%			115,829.78	1
						\$59,059,684.26	\$57,497,152.16	(\$1,562,532.10)	\$7,852.52						
												\$ 1,611,778.97	\$ 876,983.63	\$ 593,921.89	

Matured Assets

IBM	459200HG9	Corporate Bond		8/8/2019	1,000,000.00	995,010.00				8/1/2022	2.05%	\$ 55,885.42	\$ 59,141.32	\$ 1,790.47	
JP Morgan Chase	46625HJE1	Gov. Agency Debenture		2/11/2020	900,000.00	934,587.00				9/23/2022	1.74%	\$ 76,537.50	\$ 38,210.60	\$ 3,733.22	
Treasury	912828L57	US Treasury Note		7/22/2019	1,200,000.00	1,197,988.40				9/30/2022	2.09%	\$ 67,016.39	\$ 63,644.66	\$ 5,451.87	
Treasury	912828M80	US Treasury Note		7/22/2019	1,000,000.00	1,006,175.23				11/30/2022	1.81%	\$ 67,158.47	\$ 53,444.10	\$ 7,613.55	
BankAmerica Corp	06051GHC6	Corporate Bond		10/9/2020	1,300,000.00	1,366,287.00				12/20/2023	0.66%	\$ 85,805.92	\$ 31,569.88	\$ 13,752.22	
FFCB	3133EKFV0	Gov. Agency Debenture	1.88%	7/22/2019	1,000,000.00	999,630.00				1/17/2023	1.89%	\$ 65,364.58	\$ 55,482.90	\$ 10,383.67	
Freddie Mac	3133EKKT2	Gov. Agency Debenture	2.25%	6/24/2019	1,550,000.00	1,573,188.00				2/8/2023	1.82%	\$ 135,043.75	\$ 86,008.42	\$ 17,404.61	

Total Investments "Matured"

\$ 60,129.60

Total Interest FY 22_23 Matured and Current

\$ 654,051.49

Maturity Profile

	Amount	
1	\$ 37,403,166.02	63.34%
1-2 years	\$10,325,350.01	17.48%
2-3 years	\$5,376,536.45	9.10%
3-5 years	\$ 5,954,631.78	10.08%
	<u>\$59,059,684.26</u>	

Fund Schedule

Item 2.

Fund Number	Fund Description	Prior Year Carryforward 7/1/2022	Increase/ (Decrease) July-Feb	March 2023				Estimated Fund Balance 3/31/2023*
				Current Revenue	Current Expenditure	Transfer In	Transfer Out	
111	GENERAL FUND							
	Non-Spendable:							
	Loans Receivable	159,000	-	-	-	-	-	159,000
	Restricted Fund Balances:							
	Pension	690,000	-	-	-	-	-	690,000
	Committed Fund Balances:							
	Budget Stabilization	5,991,566	-	-	-	-	-	5,991,566
	Catastrphic	5,991,566	-	-	-	-	-	5,991,566
	Pension/OPEB	300,000	-	-	-	-	-	300,000
	Assigned Fund Balances:							
	Open Space	410,000	-	-	-	-	-	410,000
	Sustainability	140,553	-	-	-	-	-	140,553
	Capital/Special Projects	11,071,231	(15,498)	-	-	-	-	11,055,733
	Carryover Encumbrances	33,145	-	-	-	-	-	33,145
	Compensated Absences	1,519,147	-	-	-	-	-	1,519,147
	Measure G District Sales Tax	590,581	-	-	-	-	-	590,581
	Unassigned Fund Balances:							
	Other Unassigned Fund Balance Reserve (Pre YE distribution)	-	(437,829)	5,721,716	(4,480,793)	-	-	803,093
	General Fund Total	26,896,789	(453,327)	5,721,716	(4,480,793)	-	-	27,684,384

Fund Schedule

Item 2.

Fund Number	Fund Description	Prior Year Carryforward 7/1/2022	Increase/ (Decrease) July-Feb	March 2023				Estimated Fund Balance 3/31/2023*
				Current Revenue	Current Expenditure	Transfer In	Transfer Out	
	SPECIAL REVENUE							
211/212	CDBG	166,654	-	-	-	-	-	166,654
222	Urban Runoff (NPDES)	451,558	95,213	29,996	(13,355)	-	-	563,412
231-236	Landscape & Lighting Districts	174,236	9,896	-	(5,720)	-	-	178,412
241	ARPA	-	3,614,872	-	-	-	-	3,614,872
251	Los Gatos Theatre	19,500	(5,635)	14,900	(5,175)	-	-	23,590
711-714	Library Trusts	555,254	10,781	-	(30,988)	-	-	535,047
	Special Revenue Total	1,367,202	3,725,127	44,896	(55,238)	-	-	5,081,986
	CAPITAL PROJECTS							
411	GFAR - General Fund Appropriated Reserve	14,783,787	131,863	115,364	(337,649)	-	-	14,693,365
421	Grant Funded Projects	(948,603)	553,694	114,046	(20,535)	-	-	(301,398)
461-463	Storm Basin Projects	3,218,811	81,788	18,135	(214,900)	-	-	3,103,834
471	Traffic Mitigation Projects	405,570	-	-	-	-	-	405,570
472	Utility Undergrounding Projects	3,302,514	63,325	4,716	-	-	-	3,370,555
481	Gas Tax Projects	1,836,068	(783,146)	128,484	-	-	-	1,181,406
	Capital Projects Total	22,598,147	47,524	380,745	(573,084)	-	-	22,453,332
	INTERNAL SERVICE FUNDS							
611	Town General Liability	803,292	(523,597)	29,122	-	-	-	308,817
612	Workers Compensation	1,295,185	(83,870)	71,185	(3,182)	-	-	1,279,318
621	Information Technology	2,990,932	(39,388)	165,271	(21,566)	-	-	3,095,249
631	Vehicle & Equipment Replacement	2,222,395	(4,440)	217,148	(93,143)	-	-	2,341,960
633	Facility Maintenance	928,481	(189,453)	239,339	(93,223)	-	-	885,144
	Internal Service Funds Total	8,240,285	(840,748)	722,065	(211,114)	-	-	7,910,488
	Trust/Agency							
942	RDA Successor Agency	(7,607,527)	(1,635,063)	-	(141)	-	-	(9,242,731)
	Trust/Agency Fund Total	(7,607,527)	(1,635,063)	-	(141)	-	-	(9,242,731)
	Total Town	51,494,896	843,513	6,869,421	(5,320,370)	-	-	53,887,459

* Interfund transfers and ARPA funding allocation to be performed as part of the fiscal year end closing entries.

Deposit Accounts of Interest:

111-23541 General Plan Update deposit account balance \$966,070
 111-23521 BMP Housing deposit account balance \$3,698,538

Town of Los Gatos								
Insight ESG Ratings as of March 31, 2023								
Security Description	Maturity Date	Par/Shares	Moody Rating	S&P Rating	Insight ESG Rating	Environment	Social	Governance
AMERICAN HONDA FINANCE 1.95% 10MAY2023	5/10/2023	\$ 600,000	A3	A-	2	1	3	3
PNC BANK NA 3.8% 25JUL2023 (CALLABLE 25JUN23)	7/25/2023	\$ 1,000,000	A3	A-	3	2	4	3
TOYOTA MOTOR CREDIT CORP 1.35% 25AUG2023	8/25/2023	\$ 1,600,000	A1	A+	3	1	3	4
AMERICAN HONDA FINANCE 3.625% 10OCT2023	10/10/2023	\$ 950,000	A3	A-	2	1	3	3
JPMORGAN CHASE & CO 3.875% 01FEB2024	2/1/2024	\$ 1,400,000	A1	A-	3	1	3	4
US BANCORP 3.375% 05FEB2024 (CALLABLE 05JAN24)	2/5/2024	\$ 1,000,000	A2	A+	3	3	4	3
IBM CORP 3.0% 15MAY2024	5/15/2024	\$ 1,000,000	A3	A-	2	1	2	3
CATERPILLAR FIN SERVICES 2.85% 17MAY24	5/17/2024	\$ 1,000,000	A2	A	4	4	3	4
AMERICAN HONDA FINANCE 2.4% 27JUN2024	6/27/2024	\$ 1,000,000	A3	A-	2	1	3	3
HONEYWELL INTERNATIONAL 2.3% 15AUG2024 (CALLABLE 15JUL24)	8/15/2024	\$ 1,000,000	A2	A	4	4	5	4
HOME DEPOT INC. 3% 01APR2026 (CALLABLE 01JAN2026)	4/1/2026	\$ 1,000,000	A2	A	2	2	2	2
JPMORGAN CHASE & CO 3.2 15JUN2026 (CALLABLE 15MAR2026)	6/15/2026	\$ 500,000	A1	A-	3	1	3	4
APPLE INC. 2.9% 12SEP2027 (CALLABLE 12JUN2027)	9/12/2027	\$ 1,300,000	Aaa	AA+	4	1	4	5
Total/Average		\$ 13,350,000			2.8	1.8	3.2	3.5

*ESG ratings are from 1 to 5, with 1 as the highest rating and 5 as the lowest. All ratings are weighted by industry rankings, based on the importance of the category within the individual industry.



TOWN OF LOS GATOS
FINANCE COMMISSION REPORT

MEETING DATE: 05/08/2023

ITEM NO: 3

Item 3.

DATE: May 2, 2023
TO: Finance Commission
FROM: Laurel Prevetti, Town Manager
SUBJECT: Receive FY 2021/22 Federal Single Audit Report

RECOMMENDATION:

Staff recommends that the Finance Commission receive the Federal Single Audit Report for the fiscal year ending June 30, 2022, as prepared by Chavan & Associates, LLP.

DISCUSSION:

In performing the Single Audit for FY 2021/22, the Town's independent auditor Chavan & Associates, LLP concluded that the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Attachment:

1. FY 2021/22 Single Audit

PREPARED BY: Gitta Ungvari
Finance Director

Reviewed by: Town Manager and Town Attorney

**TOWN OF LOS GATOS
CALIFORNIA**

SINGLE AUDIT REPORT

**FOR THE FISCAL YEAR
ENDED JUNE 30, 2022**



Chavan & Associates, LLP
Certified Public Accountants
15105 Concord Circle, Ste 130
Morgan Hill, CA 95037

TOWN OF LOS GATOS
CALIFORNIA
SINGLE AUDIT REPORT
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Chavan and Associates, LLP
Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor and Members of the
Town Council of the Town of Los Gatos
Los Gatos, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Town of Los Gatos (the "Town") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 6, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not



Chavan and Associates, LLP
Certified Public Accountants

express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

C & A LLP

Morgan Hill, California
December 6, 2022



Chavan and Associates, LLP
Certified Public Accountants

INDEPENDENT AUDITORS REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Mayor and Members of the
Town Council of the Town of Los Gatos
Los Gatos, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Los Gatos (the Town)'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended June 30, 2022. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major federal programs

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal programs. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Town's federal programs.



Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major federal programs.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance is a deficiency*, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.



Chavan and Associates, LLP
Certified Public Accountants

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of Town as of and for the year ended June 30, 2022, and have issued our report thereon dated December 6, 2022, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

C & A LLP

December 6, 2022
Morgan Hill, California

TOWN OF LOS GATOS, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Item 3.

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal Catalog Number (CFDA)</u>	<u>Pass-through Identifying Number</u>	<u>Expenditures to Subrecipients</u>	<u>Federal Expenditures</u>
U.S. Department of Transportation				
Pass-through programs from the California Dept of Transportation				
<i>Highway Planning and Construction Cluster</i>				
Highway Planning and Construction	20.205	HSIPL-5067(022)	\$ -	\$ 555,994
Highway Planning and Construction	20.205	CML-5067(022)	-	44,442
<i>Total Highway Planning and Construction Cluster</i>			-	600,436
Total US Department of Transportation			-	600,436
U.S. Department of Treasury				
Pass-through program from the State of California				
Coronavirus State and Local Fiscal Recovery Funds (1)	21.027	N/A	-	3,413,961
Total U.S. Department of Treasury			-	3,413,961
U.S. Department of Justice				
Direct program:				
Bulletproof Vest Partnership Program	16.607	N/A	-	6,060
Total U.S. Department of Justice			-	6,060
Total Federal Programs			\$ -	\$ 4,020,457

(1) Audited as major program

See accompanying Notes to Schedule of Expenditures of Federal Awards.

TOWN OF LOS GATOS, CALIFORNIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Item 3.

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of the Town of Los Gatos (the Town) under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town and some amounts in this schedule may differ from amounts presented in the Town's financial statements.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available. The Town has elected not to use the 10 percent de-minimus indirect cost rate as allowed under Uniform Guidance.

Note 3. Relationship to the Basic Financial Statements

The amounts reported in the accompanying schedule agree, in all material respects, to amounts reported within the Town's financial statements. Federal award revenues are reported principally in the Town's financial statements as intergovernmental revenues.

Note 4. Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule agree or can be reconciled with the amounts reported or to be reported in the federal financial reports.

Note 5. Pass-Through Entities' Identifying Number

When federal awards were received from a pass-through entity, the Schedule of Expenditures of Federal Awards shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the Town has determined that no identifying number is assigned for the program, or the Town was unable to obtain an identifying number from the pass-through entity.

TOWN OF LOS GATOS, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Item 3.

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weaknesses? Yes x No

Significant deficiencies identified not
considered to be material weaknesses? Yes x None Reported

Non-compliance material to financial statements noted? Yes x No

Federal Awards

Internal control over major programs:

Material weaknesses? Yes x No

Significant deficiencies identified not
considered to be material weaknesses? Yes x None Reported

Type of auditor's report issued on compliance over major programs Unmodified

Any audit findings disclosed that are required to be reported in
accordance with 2 CFR 200.516(a) Yes x No

Identification of Major Programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between
type A and type B programs: \$ 750,000

Auditee qualified as low risk auditee? Yes x No

TOWN OF LOS GATOS, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30,2022

Item 3.

Section II - Financial Statement Findings

No findings noted.

Section III - Federal Award Findings and Questioned Costs

No findings noted.

TOWN OF LOS GATOS, CALIFORNIA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Item 3.

Section II - Financial Statement Findings

No findings noted.

Section III - Federal Award Findings and Questioned Costs

Finding: 2021-001

Condition: On April 21, 2020, the Town Council approved a waiver of rent and utilities for a set of nonprofit lessees. When preparing a listing of grant expenditures for reporting to the State, the Town chose to use their rent and utility waivers as a qualifying expenditure. Per the Coronavirus Relief Fund (Fund) program guidance in the Federal Register dated January 15, 2021, revenue replacement is not a permissible use of Funds under this program.

Status: Implemented.

The Town's previous independent auditor had opined that the Town's efforts to provide economic relief in the form of waivers of rent (rent forgiveness) to a number of non-profits and other entities should be considered as "lost revenue" and therefore disallowable because lost revenue is precluded as an expenditure for the CARES act. Based on the Town's understanding of the CARES act rent forgiveness support was classified as eligible under the Small business assistance category of expenditures. As such, the Town Council opted to assist these groups by forgiving their rent (a voluntary write-off of rents due to the Town) to support these entities during the height of the pandemic. If the Federal Government determines that this cost were to be disallowed, the Town has significant other qualifying expenditures in categories such as payroll for public safety that could be substituted for the small business rental assistance.

In response to the questioned finding on waivers of rent, staff received approval from the State of California Department of Finance to re-allocate the questioned costs amount of \$94,988 from business support (rent waivers) to public safety payroll. The department reviewed the Town's submittal and on June 1, 2022 the Town received the department's approval of the re-allocation as corrected in the State's Corona Virus Fund Reporting worksheet.



TOWN OF LOS GATOS
FINANCE COMMISSION REPORT

MEETING DATE: 05/08/2023

ITEM NO: 4

Item 4.

DATE: May 4, 2023
TO: Finance Commission
FROM: Laurel Prevetti, Town Manager
SUBJECT: Conclude Recommendations to the Town Council Regarding the Proposed Fiscal Year (FY) 2023/24 Proposed Operating and Capital Budgets

RECOMMENDATION:

Conclude recommendations to the Town Council regarding the Proposed FY 2023/24 Proposed Operating and Capital Budgets.

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.

(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: Gitta Ungvari
Finance Director

Reviewed by: Town Manager and Town Attorney

PAGE 2 OF 2

SUBJECT: Proposed FY 2023/24 Operating and Capital Budgets

DATE: May 4, 2023

DISCUSSION:

On April 17, 2023, the Proposed FY 2023/24 Operating and Capital Budgets were posted to the Town's website and the links were provided to the Finance Commission. For Commissioners who were interested in hard copies, the documents were provided. On that same day, the Finance Commission held a special meeting. Staff gave a brief introductory presentation on the Proposed Operating and Capital Budgets, and answered the Commissioners' preliminary questions. Per Measure A, the Finance Commission received the Proposed Budgets 21 business days before May 16, 2023, which is the first meeting at which the Proposed Budgets will be considered by the Town Council.

Finance Commissioners had an opportunity to submit written questions to staff. All of the questions received from the Commissioners were posted with answers on the Town website (see Attachments 1 through 4). In addition, staff provided a list of corrections to the Proposed Budget based on staff and Commissioners review and observations as listed in Attachment 5.

At the Finance Commission special meeting on May 1, 2023, staff continued to address the Commissioners' questions. The Finance Commission began to formulate its comments and recommendations to the Town Council.

At the conclusion of the regular Finance Commission meeting on May 8th, the Finance Commission is expected to compile and provide the Town Manager with its final comments and recommendations to be transmitted to the Town Council for its May 16, 2023 public hearing on the Budgets.

CONCLUSION:

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

Attachments:

1. Frequently Asked Questions Posted on April 25, 2023
2. Frequently Asked Questions Posted on April 26, 2023
3. Frequently Asked Questions Posted on May 1, 2023
4. Frequently Asked Questions Posted on May 3, 2023
5. Correction to the Proposed FY 2023/24 Operating and Capital Budgets
6. Commissioner Communications and Public Comments Received

Question: Please provide actual vacancies per Department.

Answer: The Town has started to track actual vacancies per Departments since the prior Fiscal Year. In the chart below, the adopted budgeted positions are provided as well as the fiscal year end vacancies for each Department. For comparisons, the proposed FY 2023/24 positions are listed Please note that the vacancies reflect point in time data.

Departments	FY 2021/22 Budgeted	FY 2021/22 Filled as of 6/30/2022	FY 2022/23 Budgeted	FY 2022/23 Filled as of 3/31/2023	FY 2023/24 Proposed
Town Attorney	2	2	2	2	2
Town Manager	5.25	4.25	5.25	4.25	5.25
Human Resources	3	3	3	2	3
Finance	7	7	7	6	7
Clerk	3	3	3	3	3
Information Technolgy	3	2	3	3	3
Community Development	19.75	19.75	20	20	20
Police Department	60	50	60	51	60
Parks & Public Works	34.75	31.75	36.75	32.75	35.75
Library	12.5	11.5	13.5	13.5	13.5
Total	150.25	134.25	153.5	137.5	152.5

Question: On page A-11, it is reported that the GF revenue is estimated to be \$49.2m. On page C-24, the schedule shows total GF Revenues of \$53,592,360. Could you please provide a detail reconciliation between \$49.2m and \$53.5m.

Answer: Please see reconciliation table below:

Total General Fund Net Operating Revenues	\$ 54,130,896	See Page C-22
Less:		
Town Debt Payments	\$ 1,894,550	
Pension Trust	390,000	
Transfers In	538,536	
Total General Fund Revenues	\$ 51,307,810	See Page C-22
Less:		
One- Time OPEB Trust Withdrawal	\$ 1,608,226	See Reference on Page C -29
Pass Through - ARPA Replacement Revenue Tracking	525,000	
General Fund Revenue - Referenced on Page A-11	\$ 49,174,584	

Question: On page C-24, please provide a detail breakout of other sources revenue of \$5,381,814. I know that the number includes \$1,894,550 lease revenue. What is the detail that makes up the remaining \$3,487,264?

Answer: The Other Category contains various items. The most significant ones include one-time OPEB Trust withdrawal (\$1.6 million), ARPA (\$0.5 million) and Measure G (\$0.6 million). These are pass-through revenues set up for tracking purposes. This category also includes all miscellaneous items such

as the Friends of the Library contribution toward Library operations, credit card merchant fees, Police Foundation contributions, insurance reimbursements, dedicated funding for Community Emergency Response Team or Americans with Disability Act training, and donations for benches to name a few.

Question: On page C-29 the footnote mentions \$1,608,226 is included in "Revenues and transfers in". Where on the GF revenue schedule shown on C-24 is this amount shown? Note on D-76 a different number is being reported. Which one is correct?

Answer: \$1,608, 226 is the correct amount. Staff will update the narrative section on page D-76.

Question: On page C-30, \$746,000 is shown as being deducted from the GF reserve. What is the other side of the entry? This same number is discussed on D-77 but the discussion is unclear as to where the \$746,000 is reported on the schedule found on D-78.

Answer: \$746,000 included in the Pass Through expenditures as listed on page D-77.

The following table summarizes the FY 2020/21 and FY 2021/22 actual spending on Council Priorities from leveraging the ARPA allotment.

ARPA Funds Lost Revenue Recognized During FY 2021/22	\$ 3,614,872
Less Actual and Estimated Spending	
FY 2020/21 Actual Spending	200,911
FY 2021/22 Actual Spending	1,348,659
Balance to Capital/Special Project Reserve at FY 2021/22 Close	2,065,302

On Page C-30, \$2,065,302 moved from the Capital/Special Project Reserve to Council Priorities-Economic Recovery Reserve to able to track the Council priorities leveraging the ARPA allotment. In addition, FY 2022/23 Recognized ARPA proceeds of \$3,614,872 was placed in the same reserve. FY 2022/23 and FY 2023/24 Estimated Spending including the \$746,000 drawn down from the Reserve as listed on C-40 and C-41. The following table illustrates the \$746,000 spending by fund.

Proposed FY 2023/24 Spending of ARPA Replacement Revenue	
General Fund	
One-Time Community Grant (Council Action 2-21-2023)	\$ 150,000
One-Time to LGS REC 55+ Program (Council Action 2-21-2023)	225,000
One-Time to KCAT Producers (Council Action 2-21-2023)	100,000
One-Time Unhoused Residents Efforts (Council Action 2-21-2023)	25,000
One-Time Unhoused Residents Efforts (Council Action 4-4-2023)	25,000
Total General Fund	\$ 525,000
Facilities Maintenance Fund	
One-Time Rent Forgiveness LGS REC (Council Action 3-21-2023)	\$ 200,000
One-Time Rent Forgiveness NUMU (Council Action 3-21-2023)	21,000
Total Facilities Maintenance Fund	\$ 221,000
Total General Fund and Facilities Maintenance Fund	\$ 746,000

Question: Page C-23: What are Non-Departmental Expenditures? It is the only category that is substantially decreasing relative to 2022/23 Estimated. Also why the \$3.8M increase in Non-Departmental Expenditures from the 22/23 Adjusted to 22/23 Estimated?

Answer: Appropriated funds are provided in the Non-Department Program to account for a variety of Town services and activities not specifically attributable to individual Departments. Non-Departmental Employee and retiree expenditures, Town-wide organizational costs, Town memberships, and joint-agency agreements benefiting the entire Town are also contained in the Non-Departmental Program.

In addition, staff is tracking American Rescue Plan Act (ARPA) replacement revenue spending via pass through revenues and expenditures (Pass Through revenues are equal to Pass Through Expenditures, with no effect on the fund balance). There is a significant difference between the estimated FY 2023/23 (\$4 million) and proposed FY 2023/24 (\$0.6 million) spending on the ARPA item as shown on page C-40. The FY 2022/23 pension contribution is \$690,000, while the FY 2023/24 proposed contribution is \$390,000.

As is the Town's practice, Council will consider FY 2022/23 Budget adjustments at the June 6, 2023 Council meeting to align FY 2022/23 estimated revenues and expenditures with the adjusted budget.

Question: Page C-26 There are a couple of typos on this page in the S & B and Op Ex paragraphs where "FY 2023/24 adjusted" should be "FY 2022/23 adjusted". In the Salary and Benefits paragraph, you indicate the FY2023/24 increased by 2.6% compared to previous BUDGET. But if compared to the more accurate Estimated 2022/23, Salaries and Benefits are increasing by 8.8%. Please add this to the paragraph. It is misleading to compare to previous budgeted numbers when we have more accurate Estimated (or Actual) numbers.

Answer: The typo related to the FY 2022/23 Adjusted Budget is noted and corrected in the Proposed Budget. The paragraph has already included the comparison to both to the FY 2022/23 Adjusted and the FY 2022/23 Estimated Budget as referenced above. Current year estimated numbers are the best estimates available at the point in time of the preparation of the budget, and final numbers will be determined at the final close of the fiscal year.

Question: Page C27 - the population for Los Altos is wrong - it should be ~31,625 rather than 8400 which is the Los Altos Hills population. As a result, all the per capita figures for Los Altos are wrong. Perhaps the averages are as well.

Answer: Noted. The Los Altos population number was keyed in wrong. The table is corrected and replaced in the Proposed Budget.

Question: Please explain how the requested \$140,000 Capital budget and \$25,000 Operating budget requests for Emergency Preparedness/Emergency Communications were incorporated into the Proposed FY 2023/24 operating and Capital Budgets.

Answer: The Proposed Capital Budget includes a project named Emergency Preparedness (CIP No. 821-2012). The project is proposed to be funded with \$61,780. The total project cost requested was \$240,000 and the remaining costs will be funded in future years. The Town expects to fill its Emergency Management Coordinator position in the beginning of the next fiscal year and this individual will help deliver the improvements. The initial request from the community regarding emergency preparedness also included \$60,000 in General Fund operating costs to support recruitment of new Community

Emergency Response Team members. This was not able to be included in the Proposed 2023-2024 Operating Budget but will be considered for future years.

1. Question: Page A-4: *Head Count* Since FY 2013 FTE headcount has increased from 136 to 153 budgeted for FY 24. This is an increase of 17 FTE's. Please provide detail of the FTE increase.

Answer: Every year, the Adopted Budget explains the changes from the prior year in detail both in the Departmental Narrative sections and in the Summary of Personnel Changes in the Financial Summary Sections. Please see the FY 2023/24 Proposed Budget from page C-48 to C-55 for the change from the prior year. It is not feasible to provide detailed historical changes from 2013 given other workload priorities.

2. Question: Page A-21/C-9: *Property Tax* Why is property tax forecasted to increase only \$0.7 from prior year estimates if the SCC Assessor is projecting a 6.14% increase in the FY 23/24 assessor roll? Why wouldn't property taxes increase by this amount?

Answer: The Town receives a quarterly update from the Santa Clara County Assessor's Office (SCCAO) that is based on actual receipts. Property Tax has many different elements, current year secured, current year unsecured, ERAF, and property transfer tax. While most of the elements are estimated to grow by 3%, ERAF and property tax estimates are different and will change the overall total percentage growth. Staff used the most recent estimates (January 2023) for the Property Tax base. In addition, staff had additional estimates related to the North 40 regarding unit sales and ERAF that all fold into the total property tax estimates as described on page A-21.

3. Question: Page A-21/C-9: *ERAF* Preliminary estimate for FY 24 excess ERAF distribution is \$2.2m for the Town. How much is in the FY 24 budget? Is this included in the Property tax number?

Answer: Please refer to page A-21 "SCCAO recommends 70% of the 2022/23 anticipated proceeds" due to the outstanding lawsuit. ERAF is included in the total property tax number. FY 2022/23 estimates are \$1.6 million and FY 2023/24 estimates are \$1.5 million based on information provided by the SCCAO.

4. Question: Page A-21 *Franchise Fee* Please provide the supporting detail for FY 24 franchise fees of \$2,116,470. Please explain decrease from FY 23 \$2,716,470

Answer: Please refer to pages A-21, C-5, and C-25 regarding Franchise Fees and Solid Waste Contract pages D-216- D-218. The decrease is due to anticipated partial proceeds from the Garbage Franchise Fee from July 2023 until Feb 2023 instead of the full fiscal year.

5. Question: Page A-21: *Garbage Franchise Fee* The new Solid Waste Management agreement calls for LG to receive \$1,594,375 in various fees other than franchise fees. Where are these fees recorded? Is the garbage fee in addition of these fees? Why is it reasonable to assume there will be \$0 from the franchise fee?

Answer: The Town's current agreement will expire at the end of February 2024. Under the current agreement, Town receives franchise fees, annual fees, Household Hazardous Waste (HHW) Management Fees, Street Sweeping Fees, and Vehicle Impact Fees. HHW and Street Sweeping Fee are programmed in Parks and Public Works Programs. Please refer to pages D-215 – D-230. The vehicle Impact Fee is programmed directly to the Annual Street Maintenance Capital project. (Please refer to pages A-5 and C-5 of the Capital Budget). The Garbage franchise fee is an additional fee. Staff assumed a \$1.2 million garbage franchise fee for FY 2023/24 and \$0.9 million annually over the five years of the forecast period as can be seen on page A-21.

6. Question: PageA-22: *Transient Occupancy Tax*. What is the basis for a 3% increase from prior year's actual? Other cities in SCC are using estimates of 5% - 11%. Please explain.

Answer: Staff considers current proceeds coupled with historical occupancy rate. The Town's the historical highest Transient Occupancy Tax collection was \$2.6 million. The TOT already predicted a decrease slightly before the pandemic. The current assumptions almost take the Town back to the pre-pandemic level.

7. Question: Page A-23: *Salaries*. Are all positions programmed for a step increase in addition to a COLA?**Answer:** Please refer to page A-23 as it describes the personnel budgeting assumptions.

8. Question: PageA-23: *Operating Expenditures*. What are the 3 biggest components of operating expenditures and what are the inflation assumptions for each?

Answer: There are close to 200 items in this category. Most of the items are increased by 3% in the forecast, and the Proposed FY 2023/24 reflects all contractual increases. Please note that there are items that are cyclical in nature, such as election fees that occur every other year in the forecast. All the pass-through items are housed in this category, and usually, those items remain flat in the budget and the forecast. With each estimated pass-through expenditure an equal pass-through revenue is recorded. Pass-throughs do not have an effect on the fund balance.

9. Question: Page C-6: *Salaries*. Please provide a schedule showing the salary increases planned in FY 24 of each separate bargaining unit and the non-represented group showing Base, COLA, and step increases vs. FY 23 actuals

Answer: Please refer to assumptions as described on page A-23. There is no staff capacity to provide the requested analysis that would involve separating out the impact on Base, COLA, and step increases by bargaining units.

10. Question: PageC-9: *Other Sources*. Please provide details of \$3,487,264 other sources of revenue and explain the decrease from FY 23 estimated \$5,887,554.

Answer: Please refer to FAQs posted on April 24, 2023, regarding Other Sources.

11. Question: Page C-9: *Other Taxes*. What other taxes are included in the \$2,440,766?

Answer: Other Tax refers to Business License Tax.

12. Question: PageC-9: *Interest*. Please provide the actual mark to market adjustment recorded for FY 22.

Answer: FY 2021/22 Mark to Market Adjustment is negative\$438,333 reversing the FY 2020/21 entry and FY 2021/22 adjustment of negative \$1,577,168.

13. Question: PageC-9: *Salaries/Benefits*. Please provide the detail for FY 24 budget of \$36,166,293 and FY 23 estimate of \$33,229,787 broken into base salary, overtime, retirement and other benefits. Please refer to the Mid-Year Review schedule of Salaries and Benefits shown on page 13 as an example. Please provide a detail explanation of the year over year increase of \$2,936,506. What are the cost drivers of this increase? How much is because of increase in headcount vs. COLA vs. step merit vs reduction in OT? Is overtime budgeted separately?

Answer: Staff provided multiple historical analyses for both the Finance Commission and the Town Council during the last couple of years. Historical and current year information is available on salaries, pension benefits, and other benefits in the Proposed Budget, please refer to pages A-7 to A-8. In addition, pages A-3 to A-5, and C-6 to C-7 provides detailed descriptions of the cost drivers of salaries and benefits.

14. Question: PageC-9: *Operating Expenditures* Please explain the \$3,374,655 decrease from FY 23 estimate.

Answer: Please refer to the first question of the FAQs published on 4-26-2023.

15. Question: PageC-9: *Internal Service Funds* Please explain the \$728,613 increase from FY 23 estimate.

Answer: The increase is related to the planned replacement activity, higher workers' compensation, and Town liability insurance premiums. Please refer to pages C-26, D-17, D-81, D-245, and D-246.

16. Question: PageC-9: *Operating Margin* The GF FY 24 is budgeting a structural deficit of \$(3,417,763). This is computed by subtracting normalized revenues of \$49,174,584 from normalized operating expenditures of \$52,592,347. Please confirm this is correct.

Answer: Staff estimated FY 2023/24 deficit is \$1.6 million as referenced on page A-5 in the Proposed Budget.

17. Question: PageC-24: *Other Sources* Please provide the detail that makes up \$5,381,814 and explain the decrease from \$7,781,267.

Answer: Please refer to FAQs posted on April 24, 2023, regarding Other Sources for the primary driver of the decrease.

18 Question: Separate from these questions, I do think we need to have a discussion regarding how the ARPA funds are being accounted for. I do not understand why the Staff stopped using the ARPA Fund as the primary control mechanism to track and report ARPA revenues and expenditures. I question whether GAAP is being followed. I look forward to having that discussion.

Answer: Staff did not stop using the ARPA Special Revenue fund to account for the grant proceeds and following all the accounting guidelines. Please refer to pages A-15, C-15, C-17, C-40 and C-41 of the Proposed Budget and to the ACFR. The Town will recognize the revenue with the ARPA fund during the period of the qualifying expenditure that occurs for public safety costs under the revenue loss categories, the same way as it did in FY 2021/22. The Town will fully expend the ARPA grant proceeds and fulfill Federal Requirements. This enables the organization to leverage the proceeds and fund Council Economic Recovery and Capital priorities. In addition, staff is tracking the \$7.2 million proceeds already recognized as loss revenue spending via pass-through revenues and expenditures (Pass -Through revenues are equal to Pass-Through Expenditures with no effect on the fund balance).

19. Question: PageC-29/C-32D-77: *ARPA Funds* \$746,000 is shown being transferred from a new GF Reserve - Council Priorities. This is ARPA funds. Where is the \$746,000 being transferred to?

Answer: Please refer to FAQs published on 4-25-2023.

20. Question: PageC-32 *ARPA Fund* What is the rational for zeroing out the \$1,645,281 ARPA Fund Balance as of FY 23? Is this consistent with GAAP?

Answer: Please refer to previous answers.

21. Question: PageC-32 *General Fund Reserve* Why not establish a unassigned GF Reserve to be used to fund unplanned expenditures? Historically the Capital/Special Projects reserve has been tapped.

Answer: By changing the General Fund Reserve Policy, Council can establish an unassigned or assigned General Fund Reserve for unplanned expenditures.

22. Question: Page C-35 *GFAR* Please explain why the GFAR Fund Balance has increased 40% from \$12,400,872 in FY 20 to an estimate of \$17,462,275 in FY 24?

Answer: Prior Year Actual Fund Balances reflect the actual capital projects completed. FY 2022/23 estimates do not include carry forward activities. Actual fund balances will be determined at the close of the fiscal year. Additional funding programmed that the Capital Program but not fully expended on the project will contribute to the increased fund balances. One of the additional sources was the \$2.9 million ARPA.

23. Question: PageC-36 *Patrol* Please explain the decrease of \$2,927,088 in FY 24 revenue from FY 23 estimate patrol revenue

Answer: The primary driver of the decrease is hat the ARPA revenue will be fully recognized for public safety services in FY 2022/23.

24. Question: Page C-40 *ARPA Spending* Please provide the detail behind the FY 23 estimated ARPA spending of \$4,034,893. As of the end of April, how much has actually been spent? Under GAAP, funding should be reported as unearned revenue until eligible costs have been incurred. No expenditure under the revenue loss standard allowance

Answer: Please refer to the answers above. Staff is tracking the \$7.2 million spending for the Council's Priorities for the use of the funding. The ARPA Federal Proceeds will be fully spent for public safety expenditures under loss revenue categorized following the Treasury guideline.

For tracking purposes, staff anticipates that all items earmarked by Council on Parklets, Rent Waivers, CUP/ADA Fee waivers, Destination Marketing, K-Rails, Direct Grants, and Enhanced Senior Services up to FY 2022/23 will be spent or transferred to the Capital Program by the end of FY 2022/23 as shown in page C-40. The total of those items is \$5.5 million, deducting FY 2020/21 (\$ 0.2 million), and FY 2021/22 (\$1.3 million) spending will result in \$4 million as detailed on page C-40.

25. Question: PageC-41 *ARPA Capital Spending* Why were these projects identified as the best use of ARPA funds?

Answer: These projects were established by prior Council actions. Please refer to page C-41 and to the Proposed Capital Improvement Plan

26. Question: PageC-42 *Market Rate* Is the \$3.70 market rate per sq. ft. per month validated by actual FMV transactions for like property leases in LG?

Answer: The market rate per square foot is determined by the corresponding agreements, please see page C-42.

27. Question: PageC-43-C-44 *Impact Fees* When the impact fee is paid, where is the money recorded? Is it recorded as a deposit? When is the money recognized as revenue?

Answer: The Traffic Mitigation Impact Fee is recognized in a deposit account and the revenue is recognized when qualifying expenditures occur. Traffic Impact Fee recognized directly to the Annual Street Repair and Resurfacing Program (see page C-5 of the Proposed Capital Improvement Plan).

28. Question: Page C-50 *Overtime* How much was paid in overtime in FY 22 and FY 23? How much is budgeted for FY 24? Please explain "the departments absorb the additional overtime expenses from anticipated salary savings". How much anticipated salary savings is budgeted in FY 24?

Answer: Please refer to page C-50 regarding the FY2023/24 budgeted overtime. The FY 2021/22 overtime was \$1.1 million. The FY 2022/23 estimated overtime is \$1.6 million due to vacancies, protected leaves, and current storm activities. Staff fully fund all vacant positions and there is no anticipated salary savings is budgeted.

29. Question: PageC-51 *Workers Comp* The balance of the Workers Comp Fund at the end of FY 24 is \$56,696. Why is Staff comfortable with this low balance? In FY 22 the balance was \$1,295,185. This suggests that the Internal Service Charge for Worker's Comp does not reflect true loss experience.

Answer: Please refer to D-181.

30. Question: PageD-13 *Operating Expense* Why has operating expenditures increased from approximately \$30,000 per year to a FY 24 budget of \$275,856?

Answer: The increase is attributable to increased outside legal consulting services needed.

31. Question: Page D-18 *Operating Expense* How was the operating expense for the liability self-insurance program determined? As mentioned above, the fund balance is abnormally low.

Answer: Please refer to page D-17 third paragraph.

32. Question: Page D-77 *Unfunded Pension* In what revenue line on C-24 is the \$390,000 recorded?

Answer: The \$390,000 is recorded under other sources.

33. Question: Page D-78 *Other Sources* Please provide a detail breakout of the \$1,801,830. Why has this increased from \$513,418?

Answer: Non-Departmental Other Sources includes credit card merchant fees, OPEB Trust Withdrawal, and ARPA tracking pass-through revenues. The significant decrease is because FY 2022/23 estimated revenue does not include an OPEB Trust withdrawal.

34. Question: Page D-78 *Pass Throughs* Please provide a detail breakout of \$1,971,600. Why has this decreased from \$4,034,893?

Answer: Please refer to FAQs published on April 26, 2023.

35. Question: Page D-78 *BMP in-lieu Fees* What is the current balance of the BMP in-lieu deposits held by the Town?

Answer: The Town Monthly Financial and Investment Report (Page 7) includes the estimated Below Market Housing (BMP) deposit account balance. The most recent report was presented to the Finance Commission on April 17, 2023, under Item 2, and to the Town Council on April 18, 2023, under Item 7. The reports are also listed on the Town website at the following link:

<https://www.losgatosca.gov/2401/Monthly-Financial-and-Investment-Reports>

The estimated BMP deposit account balance was \$3,698,538 as of February 28, 2023.

36. Question: Page D-119 *General Plan Fees* What is the current balance of General Plan Fees deposits held by the Town?

Answer: The Town Monthly Financial and Investment Report (Page 7) includes the estimated General Plan Update deposit account balance. The most recent report was presented to the Finance Commission on April 17, 2023, under Item 2, and to the Town Council on April 18, 2023. The reports are also listed on the Town website at the following link: <https://www.losgatosca.gov/2401/Monthly-Financial-and-Investment-Reports>

The estimated General Plan Update deposit account balance was \$933,628 as of February 28, 2023.

37. Question: PageD-129 *Other Revenues* Why has the FY 24 budget decreased from \$3,673,313?

Answer: Please refer to the answer to Question 23.

38. Question: PageD-280 *Total Revenues* Where is the FY 24 lease payment to the Town from the Friends of Library bookstore recorded?

Answer: The Friends of the Library lease and utility payment are recorded in the Facilities Maintenance Program.

Responses to Question 39 through Question 42 will be posted as FAQs on Wednesday, May 3, 2023.

39. Question: What is the budgeted total capital outlay (as defined by GAAP) planned for FY 24? The transmittal letter and schedule B-4 shows \$37,771,823 as the FY 24 Capital Plan. However, that does not reflect what is planned to be spent as capital outlays in FY 24. On schedule C-33 in the Operating Plan capital expenditures are shown as \$10,125,131. But that looks like the total of new funding being requested for all projects and not a budget for FY 24 capital outlay. Where can I find for FY 24 the planned capital outlay (eg cash disbursement) for each capital project? Is there a robust capital project tracking and reporting mechanism in place which can show actual cash vs the budget and provide percentage of completion status in place?

40. Question: On schedule B-5 Project 9901 is shows an estimated carryforward of \$4,748,250 for FY 24 and a total Budgeted of \$45,569,868. On schedule C-5 the carryforward is shown as \$4,928,250 and total Budgeted as \$48,266,496 – which is almost \$3m more. Which is correct? Please also provide additional information regarding the Footnote comment on C-5 regarding “making it challenging to clearly define the annual spending”? Why is it challenging?

41. Question: Since FY 20 the total annual budget for Project 9901 has increased from \$5,969,299 to \$8,352,226. Why has this happened? Has the scope of work expanded by 40% or has the cost materially increased? Can the Town spend wisely \$8,352,226 in a year? Are the projects clearly outlined for the \$8,352,226 programmed? Frankly this doesn't look right.

42. Question: Why don't the detail project descriptions for each project include necessary information to help the TC under the entirety of the current state of the capital project? For instance, the project summary could include the following – date project was first approved, first approved budget, first completion date estimate, current completion status based on engineering estimates, total spent to date on project and estimate to spend to complete. A good example of where this information would be useful would be for project 813-0227 Traffic Signal Modernization. That project was first opened in FY 17 for a total project cost of \$1,685,790 and a target completion date of Spring 2017. Target completion date is now Summer of 2023 with a target cost of \$2,622,973. The project detail provides no explanation as to why the project is 6 years late and \$1 million more in estimated cost. This would be helpful to understand.

39. Question: What is the budgeted total capital outlay (as defined by GAAP) planned for FY 24? The transmittal letter and schedule B-4 shows \$37,771,823 as the FY 24 Capital Plan. However, that does not reflect what is planned to be spent as capital outlays in FY 24. On schedule C-33 in the Operating Plan capital expenditures are shown as \$10,125,131. But that looks like the total of new funding being requested for all projects and not a budget for FY 24 capital outlay. Where can I find for FY 24 the planned capital outlay (eg cash disbursement) for each capital project? Is there a robust capital project tracking and reporting mechanism in place which can show actual cash vs the budget and provide percentage of completion status in place?

Answer: The Proposed Capital Improvement Budget provides detailed information about the projects, including new funding and the estimated carryforward items. The Transmittal Letter (pages A-1 – A-11) and the Financial Summaries (pages B-1 – B-23) provide multiple schedules listing the projects by category and funding sources. Each project has a detailed description with an estimated timeline. The schedule on page C-33 presents the new projects but not the carryforward items.

40. Question: On schedule B-5 Project 9901 is shows an estimated carryforward of \$4,748,250 for FY 24 and a total Budgeted of \$45,569,868. On schedule C-5 the carryforward is shown as \$4,928,250 and total Budgeted as \$48,266,496 – which is almost \$3m more. Which is correct? Please also provide additional information regarding the Footnote comment on C-5 regarding “making it challenging to clearly define the annual spending”? Why is it challenging?

Answer: The Street Repair and Resurfacing Project (9901) and the Pavement Rehab-Crack Seal Project (9903) are presented as a combined project on page C-5. This project is managed as a whole. A separate project is set up for tracking purposes, since the Valley Transportation Agency requires the Town to post interest to the Pavement Rehab-Crack Seal 2010 Measure B proceeds. Combining the two projects yields a total project cost of \$48,266,496. The overall actual spending by Fiscal Year is tracked in the Town’s internal financial system. Generally, capital project expenditures occur in multiple fiscal years and setting up separate project numbers for FY 2023/24, FY 2024/25, and FY 2025/26 will enable the Department to better track the annual program. Once the FY 2023/24 project is completed, the project will be closed and the leftover balance will be available for the FY 2024/25 identified street list.

41. Question: Since FY 20 the total annual budget for Project 9901 has increased from \$5,969,299 to \$8,352,226. Why has this happened? Has the scope of work expanded by 40% or has the cost materially increased? Can the Town spend wisely \$8,352,226 in a year? Are the projects clearly outlined for the \$8,352,226 programmed? Frankly this doesn’t look right.

Answer: The ongoing annual new funding to the Street Repair and Resurfacing Program (9901 and 9903) is approximately \$3.4 million (mostly from revenue sources that are restricted to streets). The carryforward amount is estimated at the time of the preparation of the Proposed Budget document, and the actual carryforward number will be determined at the close of the fiscal year.

42. Question: Why don’t the detail project descriptions for each project include necessary information to help the TC under the entirety of the current state of the capital project? For instance, the project summary could include the following – date project was first approved, first approved budget, first completion date estimate, current completion status based on engineering estimates, total spent to date on project and estimate to spend to complete. A good example of where this information would be

useful would be for project 813-0227 Traffic Signal Modernization. That project was first opened in FY 17 for a total project cost of \$1,685,790 and a target completion date of Spring 2017. Target completion date is now Summer of 2023 with a target cost of \$2,622,973. The project detail provides no explanation as to why the project is 6 years late and \$1 million more in estimated cost. This would be helpful to understand.

Answer: As it was introduced at the April 17, 2023 Finance Commission meeting, staff prepared an updated schedule going forward for new projects addressing the Finance Commission and Council budget direction. Please refer to an example on page D-29.

Staff continues to review the proposed budget documents for errors and typos. The following correction were made on the posted document on the Town's website on 4/18/2023:

Proposed Operating & Capital Summary Budget FY 2023/24

Page A – 7 – Update 5- Year Forecast: FY 2023/24 Proposed Budget Column: Operating Expenditure \$9.5 million to \$8.9 million; and Capital Transfer Out to GFAR from \$1 million to \$1.6 million (total expenditure did not change)

Page C – 30 – Update chart to include the correct heather for General Fund balance as of June 30, 2023 and the Estimated General Fund Balance as of June 30, 2024.

The following correction were made on the posted document on the Town's website on 4/21/2023:

Proposed Operating & Capital Summary Budget FY 2023/24

Page A – 16 – Update chart header from FY 2022/23 Authorized/Funded Town Staff Position to FY 2023/24 Authorized/Funded Town Staff Position.

The following correction were made on the posted document on the Town's website on 4/25/2023 based on a Commissioner comment.

Proposed Operating & Capital Summary Budget FY 2023/24

Page D – 76 – Update the OPEB Trust withdrawal amount from \$1,609,200 to \$1,608,226.

The following correction were made on the posted document on the Town's website on 4/26/2023 based on a Commissioner comment.

Proposed Operating & Capital Summary Budget FY 2023/24

Page C – 26 – Update "The FY 2023/24 salaries and benefits increased by 2.6% when compared to the FY 2023/24 adjusted budget, and 8.8% compared to the FY 2022/23 estimates." To "The FY 2023/24 salaries and benefits increased by 2.6% when compared to the FY 2022/23 adjusted budget, and 8.8% compared to the FY 2022/23 estimates."

Page C – 27 – Update Los Altos Population number from 8,400 to 31,190. Los Altos per capita numbers are updated in the table.

The following correction were made on the posted document on the Town's website on 5/2/2023 based on a Commissioner comment.

Proposed Operating & Capital Summary Budget FY 2023/24

Page C – 24 – Update remove extra word “million”. The sentence should read as follows: “FY 2023/24 General Fund revenues (excluding debt payments, restricted pension trust activity, OPEB Trust withdrawals, and fund transfers in) expected to decrease by \$83K to \$51.3 million from prior year estimated revenues.”

From: Phil Koen [REDACTED]
Sent: Tuesday, May 2, 2023 6:11 AM
To: Gitta Ungvari; Laurel Prevetti; Wendy Wood
Cc: Rick Tinsley; Rob Rennie; Maria Ristow
Subject: Recommendation for FY 24 budget adjustment
Attachments: excess-ERAF-distribution-cities-estimate-FY23-24.pdf

[EXTERNAL SENDER]

Gitta,

Since this report has been published by the County of Santa Clara County and is available to the public, I recommend that the \$2.2m estimated ERAF funds be included in the FY 24 budget. If the County was concerned about the lawsuit, why would they publish for public consumption this estimate? Based on this, the current FY 24 estimate of \$1.6m in my opinion is overly conservative and should be adjusted.

I intend to make a motion at the next FC meeting to adjust the FY 24 budget to reflect the county's most current ERAF estimate of \$2.2m

Thank you

Phil

<https://controller.sccgov.org/sites/g/files/exjcpb511/files/2023-03/excess-ERAF-distribution-cities-estimate-FY23-24.pdf>

Preliminary FY2023-24 Excess ERAF Distribution Estimates
[Based on February 2023 preliminary reports, subject to change]

FY2023-24 Distribution Preliminary Estimates	
	(rounded to \$ '000)
CITIES:	
Campbell	\$ 1,915,000
- Campbell Municipal Lighting District	95,000
Cupertino	911,000
Gilroy	1,780,000
Los Altos	3,408,000
Los Altos Hills	500,000
Los Gatos	2,203,000
Milpitas	3,618,000
Monte Sereno	46,000
- Loma Serena Municipal Lighting District *	-
Morgan Hill	2,169,000
Mountain View	7,993,000
- Mountain View Parking District No. 02	94,000
Palo Alto	6,079,000
San Jose	36,023,000
- San Jose Maintenance District No. 01	20,000
Santa Clara	5,367,000
Saratoga	863,000
- Fredericksburg Drive Parking District *	-
- Greenbriar Parking District *	-
- Manor Drive Parking District *	-
Sunnyvale	10,564,000
Total Cities	\$ 83,648,000

* Estimated distribution of less than \$500 rounded to \$0.

Gitta Ungvari

From: Phil Koen [REDACTED]
Sent: Tuesday, May 2, 2023 6:23 AM
To: Gitta Ungvari; Laurel Prevetti; Wendy Wood
Cc: Rick Tinsley; Rob Rennie; Maria Ristow
Subject: FY 23 financials
Attachments: excess-ERAF-distribution-cities-FY2022-23.pdf

[EXTERNAL SENDER]

Gitta,

Based on the County's latest published estimate it appears that the Town will be receiving in June \$2,298,691 in excess ERAF. Based on what we heard last night at the FC meeting, the FY 23 estimate has only \$1.5m for these funds.

I recommend the Town revise the current FY 23 estimate to reflect the most up to date forecast from the County. This means, assuming no other changes, the FY 23 surplus will be approximately \$2.4m and not the \$1.6m currently reflected in the FY 24 budget.

Phil
<https://controller.sccgov.org/sites/g/files/exjcpb511/files/2023-03/excess-ERAF-distribution-cities-FY2022-23.pdf>

FY2022-23 Excess ERAF Distribution - March 2023 Update
Distribution Date: June 27, 2023

FY2022-23 Distribution		
CITIES:		
Campbell	\$	2,005,664.33
- Campbell Municipal Lighting District		98,990.49
Cupertino		953,962.59
Gilroy		1,871,157.64
Los Altos		3,530,662.49
Los Altos Hills		525,787.41
Los Gatos		2,298,691.60
Milpitas		3,804,717.59
Monte Sereno		47,041.50
- Loma Serena Municipal Lighting District		89.16
Morgan Hill		2,264,038.19
Mountain View		8,156,584.26
- Mountain View Parking District No. 02		101,137.89
Palo Alto		6,437,661.07
San Jose		37,741,163.65
- San Jose Maintenance District No. 01		21,232.66
Santa Clara		5,502,524.94
Saratoga		904,173.49
- Fredericksburg Drive Parking District		79.94
- Greenbriar Parking District		390.18
- Manor Drive Parking District		194.97
Sunnyvale		10,947,209.19
Total Cities	\$	87,213,155.23

From: Phil Koen [REDACTED]
Sent: Tuesday, May 2, 2023 7:51 AM
To: Gitta Ungvari; Laurel Prevetti; Wendy Wood
Cc: Rick Tinsley; Rob Rennie; Maria Ristow
Subject: Recommendation to correct error
Attachments: Pages from FY-2023-2024-Proposed-Operating-Budget - corrected April 20 (2)(1).pdf; Pages from FY-2023-2024-Proposed-CIP-Budget - corrected.pdf

[EXTERNAL SENDER]

Gitta,

As we discussed at the FC meeting, the 1/2 allocation of Measure G Sales Tax is not properly reflected in the General Fund FY 24 budget. As you can see on the schedule of interfund transfers on C-31 attached, only \$1,615,000 is being transferred from the General Fund to the GFAR. The 1/2 allocation of Measure G sales tax is not reflected as a transfer to the GFAR.

However, on schedule B-10 in the Capital Budget, you can see \$638,273 is recorded as a transfer in from the General Fund to the GFAR.

To correct the mistake, I believe you need to increase the transfer out of the General Fund by the \$638,273. I suspect that the budget has incorrectly reflected this transfer as an "operating expense".

At the next FC meeting I intend to make a recommendation to correct this error.

Thank you.

Phil

SCHEDULE OF INTERFUND TRANSFERS
FISCAL YEAR 2022/23 & 2023/24

Fund Description	Estimated		Proposed Budget	
	2022/23	2022/23	2023/24	2023/24
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Funds				
General Fund	\$ 538,536	\$ 2,987,359	\$ 538,536	\$ 1,615,000
Special Revenue Funds				
Urban Run-Off Program	-	-	-	-
Landscape & Lighting Districts				
Blackwell District	-	460	-	460
Kennedy Meadows District	-	1,510	-	1,510
Gemini Court District	-	610	-	610
Santa Rosa Heights District	-	660	-	660
Vasona Heights District	-	1,430	-	1,430
Hillbrook District	-	250	-	250
Internal Service Funds				
Liability Self Insurance-Fund	-	-	-	-
Worker's Comp Self Insurance	-	-	-	-
Information Technology	-	733,000	-	-
Equipment Fund	-	-	-	-
Facilities Maintenance Fund	-	-	-	-
Capital Project Funds				
GFAR	3,720,359	417,616	1,615,000	417,616
Grant Funded CIP Projects	-	-	-	-
Storm Drain #1	-	-	-	-
Storm Drain #2	-	-	-	-
Storm Drain #3	-	-	-	-
Traffic Mitigation	-	10,000	-	10,000
Construction Utility Underground	-	-	-	-
Gas Tax - Street & Signal	-	106,000	-	106,000
Total Transfers	\$ 4,258,895	\$ 4,258,895	\$ 2,153,536	\$ 2,153,536

where is the 1/2 Measure of funds of \$638,273?

Financial Summaries

GENERAL FUND APPROPRIATED RESERVES (GFAR)

STATEMENT OF SOURCE AND USE OF FUNDS

SOURCE OF FUNDS	Adjusted Budget 2022/23	Estimated 2022/23	Budget & Carryfwd 2023/24	Proposed 2024/25	Proposed 2025/26	Proposed 2026/27	Proposed 2027/2028
Beginning Fund Balance							
Restricted - VTA Vehicle Registration Fees	296,598	-	296,598	296,598	296,598	296,598	296,598
Assigned - Open Space Trail	152,000	-	152,000	152,000	152,000	152,000	152,000
Assigned - Comcast PEG	50,000	-	50,000	50,000	50,000	50,000	50,000
Assigned - Measure G District Tax	1,769,057	-	2,406,415	638,273	1,292,274	1,164,370	1,053,809
Assigned - Downtown Parking (Tesla Charging Stations)	100,000	-	196,000	292,000	388,000	484,000	580,000
Assigned - ARPA \$2.9M	-	-	1,470,000	275,000	37,500	-	-
Unrestricted	12,416,133	14,783,788	14,442,944	262,763	240,147	242,531	209,915
Total Beginning Fund Balance	\$ 14,783,788	\$ 14,783,788	\$ 19,013,957	\$ 1,966,634	\$ 2,456,520	\$ 2,389,499	\$ 2,342,322
Revenues							
Construction Impact Fees	\$ 110,000	\$ 71,267	\$ 110,000	\$ 110,000	\$ 110,000	\$ 110,000	\$ 110,000
Refuse Vehicle Road Impact Fee	871,800	365,992	871,800	871,800	871,800	871,800	871,800
Tesla Charging Stations	96,000	96,000	96,000	96,000	96,000	96,000	96,000
Shannon Road Repair	1,565,000	1,565,000	-	-	-	-	-
Street Repair & Resurfacing - 2016 Measure B Funding	1,824,346	1,335,576	1,069,432	-	-	-	-
Street Repair & Resurfacing - Slurry Seal	-	2,113	-	-	-	-	-
Street Repair & Resurfacing - San Jose Water Company	143,713	143,713	-	580,633	580,633	580,633	580,633
Street Repair & Resurfacing - West Valley Sanitation District	55,545	55,545	-	-	-	-	-
Pavement Rehab Crack & Seal - Measure B Funding	180,000	190,649	180,000	180,000	180,000	180,000	180,000
Traffic Calming - Developer Contributions	10,000	-	-	-	-	-	-
Downtown Revitalization (COVID19 Income Replacement)	192,917	-	442,917	-	-	-	-
Curb, Gutter, & Sidewalk - Developer Contributions	10,000	5,320	10,000	10,000	10,000	10,000	10,000
Library Lobby Sound Mitigation	20,755	-	20,755	-	-	-	-
Enterprise Resource Planning Upgrade	33,000	33,000	-	-	-	-	-
VMT Mitigation Program	199,695	-	199,695	-	-	-	-
Charter Oaks Trail Improvement	350,000	-	350,000	-	-	-	-
Operating Transfers In							
From General Fund	2,350,000	2,350,000	1,615,000	1,110,000	1,110,000	1,110,000	1,110,000
From Measure G District Sale Tax	656,978	637,359	638,273	654,002	672,096	689,439	706,032
From IT Fund	700,000	700,000	-	-	-	-	-
From ARPA Fund	2,900,000	2,900,000	-	-	-	-	-
Total Revenues	\$ 12,269,749	\$ 10,451,534	\$ 5,603,872	\$ 3,612,435	\$ 3,630,529	\$ 3,647,872	\$ 3,664,465
TOTAL SOURCE OF FUNDS	\$ 27,053,537	\$ 25,235,322	\$ 24,617,828	\$ 5,579,069	\$ 6,087,048	\$ 6,037,371	\$ 6,006,787

2,253,273
 1,110,000
 1,143,273
 Total in

From: Phil Koen [REDACTED]
Sent: Tuesday, May 2, 2023 8:12 AM
To: Gitta Ungvari; Laurel Prevetti
Cc: Rick Tinsley; Rob Rennie; Maria Ristow
Subject: Recommendation to adjust the budget for self insurance rates to reflect the true loss history
Attachments: Pages from FY-2023-2024-Proposed-Operating-Budget - corrected April 20 (2)(2).pdf

[EXTERNAL SENDER]

Gitta,

Unfortunately, we did not have an opportunity to discuss the budget for Liability Insurance Fund. On D-17 the Staff states that the fund balance for this Program is very low. In fact, it is projected to be only \$12,962 at the end of FY 24. That is down from a fund balance of \$1,290,615 as of the end of FY 20. That is a major concern since the fund is essentially depleted.

This only happens because the actual historical loss experience is not properly reflected in the self-insurance rates being charged to departments through the Internal Service Fund. For example, the FY 24 budget is reflecting an increase in operating expenditures (which presumably is driven by historical loss experience) to \$1,161,313 while the revenue for the program through internal service charges is only \$779,025. This results in the fund balance being drawn down to an unsustainable level.

At the next Finance Committee meeting I intend to make a motion to increase the self-insurance rates to a level which will provide sufficient service charge revenue to the Liability Self-Insurance Program to keep the FY 24 balance at the same level as FY 22 actual balance. By my calculations that will result in a \$800,000 increase in the General Fund internal service charges. The good news, that this increase will be substantially offset by the adjustment in ERAF funds.

To ignore this is to create another unfunded liability that the Town will have to address. Why wait? The operating departments need to be charged the true cost of self-insurance and there needs to be an active process to manage these claims.

Phil

Town Attorney

LIABILITY SELF-INSURANCE FUND PROGRAM 1302

FUND PURPOSE

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

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

BUDGET OVERVIEW

The Self-Insurance Program is funded through departmental charges based on established assessment rates per labor dollar expended. Due to increased premium costs experienced in this insurance pool, the Town's service charge to all Departments doubled. The Town has a very low fund balance for this Program. To meet the possibility of a future claim, departmental service charges will likely continue to rise. Staff is evaluating and monitoring the performance of the PLAN.

TOWN ATTORNEY Liability Self-Insurance Program

STATEMENT OF SOURCE AND USE OF FUNDS

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Proposed
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	1,313,305	1,290,615	1,021,083	803,293	803,293	395,251
Total Beginning Fund Balance	1,313,305	1,290,615	1,021,083	803,293	803,293	395,251
Revenues						
<i>Service Charge</i>	\$ 378,133	\$ 376,963	\$ 366,134	\$ 429,249	\$ 419,197	\$ 779,024
<i>Interest</i>	-	-	-	-	-	-
<i>Intergovernmental Revenues</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	\$ 378,133	\$ 376,963	\$ 366,134	\$ 429,249	\$ 419,197	\$ 779,024
TRANSFERS IN						
<i>Transfer from Equipment Replacement</i>	\$ -	\$ -	\$ -	\$ -	\$ -	-
TOTAL TRANSFERS IN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES & TRANSFERS	378,133	376,963	366,134	429,249	419,197	779,024
TOTAL SOURCE OF FUNDS	\$ 1,691,438	\$ 1,667,578	\$ 1,387,217	\$ 1,232,542	\$ 1,222,490	\$ 1,174,275
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	400,823	646,495	583,924	846,940	827,239	1,161,313
<i>Fixed Assets</i>	-	-	-	-	-	-
<i>Internal Service Charges</i>	-	-	-	-	-	-
Total Expenditures	\$ 400,823	\$ 646,495	\$ 583,924	\$ 846,940	\$ 827,239	\$ 1,161,313
Transfers Out						
<i>Transfer to Grant Fund</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	\$ 400,823	\$ 646,495	\$ 583,924	\$ 846,940	\$ 827,239	\$ 1,161,313
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	1,290,615	1,021,083	803,293	385,602	395,251	12,962
Total Ending Fund Balance	1,290,615	1,021,083	803,293	385,602	395,251	12,962
TOTAL USE OF FUNDS	\$ 1,691,438	\$ 1,667,578	\$ 1,387,217	\$ 1,232,542	\$ 1,222,490	\$ 1,174,275

This makes no sense

TOWN ATTORNEY
Liability Self-Insurance Program

FY 2023/24 KEY PROJECTS

Core Goals	Key Projects
<i>Good Governance</i> Ensure responsive, accountable and collaborate government	<i>Premium Management</i> <ul style="list-style-type: none"> • Proactively work with defense council as needed. • Advise departments on recommended insurance requirements and surety bonds.

KEY PROGRAM SERVICES

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

From: Phil Koen [REDACTED]
Sent: Tuesday, May 2, 2023 1:31 PM
To: Gitta Ungvari; Laurel Prevetti; Wendy Wood
Cc: Rick Tinsley; Rob Rennie; Maria Ristow
Subject: Motion to Establish an Unassigned Fund balance for the FY 23 General Fund
Attachments: Pages from FY-2023-2024-Proposed-Operating-Budget - corrected April 20 (2)(3).pdf; Pages from Pages from MEET-Packet-abf677cbd51e46968278b51875277ca2(1)(1)(2).pdf; Summary - Statement No. 54.pdf; Pages from 02._Attach_A_-_ACFR(4).pdf

[EXTERNAL SENDER]

Gitta,

At the next Finance Commission meeting, I intend to make a motion to establish a \$1.0 m Unassigned Fund Balance in the General Fund Balance as of year-end FY 23.

I have attached several documents which hopefully will provide context to this motion. The documents are:

1. Fund Balance – 5-year Comparison taken from the current FY 24 Operating Plan (schedule C-34 and C-35)
2. The GASB 54 Resolution for 2022 which is an example of the resolution necessary to establish an unassigned fund balance for FY 23
3. A write up from GASB which summarizes GASB 54 which is the controlling accounting rules for reporting fund balance classifications.
4. The City of Saratoga’s audited balance sheet for FY 22 which shows the City has an unassigned fund balance totaling \$2.5m

The compelling reason for the Town to establish an unassigned fund balance is to provide a “shock absorber” for unplanned expenses which require funding from the General Fund Balance. Additionally, by creating an unassigned fund balance it will improve the financial reporting by providing a fund balance category which will be more easily understood by the public.

Currently the Town does not have an unassigned fund balance. Rather the Town has segregated the General Fund Balance into 3 fund classifications – namely restricted, committed and assigned. The difference between these three classifications hinges on the relative strength of the constraints that control how specific amounts can be spent. Restricted fund balances are controlled by enabling legislation or external service providers such as a lender. Committed fund balances are used only for specific purposes and are under the control of the Town Council. These funds can be used only through a formal action taken by the Town Council. Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed and are controlled by the Town Manager.

Currently when the Town Council authorizes an unbudgeted expenditure, the funding source for this expenditure must be identified. As an example, if the Town Council authorized a pay increase for the Town Manager, the funding for this pay increase has historically been drawn from the Capital/Special Projects fund balance. This is inappropriate since that fund balance classification was established to pay for capital/special projects and not salary increases. But since the Town does not have an unassigned classification, the town must tap the assigned classification.

If the Town established an unassigned fund balance, the Town could easily use this as a source of funds. Furthermore, everyone would be aware that there was funding available for unplanned expenditures. This will also provide some relief in the budgeting process because the Town Council will know there is a “shock absorber” available for unplanned events.

Most local jurisdictions, such as Saratoga, have established an unassigned fund balance. In fact, as recently as FY 2015 the Town had an unassigned fund balance classification totaling \$2.0m. For some reason after FY 2015 this classification was eliminated.

The process to establish an unassigned balance is by adopting a formal GASB 54 resolution which must be in place prior to the end of the fiscal year. This means that the GASB 54 resolution for FY 23 must be written to include specific instructions to create the unassigned fund balance. Since it is highly likely that the Town will have at least a \$2.5m surplus of revenues over expenditures in FY 23, there should be sufficient funds available to establish a \$1m unassigned fund balance classification.

I look forward to you supporting this recommendation.

Phil

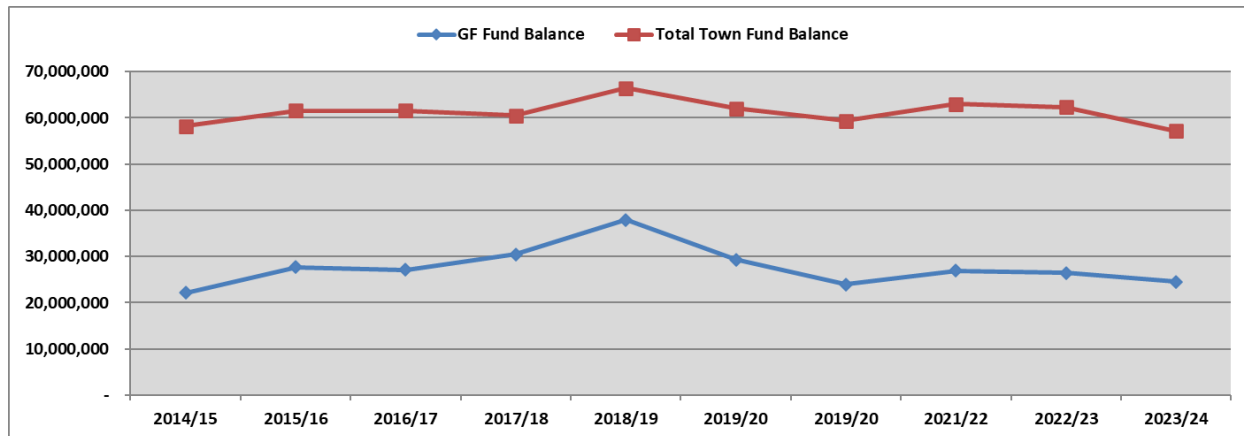
FUND BALANCE RESERVES

5 YEAR COMPARATIVE BALANCES

Fund Balance Reserves	6/30/2020 Actual YE Balance	6/30/2021 Actual YE Balance	6/30/2022 Actual YE Balance	6/30/2023 Estimated YE Balance	6/30/2024 Budgeted YE Balance
GENERAL FUND					
Restricted Fund Balances					
Pension	\$ 669,978	\$ -	\$ 690,000	\$ 1,380,000	\$ 1,770,000
Unreserved Fund Balances					
Undesignated Reserves					
Available to be Appropriated	-	-	-	-	-
Committed to:					
Budget Stabilization Reserve	5,427,603	5,460,485	5,991,566	6,337,731	6,337,731
Catastrophic Reserves	5,427,603	5,460,485	5,991,566	6,337,731	6,337,731
Pension/OPEB Reserve	4,532,500	300,000	300,000	300,000	300,000
Measure G District Sales Tax - Operating	-	-	-	590,581	590,581
Assigned to:					
Open Space Reserve	410,000	410,000	410,000	410,000	410,000
Sustainability	140,553	140,553	140,553	140,553	140,553
Strategic Planning Reserve	-	-	-	-	-
Capital/Special Projects	8,787,958	6,965,356	11,071,231	7,604,432	5,989,432
Authorized Carryforwards	-	-	33,145	33,145	33,145
Compensated Absences*	1,539,408	1,649,917	1,519,147	1,519,147	1,519,147
To Workers Comp	-	-	-	-	-
Market Fluctuations	1,218,732	438,333	-	-	-
Measure G District Sales Tax - Op/Cap	1,181,162	1,730,490	590,581	-	-
Stores and Vehicle Maintenance	-	-	-	-	-
Surplus Property Reserve	-	1,200,000	-	-	-
Rehab Loan (Nonspendable)	-	159,000	159,000	159,000	159,000
Council Priorities - Economic Recovery	-	-	-	1,645,281	899,281
Total General Fund Reserves*	\$ 29,335,497	\$ 23,914,619	\$ 26,896,789	\$ 26,457,601	\$ 24,486,601
SPECIAL REVENUE FUNDS					
Housing Conservation Program	\$ 177,240	\$ 177,241	\$ 177,241	\$ 177,241	\$ 177,241
Community Dev Block Grant	(10,587)	(10,587)	(10,587)	(10,587)	(10,587)
Urban Run-Off Source Fund	237,935	371,240	451,558	616,787	695,840
Blackwell Assessment District	13,776	14,085	13,740	13,506	13,272
Kennedy Assessment District	40,396	20,416	21,340	7,150	2,960
Gemini Assessment District	31,787	34,415	36,800	29,398	31,996
Santa Rosa Assessment District	50,785	45,970	40,708	22,371	14,034
Vasona Assessment District	32,180	34,727	37,510	28,083	28,656
Hillbrook Assessment District	21,326	22,743	24,138	10,274	11,410
ARPA	-	-	-	-	-
Los Gatos Theatre	-	-	19,500	32,086	60,486
Library Trust	60,333	81,598	82,062	58,873	53,873
Ness Trust Bequest	21,660	21,939	22,178	22,417	1,417
Betty McClendon Trust	87,487	88,005	88,260	88,214	88,214
Barbara J Cassin Trust	357,336	361,335	362,754	362,173	362,173
Total Special Revenue Funds Reserves	\$ 1,121,654	\$ 1,263,127	\$ 1,367,202	\$ 1,457,986	\$ 1,530,985

FUND BALANCE RESERVES 5 YEAR COMPARATIVE BALANCES

Fund Balance Reserves	6/30/2020 Actual YE Balance	6/30/2021 Actual YE Balance	6/30/2022 Actual YE Balance	6/30/2023 Estimated YE Balance	6/30/2024 Budgeted YE Balance
INTERNAL SERVICE FUNDS					
Liability Self-Insurance	\$ 1,290,614	\$ 1,021,083	\$ 803,292	\$ 395,250	12,961
Worker's Comp Self-Insurance	1,808,740	1,673,019	1,295,185	706,512	56,696
Information Technology	2,604,203	2,870,823	2,990,932	2,136,398	1,853,375
Equipment Replacement	1,925,053	1,889,536	2,222,395	1,582,113	1,711,830
Facilities Maintenance	102,469	156,340	928,481	947,235	947,237
Total Internal Service Funds Reserves	\$ 7,731,079	\$ 7,610,801	\$ 8,240,285	\$ 5,767,508	\$ 4,582,099
CAPITAL PROJECTS FUNDS					
GFAR	\$ 12,400,872	\$ 13,973,631	\$ 14,783,795	\$ 19,263,962	17,462,275
GFAR - Designated for Parking	1,460,210	1,460,210	-	-	-
Grant Funded CIP Projects	(343,705)	(699,245)	(948,603)	(2,980,232)	(2,980,232)
Storm Drain #1	1,034,521	1,078,286	1,168,025	1,198,112	1,048,102
Storm Drain #2	1,853,117	1,968,245	2,205,726	2,032,829	1,837,619
Storm Drain #3	(127,362)	(128,840)	(154,940)	(151,742)	(150,852)
Traffic Mitigation	348,661	381,319	405,570	395,570	385,570
Construction Tax-Undergrounding	3,118,173	3,201,311	3,302,514	3,385,331	3,430,521
Gas Tax	290,370	1,425,096	1,836,068	1,644,728	1,644,728
Total Capital Projects Funds Reserves	\$ 20,034,857	\$ 22,660,013	\$ 22,598,155	\$ 24,788,558	\$ 22,677,731
Successor Agency Trust of the Los Gatos RDA					
SA - Trust Fund (Budgetary Fund Balance)	\$ 3,875,208	\$ 3,881,357	\$ 3,892,454	\$ 3,903,403	\$ 3,914,046
Total Successor Agency Fund Reserves	\$ 3,875,208	\$ 3,881,357	\$ 3,892,454	\$ 3,903,403	\$ 3,914,046
TOTAL RESERVES	\$ 62,098,295	\$ 59,329,917	\$ 62,994,885	\$ 62,375,056	\$ 57,191,462



RESOLUTION 2022-**RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS
APPROVING COMMITMENTS OF FUND BALANCE UNDER GASB 54**

WHEREAS, the Governmental Accounting Standards Board (GASB) has issued its Statement No. 54, Fund Balance and Governmental Fund Type Definitions with the intent of improving financial reporting by providing fund balance categories that will be more easily understood and to improve the comparability of governmental fund financial statements; and

WHEREAS, GASB 54 provides that the Town Council of the Town of Los Gatos classify governmental fund balances as restricted, assigned, or committed fund balances; and

WHEREAS GASB 54 provides that restricted reserves are funds that are restricted for externally imposed constraints such as legal contracts or state law, assigned amounts are constrained by the Town's intent to use them for specific purposes, and committed amounts are dedicated for specific purposes under constraints and formal action taken by the Town Council and these committed amounts cannot be used for any other purposes unless the Town Council of the Town of Los Gatos removes or changes the specific use through the same formal action to establish the commitment; and

WHEREAS, there exists a Restricted General Fund Pension Reserve in the form of an IRS 115 Pension Trust; and

WHEREAS, there exists a balance of \$690,000 as of June 30, 2022 in the restricted Pension Reserve; and

WHEREAS, the Town Council of the Town of Los Gatos has established a General Fund Reserve Policy providing for minimum fund balance dollar target amounts for Budget Stabilization and Catastrophic Reserve fund balances and outlines policies and procedures for use and restoration of these balances; and

WHEREAS, there exists an assigned General Fund Compensated Absences Reserve allocated to fund 50% of all vested hours of sick leave, compensation, and vacation time with the actual reserve amount to be determined at the close of FY 2021/22; and

ATTACHMENT 2

WHEREAS, there exists an assigned Capital/Special Projects Reserve to fund key infrastructure and capital/special projects as identified in the Town's five-year Capital Improvement Plan, and/or other Council priorities; and

WHEREAS, there exists an assigned authorized Carry Forward Reserve for materials and services on approved purchase order and contracts which were issued but not finalized or fulfilled as of the end of the fiscal year but for which funds will be carried forward to the following fiscal year. Actual reserve balance will be established at the close of FY 2021/22; and

WHEREAS, in June 2016, the Town Council established the committed Pension/OPEB Reserve to provide funding toward pension and Other Post-Employment Benefits (OPEB) unfunded obligations by placing discretionary amounts to the reserve with formal Council action and transferring available year-end surpluses based on the General Fund Reserve Policy; and

WHEREAS, on November 6, 2018, the Town Council provided direction to establish an unassigned Surplus Property Revenue General Fund Reserve that any monies received from the sale of the property located on Winchester Boulevard and any monies received from the sale of future surplus property be placed in this reserve, and the provisions for the reserve specifically indicate that Council may, at its discretion, distribute those funds as it deems appropriate; and

WHEREAS, The Town Council established the assigned Sustainability Reserve in FY 2008/09 by closing the Solid Waste Management fund and placing the initial residual balance dedicated for conservation, recycling, and sustainability; and

WHEREAS, there exists an excess balance of \$140,553 as of June 30, 2022 in the assigned Sustainability Reserve; and

WHEREAS, there exists an assigned Market Fluctuation Reserve that represent fund balance amounts for unrealized investment gains that have been recorded as investment income in the financial statements in accordance with the requirements of GASB 31 in the amount of \$438,333, actual reserve balance will be established at the close of FY 2021/22; and

WHEREAS, there exists an assigned Measure G 2018 District Sales Tax Reserve to track receipt and use of the 1/8 cent district tax funds collected by the Town; and

WHEREAS, the Town Council has determined the use of Measure G accumulated and future proceeds to be 50% for operating expenditures and 50% for capital purposes; and

WHEREAS, the residual balance of \$679,443 that was set aside for operating purposes in FY 2020/21 and/or FY 2021/22 should be used for operating expenses in FY 2022/23; and

WHEREAS, the \$2,350,000 transfer from the Capital/Special Project Reserve to the General Fund Appropriated Reserve provides funding to the five-year capital plan; and

WHEREAS, \$2,900,000 of ARPA General Fund Reimbursement Revenue will transfer from the Capital/Special Project Reserve provides funding for capital project; and

WHEREAS, the Town Council established the assigned Open Space reserve in the FY 1998/99 to be used for the preservation of open space, connection of open space trails, the definition of the southern boundary of the Town with passive open space, and protection of unique natural features; and

WHEREAS, there exists an excess balance of \$410,000 as of June 30, 2022 in the assigned Open Space Reserve; and

WHEREAS, there exists a need for an assigned General Fund Reimbursement Revenue (ARPA) Reserve to collect the anticipated General Fund ARPA reimbursement proceeds less Council authorized use of these proceeds for pandemic response including economic recovery and business support, enhanced senior services, capital program augmentations, and other one-time uses, the estimated balance of which at June 30, 2022 balance is \$1,611,837, with the actual reserve balance being determined at the close of the FY 2021/22 fiscal year; and

WHEREAS, the General Fund Reimbursement Revenue (ARPA) Reserve is now established.

NOW, THEREFORE, THE TOWN COUNCIL OF THE TOWN OF LOS GATOS DOES HEREBY RESOLVE that the following estimated Pension, Budget Stabilization, Catastrophic, Pension/OPEB, Capital/Special Projects, Compensated Absences; Measure G District Sales Tax, Surplus Property Revenue, Market Fluctuations, Sustainability, Open Space, and ARPA Reserves as of June 30, 2022 and as of June 30, 2023 as restricted, assigned, unassigned or formally committed as follows:

	Actual General Fund Reserves June 30, 2021	FY 2021/22 Budget, GF Reserve Policy, and this Resolution Approved Increase	FY 2021/22 Budget, GF Reserve Policy, and this Resolution Approved (Decrease)	Estimated General Fund Reserves June 30, 2022	FY 2022/23 Budget Resolution Approved Increase	FY 2022/23 Budget Resolution Approved (Decrease)	Estimated General Fund Reserves June 30, 2023
Restricted Fund Balances							
Pension	\$ -	\$ 690,000	\$ -	\$ 690,000	\$ 390,000	\$ -	\$ 1,080,000
Committed Fund Balances							
Budget Stabilization	5,460,485	\$ 531,081	-	5,991,566	-	-	5,991,566
Catastrophic	5,460,485	531,081	-	5,991,566	-	-	5,991,566
Pension/OPEB	300,000	-	(300,000)	-	-	-	-
Assigned Fund Balances							
Capital/Special Projects	6,965,356	329,258	(1,612,162)	5,682,452	-	(2,350,000)	3,332,452
Compensated Absences	1,649,917	-	-	1,649,917	-	-	1,649,917
Open Space	410,000	-	-	410,000	-	-	410,000
Sustainability	140,553	-	-	140,553	-	-	140,553
Market Fluctuations	438,333	-	-	438,333	-	-	438,333
Measure G District Sale Tax	1,730,490	-	(1,051,047)	679,443	-	(679,443)	-
Carryover Encumbrances	-	-	-	-	-	-	-
Surplus Property Revenue Reserve	1,200,000	-	(1,200,000)	-	-	-	-
GF Reimbursement Revenue (ARPA)	-	1,611,837	-	1,611,837	-	-	1,611,837
Rehab Loan Reserve (Nonspendable)	159,000	-	-	159,000	-	-	159,000

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of

Los Gatos held on the 7th day of June 2022 by the following vote:

COUNCIL MEMBERS:

AYES:

NAYS:

ABSENT:

ABSTAIN:

SIGNED:

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____

ATTEST:

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

DATE: _____

AMERICAN RESCUE PLAN ACT (ARPA) SUMMARY WORKSHEET

	FY 2020/21	FY 2021/22	FY 2022/23	GRAND
		BUDGET ADJ.		
	ACTUALS	ACTUAL/ESTIMATED	ESTIMATED	TOTAL
ARPA FUNDS REVENUE RECOGNIZED	\$ 200,911	\$ 3,413,961	\$ 3,614,872	\$ 7,229,744
GOV SERVICES (WAIVERS,CUP&ADA,DIRECT GRANTS)	200,911			200,911
REVENUE LOSS -GOV SERVICES (PUBLIC SAFETY)		3,413,961	3,614,872	7,028,833
	\$ 200,911	\$ 3,413,961	\$ 3,614,872	\$ 7,229,744
GENERAL FUND ARPA REPLACEMENT REVENUES AVAILABLE	200,911	3,413,961	3,614,872	7,229,744
LESS APPROVED USES TO BE BUDGETED:				
PARKLETS (DOWNTOWN IMPVTS PROJECT)		680,000	250,000	930,000
RENT WAIVERS	121,255	341,452	283,756	746,463
CUP/ADA FEE WAIVERS	19,656	27,672	27,672	75,000
DESTINATION MARKETING		55,000		55,000
K-RAILS (DOWNTOWN IMPVTS PROJECT)		68,000		68,000
PROMENADES		80,000	120,000	200,000
DIRECT GRANTS	60,000	50,000		110,000
ENHANCED SENIOR SERVICES		500,000		500,000
CAPITAL IMPROVEMENT PROGRAM SUPPORT TRANSFERS			2,900,000	2,900,000
REQUIRED FOR GF BALANCING OF OPERATING REV_EXP	-		1,645,281	1,645,281
TOTAL ALLOCATIONS OF GENERAL FUND ARPA REPLACEMENT REVENUES	\$ 200,911	\$ 1,802,124	\$ 5,226,709	\$ 7,229,744
GENERAL FUND ARPA REPLACEMENT REVENUE UNCOMMITTED	\$ -	\$ 1,611,837	\$ (1,611,837)	\$ -

SUMMARY OF STATEMENT NO. 54



SUMMARIES / STATUS

SUMMARY OF STATEMENT NO. 54

FUND BALANCE REPORTING AND GOVERNMENTAL FUND TYPE DEFINITIONS

(ISSUED 02/09)

The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

The initial distinction that is made in reporting fund balance information is identifying amounts that are considered *nonspendable*, such as fund balance associated with inventories. This Statement also provides for additional classification as restricted, committed, assigned, and unassigned **based on the relative strength of the constraints that control how specific amounts can be spent.**

The *restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The *committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Amounts in the *assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. *Unassigned* fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned. Governments are required to disclose information about the processes through which constraints are imposed on amounts in the committed and assigned classifications.

Governments also are required to classify and report amounts in the appropriate fund balance classifications by applying their accounting policies that determine whether restricted, committed, assigned, and unassigned amounts are considered to have been spent. Disclosure of the policies in the notes to the financial statements is required.

This Statement also provides guidance for classifying stabilization amounts on the face of the balance sheet and requires disclosure of certain information about stabilization arrangements in the notes to the financial statements.

The definitions of the general fund, special revenue fund type, capital projects fund type, debt service fund type, and permanent fund type are clarified by the provisions in this Statement. Interpretations of certain terms within the definition of the special revenue fund type have been provided and, for some governments, those interpretations may affect the activities they choose to report in those funds. The capital projects fund type definition also was clarified for better alignment with the needs of preparers and users. Definitions of other governmental fund types also have been modified for clarity and consistency.

The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2011. Early implementation is encouraged. Fund balance reclassifications made to conform to the requirements of this Statement should be applied retroactively by restating fund balance for all prior periods.

STANDARDS & GUIDANCE

Pronouncements

Implementation Guides (Post-Statement 76)

GARS Online

presented.

How the Changes in This Statement Will Improve Financial Reporting

The requirements in this Statement will improve financial reporting by providing fund balance categories and classifications that will be more easily understood. Elimination of the *reserved* component of fund balance in favor of a *restricted* classification will enhance the consistency between information reported in the government-wide statements and information in the governmental fund financial statements and avoid confusion about the relationship between reserved fund balance and restricted net assets. The fund balance classification approach in this Statement will require governments to classify amounts consistently, regardless of the fund type or column in which they are presented. As a result, an amount cannot be classified as restricted in one fund but unrestricted in another. The fund balance disclosures will give users information necessary to understand the processes under which constraints are imposed upon the use of resources and how those constraints may be modified or eliminated. The clarifications of the governmental fund type definitions will reduce uncertainty about which resources can or should be reported in the respective fund types.

Unless otherwise specified, pronouncements of the GASB apply to financial reports of all state and local governmental entities, including general purpose governments; public benefit corporations and authorities; public employee retirement systems; and public utilities, hospitals and other healthcare providers, and colleges and universities. Paragraph 3 discusses the applicability of this Statement.



CITY OF SARATOGA
GOVERNMENTAL FUNDS – BALANCE SHEET
JUNE 30, 2022

Item 4.

	Major Funds			Other	Total
	General	ARPA SLFRF	Capital Improvement	Governmental Funds	Governmental Funds
ASSETS					
Cash and investments	\$ 19,909,470	3,520,970	\$ 7,787,341	\$ -	\$ 31,217,781
Restricted cash and investments	-	-	-	1,797,979	1,797,979
Receivables:					
Accounts	961,990	3,606,619	488,619	6,286	5,063,514
Prepaid Items	4,481	-	-	-	4,481
Total assets	\$ 20,875,941	\$ 7,127,589	\$ 8,275,960	\$ 1,804,265	\$ 38,083,755
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 843,748	\$ -	\$ 466,104	\$ 21,720	\$ 1,331,572
Accrued payroll and benefits	254,680	-	-	-	254,680
Deposits payable	4,349,186	-	-	-	4,349,186
Total liabilities	5,447,614	-	466,104	21,720	5,935,438
DEFERRED INFLOW OF RESOURCES					
Deferred revenue	17,877	-	264,491	-	282,368
Total deferred outflow of resources	17,877	-	264,491	-	282,368
Fund Balances:					
Nonspendable:					
Prepaid Items	4,481	-	-	-	4,481
Restricted:					
Lighting and landscape assessments	-	-	-	977,234	977,234
Public works programs	-	7,127,589	-	-	7,127,589
Debt service	-	-	-	805,311	805,311
Committed:					
Capital improvement program	-	-	7,545,365	-	7,545,365
Hillside stability	1,000,000	-	-	-	1,000,000
Assigned:					
Future capital & efficiency	3,509,000	-	-	-	3,509,000
Carryforwards	20,000	-	-	-	20,000
Facility replacement	3,700,000	-	-	-	3,700,000
Unassigned:					
Working capital	1,000,000	-	-	-	1,000,000
Fiscal stabilization	3,250,000	-	-	-	3,250,000
Compensated absences	330,000	-	-	-	330,000
Other unassigned	2,596,969	-	-	-	2,596,969
Total fund balances	15,410,450	7,127,589	7,545,365	1,782,545	31,865,949
Total liabilities and fund balances	\$ 20,875,941	\$ 7,127,589	\$ 8,275,960	\$ 1,804,265	\$ 38,083,755

The accompanying notes are an integral part of these financial statements

From: Phil Koen [REDACTED]
Sent: Wednesday, May 3, 2023 9:54 PM
To: Gitta Ungvari
Subject: 1/2 Measure G transfer to GFAR
Attachments: Pages from FY-2023-2024-Proposed-Operating-Budget - corrected April 20 (2)(4).pdf

[EXTERNAL SENDER]

Gitta,

Looks like a simple oversight and easy to fix.

Phil

ADMINISTRATIVE SERVICES
Non-Departmental

- \$390,000 payment toward unfunded pension liability.
- \$261,710 for animal control services provided by the City of San Jose. The Town entered into a 20-year agreement with the City of San Jose effective July 1, 2004.
- \$241,600 for Administration fee for collecting and processing of the Town's property and sales tax receipts.
- \$200,000 for special studies as needed.
- \$100,000 for the Town Manager's Contingency and Productivity Funds to address unforeseen situations or opportunities that may arise during the fiscal year.
- \$100,000 for independent investigations of complaints regarding sworn personnel.
- \$60,000 for the KCAT public meetings' broadcasting and video streaming services.
- \$55,000 for the Los Gatos Chamber of Commerce contract to provide support for the Town's visitor information center.
- \$746,000 pass through expenditures to track the American Rescue Plan Act proceeds per Council priorities.

The Non-Departmental program budget also reflects a transfer of \$1.6million from the General Fund Capital/Special Projects Reserve and \$0.6 million (50%) of the estimated Measure G proceeds to the General Fund Appropriated Reserves (GFAR) to support the Capital Improvement Program (CIP).

ADMINISTRATIVE SERVICES

Non-Departmental

	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Adjusted	2022/23 Estimated	2023/24 Proposed
REVENUES						
Property Tax	\$ 14,454,513	\$ 15,826,162	\$ 16,899,618	\$ 16,969,226	\$ 17,238,510	\$ 17,895,731
VLF Backfill Property Tax	3,875,914	4,052,672	4,229,462	4,556,000	4,556,000	4,692,680
Sales & Use Tax	7,531,425	7,933,604	8,483,673	8,837,256	8,959,134	9,152,778
Franchise Fees	2,495,792	2,499,463	2,822,515	2,716,470	2,716,470	2,116,470
Transient Occupancy Tax	1,869,685	1,044,820	1,895,064	2,000,000	2,348,547	2,419,000
Intergovernmental Revenues	48,063	419,786	42,794	8,550	4,871	8,550
Lease Payments	1,905,024	1,908,494	1,899,850	1,893,713	1,893,713	1,894,550
Charges for Services	110,700	194,575	131,066	126,492	126,492	127,172
Other Sources	562,888	1,447,671	307,239	2,784,746	513,418	1,801,830
TOTAL REVENUES	\$ 32,854,004	\$ 35,327,247	\$ 36,711,281	\$ 39,892,453	\$ 38,357,155	\$ 40,108,761
TRANSFERS IN						
Transfer from Blackwell Dst	\$ 460	\$ 460	\$ 460	\$ 460	\$ 460	\$ 460
Transfer from Kennedy Meadow Dst	1,510	1,510	1,510	1,510	1,510	1,510
Transfer from Gemini Court Dst	610	610	610	610	610	610
Transfer from Santa Rosa Dst	660	660	660	660	660	660
Transfer from Vasona Heights Dst	1,430	1,430	1,430	1,430	1,430	1,430
Transfer from Hillbrook Dst	250	250	250	250	250	250
Transfer from Capital Project Funds	102,000	102,000	102,000	102,000	102,000	102,000
Transfer from Traffic Mitigations	16,336	10,000	10,000	10,000	10,000	10,000
Transfer to Measure G Subfund	-	1,181,162	-	-	-	-
Transfer from Gas Tax	106,000	106,000	106,000	106,000	106,000	106,000
TOTAL TRANSFERS IN	\$ 229,256	\$ 1,404,082	\$ 222,920	\$ 222,920	\$ 222,920	\$ 222,920
TOTAL REVENUES & TRANSFERS	\$ 33,083,260	\$ 36,731,329	\$ 36,934,201	\$ 40,115,373	\$ 38,580,075	\$ 40,331,681
EXPENDITURES						
Salaries and Benefits	\$ 14,425	\$ 60,660	\$ 131,808	\$ -	\$ -	\$ -
Operating Expenditures	3,412,374	7,744,600	3,215,049	3,926,100	3,727,236	3,417,030
Grants	77,542	72,002	125,002	70,000	70,000	70,000
Pass Throughs	-	549,328	3,791,864	-	4,034,893	1,971,600
Interest	-	52,011	156,034	156,034	156,034	156,034
Charges for Services	756	5,500	11,000	28,830	28,830	27,393
Debt Service	1,905,024	1,908,494	1,899,850	1,893,713	1,893,713	1,894,550
TOTAL EXPENDITURES	\$ 5,410,121	\$ 10,392,595	\$ 9,330,607	\$ 6,074,677	\$ 9,910,706	\$ 7,536,607
TRANSFERS OUT						
Transfers to GFAR	\$ 6,982,591	\$ 3,401,479	\$ 1,750,001	\$ 3,006,978	\$ 2,987,359	\$ 1,615,000
Transfers to Pollution Prevention	10,000	-	-	-	-	-
Transfer to Facilities	-	-	1,787	-	-	-
Transfer to Workers' Comp	1,061,256	-	-	-	-	-
Transfer to Measure G Subfund	-	1,181,162	-	-	-	-
TOTAL TRANSFERS OUT	\$ 8,053,847	\$ 4,582,641	\$ 1,751,788	\$ 3,006,978	\$ 2,987,359	\$ 1,615,000
TOTAL EXPEND'S & TRANSFERS	\$ 13,463,968	\$ 14,975,236	\$ 11,082,395	\$ 9,081,655	\$ 12,898,065	\$ 9,151,607

where is
the \$ 6 m
for 1/2
Measure 15?

Subject: Pandemic Relief Request in Support of The Flame of Liberty Construction Loan
Attachments: 2023.03.21_PANDEMIC RELIEF REQUEST_MEMORIAL CONSTRUCTION LOAN_PROPOSAL TO THE TOWN OF LG_.pdf

From: Ellen Manzo [REDACTED] >
Sent: Tuesday, March 21, 2023 8:44 PM
To: Council <Council@losgatosca.gov>; Town Manager <Manager@losgatosca.gov>
Cc: [REDACTED]; MAJ GEN Kent Hillhouse USA (Ret) <[REDACTED]>
Subject: Pandemic Relief Request in Support of The Flame of Liberty Construction Loan

[EXTERNAL SENDER]

The Honorable Mayor Maria Ristow
The Town of Los Gatos Town Council

Los Gatos Town Manager Laurel Prevetti

The Veterans Memorial & Support Foundation kindly requests the consideration of the Pandemic Relief Request in Support of the Flame of Liberty Construction Loan which is attached to this email.

Respectfully yours,
Ellen Manzo
Volunteer Executive Board Member

Ellen Manzo
Volunteer Exec Board Member
203-561-8888
[Veterans Memorial & Support Foundation - About Us](#)
[Meet Members of the Veterans Memorial & Support Fdn Board](#)
[View the Flame of Liberty Memorial](#)
[Remember 9/11 - 20th Anniversary Tribute](#)



March 21, 2023

The Honorable Mayor Maria Ristow and The Town of Los Gatos Town Council
110 E. Main Street
Los Gatos, CA 95030

Subject: **Pandemic Funding Relief Request in Support of *The Flame of Liberty Memorial***

Dear Council Members,

The Veterans Memorial & Support Foundation requests the Town's financial support to eliminate the remaining Devcon Construction loan balance of \$ 269,577.91 (as of Feb 28, 2023) for erecting the world-class *Flame of Liberty Memorial*, which adorns the Town's Civic Center lawn.

A grant of \$ 269,577.91 from pandemic funding will position the Town of Los Gatos with the highest level of recognition [\$250,000 and above] - the *Circle of Liberty*, upon the Wall of Gratitude. If required, the Veterans Memorial & Support Foundation can use the funds to pay off the construction loan prior to the deadline set by those who have granted the pandemic funds to the Town of Los Gatos.

The funding will allow the Veterans Foundation to turn the page on our next chapter and focus all efforts on raising funds solely for the purposes of: 1) maintaining *The Flame of Liberty Memorial*, (2) supporting our Yellow Ribbon Program endeavors to improve the lives of active service members, veterans and their families in our community, and (3) continuing to educate and model to our Los Gatos and greater community on the sacrifices borne by those who serve (in and out of uniform.) Example Yellow Ribbon Programs include the: a) "Silkies Hike," targeted at reducing suicide through networking Veterans which, over the last two years, launched and ended at The Flame of Liberty Memorial, b) Weekly "Breakfasts with Vets" program aimed to deliver emotional healing run by therapist Dr. Clyde Horn, and c) Co-supporting "Stand Down," a gathering of homeless veterans over the course of a weekend that provides to them healthcare physicals, dental checkups, hot showers, haircuts, new clothing, new sleeping bags, provisions, veterinarian services for their pets, VA / college counseling / job search resources, transportation service to and from the event, weekend meals and lodging, and more. Most importantly, the focus on our new chapter will enable us to positively impact the lives of individuals who have defended freedom, supported our country in natural disasters, and given us so much in return.

Your immediate approval of the proposal enclosed will allow us to commence work immediately towards our mission's goal to focus on programmatic support that improves the lives of Veterans.

Please contact Veterans Memorial & Support Foundation President Major General Kent Hillhouse at 408-221-1512 (cell) or Board Member Ellen Manzo at (203) 561-8888 should you require further information.

Thank you in advance, for your consideration of this request.

Sincerely,
The Veterans Memorial & Support Foundation Board

Enriching Lives – Investing in America

PROPOSAL TO THE TOWN OF LOS GATOS

**PANDEMIC FUNDING
RELIEF REQUEST
IN SUPPORT OF THE
FLAME OF LIBERTY MEMORIAL**

**SUBMITTED BY THE
VETERANS MEMORIAL & SUPPORT FOUNDATION**



Pandemic Funding Relief Request in Support of *The Flame of Liberty Memorial*

Submitted to the Town of Los Gatos Town Council by the Veterans Memorial & Support Foundation Board

The Veterans Memorial & Support Foundation requests the Town's financial support to eliminate the remaining Devcon Construction loan balance of \$274,121 (as of Jan 31, 2023) for erecting the world-class *Flame of Liberty Memorial*, which adorns the Town's Civic Center lawn.

Brief History – 69 Days, 6 Years, 6 Days, 6 Months

The Veterans Memorial & Support Foundation, established in October 2012, has been in place for a decade. The Foundation obtained 501(c)(3) IRS approval in 69 calendar days - weekends and holidays included - following submission of its application to the IRS. Most nonprofits experience 12-18 months for approval.

Over the six years that followed, the Foundation conducted two national arts challenges, made five presentations to the Town Council, presented to the Arts Commission, community organizations and stakeholders, surveyed the public on its interests, engaged media personnel, and worked with artists, architects, engineers, construction experts and landscape designers to establish building plans. The Town of Los Gatos public, the Town Council, the Town stakeholders, and the Foundation Board weighed in and chose the winning design which you now see as *The Flame of Liberty*. The Los Gatos Town Council's final approval for *The Flame of Liberty* building plans arrived December-end 2018.

Links:

Town Council Approves Veterans Memorial Concept for Los Gatos 11/04/12

https://youtu.be/y8RMTBi9_zk

The Flame of Liberty Veterans Memorial by Artist Frank Kocian Morris

<https://youtu.be/E7O4bmg7OOc>



Photos above – Groundbreaking for The Flame of Liberty Memorial

Six days later, the Foundation conducted a public media groundbreaking on January 4, 2019. Less than six months later, the Foundation had constructed the memorial and conducted a premier dedication ceremony consisting of over 70 speakers and performers - top tier military personnel, public officers, family members of 9/11 heroes, prominent Veterans, emergency service officials, award winning entertainers, bands, military vehicles and community members, - who collectively delivered a message of the importance of supporting America's active service members, veterans, and first responder personnel to the 1500+ audience members and media. If nothing else, that history should be testimony to the fact that once given the green light, the Veterans Foundation team knows how to execute.



The Flame of Liberty Memorial delivers honor, respect, gratitude and healing to America's Service Members, Veterans, First Responders, their Families and two local 9/11 Heroes – Todd Beamer & Mark Bingham.

Today, there stands an unparalleled *Flame of Liberty Memorial* upon the Civic Center Lawn designed by nationally acclaimed artist Frank Kocian Morris who has the recognition of being chosen by the U.S. Treasury as a Master Designer for the U.S. Mint, for which the Town of Los Gatos can be very proud. Work on the endeavor began in 2012. The Town Council approved the memorial building plans in December 2018, and on June 15, 2019, the Veterans Foundation unveiled *The Flame of Liberty Memorial* in a world-class dedication ceremony. *The Flame of Liberty Memorial* honors active service members, veterans, first responders, their families, and two heroes whose actions saved the U.S. Capitol building from destruction on 9/11. *The Flame of Liberty Memorial* creates for the Town of Los Gatos a destination that brings people together to the Town for events at an inspiring venue. Congresswoman Anna Eshoo phrased it well when she declared *The Flame of Liberty Memorial* "a sacred place."

Links:

Deliver a Message of Honor and Gratitude

<https://vimeo.com/390920373>

Flame of Liberty Memorial Dedication Pgm Sneak Peak [Trailer]

<https://vimeo.com/346034483>

June 15, 2019 Flame of Liberty Memorial Dedication – Full Program

<https://vimeo.com/363941922>

Photos Below – Keynote speaker General H. R. McMaster U.S. Army (Ret.) and 25th United States National Security Advisor to the President addresses over 1500 interested community attendees at The Flame of Liberty Memorial Dedication Ceremony, June 15, 2019.





Photo Above – Santa Clara County First Responders join with prominent military leaders and Los Gatos Town Council members to honor local 9/11 heroes, survivors, and victims at the 20th Anniversary event.

In its efforts to accomplish the mission of educating Americans on the sacrifices borne by those who serve, in addition to the premier memorial dedication on June 15, 2019, the Veterans Foundation in 2021 conducted a very moving 20th Anniversary Tribute to one of America's most tragic days in recent history: 9/11, a 21st Anniversary of 9/11 Remembrance event in 2022, Middle and High School tours of the memorial in which our next generation learned about the history of defending freedom in America's past and the tragic day of 9/11, and tours to various organizational groups in the area.

Links:

REMEMBER 9/11 – Tribute to Survivors, Victims and Heroes – Full Event

<https://www.youtube.com/watch?v=hqBOb1ML6Gg>

Hillbrook School Visits The Flame of Liberty to Learn About 9/11

<https://simplebooklet.com/L9e5AamW793iFARU8BELqO>

When the Veterans Foundation launched this endeavor, we intended to build a memorial that delivered *honor, respect, and gratitude* to America's active service members, veterans, and their families. Of great significance is that over our journey, we learned that *The Flame of Liberty* is much more than bricks and mortar because a memorial can be **a catalyst for healing**. So today, we add *healing as an additional byproduct of the Flame of Liberty Memorial*. Service members tell us they feel at home at the memorial. It offers a reflective space where they can call to mind their service experience and memorialize the buddies they lost during wartime. Veterans have spoken about how they have felt emotionally less burdened by the events they have harbored in their minds over decades when visiting memorials. And at paver dedication ceremonies in which members of the Foundation have joined families to embed an inscribed paver into our walk of heroes, we have observed veterans and families clutch hands, share stories of wartime that may have been privately held for decades, and weep together, as they collectively honor a loved one.

Links:

Catalyst for Healing – Honor Flight Commemorating WWII Veterans

<https://youtu.be/9Jo1YrMaC7Y>

The Flame of Liberty Capital Campaign

The Foundation officially launched its *Flame of Liberty Capital Campaign* on the day of our groundbreaking in January 2019. Our goal was to raise \$2,600,000 in support of the design and construction of The Flame of Liberty Memorial, a memorial maintenance fund, delivery of educational programs to the community, and the creation of an endowment fund for yellow ribbon programs to improve the lives of active service members, veterans, and their families. To date, the Foundation, **staffed 100% by volunteers**, many of whom have been on board since inception, has raised \$1,842,810.00 in donations and pledges. As of January 31, 2023, our "stretch" to meet our Flame of Liberty Campaign goal of \$ 2,600,000.00 is \$757,190.

The Flame of Liberty Memorial

The Veterans Memorial & Support Foundation has, through January 31, 2023, collected and spent \$1,339,053.98 on The Flame of Liberty Memorial. This includes monthly payments towards a construction loan that is in place with Devcon Construction which currently maintains a balance due as of Feb-end 2023 on the construction loan of \$ 269,577.91.

Flame of Liberty Capital Campaign Goal -	\$ 2.60*
Pledges & Donations to Date -	1.84
Flame of Liberty Memorial Expenditures -	1.34
Raised in Fiscal 2020, '21 and '22 Pandemic Years –	1.03
Stretch to Liberty Capital Campaign Goal -	.76
Remaining Construction Loan Balance -	.27
Pandemic Relief Request -	.27

** All figures represented are Millions*

Devcon Obligation

COVID managed to put a huge monkey wrench in fundraising efforts for all nonprofits. Like every other nonprofit, we too felt the “squeeze.” Nevertheless, we continued to fundraise and pay suppliers \$ 1,037,739.38 including every \$16,000 monthly payment as expected on the Devcon construction loan in support of memorial expenses through the trying 2020, '21 and '22 pandemic years. And we did so while maintaining enough of a cash cushion to continue to operate. However, the Foundation has been financially limited to execute on other areas of our mission.

Pandemic Times

In 2022 we continued to dig deep into our sweat equity reserves and work in a lean and mean manner, something we have done all along. Here are some samples related to the 9/11 event of last September as example, that are evidentiary of our “lean and mean” modus operandi:

- 100% of the design work on the new 911 memorial was pro bono and the construction of the new 911 memorial was funded by the Veterans Foundation.
- 700 chair rentals, the delivery truck we borrowed to transport the chairs, and staging for our 911 event was pro bono. A charity organization assisted us in setting up and taking down chairs for the program.
- The temporary staging of fire trucks and emergency vehicles were all pro bono.
- Our marketing collateral was printed with discounted contracts.
- Our keynote speaker at the 9/11 event who flew in from the Ukraine, is registered with speaker bureaus and typically commands thousands of dollars for his speech, (he also has sung the *National Anthem* on ESPN and national networks before over 500 sporting and other events) performed the *National Anthem* at our event and delivered his keynote for a speaker's cost of \$0. other than his economy roundtrip travel.
- The event included over 50 participants including musical entertainers and Gary Scott Thomas, KBAY's radio personality for over three decades who served as our event MC. Every one of our 50 or more performers and speakers took the stage on a pro bono basis.

Links:

American Challenge – Lessons From 9/11

<https://vimeo.com/807131616>

And despite the challenge COVID placed before us, we continued to deliver in support of our mission. In 2022, the Foundation:

- Co-hosted the “Silkies Hike” (named for the “silkies” running shorts most participants wear for the affair,) a hike that is geared to take a stab out of veteran suicide using humor and creating a forum for veterans to network.
- Continued execution of the “Gratitude Campaign” in honor of first responders, healthcare workers, military members and essential workers who supported America during the pandemic.
- Conducted weekly veteran meetings with Dr. Clyde Horn where an open forum discussion offers participants the opportunity to discuss issues of greatest concern to vets with Clyde, an expert therapist on veterans' issues.

Photo Left – Veterans meet Veterans at the Silkies Hike in Los Gatos



- Hosted a visit from Medal of Honor recipient Sammy L. Davis at *The Flame of Liberty Memorial* site.
- Supported families who requested ceremonial dedications as their pavers of gratitude in honor of a loved one who served, were lowered into our Walk of Honor.
- Unveiled the new California State Guard plaque boulder and the newly designed 9/11 memorial wall (both funded by the Veterans Foundation) at *The Flame of Liberty Memorial*, which were on our radar screen since inception.
- Participated as Guardians aboard Bay Area Honor Flights which flew local WWII, Korean War and Vietnam Veterans to Washington D.C. to visit memorials in their honor. Through this effort and that of our own *Flame of Liberty Memorial*, we have learned that visiting memorials can be the catalyst towards healing.
- Supported multiple remembrances throughout the Bay Area - e.g., Memorial Day celebrations, July 4th celebrations, the San Jose Veterans Day Parade, and Wreaths Across America and local events – Saratoga Classic Cool Car Show, Fiesta De Artes, Los Gatos Wine Walk, and more.
- Managed the ongoing landscaping, maintenance, and holiday dress-up of our *Flame of Liberty Memorial* for holiday events over the course of the year (which also requires funding from the Veterans Foundation.)
- And conducted student educational tours in which we taught America's next generation of leaders about the sacrifices borne by those who serve and the history of selfless acts of courage delivered by America's service members in their defense and delivery of freedom to our country.

In short, it wasn't easy.



Photos Below – Major General Kent Hillhouse US Army (Ret.) and Navy Reserve Captain Doug Beck share firsthand experiences surrounding the tragic events of 9/11 with students of the Hillbrook School.

Links:

Project Gratitude to Those Fighting Covid with Courage

<https://vimeo.com/434842466>

Bay Area Guard Unit Flyover Los Gatos to Honor Frontline COVID-19 Workers

<https://vimeo.com/422661895>

Holiday Season at the Memorial Site

<https://drive.google.com/file/d/1rNvEG1YtP5jQjrcrtNjdllC7d6DtEllH/view?usp=sharing>

Next Acts

In 2023, we intend to conduct fundraisers (July and in the fall,) that will embellish our cash reserves to support our mission.



The Committee and Volunteers –

The Foundation Board in place consists of approximately 15 regular volunteers many of whom have been at the Foundation table since inception. The Foundation's President is Major General Kent Hillhouse, US Army (Ret.). We invite you to visit our Flipbook to learn more about some of our Board members.

Photo – Foundation President and Major General Kent Hillhouse U.S. Army (Ret.) awards a deserving service member the Purple Heart.

Link:

The Veterans Memorial & Support Foundation – Meet Some of Our Members

<https://simplebooklet.com/veteransfoundationmembers>

The Wall of Gratitude

A grant of \$ 269,577.91 from pandemic funding will position the Town of Los Gatos with the highest level of recognition - the *Circle of Liberty*, upon the Wall of Gratitude. If required, the Veterans Memorial & Support Foundation can use the funds to pay off the construction loan prior to the deadline set by those who have granted the pandemic funds to the Town of Los Gatos.

In conclusion, the funding will allow the Veterans Foundation to turn the page on our next chapter and focus all efforts on raising funds solely for the purposes of supporting our Yellow Ribbon program endeavors, maintaining *The Flame of Liberty Memorial*, and continuing to educate our community on the sacrifices borne by those who serve. More importantly, it will enable us to improve the lives of individuals who have defended freedom, supported our country in natural disasters, and given us so much in return.

Thank you in advance, for your consideration of this request.

Photo Below – The Wall of Gratitude at The Flame of Liberty Memorial



Subject: VMSF Pandemic Relief Request Flip Book

From: Kent Hillhouse/USA <Kent.Hillhouse@cushwake.com>

Sent: Wednesday, May 3, 2023 6:58 AM

To: Laurel Prevetti [REDACTED]

Subject: VMSF Pandemic Relief Request Flip Book

[EXTERNAL SENDER]

Laurel Prevetti – Los Gatos Town Manager,
Below is a link/ follow-up to our last night's presentations.
Kent

<https://simplebooklet.com/vmsfpandemicfundingrequest>

Kent Hillhouse
Board President
www.honoravet.org

Veterans Memorial & Support Foundation
481 N Santa Cruz Ave., Suite 250
Los Gatos, CA 95030
(408) 221-1512



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**TOWN OF LOS GATOS
FINANCE COMMISSION REPORT**

MEETING DATE: 05/08/2023

Item 4.

ITEM NO: 4
ADDENDUM

DATE: May 5, 2023
TO: Finance Commission
FROM: Laurel Prevetti, Town Manager
SUBJECT: Conclude Recommendations to the Town Council Regarding the Proposed Fiscal Year (FY) 2023/24 Proposed Operating and Capital Budgets

REMARKS:

Attachment 7 contains additional Commissioner Communications and Public Comments.

Attachments Received with the Staff Report:

1. Frequently Asked Questions Posted on April 25, 2023
2. Frequently Asked Questions Posted on April 26, 2023
3. Frequently Asked Questions Posted on May 1, 2023
4. Frequently Asked Questions Posted on May 3, 2023
5. Correction to the Proposed FY 2023/24 Operating and Capital Budgets
6. Commissioner Communications and Public Comments Received

Attachments Received with this Addendum:

7. Additional Commissioner Communications and Public Comments

PREPARED BY: Gitta Ungvari
Finance Director

Reviewed by: Town Manager and Town Attorney

From: Phil Koen

Sent: Friday, May 5, 2023 6:14 AM

To: Gitta Ungvari <GUngvari@losgatosca.gov>; Laurel Prevetti <LPrevetti@losgatosca.gov>; Wendy Wood <WWood@losgatosca.gov>

Cc: Rick Tinsley; Rob Rennie <RRennie@losgatosca.gov>; Maria Ristow <MRistow@losgatosca.gov>

Subject: cities-meeting-assessor-report-202302_1 (2).pdf

[EXTERNAL SENDER]

Gitta,

In response to FAQ #2, attached please find the most recent secured real property tax roll estimate for FY 24. As you can see the SCC Assessor is projecting for FY 24 a 6.14% increase in the secured tax roll and a 5.6% increase in the RDA tax roll for the Town of Los Gatos. I also understand that in addition to secured taxes there are unsecured taxes, which are small compared to the secured taxes and ERAF, and VLF funds. I have addressed the ERAF assumption separately.

Given this projected increase in the secured tax roll, why wouldn't the Town base the FY 24 secured property tax receipts using a 6.14% increase vs. the 3% increase? The assumption frankly makes no sense based on the information published by SCC Assessor's office. Additionally since the FY 24 property tax revenue forecast is based on the new tax roll, the quarterly updates of actual receipts reflects the prior year's tax roll.

Thank you.

Phil Koen

FOGG

Finance Officers' Governance Group

Cities Meeting



2/6/23

Office of the Assessor, Lawrence E. Stone

Nora Galvez

Division Chief for SSE

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February 6, 2023

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2023/2024 Secured Real Property Growth Compared to 2022/2023 City and RDA

Item 4.

City Name	2023/2024 Roll as of 2023-02-28	City Name	2022/2023 Roll as of 2022-02-28	% CHANGE 2023/2024 to 2022/2023
Campbell		Campbell		
CAWF (2023/2024 roll in progress)	\$12,163,948,971	CAWF (2022/2023 roll in progress)	\$11,358,829,447	7.08%
CTR (2022/2023 with roll corrections)	\$11,550,509,171	CTR (2021/2022 with roll corrections)	\$10,726,935,717	7.67%
ROLL (2022/2023 at roll close without any changes)	\$11,515,690,573	ROLL (2021/2022 at roll close without any changes)	\$10,748,440,436	7.13%
CHANGE (to the 2022/2023 roll due to roll corrections)	\$34,818,598	CHANGE (to the 2021/2022 roll due to roll corrections)	(\$21,504,719)	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	0.30%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	-0.20%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$648,258,398	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$610,389,011	6.20%
PERCENT GROWTH (line 6/line 3 x 100)	5.62%	PERCENT GROWTH (line 6/line 3 x 100)	5.67%	
Campbell RDA		Campbell RDA		
CAWF (2023/2024 roll in progress)	\$1,514,977,903	CAWF (2022/2023 roll in progress)	\$1,444,199,891	4.90%
CTR (2022/2023 with roll corrections)	\$1,464,268,408	CTR (2021/2022 with roll corrections)	\$1,407,553,638	4.02%
ROLL (2022/2023 at roll close without any changes)	\$1,461,877,032	ROLL (2021/2022 at roll close without any changes)	\$1,411,106,497	3.59%
CHANGE (to the 2022/2023 roll due to roll corrections)	\$2,391,376	CHANGE (to the 2021/2022 roll due to roll corrections)	(\$3,552,859)	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	0.16%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	-0.25%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$53,100,871	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$33,093,394	60.45%
PERCENT GROWTH (line 6/line 3 x 100)	3.63%	PERCENT GROWTH (line 6/line 3 x 100)	2.34%	
Cupertino		Cupertino		
CAWF (2023/2024 roll in progress)	\$28,916,951,724	CAWF (2022/2023 roll in progress)	\$27,170,938,895	6.42%
CTR (2022/2023 with roll corrections)	\$28,172,531,041	CTR (2021/2022 with roll corrections)	\$26,170,007,143	7.65%
ROLL (2022/2023 at roll close without any changes)	\$28,023,019,894	ROLL (2021/2022 at roll close without any changes)	\$26,198,594,820	6.96%
CHANGE (to the 2022/2023 roll due to roll corrections)	\$149,511,147	CHANGE (to the 2021/2022 roll due to roll corrections)	(\$28,587,677)	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	0.53%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	-0.10%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$893,931,830	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$972,344,075	-8.06%
PERCENT GROWTH (line 6/line 3 x 100)	3.18%	PERCENT GROWTH (line 6/line 3 x 100)	3.71%	
Gilroy		Gilroy		
CAWF (2023/2024 roll in progress)	\$11,463,905,187	CAWF (2022/2023 roll in progress)	\$10,721,175,750	6.92%
CTR (2022/2023 with roll corrections)	\$10,932,177,691	CTR (2021/2022 with roll corrections)	\$10,226,998,111	6.89%
ROLL (2022/2023 at roll close without any changes)	\$10,905,182,250	ROLL (2021/2022 at roll close without any changes)	\$10,230,233,872	6.59%
CHANGE (to the 2022/2023 roll due to roll corrections)	\$26,995,441	CHANGE (to the 2021/2022 roll due to roll corrections)	(\$3,235,761)	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	0.24%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	-0.03%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$558,722,937	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$490,941,878	13.80%
PERCENT GROWTH (line 6/line 3 x 100)	5.12%	PERCENT GROWTH (line 6/line 3 x 100)	4.79%	
Los Altos		Los Altos		
CAWF (2023/2024 roll in progress)	\$21,757,867,631	CAWF (2022/2023 roll in progress)	\$20,306,615,860	7.14%
CTR (2022/2023 with roll corrections)	\$20,750,856,560	CTR (2021/2022 with roll corrections)	\$19,129,396,958	8.47%
ROLL (2022/2023 at roll close without any changes)	\$20,702,083,186	ROLL (2021/2022 at roll close without any changes)	\$19,120,639,741	8.27%
CHANGE (to the 2022/2023 roll due to roll corrections)	\$48,773,374	CHANGE (to the 2021/2022 roll due to roll corrections)	\$8,757,217	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	0.23%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	0.04%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$1,055,784,445	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$1,185,976,119	-10.97%
PERCENT GROWTH (line 6/line 3 x 100)	5.09%	PERCENT GROWTH (line 6/line 3 x 100)	6.20%	

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2023/2024 Secured Real Property Growth Compared to 2022/2023 City and RDA

Item 4.

City Name	2023/2024 Roll as of 2023-02-28	City Name	2022/2023 Roll as of 2022-02-28	% CHANGE 2023/2024 to 2022/2023
Los Altos Hills		Los Altos Hills		
CAWF (2023/2024 roll in progress)	\$10,413,296,354	CAWF (2022/2023 roll in progress)	\$9,801,514,361	6.24%
CTR (2022/2023 with roll corrections)	\$9,965,267,291	CTR (2021/2022 with roll corrections)	\$9,341,578,994	6.67%
ROLL (2022/2023 at roll close without any changes)	\$9,963,173,383	ROLL (2021/2022 at roll close without any changes)	\$9,356,272,442	6.48%
CHANGE (to the 2022/2023 roll due to roll corrections)	\$2,093,908	CHANGE (to the 2021/2022 roll due to roll corrections)	(\$14,693,448)	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	0.02%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	-0.15%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$450,122,971	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$445,241,919	1.09%
PERCENT GROWTH (line 6/line 3 x 100)	4.51%	PERCENT GROWTH (line 6/line 3 x 100)	4.75%	
Los Gatos		Los Gatos		
CAWF (2023/2024 roll in progress)	\$15,563,584,514	CAWF (2022/2023 roll in progress)	\$14,502,207,367	7.31%
CTR (2022/2023 with roll corrections)	\$14,662,392,065	CTR (2021/2022 with roll corrections)	\$13,669,094,896	7.26%
ROLL (2022/2023 at roll close without any changes)	\$14,662,575,874	ROLL (2021/2022 at roll close without any changes)	\$13,666,778,188	7.28%
CHANGE (to the 2022/2023 roll due to roll corrections)	(\$183,809)	CHANGE (to the 2021/2022 roll due to roll corrections)	\$2,316,708	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	0.00%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	0.01%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$901,008,640	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$835,429,179	7.84%
PERCENT GROWTH (line 6/line 3 x 100)	6.14%	PERCENT GROWTH (line 6/line 3 x 100)	6.11%	
Los Gatos RDA		Los Gatos RDA		
CAWF (2023/2024 roll in progress)	\$2,176,382,268	CAWF (2022/2023 roll in progress)	\$2,018,568,112	7.81%
CTR (2022/2023 with roll corrections)	\$2,058,237,888	CTR (2021/2022 with roll corrections)	\$1,896,041,732	8.55%
ROLL (2022/2023 at roll close without any changes)	\$2,061,785,286	ROLL (2021/2022 at roll close without any changes)	\$1,906,496,958	8.14%
CHANGE (to the 2022/2023 roll due to roll corrections)	(\$3,547,398)	CHANGE (to the 2021/2022 roll due to roll corrections)	(\$10,455,226)	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	-0.17%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	-0.54%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$114,596,982	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$112,071,154	2.25%
PERCENT GROWTH (line 6/line 3 x 100)	5.55%	PERCENT GROWTH (line 6/line 3 x 100)	5.87%	
Milpitas		Milpitas		
CAWF (2023/2024 roll in progress)	\$12,241,424,312	CAWF (2022/2023 roll in progress)	\$11,501,476,616	6.43%
CTR (2022/2023 with roll corrections)	\$11,713,436,601	CTR (2021/2022 with roll corrections)	\$10,982,202,628	6.65%
ROLL (2022/2023 at roll close without any changes)	\$11,679,761,411	ROLL (2021/2022 at roll close without any changes)	\$11,053,130,609	5.66%
CHANGE (to the 2022/2023 roll due to roll corrections)	\$33,675,190	CHANGE (to the 2021/2022 roll due to roll corrections)	(\$70,927,981)	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	0.28%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	-0.64%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$561,662,901	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$448,346,007	25.27%
PERCENT GROWTH (line 6/line 3 x 100)	4.80%	PERCENT GROWTH (line 6/line 3 x 100)	4.05%	
Milpitas RDA		Milpitas RDA		
CAWF (2023/2024 roll in progress)	\$10,387,378,006	CAWF (2022/2023 roll in progress)	\$9,633,831,838	7.82%
CTR (2022/2023 with roll corrections)	\$10,013,446,036	CTR (2021/2022 with roll corrections)	\$9,284,872,017	7.84%
ROLL (2022/2023 at roll close without any changes)	\$10,065,617,601	ROLL (2021/2022 at roll close without any changes)	\$9,280,564,659	8.45%
CHANGE (to the 2022/2023 roll due to roll corrections)	(\$52,171,565)	CHANGE (to the 2021/2022 roll due to roll corrections)	\$4,307,358	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	-0.51%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	0.04%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$321,760,405	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$353,267,179	-8.91%
PERCENT GROWTH (line 6/line 3 x 100)	3.19%	PERCENT GROWTH (line 6/line 3 x 100)	3.80%	

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2023/2024 Secured Real Property Growth Compared to 2022/2023 City and RDA

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City Name	2023/2024 Roll as of 2023-02-28	City Name	2022/2023 Roll as of 2022-02-28	% CHANGE 2023/2024 to 2022/2023
Monte Sereno		Monte Sereno		
CAWF (2023/2024 roll in progress)	\$3,039,770,761	CAWF (2022/2023 roll in progress)	\$2,778,142,715	9.41%
CTR (2022/2023 with roll corrections)	\$2,812,033,378	CTR (2021/2022 with roll corrections)	\$2,565,015,294	9.63%
ROLL (2022/2023 at roll close without any changes)	\$2,812,913,583	ROLL (2021/2022 at roll close without any changes)	\$2,566,132,966	9.61%
CHANGE (to the 2022/2023 roll due to roll corrections)	(\$880,205)	CHANGE (to the 2021/2022 roll due to roll corrections)	(\$1,117,672)	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	-0.03%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	-0.04%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$226,857,178	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$212,009,749	7.00%
PERCENT GROWTH (line 6/line 3 x 100)	8.06%	PERCENT GROWTH (line 6/line 3 x 100)	8.26%	
Morgan Hill		Morgan Hill		
CAWF (2023/2024 roll in progress)	\$8,390,590,656	CAWF (2022/2023 roll in progress)	\$7,873,151,028	6.57%
CTR (2022/2023 with roll corrections)	\$7,978,955,646	CTR (2021/2022 with roll corrections)	\$7,424,734,865	7.46%
ROLL (2022/2023 at roll close without any changes)	\$7,980,809,889	ROLL (2021/2022 at roll close without any changes)	\$7,427,566,011	7.44%
CHANGE (to the 2022/2023 roll due to roll corrections)	(\$1,854,243)	CHANGE (to the 2021/2022 roll due to roll corrections)	(\$2,831,146)	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	-0.02%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	-0.03%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$409,780,767	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$445,585,017	-8.03%
PERCENT GROWTH (line 6/line 3 x 100)	5.13%	PERCENT GROWTH (line 6/line 3 x 100)	5.99%	
Morgan Hill RDA		Morgan Hill RDA		
CAWF (2023/2024 roll in progress)	\$4,551,990,060	CAWF (2022/2023 roll in progress)	\$4,119,531,177	10.49%
CTR (2022/2023 with roll corrections)	\$4,263,697,152	CTR (2021/2022 with roll corrections)	\$3,938,843,504	8.24%
ROLL (2022/2023 at roll close without any changes)	\$4,277,708,286	ROLL (2021/2022 at roll close without any changes)	\$3,940,106,399	8.56%
CHANGE (to the 2022/2023 roll due to roll corrections)	(\$14,011,134)	CHANGE (to the 2021/2022 roll due to roll corrections)	(\$1,262,895)	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	-0.32%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	-0.03%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$274,281,774	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$179,424,778	52.86%
PERCENT GROWTH (line 6/line 3 x 100)	6.41%	PERCENT GROWTH (line 6/line 3 x 100)	4.55%	
Mountain View		Mountain View		
CAWF (2023/2024 roll in progress)	\$35,664,960,835	CAWF (2022/2023 roll in progress)	\$32,731,675,072	8.96%
CTR (2022/2023 with roll corrections)	\$34,622,477,837	CTR (2021/2022 with roll corrections)	\$31,320,765,208	10.54%
ROLL (2022/2023 at roll close without any changes)	\$34,346,479,051	ROLL (2021/2022 at roll close without any changes)	\$30,879,786,190	11.22%
CHANGE (to the 2022/2023 roll due to roll corrections)	\$275,998,786	CHANGE (to the 2021/2022 roll due to roll corrections)	\$440,979,018	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	0.80%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	1.42%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$1,318,481,784	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$1,851,888,882	-28.80%
PERCENT GROWTH (line 6/line 3 x 100)	3.83%	PERCENT GROWTH (line 6/line 3 x 100)	5.99%	
Mountain View RDA		Mountain View RDA		
CAWF (2023/2024 roll in progress)	\$4,979,456,647	CAWF (2022/2023 roll in progress)	\$4,372,060,766	13.89%
CTR (2022/2023 with roll corrections)	\$4,792,867,647	CTR (2021/2022 with roll corrections)	\$4,288,380,350	11.76%
ROLL (2022/2023 at roll close without any changes)	\$4,765,744,352	ROLL (2021/2022 at roll close without any changes)	\$4,751,066,023	0.30%
CHANGE (to the 2022/2023 roll due to roll corrections)	\$27,123,295	CHANGE (to the 2021/2022 roll due to roll corrections)	(\$462,685,673)	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	0.56%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	-9.73%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$213,712,295	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	(\$379,005,257)	-156.38%
PERCENT GROWTH (line 6/line 3 x 100)	4.48%	PERCENT GROWTH (line 6/line 3 x 100)	-7.97%	

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2023/2024 Secured Real Property Growth Compared to 2022/2023 City and RDA

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City Name	2023/2024 Roll as of 2023-02-28	City Name	2022/2023 Roll as of 2022-02-28	% CHANGE 2023/2024 to 2022/2023
Palo Alto		Palo Alto		
CAWF (2023/2024 roll in progress)	\$54,038,223,030	CAWF (2022/2023 roll in progress)	\$51,005,991,235	5.94%
CTR (2022/2023 with roll corrections)	\$52,016,908,316	CTR (2021/2022 with roll corrections)	\$48,746,715,567	6.70%
ROLL (2022/2023 at roll close without any changes)	\$51,882,526,763	ROLL (2021/2022 at roll close without any changes)	\$48,782,114,409	6.35%
CHANGE (to the 2022/2023 roll due to roll corrections)	\$134,381,553	CHANGE (to the 2021/2022 roll due to roll corrections)	(\$35,398,842)	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	0.25%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	-0.07%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$2,155,696,267	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$2,223,876,826	-3.06%
PERCENT GROWTH (line 6/line 3 x 100)	4.15%	PERCENT GROWTH (line 6/line 3 x 100)	4.55%	
San Jose		San Jose		
CAWF (2023/2024 roll in progress)	\$199,920,049,910	CAWF (2022/2023 roll in progress)	\$186,682,510,885	7.09%
CTR (2022/2023 with roll corrections)	\$190,298,936,142	CTR (2021/2022 with roll corrections)	\$176,848,460,969	7.60%
ROLL (2022/2023 at roll close without any changes)	\$189,557,170,791	ROLL (2021/2022 at roll close without any changes)	\$176,878,685,448	7.16%
CHANGE (to the 2022/2023 roll due to roll corrections)	\$741,765,351	CHANGE (to the 2021/2022 roll due to roll corrections)	(\$30,224,479)	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	0.39%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	-0.01%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$10,362,879,119	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$9,803,825,437	5.70%
PERCENT GROWTH (line 6/line 3 x 100)	5.46%	PERCENT GROWTH (line 6/line 3 x 100)	5.54%	
San Jose RDA		San Jose RDA		
CAWF (2023/2024 roll in progress)	\$36,169,308,511	CAWF (2022/2023 roll in progress)	\$33,389,164,076	8.32%
CTR (2022/2023 with roll corrections)	\$35,275,284,595	CTR (2021/2022 with roll corrections)	\$32,967,612,897	6.99%
ROLL (2022/2023 at roll close without any changes)	\$35,045,572,114	ROLL (2021/2022 at roll close without any changes)	\$32,930,852,350	6.42%
CHANGE (to the 2022/2023 roll due to roll corrections)	\$229,712,481	CHANGE (to the 2021/2022 roll due to roll corrections)	\$36,760,547	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	0.65%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	0.11%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$1,123,736,397	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$458,311,726	145.19%
PERCENT GROWTH (line 6/line 3 x 100)	3.20%	PERCENT GROWTH (line 6/line 3 x 100)	1.39%	
Santa Clara		Santa Clara		
CAWF (2023/2024 roll in progress)	\$45,478,039,853	CAWF (2022/2023 roll in progress)	\$41,618,107,821	9.27%
CTR (2022/2023 with roll corrections)	\$43,944,285,017	CTR (2021/2022 with roll corrections)	\$39,909,198,730	10.11%
ROLL (2022/2023 at roll close without any changes)	\$43,552,855,862	ROLL (2021/2022 at roll close without any changes)	\$39,830,515,445	9.34%
CHANGE (to the 2022/2023 roll due to roll corrections)	\$391,429,155	CHANGE (to the 2021/2022 roll due to roll corrections)	\$78,683,285	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	0.89%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	0.19%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$1,925,183,991	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$1,787,592,376	7.69%
PERCENT GROWTH (line 6/line 3 x 100)	4.42%	PERCENT GROWTH (line 6/line 3 x 100)	4.48%	
Santa Clara RDA		Santa Clara RDA		
CAWF (2023/2024 roll in progress)	\$4,951,616,518	CAWF (2022/2023 roll in progress)	\$4,611,647,283	7.37%
CTR (2022/2023 with roll corrections)	\$4,947,655,775	CTR (2021/2022 with roll corrections)	\$4,615,912,786	7.18%
ROLL (2022/2023 at roll close without any changes)	\$4,763,849,771	ROLL (2021/2022 at roll close without any changes)	\$4,612,733,657	3.27%
CHANGE (to the 2022/2023 roll due to roll corrections)	\$183,806,004	CHANGE (to the 2021/2022 roll due to roll corrections)	\$3,179,129	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	3.85%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	0.06%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$187,766,747	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	(\$1,086,374)	-17,383.80%
PERCENT GROWTH (line 6/line 3 x 100)	3.94%	PERCENT GROWTH (line 6/line 3 x 100)	-0.02%	

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2023/2024 Secured Real Property Growth Compared to 2022/2023 City and RDA

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City Name	2023/2024 Roll as of 2023-02-28	City Name	2022/2023 Roll as of 2022-02-28	% CHANGE 2023/2024 to 2022/2023
Saratoga		Saratoga		
CAWF (2023/2024 roll in progress)	\$20,019,944,957	CAWF (2022/2023 roll in progress)	\$18,825,433,557	6.34%
CTR (2022/2023 with roll corrections)	\$19,084,055,408	CTR (2021/2022 with roll corrections)	\$17,725,280,370	7.66%
ROLL (2022/2023 at roll close without any changes)	\$19,072,323,455	ROLL (2021/2022 at roll close without any changes)	\$17,722,605,307	7.61%
CHANGE (to the 2022/2023 roll due to roll corrections)	\$11,731,953	CHANGE (to the 2021/2022 roll due to roll corrections)	\$2,675,063	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	0.06%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	0.01%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$947,621,502	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$1,102,828,250	-14.07%
PERCENT GROWTH (line 6/line 3 x 100)	4.96%	PERCENT GROWTH (line 6/line 3 x 100)	6.22%	
Sunnyvale		Sunnyvale		
CAWF (2023/2024 roll in progress)	\$56,978,890,740	CAWF (2022/2023 roll in progress)	\$53,084,847,010	7.33%
CTR (2022/2023 with roll corrections)	\$55,513,551,516	CTR (2021/2022 with roll corrections)	\$50,816,662,521	9.24%
ROLL (2022/2023 at roll close without any changes)	\$55,172,832,000	ROLL (2021/2022 at roll close without any changes)	\$50,719,331,378	8.78%
CHANGE (to the 2022/2023 roll due to roll corrections)	\$340,719,516	CHANGE (to the 2021/2022 roll due to roll corrections)	\$97,331,143	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	0.61%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	0.19%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$1,806,058,740	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$2,365,515,632	-23.65%
PERCENT GROWTH (line 6/line 3 x 100)	3.27%	PERCENT GROWTH (line 6/line 3 x 100)	4.66%	
Sunnyvale RDA		Sunnyvale RDA		
CAWF (2023/2024 roll in progress)	\$2,100,004,444	CAWF (2022/2023 roll in progress)	\$1,919,463,807	9.40%
CTR (2022/2023 with roll corrections)	\$2,087,396,853	CTR (2021/2022 with roll corrections)	\$1,988,607,076	4.96%
ROLL (2022/2023 at roll close without any changes)	\$2,080,144,056	ROLL (2021/2022 at roll close without any changes)	\$2,021,324,384	2.90%
CHANGE (to the 2022/2023 roll due to roll corrections)	\$7,252,797	CHANGE (to the 2021/2022 roll due to roll corrections)	(\$32,717,308)	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	0.34%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	-1.61%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$19,860,388	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	(\$101,860,577)	-119.49%
PERCENT GROWTH (line 6/line 3 x 100)	0.95%	PERCENT GROWTH (line 6/line 3 x 100)	-5.03%	
Unincorporated		Unincorporated		
CAWF (2023/2024 roll in progress)	\$30,635,684,989	CAWF (2022/2023 roll in progress)	\$28,936,347,226	5.87%
CTR (2022/2023 with roll corrections)	\$29,423,319,291	CTR (2021/2022 with roll corrections)	\$27,766,182,881	5.96%
ROLL (2022/2023 at roll close without any changes)	\$29,415,747,948	ROLL (2021/2022 at roll close without any changes)	\$27,746,896,971	6.01%
CHANGE (to the 2022/2023 roll due to roll corrections)	\$7,571,343	CHANGE (to the 2021/2022 roll due to roll corrections)	\$19,285,910	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	0.02%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	0.06%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$1,219,937,041	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$1,189,450,255	2.56%
PERCENT GROWTH (line 6/line 3 x 100)	4.14%	PERCENT GROWTH (line 6/line 3 x 100)	4.28%	
Unincorporated RDA		Unincorporated RDA		
CAWF (2023/2024 roll in progress)	\$2,332	CAWF (2022/2023 roll in progress)	\$2,287	1.96%
CTR (2022/2023 with roll corrections)	\$2,287	CTR (2021/2022 with roll corrections)	\$2,243	1.96%
ROLL (2022/2023 at roll close without any changes)	\$2,287	ROLL (2021/2022 at roll close without any changes)	\$2,243	1.96%
CHANGE (to the 2022/2023 roll due to roll corrections)	\$0	CHANGE (to the 2021/2022 roll due to roll corrections)	\$0	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	0.00%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	0.00%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$45	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$44	2.27%
PERCENT GROWTH (line 6/line 3 x 100)	1.96%	PERCENT GROWTH (line 6/line 3 x 100)	1.96%	

Please note that these reports reflect GROSS real property land and structural values only. Business personal property and exemption values are based upon annual filings and are not available until roll close, July 1 each year.

City Name	2023/2024 Roll as of 2023-02-28	City Name	2022/2023 Roll as of 2022-02-28	% CHANGE 2023/2024 to 2022/2023
Countywide Total		Countywide Total		
CAWF (2023/2024 roll in progress)	\$633,518,251,113	CAWF (2022/2023 roll in progress)	\$590,407,434,082	7.30%
CTR (2022/2023 with roll corrections)	\$608,344,549,612	CTR (2021/2022 with roll corrections)	\$563,757,057,095	7.90%
ROLL (2022/2023 at roll close without any changes)	\$605,767,446,698	ROLL (2021/2022 at roll close without any changes)	\$563,781,977,403	7.44%
CHANGE (to the 2022/2023 roll due to roll corrections)	\$2,577,102,914	CHANGE (to the 2021/2022 roll due to roll corrections)	(\$24,920,308)	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	0.42%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	0.00%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$27,750,804,415	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$26,625,456,679	4.22%
PERCENT GROWTH (line 6/line 3 x 100)	4.58%	PERCENT GROWTH (line 6/line 3 x 100)	4.72%	

ASSESSORS APPEALS SYSTEM
Appeals Summary Report By Appeal Year

Item 4.
Dated: 12/29/2022

County Wide Appeals	Appeal Count	Appeal Item Count	Valid Appeals	Valid Appeal Items	Active Appeals	County Verified	\$ At Risk Filed	\$ At Risk Active
2022	4,319	4,929	2,641	2,838	2,576	\$35,790,925,140	\$16,748,012,270	\$16,335,064,862
2021	4,210	4,842	3,528	4,035	1,804	\$63,321,698,145	\$28,448,209,345	\$19,378,091,039
2020	4,419	4,744	3,577	3,825	664	\$66,911,213,449	\$27,279,942,865	\$13,824,973,101
2019	3,900	4,459	3,399	3,837	774	\$47,308,032,187	\$20,788,340,719	\$9,507,584,976
2018	3,105	3,403	2,968	3,259	564	\$45,451,759,734	\$21,166,680,197	\$8,698,988,275
2017	3,302	3,528	2,894	3,118	270	\$52,665,371,613	\$24,366,890,566	\$9,249,940,254
2016	4,309	4,674	3,686	4,046	263	\$55,059,209,157	\$25,840,521,990	\$4,999,372,199
2015	3,950	4,702	3,493	4,235	333	\$56,424,583,104	\$27,593,757,072	\$5,189,408,121
2014	5,687	5,983	4,928	5,222	221	\$55,533,859,772	\$27,869,501,695	\$4,265,149,207
2013	6,356	6,617	5,608	5,869	37	\$54,472,379,987	\$26,416,275,813	\$1,330,563,693
2012	8,176	8,338	7,559	7,719	21	\$59,746,534,760	\$26,975,379,490	\$725,148,044
2011	9,499	9,599	8,715	8,813	14	\$55,444,789,015	\$24,268,883,234	\$643,322,711
2010	9,986	10,094	9,263	9,370	24	\$57,587,349,636	\$26,474,216,369	\$661,916,833
2009	12,415	12,901	11,201	11,686	4	\$65,684,069,525	\$29,374,716,464	\$335,877,745
2008	5,859	6,530	5,689	6,357	2	\$47,415,435,092	\$20,688,346,504	\$295,707,814
2007	3,390	3,969	3,258	3,831	2	\$37,591,503,780	\$17,100,264,080	\$220,028,046
2006	3,725	4,262	3,180	3,712	2	\$30,072,194,219	\$13,103,619,530	\$42,605,332
2005	3,936	4,898	3,556	4,518	0	\$34,741,006,418	\$17,603,038,732	\$0
2004	4,317	5,627	3,764	5,056	0	\$47,927,171,153	\$27,058,735,331	\$0
2003	3,842	6,307	3,333	5,785	0	\$42,954,432,541	\$20,004,398,974	\$0
2002	2,748	6,348	2,385	5,968	0	\$44,509,927,941	\$21,597,068,626	\$0
2001	2,428	4,606	2,080	4,254	0	\$29,760,581,193	\$15,851,629,433	\$0
2000	2,041	3,037	1,751	2,744	0	\$21,424,246,639	\$9,598,340,751	\$0
20	1	10	0	0	0	\$0	\$0	\$0
TOTALS:	115,921	134,408	102,456	120,097	7,575	\$1,107,798,274,200	\$516,216,770,050	\$95,703,742,252
-1	1	1	0	0	0	\$0	\$0	\$0

ASSESSORS APPEALS SYSTEM
Appeals Summary Report for Active Appeals

Item 4.
Dated: 12/1/2020

Year	Category	Appeal Count	Appeal Item Count	Percent	County Verified	Disputed Value
2022	RP CI	332	376	13.6%	\$13,670,299,277	\$7,218,540,218
	RP MF	82	88	3.2%	\$1,986,571,045	\$698,522,597
	RP SF	1,081	1,193	43.1%	\$2,771,036,931	\$730,247,713
	RP PI	13	13	0.5%	\$271,134,118	\$135,592,645
	RP MISC	69	77	2.8%	\$612,213,483	\$330,253,461
	BD OTHER	901	905	32.7%	\$12,009,943,100	\$6,207,203,458
	BOTH	17	17	0.6%	\$2,395,058,136	\$682,425,162
	LEGAL	60	72	2.6%	\$299,704,046	\$132,388,421
	OTHER	24	26	0.9%	\$938,685,877	\$199,891,187
	Total	2,579	2,767		\$34,954,646,013	\$16,335,064,862
2021	RP CI	323	382	19.1%	\$17,338,613,918	\$8,571,302,841
	RP MF	94	114	5.7%	\$4,835,623,596	\$1,889,058,397
	RP SF	323	348	17.4%	\$978,472,435	\$273,461,166
	RP PI	17	17	0.8%	\$604,835,583	\$295,794,508
	RP MISC	54	58	2.9%	\$718,579,735	\$307,199,707
	BD OTHER	906	979	48.9%	\$14,195,060,780	\$7,112,497,225
	BOTH	18	18	0.9%	\$1,409,135,622	\$575,288,583
	LEGAL	58	71	3.5%	\$862,271,672	\$249,195,806
	OTHER	12	15	0.7%	\$449,095,234	\$104,292,806
	Total	1,805	2,002		\$41,391,688,575	\$19,378,091,039
2020	RP CI	97	111	14.5%	\$9,225,343,530	\$3,773,529,390
	RP MF	1	3	0.4%	\$92,435,294	\$31,835,294
	RP SF	29	31	4.1%	\$79,839,505	\$16,463,907
	RP PI	6	6	0.8%	\$648,907,391	\$129,729,837
	RP MISC	11	11	1.4%	\$306,468,553	\$186,870,620
	BD OTHER	491	570	74.6%	\$16,615,671,534	\$8,633,412,989
	BOTH	14	15	2.0%	\$1,793,338,610	\$816,187,964
	LEGAL	12	13	1.7%	\$217,457,632	\$142,542,752
	OTHER	4	4	0.5%	\$188,795,455	\$94,400,348
	Total	665	764		\$29,168,257,504	\$13,824,973,101
2019	RP CI	57	57	5.8%	\$6,291,118,172	\$3,054,747,109
	RP MF	2	2	0.2%	\$155,775,724	\$77,887,862
	RP SF	7	7	0.7%	\$12,410,675	\$3,776,454
	RP PI	6	6	0.6%	\$214,511,321	\$105,835,272
	RP MISC	13	13	1.3%	\$469,873,516	\$282,670,027
	BD OTHER	666	876	88.9%	\$10,991,006,428	\$5,303,720,192
	BOTH	4	4	0.4%	\$979,568,400	\$338,128,357
	LEGAL	18	19	1.9%	\$580,651,315	\$137,966,986
	OTHER	1	1	0.1%	\$406,052,717	\$202,852,717
	Total	774	985		\$20,100,968,268	\$9,507,584,976
Total	RP CI	905	1,022	11.9%	\$52,488,086,692	\$25,691,507,781
	RP MF	181	209	2.4%	\$7,073,017,659	\$2,697,916,150
	RP SF	1,443	1,582	18.4%	\$3,846,987,614	\$1,024,274,307
	RP PI	55	55	0.6%	\$4,944,723,115	\$3,263,414,768
	RP MISC	160	172	2.0%	\$4,407,476,382	\$2,746,018,789
	BD OTHER	4,521	5,187	60.4%	\$88,241,977,431	\$50,074,078,844
	BOTH	115	120	1.4%	\$17,229,009,496	\$8,830,202,723
	LEGAL	153	180	2.1%	\$2,178,605,033	\$771,741,433
	OTHER	47	56	0.7%	\$1,997,439,283	\$604,587,457
	Total	7,580	8,583		\$182,407,322,705	\$95,703,742,252

Definitions of Categories for Assessment Appeals Reports

- RP CI Real Property, Commercial-Industrial
- RP MF Real Property, Multi-family
- RP SF Real Property, Single Family
- RP PI Real Property, Possessory Interest
- BD Other Business Division, Other unsecured, not MH or Secured Business
- BD MH Business Division, Mobile Home
- BOTH Both Business and Real Property Issues in one secured parcel
- LEGAL Legal challenge, rather than a valuation appeal
- DENIED Legal Hearing Officer denies applicant's request for legal issue
- GRANTED Legal Hearing Officer grants applicant's request for legal issue
- DUPLICA Duplicate of another appeal
- LACK AP Lack of appearance - applicant denied at hearing ("no show")
- NO CHG No change to value determined by Appeals Board
- NOT TIM Clerk of Board determines applicant hasn't filed in timely manner
- OTHER Miscellaneous
- WITHDRA Withdrawn by applicant
- WD CHG Withdrawn by applicant, but Assessor makes Roll Corrections
- INCREAS Appeals Board determines increased assessed value
- REDUCED Appeals Board determines reduced assessed value
- VERBAL Verbal stipulation between applicant & Assessor – appr. by Board
- STIP Written stipulation between applicant & Assessor – appr. By Board

From: [Ellen Manzo](#)
To: [Clerk](#)
Cc: [MAJ GEN Kent Hillhouse USA \(Ret\)](#)
Subject: Pandemic Relief Request from the Veterans Memorial & Support Foundation Board
Date: Wednesday, May 3, 2023 1:03:54 PM

[EXTERNAL SENDER]

[Addressed to: clerk@losgatosca.gov](mailto:clerk@losgatosca.gov)

Please kindly forward the note that follows along with the enclosed link to the Members of the Town of Los Gatos Finance Commission, Mayor Ristow, Council Member Rennie, Town Manager Prevetti and Finance Director Ungvari

Thank you!

Chairman Rick Tinsley
Vice Chair Phil Koen
Commissioner Stacy Dell
Commissioner Andrew Howard
Commissioner Linda Reiners
Mayor Maria Ristow
Council Member Rob Rennie
Town Manager Laurel Prevetti
Finance Director Gitta Ungvari

Dear Chairman Tinsley, Vice Chairman Koen, Mayor Ristow, Council Member Rennie, Director Ungvari and Finance Commissioners,

I am the woman behind the Zoom voice whom you heard from for three minutes at the last Finance Commission meeting held on Monday, May 1. Below you will find a link that includes among other things, the ***Pandemic Relief Request sent by the Veterans Memorial & Support Foundation Board*** to the Town of Los Gatos Mayor, Town Council and Town Manager on March 21 for which receipt was positively acknowledged on Marcy 22 by Town Staff. We were informed this was to be discussed in the budgetary discussions held this month. We haven't seen the request included on either the Finance Commission agendas or the Town Council agendas and therefore wanted to ensure you were aware of this request. Please click on the link below which will include information about our request, Foundation goals, and accomplishments.

This request:

- Allows the Town Council and Finance Commission to identify clearly how \$260,000 plus of ARPA or other Town budgetary funds have been used. The Town can point to the Flame of Liberty Memorial and to their name perpetually upon the Wall of Gratitude as our Top Contributor.

- It is finite. It has a simple start and stop. It is easily identifiable and a great use of COVID recovery funding from America's taxpayers.
- It is an investment in an asset that benefits the community, the Town of Los Gatos Civic Center and has created a destination with purpose attracting visitors and economic advantage to the Town.
- Evidence of Town patriotism improves Town security as it serves to detract potential terrorists with recruiting interests from settling in Town.
- It is an investment by Americans for the future of the community.
- And in the end, it serves to improve the lives of those who have done so much for the freedom they have bestowed to us. Plain and simple.

We would appreciate you taking a concerted effort to review this request.

Please feel free to contact me on my cell at [REDACTED] or our Board President, Major General Kent Hillhouse, U.S. Army (Ret.) on his cell at [REDACTED] should you have any questions or desire to discuss. We would welcome the opportunity.

Please click on the LINK that follows:

<https://simplebooklet.com/vmsfpandemicfundingrequest>

Thank you,
Ellen Manzo
Volunteer Board Director
Veterans Memorial & Support Foundation
[REDACTED]

Ellen Manzo
Volunteer Exec Board Member
Veterans Memorial & Support Foundation
[REDACTED]

[Veterans Memorial & Support Foundation - About Us](#)
[Meet Members of the Veterans Memorial & Support Fdn Board](#)
[View the Flame of Liberty Memorial](#)
[Remember 9/11 - 20th Anniversary Tribute](#)



**TOWN OF LOS GATOS
FINANCE COMMISSION REPORT**

MEETING DATE: 05/08/2023

Item 4.

ITEM NO: 4

DESK ITEM

DATE: May 8, 2023
TO: Finance Commission
FROM: Laurel Prevetti, Town Manager
SUBJECT: Conclude Recommendations to the Town Council Regarding the Proposed Fiscal Year (FY) 2023/24 Proposed Operating and Capital Budgets

REMARKS:

Attachment 8 contains additional Commissioner Communications and Public Comment.

Attachments Received with the Staff Report:

1. Frequently Asked Questions Posted on April 25, 2023
2. Frequently Asked Questions Posted on April 26, 2023
3. Frequently Asked Questions Posted on May 1, 2023
4. Frequently Asked Questions Posted on May 3, 2023
5. Correction to the Proposed FY 2023/24 Operating and Capital Budgets
6. Commissioner Communications and Public Comments Received

Attachment Received with the Addendum:

7. Additional Commissioner Communications and Public Comments

Attachment Received with this Desk Item:

8. Additional Commissioner Communications and Public Comment

PREPARED BY: Gitta Ungvari
Finance Director

Reviewed by: Town Manager and Town Attorney

From: [Phil Koen](#)
To: [Gitta Ungvari](#); [Laurel Prevetti](#); [Wendy Wood](#)
Cc: [Rick Tinsley](#); [Rob Rennie](#); [Maria Ristow](#)
Subject: cities-meeting-assessor-report-202305.pdf
Date: Saturday, May 6, 2023 6:33:00 AM
Attachments: [cities-meeting-assessor-report-202305.pdf](#)

[EXTERNAL SENDER]

Gitta,

Attached please find the latest report dated May 1, 2023 from the SCC Assessor's Office which projects the Town's secured real property tax roll for FY 24 increasing 6.6% from the prior FY 23 tax roll. This is an upward revision from the February 2023 projection which was 6.1% growth in assessor roll.

Based on this, the assumption of a 3% increase in property tax revenue in FY 24 seems outdated and should be revised to reflect the new information provided by SCC Assessor's Office.

For sake of clarity the Town's FY 24 property tax revenue forecast includes tax revenue from secured property (by far the largest component), unsecured property, ERAF funds (which have been conservatively forecast to be \$1.5m vs. estimates provided by SCC of \$2.2M) and supplemental revenues (which is a minor portion of the total property tax revenue estimate). VLF revenues are separately forecasted.

Accurately forecasting property tax revenue is critical to properly modeling the funds available for the Town to provide services and support to the Town. Given the new information, the Town should adjust their property tax revenue forecast appropriately.

Thank you,

Phil Koen

FOGG

Finance Officers' Governance Group

Cities Meeting



5/1/23

Office of the Assessor, Lawrence E. Stone

Nora Galvez

Division Chief for SSE

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May 1, 2023

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2023/2024 Secured Real Property Growth Compared to 2022/2023 City and RDA

Item 4.

City Name	2023/2024 Roll as of 2023-04-30	City Name	2022/2023 Roll as of 2022-04-30	% CHANGE 2023/2024 to 2022/2023
Campbell		Campbell		
CAWF (2023/2024 roll in progress)	\$12,194,600,731	CAWF (2022/2023 roll in progress)	\$11,429,295,665	6.69%
CTR (2022/2023 with roll corrections)	\$11,548,517,671	CTR (2021/2022 with roll corrections)	\$10,721,263,424	7.71%
ROLL (2022/2023 at roll close without any changes)	\$11,515,690,573	ROLL (2021/2022 at roll close without any changes)	\$10,748,440,436	7.13%
CHANGE (to the 2022/2023 roll due to roll corrections)	\$32,827,098	CHANGE (to the 2021/2022 roll due to roll corrections)	(\$27,177,012)	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	0.28%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	-0.25%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$678,910,158	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$680,855,229	-0.28%
PERCENT GROWTH (line 6/line 3 x 100)	5.89%	PERCENT GROWTH (line 6/line 3 x 100)	6.33%	
Campbell RDA		Campbell RDA		
CAWF (2023/2024 roll in progress)	\$1,516,416,670	CAWF (2022/2023 roll in progress)	\$1,458,445,766	3.97%
CTR (2022/2023 with roll corrections)	\$1,464,268,408	CTR (2021/2022 with roll corrections)	\$1,407,553,638	4.02%
ROLL (2022/2023 at roll close without any changes)	\$1,461,877,032	ROLL (2021/2022 at roll close without any changes)	\$1,411,106,497	3.59%
CHANGE (to the 2022/2023 roll due to roll corrections)	\$2,391,376	CHANGE (to the 2021/2022 roll due to roll corrections)	(\$3,552,859)	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	0.16%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	-0.25%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$54,539,638	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$47,339,269	15.21%
PERCENT GROWTH (line 6/line 3 x 100)	3.73%	PERCENT GROWTH (line 6/line 3 x 100)	3.35%	
Cupertino		Cupertino		
CAWF (2023/2024 roll in progress)	\$29,455,123,842	CAWF (2022/2023 roll in progress)	\$27,591,649,466	6.75%
CTR (2022/2023 with roll corrections)	\$28,197,194,109	CTR (2021/2022 with roll corrections)	\$26,175,244,708	7.72%
ROLL (2022/2023 at roll close without any changes)	\$28,023,019,894	ROLL (2021/2022 at roll close without any changes)	\$26,198,594,820	6.96%
CHANGE (to the 2022/2023 roll due to roll corrections)	\$174,174,215	CHANGE (to the 2021/2022 roll due to roll corrections)	(\$23,350,112)	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	0.62%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	-0.08%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$1,432,103,948	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$1,393,054,646	2.80%
PERCENT GROWTH (line 6/line 3 x 100)	5.11%	PERCENT GROWTH (line 6/line 3 x 100)	5.31%	
Gilroy		Gilroy		
CAWF (2023/2024 roll in progress)	\$11,554,953,912	CAWF (2022/2023 roll in progress)	\$10,846,800,834	6.52%
CTR (2022/2023 with roll corrections)	\$10,929,594,285	CTR (2021/2022 with roll corrections)	\$10,224,784,784	6.89%
ROLL (2022/2023 at roll close without any changes)	\$10,905,182,250	ROLL (2021/2022 at roll close without any changes)	\$10,230,233,872	6.59%
CHANGE (to the 2022/2023 roll due to roll corrections)	\$24,412,035	CHANGE (to the 2021/2022 roll due to roll corrections)	(\$5,449,088)	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	0.22%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	-0.05%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$649,771,662	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$616,566,962	5.38%
PERCENT GROWTH (line 6/line 3 x 100)	5.95%	PERCENT GROWTH (line 6/line 3 x 100)	6.02%	
Los Altos		Los Altos		
CAWF (2023/2024 roll in progress)	\$21,884,739,891	CAWF (2022/2023 roll in progress)	\$20,571,914,853	6.38%
CTR (2022/2023 with roll corrections)	\$20,754,882,140	CTR (2021/2022 with roll corrections)	\$19,141,410,772	8.42%
ROLL (2022/2023 at roll close without any changes)	\$20,702,083,186	ROLL (2021/2022 at roll close without any changes)	\$19,120,639,741	8.27%
CHANGE (to the 2022/2023 roll due to roll corrections)	\$52,798,954	CHANGE (to the 2021/2022 roll due to roll corrections)	\$20,771,031	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	0.25%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	0.10%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$1,182,656,705	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$1,451,275,112	-18.50%
PERCENT GROWTH (line 6/line 3 x 100)	5.71%	PERCENT GROWTH (line 6/line 3 x 100)	7.59%	

Please note that these reports reflect GROSS real property land and structural values only. Business personal property exemption values are based upon annual filings and are not available until roll close, July 1 each year.

2023/2024 Secured Real Property Growth Compared to 2022/2023 City and RDA

Item 4.

City Name	2023/2024 Roll as of 2023-04-30	City Name	2022/2023 Roll as of 2022-04-30	% CHANGE 2023/2024 to 2022/2023
Los Altos Hills		Los Altos Hills		
CAWF (2023/2024 roll in progress)	\$10,530,311,312	CAWF (2022/2023 roll in progress)	\$9,887,030,635	6.50%
CTR (2022/2023 with roll corrections)	\$9,964,219,929	CTR (2021/2022 with roll corrections)	\$9,338,369,243	6.70%
ROLL (2022/2023 at roll close without any changes)	\$9,963,173,383	ROLL (2021/2022 at roll close without any changes)	\$9,356,272,442	6.48%
CHANGE (to the 2022/2023 roll due to roll corrections)	\$1,046,546	CHANGE (to the 2021/2022 roll due to roll corrections)	(\$17,903,199)	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	0.01%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	-0.19%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$567,137,929	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$530,758,193	6.85%
PERCENT GROWTH (line 6/line 3 x 100)	5.69%	PERCENT GROWTH (line 6/line 3 x 100)	5.67%	
Los Gatos		Los Gatos		
CAWF (2023/2024 roll in progress)	\$15,639,373,252	CAWF (2022/2023 roll in progress)	\$14,624,113,831	6.94%
CTR (2022/2023 with roll corrections)	\$14,662,828,121	CTR (2021/2022 with roll corrections)	\$13,667,916,027	7.27%
ROLL (2022/2023 at roll close without any changes)	\$14,662,575,874	ROLL (2021/2022 at roll close without any changes)	\$13,666,778,188	7.28%
CHANGE (to the 2022/2023 roll due to roll corrections)	\$252,247	CHANGE (to the 2021/2022 roll due to roll corrections)	\$1,137,839	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	0.00%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	0.00%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$976,797,378	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$957,335,643	2.03%
PERCENT GROWTH (line 6/line 3 x 100)	6.66%	PERCENT GROWTH (line 6/line 3 x 100)	7.00%	
Los Gatos RDA		Los Gatos RDA		
CAWF (2023/2024 roll in progress)	\$2,179,360,327	CAWF (2022/2023 roll in progress)	\$2,035,712,832	7.05%
CTR (2022/2023 with roll corrections)	\$2,056,681,101	CTR (2021/2022 with roll corrections)	\$1,897,903,280	8.36%
ROLL (2022/2023 at roll close without any changes)	\$2,061,785,286	ROLL (2021/2022 at roll close without any changes)	\$1,906,496,958	8.14%
CHANGE (to the 2022/2023 roll due to roll corrections)	(\$5,104,185)	CHANGE (to the 2021/2022 roll due to roll corrections)	(\$8,593,678)	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	-0.24%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	-0.45%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$117,575,041	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$129,215,874	-9.00%
PERCENT GROWTH (line 6/line 3 x 100)	5.70%	PERCENT GROWTH (line 6/line 3 x 100)	6.77%	
Milpitas		Milpitas		
CAWF (2023/2024 roll in progress)	\$12,287,814,565	CAWF (2022/2023 roll in progress)	\$11,548,360,158	6.40%
CTR (2022/2023 with roll corrections)	\$11,714,336,037	CTR (2021/2022 with roll corrections)	\$10,978,841,182	6.69%
ROLL (2022/2023 at roll close without any changes)	\$11,679,761,411	ROLL (2021/2022 at roll close without any changes)	\$11,053,130,609	5.66%
CHANGE (to the 2022/2023 roll due to roll corrections)	\$34,574,626	CHANGE (to the 2021/2022 roll due to roll corrections)	(\$74,289,427)	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	0.29%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	-0.67%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$608,053,154	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$495,229,549	22.78%
PERCENT GROWTH (line 6/line 3 x 100)	5.20%	PERCENT GROWTH (line 6/line 3 x 100)	4.48%	
Milpitas RDA		Milpitas RDA		
CAWF (2023/2024 roll in progress)	\$10,445,495,527	CAWF (2022/2023 roll in progress)	\$9,702,874,696	7.65%
CTR (2022/2023 with roll corrections)	\$10,011,975,368	CTR (2021/2022 with roll corrections)	\$9,287,633,271	7.79%
ROLL (2022/2023 at roll close without any changes)	\$10,065,617,601	ROLL (2021/2022 at roll close without any changes)	\$9,280,564,659	8.45%
CHANGE (to the 2022/2023 roll due to roll corrections)	(\$53,642,233)	CHANGE (to the 2021/2022 roll due to roll corrections)	\$7,068,612	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	-0.53%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	0.07%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$379,877,926	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$422,310,037	-10.04%
PERCENT GROWTH (line 6/line 3 x 100)	3.77%	PERCENT GROWTH (line 6/line 3 x 100)	4.55%	

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2023/2024 Secured Real Property Growth Compared to 2022/2023 City and RDA

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City Name	2023/2024 Roll as of 2023-04-30	City Name	2022/2023 Roll as of 2022-04-30	% CHANGE 2023/2024 to 2022/2023
Monte Sereno		Monte Sereno		
CAWF (2023/2024 roll in progress)	\$3,046,005,934	CAWF (2022/2023 roll in progress)	\$2,790,715,688	9.14%
CTR (2022/2023 with roll corrections)	\$2,812,033,378	CTR (2021/2022 with roll corrections)	\$2,565,150,682	9.62%
ROLL (2022/2023 at roll close without any changes)	\$2,812,913,583	ROLL (2021/2022 at roll close without any changes)	\$2,566,132,966	9.61%
CHANGE (to the 2022/2023 roll due to roll corrections)	(\$880,205)	CHANGE (to the 2021/2022 roll due to roll corrections)	(\$982,284)	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	-0.03%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	-0.03%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$233,092,351	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$224,582,722	3.78%
PERCENT GROWTH (line 6/line 3 x 100)	8.28%	PERCENT GROWTH (line 6/line 3 x 100)	8.75%	
Morgan Hill		Morgan Hill		
CAWF (2023/2024 roll in progress)	\$8,455,022,991	CAWF (2022/2023 roll in progress)	\$7,937,421,760	6.52%
CTR (2022/2023 with roll corrections)	\$7,979,441,831	CTR (2021/2022 with roll corrections)	\$7,424,044,831	7.48%
ROLL (2022/2023 at roll close without any changes)	\$7,980,809,889	ROLL (2021/2022 at roll close without any changes)	\$7,427,566,011	7.44%
CHANGE (to the 2022/2023 roll due to roll corrections)	(\$1,368,058)	CHANGE (to the 2021/2022 roll due to roll corrections)	(\$3,521,180)	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	-0.01%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	-0.04%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$474,213,102	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$509,855,749	-6.99%
PERCENT GROWTH (line 6/line 3 x 100)	5.94%	PERCENT GROWTH (line 6/line 3 x 100)	6.86%	
Morgan Hill RDA		Morgan Hill RDA		
CAWF (2023/2024 roll in progress)	\$4,568,112,954	CAWF (2022/2023 roll in progress)	\$4,226,442,995	8.08%
CTR (2022/2023 with roll corrections)	\$4,263,343,865	CTR (2021/2022 with roll corrections)	\$3,938,843,504	8.23%
ROLL (2022/2023 at roll close without any changes)	\$4,277,708,286	ROLL (2021/2022 at roll close without any changes)	\$3,940,106,399	8.56%
CHANGE (to the 2022/2023 roll due to roll corrections)	(\$14,364,421)	CHANGE (to the 2021/2022 roll due to roll corrections)	(\$1,262,895)	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	-0.33%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	-0.03%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$290,404,668	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$286,336,596	1.42%
PERCENT GROWTH (line 6/line 3 x 100)	6.78%	PERCENT GROWTH (line 6/line 3 x 100)	7.26%	
Mountain View		Mountain View		
CAWF (2023/2024 roll in progress)	\$36,427,522,296	CAWF (2022/2023 roll in progress)	\$33,313,457,688	9.34%
CTR (2022/2023 with roll corrections)	\$34,698,970,633	CTR (2021/2022 with roll corrections)	\$31,315,821,818	10.80%
ROLL (2022/2023 at roll close without any changes)	\$34,346,479,051	ROLL (2021/2022 at roll close without any changes)	\$30,879,786,190	11.22%
CHANGE (to the 2022/2023 roll due to roll corrections)	\$352,491,582	CHANGE (to the 2021/2022 roll due to roll corrections)	\$436,035,628	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	1.02%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	1.41%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$2,081,043,245	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$2,433,671,498	-14.48%
PERCENT GROWTH (line 6/line 3 x 100)	6.05%	PERCENT GROWTH (line 6/line 3 x 100)	7.88%	
Mountain View RDA		Mountain View RDA		
CAWF (2023/2024 roll in progress)	\$5,023,532,648	CAWF (2022/2023 roll in progress)	\$4,395,602,482	14.28%
CTR (2022/2023 with roll corrections)	\$4,792,867,647	CTR (2021/2022 with roll corrections)	\$4,263,745,983	12.40%
ROLL (2022/2023 at roll close without any changes)	\$4,765,744,352	ROLL (2021/2022 at roll close without any changes)	\$4,751,066,023	0.30%
CHANGE (to the 2022/2023 roll due to roll corrections)	\$27,123,295	CHANGE (to the 2021/2022 roll due to roll corrections)	(\$487,320,040)	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	0.56%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	-10.25%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$257,788,296	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	(\$355,463,541)	-172.52%
PERCENT GROWTH (line 6/line 3 x 100)	5.40%	PERCENT GROWTH (line 6/line 3 x 100)	-7.48%	

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2023/2024 Secured Real Property Growth Compared to 2022/2023 City and RDA

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City Name	2023/2024 Roll as of 2023-04-30	City Name	2022/2023 Roll as of 2022-04-30	% CHANGE 2023/2024 to 2022/2023
Palo Alto		Palo Alto		
CAWF (2023/2024 roll in progress)	\$54,422,766,636	CAWF (2022/2023 roll in progress)	\$51,376,269,732	5.92%
CTR (2022/2023 with roll corrections)	\$52,039,310,380	CTR (2021/2022 with roll corrections)	\$48,751,356,806	6.74%
ROLL (2022/2023 at roll close without any changes)	\$51,882,526,763	ROLL (2021/2022 at roll close without any changes)	\$48,782,114,409	6.35%
CHANGE (to the 2022/2023 roll due to roll corrections)	\$156,783,617	CHANGE (to the 2021/2022 roll due to roll corrections)	(\$30,757,603)	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	0.30%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	-0.06%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$2,540,239,873	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$2,594,155,323	-2.07%
PERCENT GROWTH (line 6/line 3 x 100)	4.89%	PERCENT GROWTH (line 6/line 3 x 100)	5.31%	
San Jose		San Jose		
CAWF (2023/2024 roll in progress)	\$200,957,341,187	CAWF (2022/2023 roll in progress)	\$188,069,609,462	6.85%
CTR (2022/2023 with roll corrections)	\$190,390,683,642	CTR (2021/2022 with roll corrections)	\$176,880,672,370	7.63%
ROLL (2022/2023 at roll close without any changes)	\$189,557,170,791	ROLL (2021/2022 at roll close without any changes)	\$176,878,685,448	7.16%
CHANGE (to the 2022/2023 roll due to roll corrections)	\$833,512,851	CHANGE (to the 2021/2022 roll due to roll corrections)	\$1,986,922	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	0.43%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	0.00%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$11,400,170,396	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$11,190,924,014	1.86%
PERCENT GROWTH (line 6/line 3 x 100)	6.01%	PERCENT GROWTH (line 6/line 3 x 100)	6.32%	
San Jose RDA		San Jose RDA		
CAWF (2023/2024 roll in progress)	\$36,691,243,082	CAWF (2022/2023 roll in progress)	\$33,930,946,550	8.13%
CTR (2022/2023 with roll corrections)	\$35,308,350,983	CTR (2021/2022 with roll corrections)	\$32,974,961,854	7.07%
ROLL (2022/2023 at roll close without any changes)	\$35,045,572,114	ROLL (2021/2022 at roll close without any changes)	\$32,930,852,350	6.42%
CHANGE (to the 2022/2023 roll due to roll corrections)	\$262,778,869	CHANGE (to the 2021/2022 roll due to roll corrections)	\$44,109,504	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	0.74%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	0.13%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$1,645,670,968	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$1,000,094,200	64.55%
PERCENT GROWTH (line 6/line 3 x 100)	4.69%	PERCENT GROWTH (line 6/line 3 x 100)	3.03%	
Santa Clara		Santa Clara		
CAWF (2023/2024 roll in progress)	\$45,957,761,960	CAWF (2022/2023 roll in progress)	\$41,991,712,316	9.44%
CTR (2022/2023 with roll corrections)	\$43,831,396,730	CTR (2021/2022 with roll corrections)	\$39,927,380,373	9.77%
ROLL (2022/2023 at roll close without any changes)	\$43,552,855,862	ROLL (2021/2022 at roll close without any changes)	\$39,830,515,445	9.34%
CHANGE (to the 2022/2023 roll due to roll corrections)	\$278,540,868	CHANGE (to the 2021/2022 roll due to roll corrections)	\$96,864,928	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	0.63%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	0.24%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$2,404,906,098	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$2,161,196,871	11.27%
PERCENT GROWTH (line 6/line 3 x 100)	5.52%	PERCENT GROWTH (line 6/line 3 x 100)	5.42%	
Santa Clara RDA		Santa Clara RDA		
CAWF (2023/2024 roll in progress)	\$5,222,341,015	CAWF (2022/2023 roll in progress)	\$4,617,062,184	13.10%
CTR (2022/2023 with roll corrections)	\$4,961,807,274	CTR (2021/2022 with roll corrections)	\$4,620,082,412	7.39%
ROLL (2022/2023 at roll close without any changes)	\$4,763,849,771	ROLL (2021/2022 at roll close without any changes)	\$4,612,733,657	3.27%
CHANGE (to the 2022/2023 roll due to roll corrections)	\$197,957,503	CHANGE (to the 2021/2022 roll due to roll corrections)	\$7,348,755	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	4.15%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	0.15%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$458,491,244	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$4,328,527	10,492.31%
PERCENT GROWTH (line 6/line 3 x 100)	9.62%	PERCENT GROWTH (line 6/line 3 x 100)	0.09%	

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2023/2024 Secured Real Property Growth Compared to 2022/2023 City and RDA

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City Name	2023/2024 Roll as of 2023-04-30	City Name	2022/2023 Roll as of 2022-04-30	% CHANGE 2023/2024 to 2022/2023
Saratoga		Saratoga		
CAWF (2023/2024 roll in progress)	\$20,095,803,059	CAWF (2022/2023 roll in progress)	\$18,977,320,590	5.89%
CTR (2022/2023 with roll corrections)	\$19,087,448,335	CTR (2021/2022 with roll corrections)	\$17,725,240,394	7.68%
ROLL (2022/2023 at roll close without any changes)	\$19,072,323,455	ROLL (2021/2022 at roll close without any changes)	\$17,722,605,307	7.61%
CHANGE (to the 2022/2023 roll due to roll corrections)	\$15,124,880	CHANGE (to the 2021/2022 roll due to roll corrections)	\$2,635,087	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	0.07%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	0.01%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$1,023,479,604	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$1,254,715,283	-18.42%
PERCENT GROWTH (line 6/line 3 x 100)	5.36%	PERCENT GROWTH (line 6/line 3 x 100)	7.07%	
Sunnyvale		Sunnyvale		
CAWF (2023/2024 roll in progress)	\$57,604,875,920	CAWF (2022/2023 roll in progress)	\$53,480,004,181	7.71%
CTR (2022/2023 with roll corrections)	\$55,533,847,185	CTR (2021/2022 with roll corrections)	\$50,829,758,591	9.25%
ROLL (2022/2023 at roll close without any changes)	\$55,172,832,000	ROLL (2021/2022 at roll close without any changes)	\$50,719,331,378	8.78%
CHANGE (to the 2022/2023 roll due to roll corrections)	\$361,015,185	CHANGE (to the 2021/2022 roll due to roll corrections)	\$110,427,213	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	0.65%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	0.21%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$2,432,043,920	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$2,760,672,803	-11.90%
PERCENT GROWTH (line 6/line 3 x 100)	4.40%	PERCENT GROWTH (line 6/line 3 x 100)	5.44%	
Sunnyvale RDA		Sunnyvale RDA		
CAWF (2023/2024 roll in progress)	\$2,184,870,114	CAWF (2022/2023 roll in progress)	\$2,047,332,047	6.71%
CTR (2022/2023 with roll corrections)	\$2,087,396,853	CTR (2021/2022 with roll corrections)	\$1,988,607,076	4.96%
ROLL (2022/2023 at roll close without any changes)	\$2,080,144,056	ROLL (2021/2022 at roll close without any changes)	\$2,021,324,384	2.90%
CHANGE (to the 2022/2023 roll due to roll corrections)	\$7,252,797	CHANGE (to the 2021/2022 roll due to roll corrections)	(\$32,717,308)	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	0.34%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	-1.61%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$104,726,058	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$26,007,663	302.67%
PERCENT GROWTH (line 6/line 3 x 100)	5.03%	PERCENT GROWTH (line 6/line 3 x 100)	1.28%	
Unincorporated		Unincorporated		
CAWF (2023/2024 roll in progress)	\$30,807,106,145	CAWF (2022/2023 roll in progress)	\$29,144,788,947	5.70%
CTR (2022/2023 with roll corrections)	\$29,430,949,068	CTR (2021/2022 with roll corrections)	\$27,771,610,709	5.97%
ROLL (2022/2023 at roll close without any changes)	\$29,415,747,948	ROLL (2021/2022 at roll close without any changes)	\$27,746,896,971	6.01%
CHANGE (to the 2022/2023 roll due to roll corrections)	\$15,201,120	CHANGE (to the 2021/2022 roll due to roll corrections)	\$24,713,738	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	0.05%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	0.08%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$1,391,358,197	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$1,397,891,976	-0.46%
PERCENT GROWTH (line 6/line 3 x 100)	4.72%	PERCENT GROWTH (line 6/line 3 x 100)	5.03%	
Unincorporated RDA		Unincorporated RDA		
CAWF (2023/2024 roll in progress)	\$2,332	CAWF (2022/2023 roll in progress)	\$2,287	1.96%
CTR (2022/2023 with roll corrections)	\$2,287	CTR (2021/2022 with roll corrections)	\$2,243	1.96%
ROLL (2022/2023 at roll close without any changes)	\$2,287	ROLL (2021/2022 at roll close without any changes)	\$2,243	1.96%
CHANGE (to the 2022/2023 roll due to roll corrections)	\$0	CHANGE (to the 2021/2022 roll due to roll corrections)	\$0	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	0.00%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	0.00%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$45	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$44	2.27%
PERCENT GROWTH (line 6/line 3 x 100)	1.96%	PERCENT GROWTH (line 6/line 3 x 100)	1.96%	

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2023/2024 Secured Real Property Growth Compared to 2022/2023
City and RDA

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City Name	2023/2024 Roll as of 2023-04-30	City Name	2022/2023 Roll as of 2022-04-30	% CHANGE 2023/2024 to 2022/2023
Unknown		Unknown		
CAWF (2023/2024 roll in progress)	\$0	CAWF (2022/2023 roll in progress)	\$139,824,633	-100.00%
CTR (2022/2023 with roll corrections)	\$0	CTR (2021/2022 with roll corrections)	\$0	
ROLL (2022/2023 at roll close without any changes)	\$0	ROLL (2021/2022 at roll close without any changes)	\$0	
CHANGE (to the 2022/2023 roll due to roll corrections)	\$0	CHANGE (to the 2021/2022 roll due to roll corrections)	\$0	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)		PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)		
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$0	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$139,824,633	-100.00%
PERCENT GROWTH (line 6/line 3 x 100)		PERCENT GROWTH (line 6/line 3 x 100)		
Countywide Total		Countywide Total		
CAWF (2023/2024 roll in progress)	\$639,152,498,302	CAWF (2022/2023 roll in progress)	\$596,134,712,278	7.21%
CTR (2022/2023 with roll corrections)	\$608,522,347,260	CTR (2021/2022 with roll corrections)	\$563,818,199,975	7.92%
ROLL (2022/2023 at roll close without any changes)	\$605,767,446,698	ROLL (2021/2022 at roll close without any changes)	\$563,781,977,403	7.44%
CHANGE (to the 2022/2023 roll due to roll corrections)	\$2,754,900,562	CHANGE (to the 2021/2022 roll due to roll corrections)	\$36,222,572	
PERCENT CHANGE (to the 2022/2023 roll due to roll corrections)	0.45%	PERCENT CHANGE (to the 2021/2022 roll due to roll corrections)	0.00%	
GROWTH (between 2022/2023 and 2023/2024 assessment rolls)	\$33,385,051,604	GROWTH (between 2021/2022 and 2022/2023 assessment rolls)	\$32,352,734,875	3.19%
PERCENT GROWTH (line 6/line 3 x 100)	5.51%	PERCENT GROWTH (line 6/line 3 x 100)	5.73%	

Please note that these reports reflect GROSS real property land and structural values only. Business personal property exemption values are based upon annual filings and are not available until roll close, July 1 each year.

ASSESSORS APPEALS SYSTEM
Appeals Summary Report By Appeal Year

Item 4.

Dated: 4/1/2022

County Wide Appeals	Appeal Count	Appeal Item Count	Valid Appeals	Valid Appeal Items	Active Appeals	County Verified	\$ At Risk Filed	\$ At Risk Active
2022	4,545	5,376	3,301	3,735	2,873	\$62,772,330,783	\$28,601,660,799	\$27,363,895,922
2021	4,210	4,854	3,529	4,048	1,330	\$63,453,804,998	\$28,524,754,567	\$15,107,457,837
2020	4,419	4,748	3,579	3,830	613	\$66,954,679,483	\$27,335,515,363	\$11,724,004,987
2019	3,900	4,459	3,399	3,837	648	\$47,310,596,934	\$20,789,289,215	\$8,259,914,501
2018	3,105	3,403	2,968	3,259	547	\$45,451,759,734	\$21,166,680,197	\$7,954,201,238
2017	3,302	3,528	2,894	3,118	259	\$52,665,371,613	\$24,366,890,566	\$8,581,425,136
2016	4,309	4,674	3,686	4,046	258	\$55,059,209,177	\$25,840,522,010	\$4,961,267,548
2015	3,950	4,703	3,493	4,236	300	\$56,439,358,509	\$27,601,144,774	\$5,174,666,675
2014	5,687	5,983	4,928	5,222	221	\$55,533,859,772	\$27,869,501,695	\$4,265,149,207
2013	6,356	6,617	5,608	5,869	37	\$54,472,379,987	\$26,416,275,813	\$1,330,563,693
2012	8,176	8,338	7,559	7,719	20	\$59,746,534,760	\$26,975,379,490	\$709,148,044
2011	9,499	9,599	8,715	8,813	14	\$55,444,789,015	\$24,268,883,234	\$643,322,711
2010	9,986	10,094	9,263	9,370	24	\$57,587,349,636	\$26,474,216,369	\$661,916,833
2009	12,415	12,901	11,201	11,686	4	\$65,684,069,525	\$29,374,716,464	\$335,877,745
2008	5,859	6,530	5,689	6,357	2	\$47,415,435,092	\$20,688,346,504	\$295,707,814
2007	3,390	3,969	3,258	3,831	2	\$37,591,503,780	\$17,100,264,080	\$220,028,046
2006	3,725	4,262	3,180	3,712	2	\$30,072,194,219	\$13,103,619,530	\$42,605,332
2005	3,936	4,898	3,556	4,518	0	\$34,741,006,418	\$17,603,038,732	\$0
2004	4,317	5,627	3,764	5,056	0	\$47,927,171,153	\$27,058,735,331	\$0
2003	3,842	6,307	3,333	5,785	0	\$42,954,432,541	\$20,004,398,974	\$0
2002	2,748	6,348	2,385	5,968	0	\$44,509,927,941	\$21,597,068,626	\$0
2001	2,428	4,606	2,080	4,254	0	\$29,760,581,193	\$15,851,629,433	\$0
2000	2,041	3,037	1,751	2,744	0	\$21,424,246,639	\$9,598,340,751	\$0
20	1	10	0	0	0	\$0	\$0	\$0
TOTALS:	116,147	134,872	103,119	121,013	7,154	\$1,134,972,592,902	\$528,210,872,517	\$97,631,153,269
-1	1	1	0	0	0	\$0	\$0	\$0

ASSESSORS APPEALS SYSTEM
Appeals Summary Report for Active Appeals

Item 4.
Dated: 4/1/2022

Year	Category	Appeal Count	Appeal tem Count	Percent	County Verified	Disputed Value
2022	RP CI	457	548	16.7%	\$25,484,189,800	\$11,414,993,775
	RP MF	118	129	3.9%	\$5,829,280,171	\$1,913,795,977
	RP SF	967	1,129	34.5%	\$2,630,307,062	\$675,744,437
	RP PI	13	13	0.4%	\$271,134,118	\$135,592,645
	RP MISC	85	98	3.0%	\$1,324,683,350	\$784,071,194
	BD OTHER	1,096	1,184	36.1%	\$18,458,777,780	\$10,306,722,137
	BOTH	20	20	0.6%	\$3,751,410,217	\$1,364,331,137
	LEGAL	91	113	3.4%	\$366,879,823	\$160,933,100
	OTHER	35	43	1.3%	\$1,701,328,421	\$607,711,520
	Total	2,882	3,277		\$59,817,990,742	\$27,363,895,922
2021	RP CI	205	240	16.3%	\$11,260,172,152	\$5,588,863,983
	RP MF	56	56	3.8%	\$2,969,740,647	\$1,090,824,882
	RP SF	152	167	11.4%	\$540,285,776	\$173,354,627
	RP PI	8	8	0.5%	\$580,937,333	\$283,333,042
	RP MISC	35	40	2.7%	\$492,598,187	\$223,094,938
	BD OTHER	816	886	60.2%	\$13,906,912,917	\$6,998,300,114
	BOTH	14	15	1.0%	\$1,044,026,304	\$456,626,795
	LEGAL	38	49	3.3%	\$800,081,674	\$229,688,497
	OTHER	7	10	0.7%	\$284,223,760	\$63,370,959
	Total	1,331	1,471		\$31,878,978,750	\$15,107,457,837
2020	RP CI	76	88	12.6%	\$7,509,007,670	\$2,969,070,029
	RP SF	22	24	3.4%	\$60,758,338	\$12,258,777
	RP PI	6	6	0.9%	\$648,907,391	\$129,729,837
	RP MISC	8	8	1.1%	\$243,087,737	\$165,964,975
	BD OTHER	474	544	77.7%	\$14,746,529,269	\$7,394,964,891
	BOTH	14	15	2.1%	\$1,793,338,610	\$816,187,964
	LEGAL	9	10	1.4%	\$211,945,630	\$141,428,168
	OTHER	5	5	0.7%	\$188,795,455	\$94,400,346
	Total	614	700		\$25,402,370,100	\$11,724,004,987
2019	RP CI	45	45	5.4%	\$4,312,632,533	\$1,866,853,423
	RP MF	2	2	0.2%	\$155,775,724	\$77,887,862
	RP SF	7	7	0.8%	\$12,410,675	\$3,776,454
	RP PI	5	5	0.6%	\$201,345,768	\$102,543,884
	RP MISC	13	13	1.6%	\$469,873,516	\$282,670,027
	BD OTHER	554	740	88.6%	\$10,833,730,338	\$5,248,852,042
	BOTH	4	4	0.5%	\$979,568,400	\$338,128,357
	LEGAL	17	18	2.2%	\$579,034,062	\$136,349,735
	OTHER	1	1	0.1%	\$406,052,717	\$202,852,717
	Total	648	835		\$17,950,423,733	\$8,259,914,501
Total	RP CI	860	998	12.1%	\$52,175,671,168	\$23,548,998,195
	RP MF	177	188	2.3%	\$8,956,058,542	\$3,082,670,721
	RP SF	1,151	1,330	16.1%	\$3,248,989,919	\$865,459,362
	RP PI	44	44	0.5%	\$4,894,956,570	\$3,241,709,172
	RP MISC	153	171	2.1%	\$4,817,749,812	\$3,091,617,890
	BD OTHER	4,452	5,139	62.3%	\$92,182,253,303	\$52,657,718,110
	BOTH	114	120	1.5%	\$18,220,252,259	\$9,393,446,910
	LEGAL	160	195	2.4%	\$2,176,461,557	\$778,046,968
	OTHER	54	69	0.8%	\$2,595,210,353	\$971,485,941
	Total	7,165	8,254		\$189,267,603,483	\$97,631,153,269

Definitions of Categories for Assessment Appeals Reports

- RP CI Real Property, Commercial-Industrial
- RP MF Real Property, Multi-family
- RP SF Real Property, Single Family
- RP PI Real Property, Possessory Interest
- BD Other Business Division, Other unsecured, not MH or Secured Business
- BD MH Business Division, Mobile Home
- BOTH Both Business and Real Property Issues in one secured parcel
- LEGAL Legal challenge, rather than a valuation appeal
- DENIED Legal Hearing Officer denies applicant's request for legal issue
- GRANTED Legal Hearing Officer grants applicant's request for legal issue
- DUPLICA Duplicate of another appeal
- LACK AP Lack of appearance - applicant denied at hearing ("no show")
- NO CHG No change to value determined by Appeals Board
- NOT TIM Clerk of Board determines applicant hasn't filed in timely manner
- OTHER Miscellaneous
- WITHDRA Withdrawn by applicant
- WD CHG Withdrawn by applicant, but Assessor makes Roll Corrections
- INCREAS Appeals Board determines increased assessed value
- REDUCED Appeals Board determines reduced assessed value
- VERBAL Verbal stipulation between applicant & Assessor – appr. by Board
- STIP Written stipulation between applicant & Assessor – appr. By Board

From: [Phil Koen](#)
To: [Rick Tinsley](#)
Cc: [Wendy Wood](#); [Gitta Ungvari](#); [Laurel Prevetti](#)
Subject: Proposed Motion to be discussed at the upcoming FC meeting
Date: Sunday, May 7, 2023 8:11:22 PM
Attachments: [Draft Motion - FY 24 Budget.docx](#)

[EXTERNAL SENDER]

Rick,

Attached please find a proposed motion that I would like to discuss at the upcoming FC meeting. I would appreciate this being distributed to the FC members prior to the meeting.

Thank you,

Phil

Draft - subject to The Finance Commission's Discussion at the May 8th meeting

Motion to recommend approval of the FY 2024 Operating and CIP Budgets subject to the Town Council acceptance of the following Finance Commission's recommendations.

1. FY 24 Secured Property Tax/VLF Backfill revenues should be based on the SCC Assessor's Office latest tax assessment roll which shows a 6.6% increase in the Los Gatos FY 24 tax assessment roll over the FY 23 tax assessment roll. The current budget assumes a 3% increase from prior year.
2. FY 24 ERAF revenue forecast should be adjusted to reflect the County of Santa Clara published FY 24 estimate of \$2,203,000 ERAF distribution to the Town. The current budget assumes a \$1,500,000 distribution.
3. FY 24 Salary Savings should reflect a 4.6% vacancy rate (7 vacant positions based on 152.5 FTE) which would be consistent with the vacancy rate included in the 5-year plan for FY 25 – FY 29 and historical run rates. (Motion approved during May 1, 2023, meeting)
4. To slow the increase in Salary and Benefit expense, the Town Council may wish to consider not approving any "step increases" not required under a negotiated Memoranda of Understanding with the three bargaining units. It is our understanding that step increases in addition to COLA adjustments are included in the FY 24 Operating Budget. The dollar impact of "step increases" is not broken out in the budget.
5. To improve transparency and the ability to track variance from budget, schedules C-9, C-10, C-14, C-26 should be adjusted to show the detail of the \$36,166,293 in Salary and Benefits broken out by the following major categories: Salary, Overtime, CalPERS Benefits, All Other Benefits and OPEB Pay as you Go Benefits. This is consistent with the presentation used in the 5-year plan.
6. The ½ Measure G District Sales Tax totaling \$638,273 transferred from the General Fund to the GFAR is not included on schedules C-31 and C-33 resulting in the \$1,615,000 "transfers out" of the General Fund being under reported. The "transfer in" of the ½ Measure G District Sales Tax to the GFAR is correctly shown on schedule B-10 in the CIP Budget. In total \$2,253,273 is being "transferred out" of the General Fund not \$1,615,000. The FY 24 Operating Budget needs to be corrected to reflect this transfer.
7. The Town has budgeted unacceptably low fund balances as shown in C-35 in the Liability Self Insurance Fund (\$12,961) and the Worker's Compensation Fund (\$56,696). These levels are unsustainable and indicate FY 24 departmental service charges do not reflect actual historical loss experience. The FY 24 budget should be revised to reflect higher departmental service charges which will begin to restore the fund balances to FY 22 levels. The magnitude of this adjustment could be approximately \$500,000 increase in departmental charges over the current budgeted level. This issue is discussed on C-51.
8. The \$37,771,822 CIP Funding Budget (C-24) should include a capital outlay budget which forecasts the annual capital outlay for each funded project over the 5-year planning horizon. The schedules provided in the CIP Budget do not disclose the timing and amount of capital outlay by project. This leads to confusion over the ending fund balance for the GFAR. For example, on schedule B-11 the GFAR fund balance as of the end of FY 24 is projected to be \$1,966,634.

However, on schedule C-33 in the Operating Budget, the GFAR fund balance is projected to be \$17,462,275. This discrepancy results partially from treating the \$22,233,577 as a capital outlay for FY 24. This is obviously incorrect.

9. To be consistent with GASB 54 and improve transparency and accountability, the Town should create a \$1.2m “unassigned” reserve (approximately 5% of total General Fund Reserve) classification for the General Fund Balance as of June 30, 2023, and as of June 30, 2024. This will provide a “shock absorber” for unplanned expenditures that require funding during FY 24. As recently as for FY 2015, the Town had an “unassigned fund reserve” totaling \$2.0m. Currently when an unplanned expenditure that has no dedicated funding is approved by the Town Council, funding is normally provided by tapping the Capital/Special Projects reserve. This is not consistent with GASB 54 which states funds should be spent for the specific purpose that was identified at the time the reserve classification was established. To establish a new “unassigned reserve classification” the Town Council will need to incorporate this action in the annual GASB 54 Resolution which is adopted at the same time the annual budget is adopted and prior to June 30, 2023. Additionally, the Town’s General Fund Reserve Policy should be amended to reflect the addition of the “unassigned” reserve classification. Please refer to schedule C-34 to see a 5-year history of the General Fund Balance classifications.

From: [Phil Koen](#)
To: [Rick Tinsley](#); [Wendy Wood](#); [Gitta Ungvari](#); [Laurel Prevetti](#); [Maria Ristow](#); [Rob Rennie](#)
Subject: Additional recommendation to be included in Draft Motion
Date: Monday, May 8, 2023 8:12:05 AM

[EXTERNAL SENDER]

Rick,

I forgot to include one more recommendation in the draft motion.

10. If the Town Council accepts recommendations #1, #2, and #3, the FY 24 Operating Budget will not require the withdrawal of \$1,608,226 from the OPEB Trust to balance the budget. These funds should remain in the OPEB Trust to fund other post employment benefits that are legally obligated.

Could you please distribute this to the FC prior to tonight's meeting.

Thank you,

Phil Koen

Sent from my iPhone

From: [Rob Stump](#)
To: [Wendy Wood](#)
Subject: Memo to Finance Commission
Date: Monday, May 8, 2023 10:50:51 AM
Attachments: [23-24 CIP Wildfire Prevention Projects-RS 230507.pdf](#)

[EXTERNAL SENDER]

Wendy,

First...I hope you are doing well. Seems to me you are nearing your one-year anniversary with the Town. Good to have you on the team!

Can you get the attached memo on 2023-24 Wildfire CIP requirements to the Finance Commissioners?

Thank you!

Rob Stump



Town of Los Gatos Finance Commission

May 7, 2023

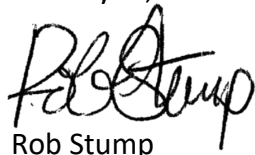
Dear Finance Commissioners,

As you prepare recommendations for the Town Council on the 2023-24 Capital Improvement Plan (CIP), I am providing a final reminder about the two Wildfire Prevention projects requiring funding in this cycle. Here are the recommended amounts to be funded along with basic project descriptions.

1. Roadside Fuel Reduction (\$750,000). The Town is the recipient of a matching grant under the Build Back Better Initiative (administered through the USDA). The Town must provide a dollar-for-dollar match to receive this funding. The best course of action is to approve the full match, \$750,000, in the 2023-24 CIP. By taking this action, we will have committed funding for roadside fuel reduction in 2023-24 and 2024-25, \$750,000 for each fiscal year. This funding will ensure that our roadside fuel reduction efforts continue on plan, which calls for the 31 miles of Los Gatos public roadways in the Very High Fire Hazard Severity Zone (VHFHSZ) to be addressed over a six-year period. These funds will be applied to years 3 and 4 of the six-year plan. A portion of the funds for 2023-24 will also be used to remove hazardous Eucalyptus trees on Overlook Road which are located in the VHFHSZ.
2. Roadside Fuel and Open Space Vegetation Management (\$100,000). I know that Public Works will be proposing that perpetual annual funding be included in the CIP beginning with FY 2023/24. The initial project funding request is \$100,000. This project recognizes that the work of fuel reduction along our roadways and open space in the VHFHSZ is never done. While the true funding requirement for these fuel reduction maintenance measures is not fully known, this is a good start and something that needs to be considered every year.

If you have any questions or need further information about either of these CIP initiatives, please let me know.

Thank you,



Rob Stump